



This document outlines the



# RapidResponse Sales and Operations Planning (S&OP) Application

**Kinaxis® RapidResponse® allows companies to concurrently and continuously plan, monitor, and respond in a single environment and across business functions.**

Kinaxis offers a broad array of supply chain applications supported by RapidResponse's single data model and analytics engine, and accessed through a common user interface. This allows our customers to use one product to holistically manage multiple supply chain processes. By using a single product instead of combining individual disparate software solutions, our customers gain visibility across their supply chains, can respond quickly to changing conditions, and ultimately realize significant operating efficiencies.



## The Building Blocks

RapidResponse applications can be deployed individually or in conjunction with other applications. Each of the RapidResponse applications are based on best-practices and standard process flows established by our years of successful deployments at a multitude of world leading manufacturers. The out-of-the-box applications can enable quick implementations, or can act as an advanced starting point for a tailored solution. Designed to be highly configurable, an application can be adapted as desired to meet a company's unique needs without the heavy and ongoing burden of custom coding.

The unified set of applications present the building blocks to leveraging RapidResponse across the end-to-end supply chain, maximizing the cross-functional value that can be delivered by the product.



# Sales and Operations Planning (S&OP)

The objective of the RapidResponse S&OP application is to evaluate, collaborate, and choose a sales and operations plan that most closely aligns with the financial business plan.

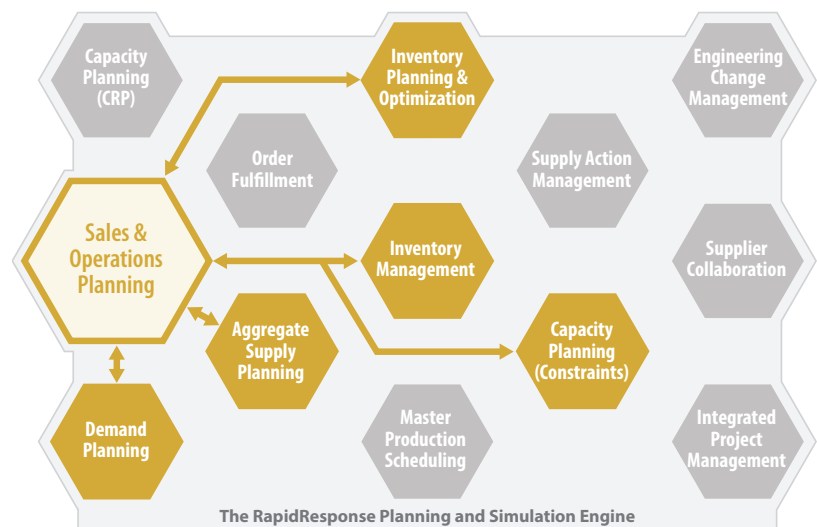
The Sales and Operations Planning application enables an S&OP transformation because it is driven by a single system. Because you are drawing all information from a single data model, you can combine demand and supply planning, volume and mix planning, and long-term and short-term planning. Collaboration across functions (demand planning, supply planning, inventory management, capacity planning, finance, sales and marketing) can more naturally occur because you are working in concert from a single data source. Process templates and task flows guide individuals through their specific activities, as well as help ensure all parties adhere to the timelines and dependencies associated with the cross-functional processes in S&OP. Various stages of the S&OP process can occur concurrently and continuously to improve the efficiency of the process and ensure the current S&OP plan reflects most recent decisions and developments.

## The Added Value of Integrated Applications

Among the greatest advantages of any given RapidResponse application is the ability to leverage it in conjunction with other applications as part of a broader, integrated solution.

Depending on the need, significant added benefits can be achieved by using the S&OP application alongside one or more related applications to ensure synchronization across interrelated planning processes. Companies that use the S&OP application can achieve advantages and broader value by using it with connected applications such as (but not limited to):

- ✓ Demand Planning
- ✓ Aggregate Supply Planning
- ✓ Capacity Planning (Constraints)
- ✓ Inventory Planning & Optimization
- ✓ Inventory Management



## Performing Sales and Operations Planning with RapidResponse

The functional capabilities of the S&OP application include:

- ✓ Set various financial targets and acceptable levels of variability
- ✓ Measure progress against those targets
- ✓ Identify gaps between the consensus demand plan and aggregate supply plan, and re-balance by changing or “shaping” the forecast demand in such a way as to be achievable
- ✓ Evaluate multiple supply-demand balancing scenarios against various company metrics to enable optimal trade-offs
- ✓ Enter and maintain S&OP assumptions

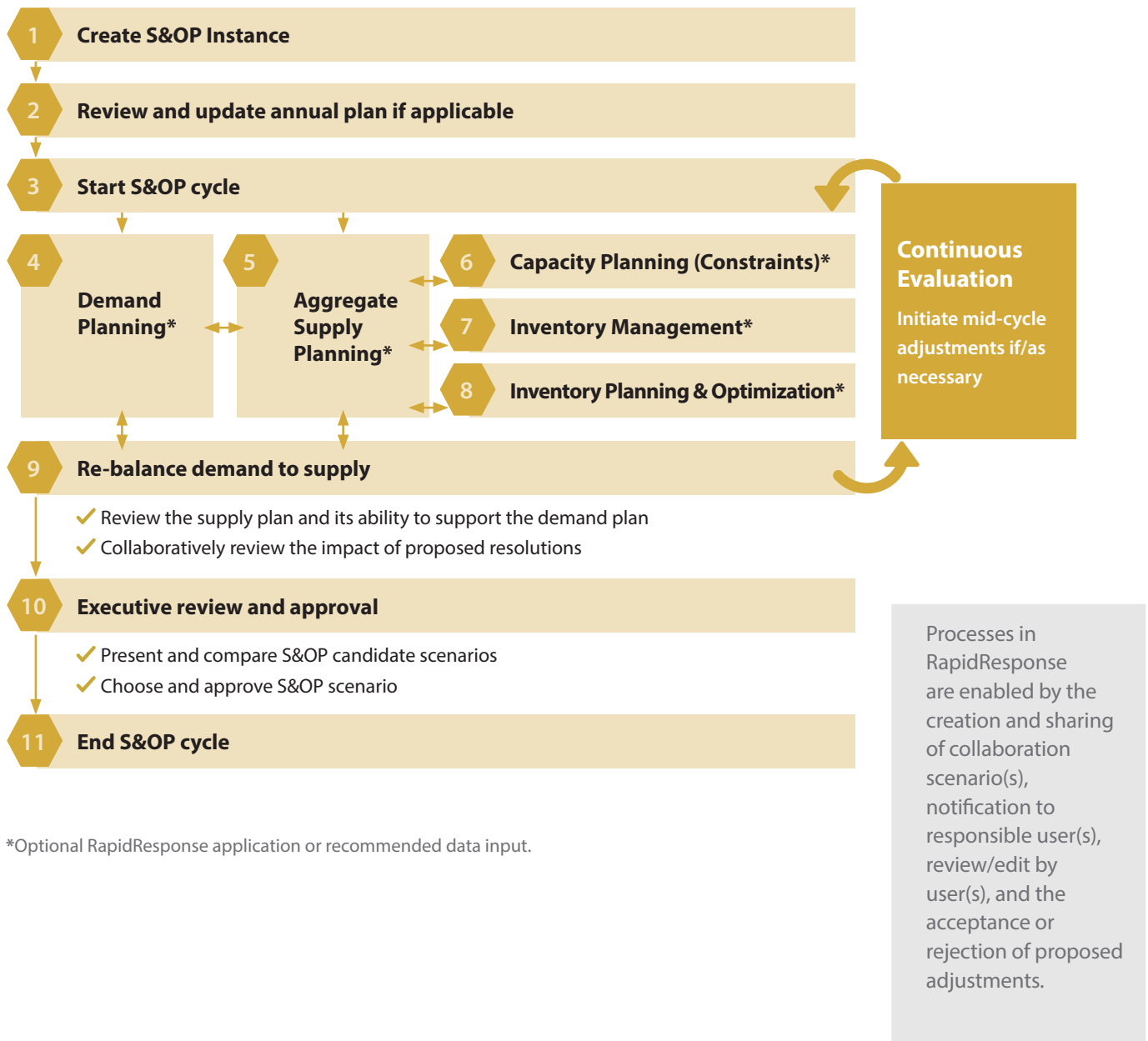
In the S&OP application, collaboration occurs across these functional roles:

| Role               | Responsibility  |
|--------------------|---|
| S&OP Process Owner | The S&OP process owner monitors the overall process to ensure that decisions are made on time and the process is moving along to expectations.  |
| Finance            | Finance maintains the financial targets and limits in the annual plan. They also monitor and report on performance against those targets and maintain the finance operating plan.   |
| Demand Planner     | It is the demand planners role to enter the adjustments and overrides to the consensus demand plan in such a way as to create a realistic forecast and still represent all the various parties with vested interests (finance, sales and marketing as well as operations). This is the role that owns the consensus demand forecast itself. |
| Sales              | Sales and marketing each have its own view of the forecast demand, and will provide input during the executive S&OP review meeting.   |
| Marketing          |   |
| Supply Planner     | The supply planner is responsible for providing a high level supply plan in response to the consensus plan generated by the demand planner. This role will collaborate with the operations team to ensure available capacity in support of the supply plan.   |
| Inventory Planner  | This role is responsible for evaluating and maintaining inventory target levels and updating inventory policies.  |
| Operations         | The operations role is involved in evaluating the initial unconstrained consensus demand plan and provides the constrained supply plan as input to balancing the demand and supply plans.   |
| Executive          | They are responsible for the selection and approval of final S&OP plan.   |

The RapidResponse S&OP application provides the following benefits:

- ✓ Faster and more reliable plan development, drastically reducing the sales and operations planning cycle, while producing more accurate results
- ✓ Increased consensus and fewer surprises, producing viable plans that have been contributed to and vetted by stakeholders
- ✓ Clearer, quicker insight into the impact of changes to the S&OP plan on operations, and conversely the impact of changes within a given function of the business on the S&OP plan
- ✓ An ability to scale and mature the S&OP process to maximize business opportunities and minimize risks

## Sales and Operations Planning Process Components



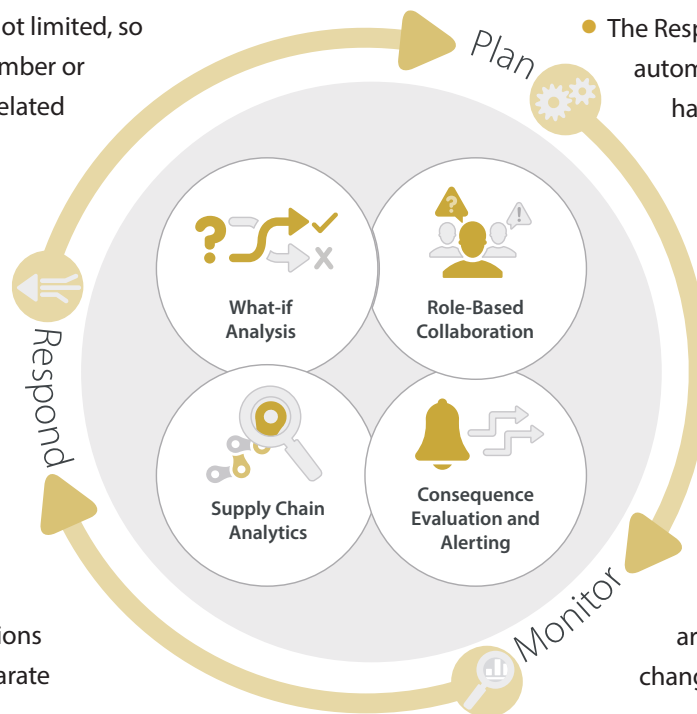
\*Optional RapidResponse application or recommended data input.

## Unique RapidResponse Capabilities

### Rapid What-If Analysis and Deep Supply Chain Analytics

Our patented what-if simulation technology enables users to rapidly create many versions of their supply chain environment (called a scenario), regardless of data size, to simulate changes in real-time without impacting the live data. Thousands of simulations can be supported concurrently within a single instance of RapidResponse.

- Users can test numerous what-if scenarios against key performance indicators and compare them to each other or to a baseline.
- Scenario parameters are not limited, so users can simulate any number or combination of changes related to supply, demand, bill of material, business policy, capacity, costs and/or pricing.
- RapidResponse analytics continuously and automatically calculate results in response to changing inputs.
- RapidResponse has the ability to mimic ERP data models to ensure calculations are consistent across disparate systems.



### Collaboration and Responsibilities

Collaboration in RapidResponse is event-driven and is achieved through the creation and sharing of scenarios with all responsible parties. Users collaborate around a particular what-if analysis and are doing so in the same system from which they are drawing the data, and in which they will execute the resolution.

- Users create a scenario and share it with the appropriate users and include a message about what issue they require assistance on, or feedback for.
- The Responsibility capability will automatically identify the users who have ownership over certain data, who can then be invited to participate in a collaborative scenario simulation.
- Collaborators can create a child scenario of the parent collaboration scenario in order to simulate any required actions.
- The requestor can keep track of the collaboration progress, the alternatives that are being considered, and which changes should be made.

### Exception-Driven Analysis

RapidResponse's exception-based analysis focuses on evaluating events and actions based on their potential impact to the business. It is never enough to know that something has occurred. You need to understand the context, the consequence, and the next steps.

- Results of what-if scenario simulations are presented in the context of their impact to performance.
- Users can monitor and be alerted to specific supply chain risks (e.g. late supply) or specific conditions (e.g. a certain metric will be negatively impacted as a result of a particular event or the cumulative effects of a series of events).
- RapidResponse resources are configured to ensure attention is given to actions that are both manageable and will provide the greatest impact to corporate performance metrics such as revenue or margin.

## Managing Performance

Standard metrics are included in the S&OP application's out-of-the box dashboards allowing for focused management of the performance measures that are most applicable to the function at hand.

Standard measures include:

**Ending Inventory Value:** Summary of the value of the projected inventory at the end of each period.

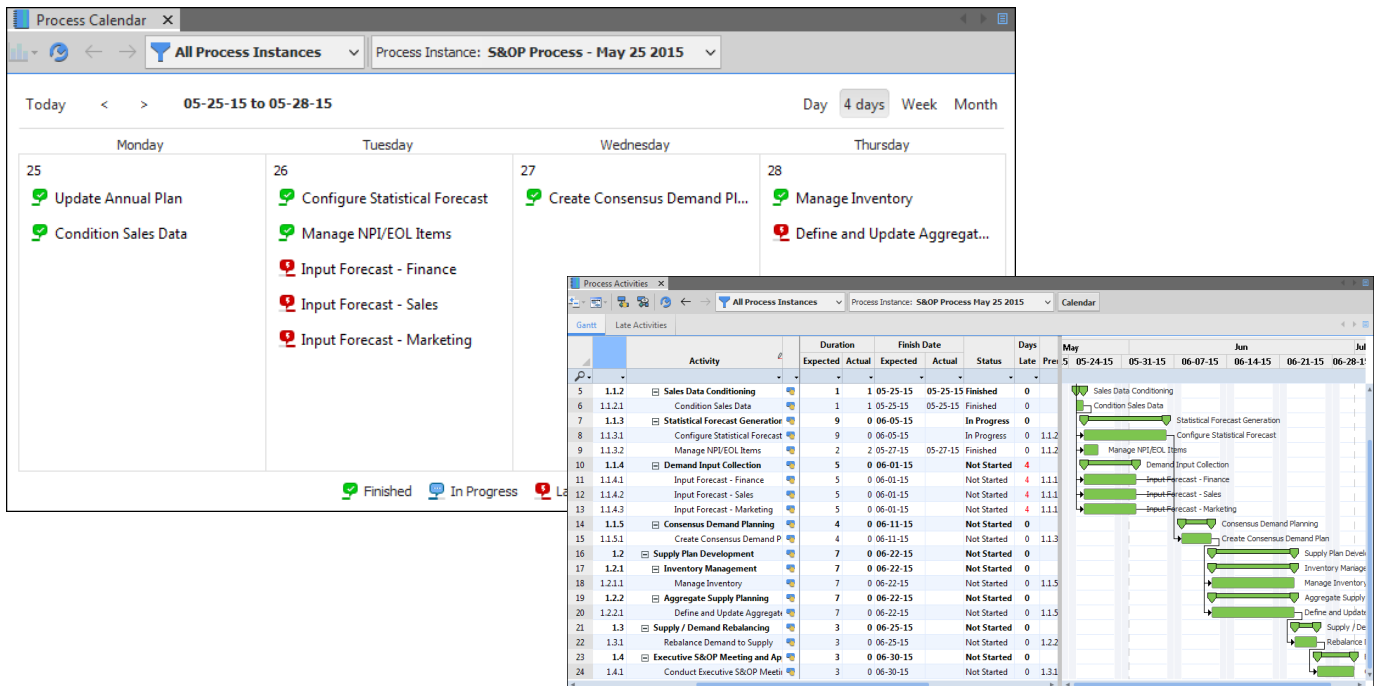
**Margin %:** Summary of the difference between revenue and cost of goods sold, by period.

**Revenue Value:** Summary of the revenue for actual orders and forecast, by period.

**On-Time Delivery to Request:** Historical and projected percentage, by period, of order lines available on or before their request date.

**Key Constraint Utilization %:** Summary of actual load, by period, expressed as a percentage of the available load for key constraints.

### S&OP Process Owner Calendar



S&OP Process Owner Activities

## Getting Results

Kinaxis RapidResponse enables customers to drive tangible business outcomes by both improving and accelerating analysis and decision making within and across supply chain functions.

### Executive Confidence in Data and Decisions

*"RapidResponse has improved the confidence of company leaders that our S&OP process is dependable and that we can quickly provide reliable data for decision making purposes."*

Source:  Operations Manager, Medium Enterprise Electronics Company

TechValidate ID: B55-A9C-A5C

### Unmatched S&OP Scenario Planning Speed

*"The speed in which scenarios can be created and analyzed has gone from 24-48 hours to 10-30 minutes in our S&OP process with RapidResponse. Planners use scenarios to hone in on a solution that may involve changing and recalculating the scenario multiple times – that would take 24 hours for each cycle in our SAP planning tools."*

Source:  Operations Manager, S&P 500 Electronics Company

TechValidate ID: 966-0EF-4A4



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