

S&OP: Letter Perfect. Practice Imperfect

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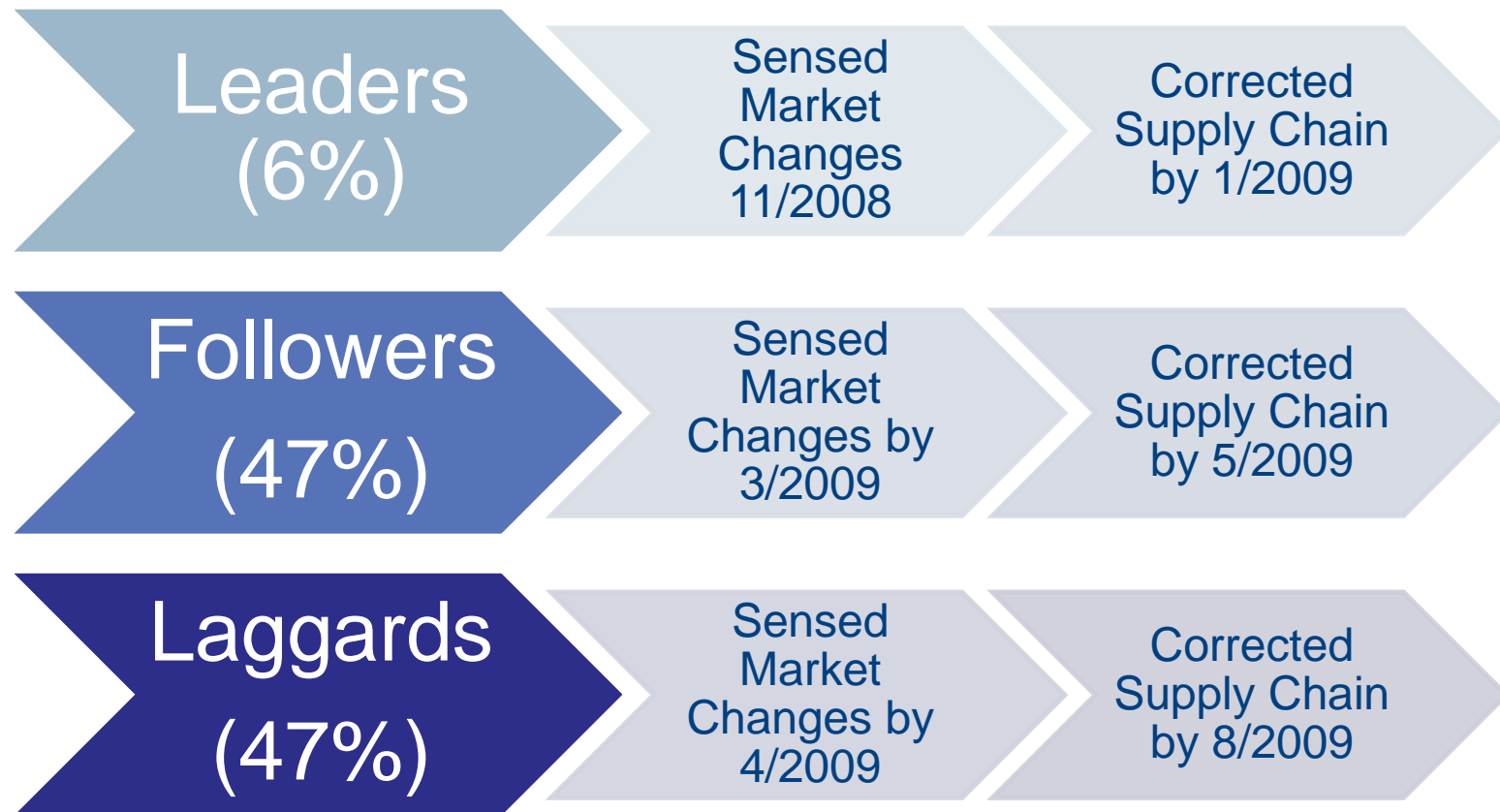
A Time of Change



Dates	Duration
12/07-?	?
3/01-11/01	8 months
9/90-3/91	8 months
7/81-10/82	16 months

Source: National Bureau of Economic Research

Leaders sensed Market Changes 5X Faster



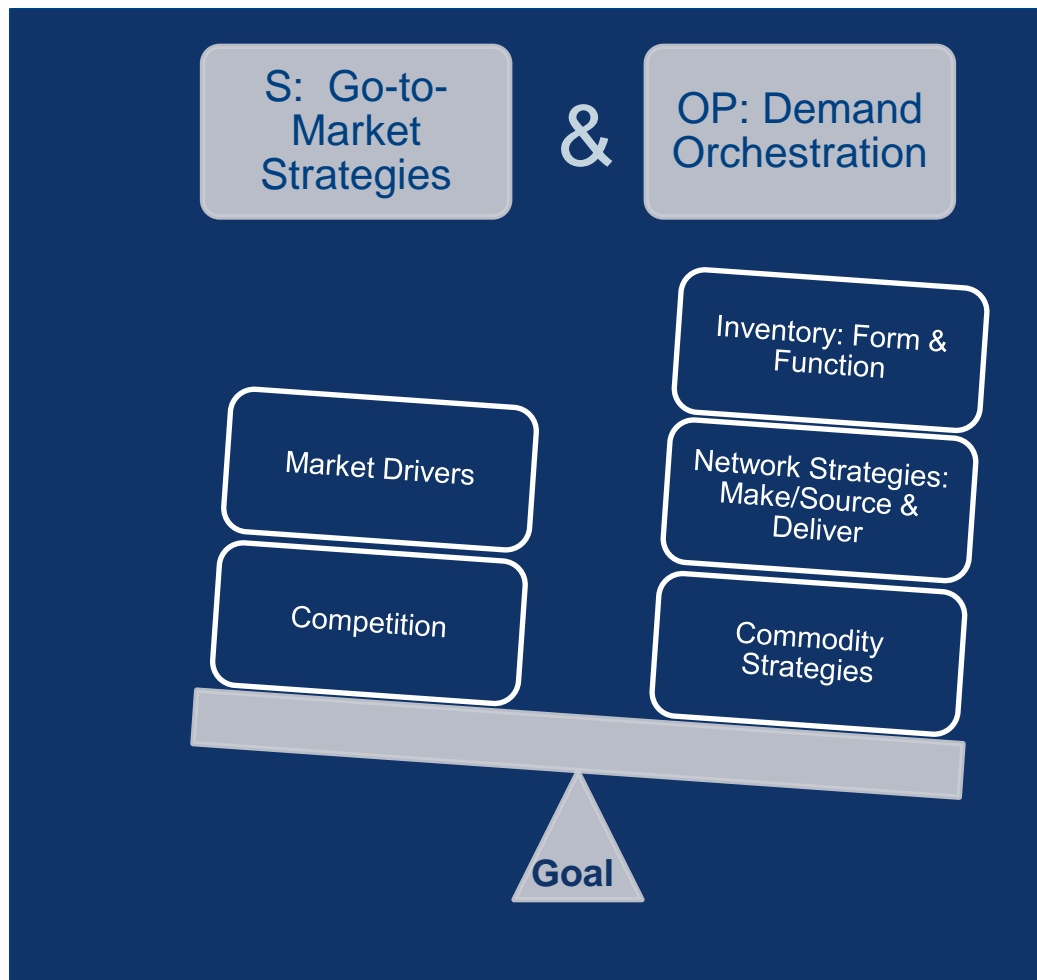
Who did it the Best?

Companies with:

- A focus on true north
- An outside-in focus on market drivers
- Strong horizontal processes like S&OP
- Balance in organizational alignment
- Clarity on supply chain strategy

If 2009 was all about demand, 2010 is all about supply

The Need for Balance



Getting to Letter Perfect....

	Common Practice	Optimal Practice
S	Ask sales	Focus on sensing market drivers
&	Direct integration to supply	Design of the value chain to optimize trade-offs, minimize risk, balance cycles, and orchestrate demand
OP	Manufacturing plan	Trade-offs between make, source and deliver

S&OP Matters



It DOES need Technology

- Gap has grown between best of breed and ERP expansionists
- The myth of *tight integration* set us back
- Excel has a new home
- Select the technology with the & in mind.
- The data model matters.
- What if capabilities need careful thought.

Summary

In tough economic times, horizontal excellence is paramount.

S&OP: Letter perfect. Practice imperfect.

Focus on the AND with the End in Mind.



About Us

Altimeter Group is a research insights group providing companies with a pragmatic approach to understanding disruptive technologies. We have four areas of focus: Leadership and Management, Customer Strategy, Enterprise Strategy, and Innovation and Design.

Visit us at <http://www.altimetergroup.com> or contact info@altimetergroup.com.



Thank you



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