



Continuous Sales & Operations Planning

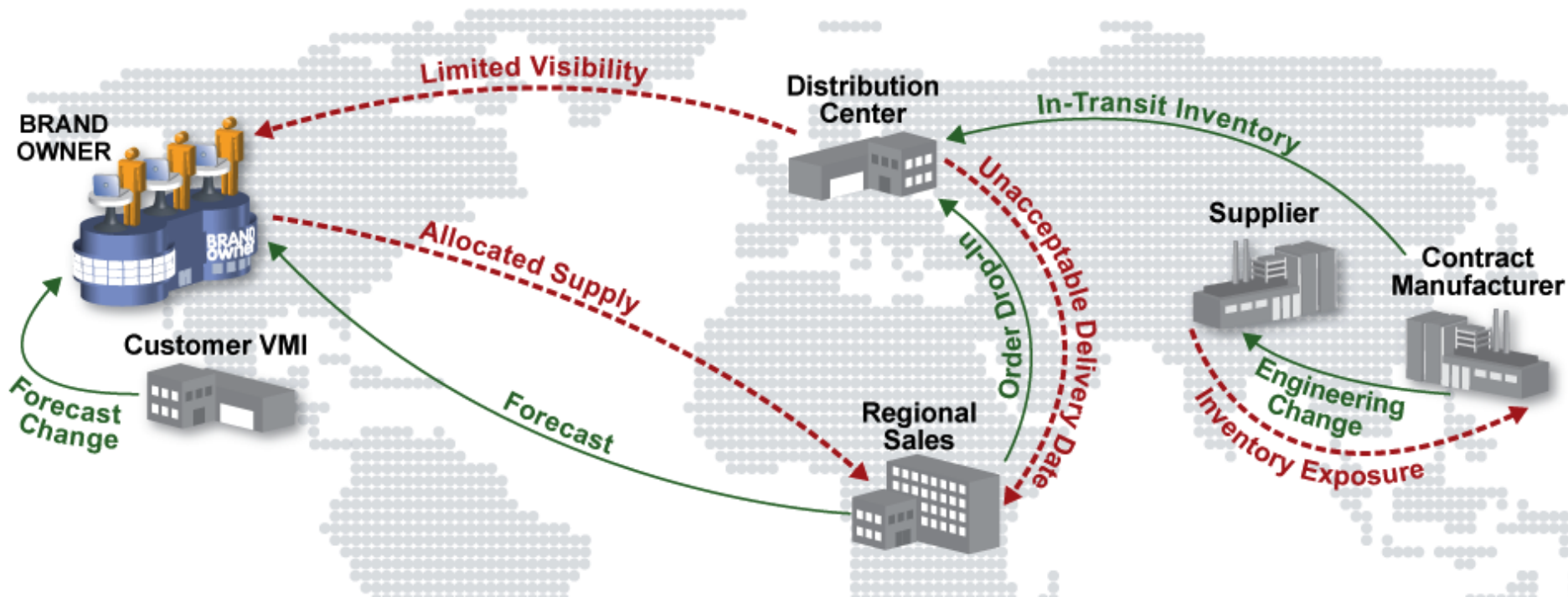
Aamer Rehman – VP, Manufacturing Solutions

Las Vegas - Jan 27, 2012



Prelude ...

Volatility is a given in today's environment



Global supply chain, Shrinking product lifecycles, Supply Risks, Demand Fluctuations

Non-responsive processes of yesterday will not cut it !

Agenda

- **Common Misconceptions**
- Continuous S&OP Definition
- Enabling Capabilities for Continuous S&OP

Traditional S&OP

- Plan on a monthly cycle, at best
- Sequential process
- Plan only outside the time fence
- Limited / No inclusion of NPI process
- Bogged down by spreadsheets



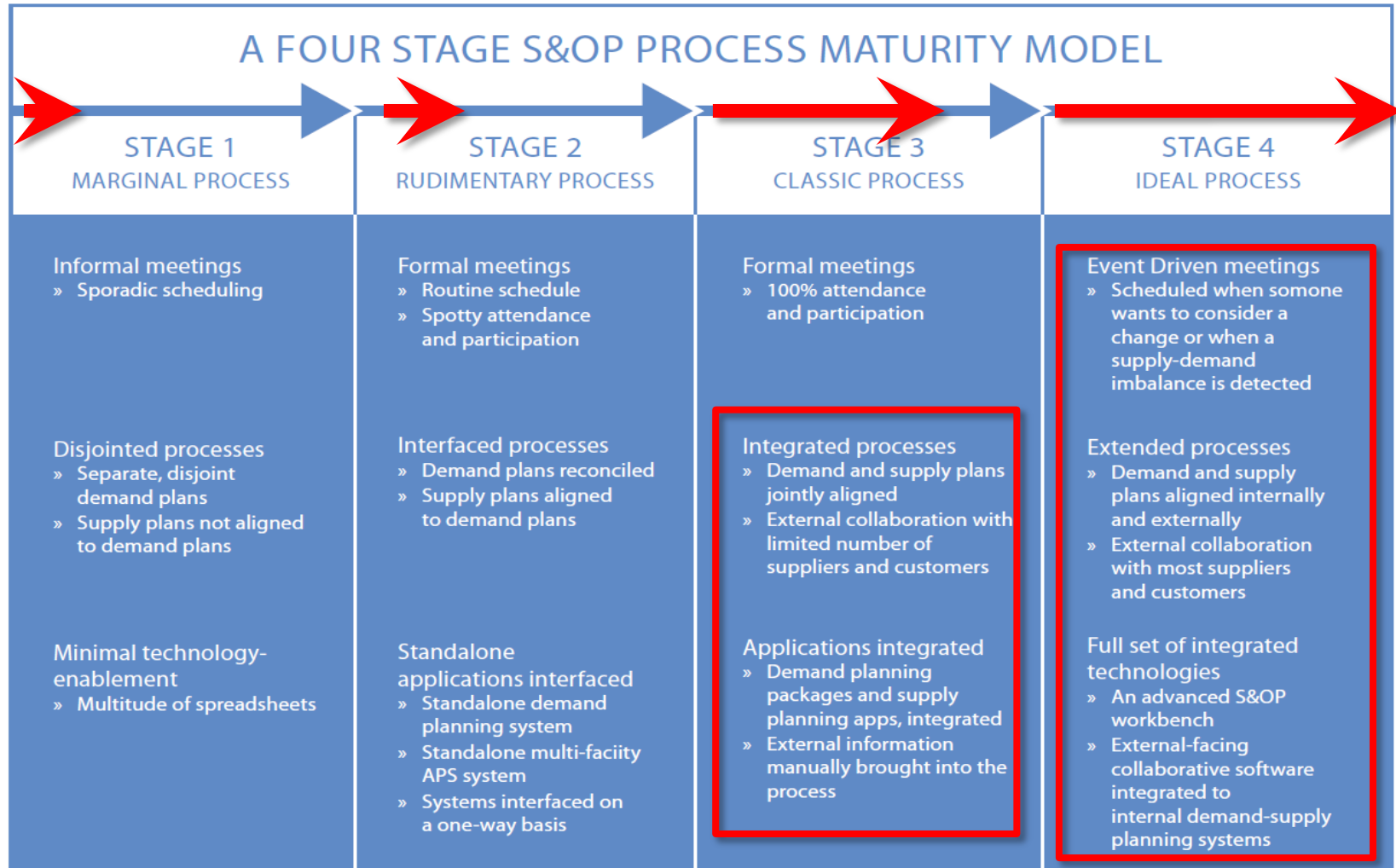
Ability to detect issues within the time fence and propose feasible alternatives is not in “scope” of S&OP

Misconception # 1: You need to try Integrated Business Planning (IBP) if S&OP isn't working

IBP is S&OP done well



Misconception # 2: S&OP doesn't require technology – It is all about the process



Most companies stuck at stage 1 or 2

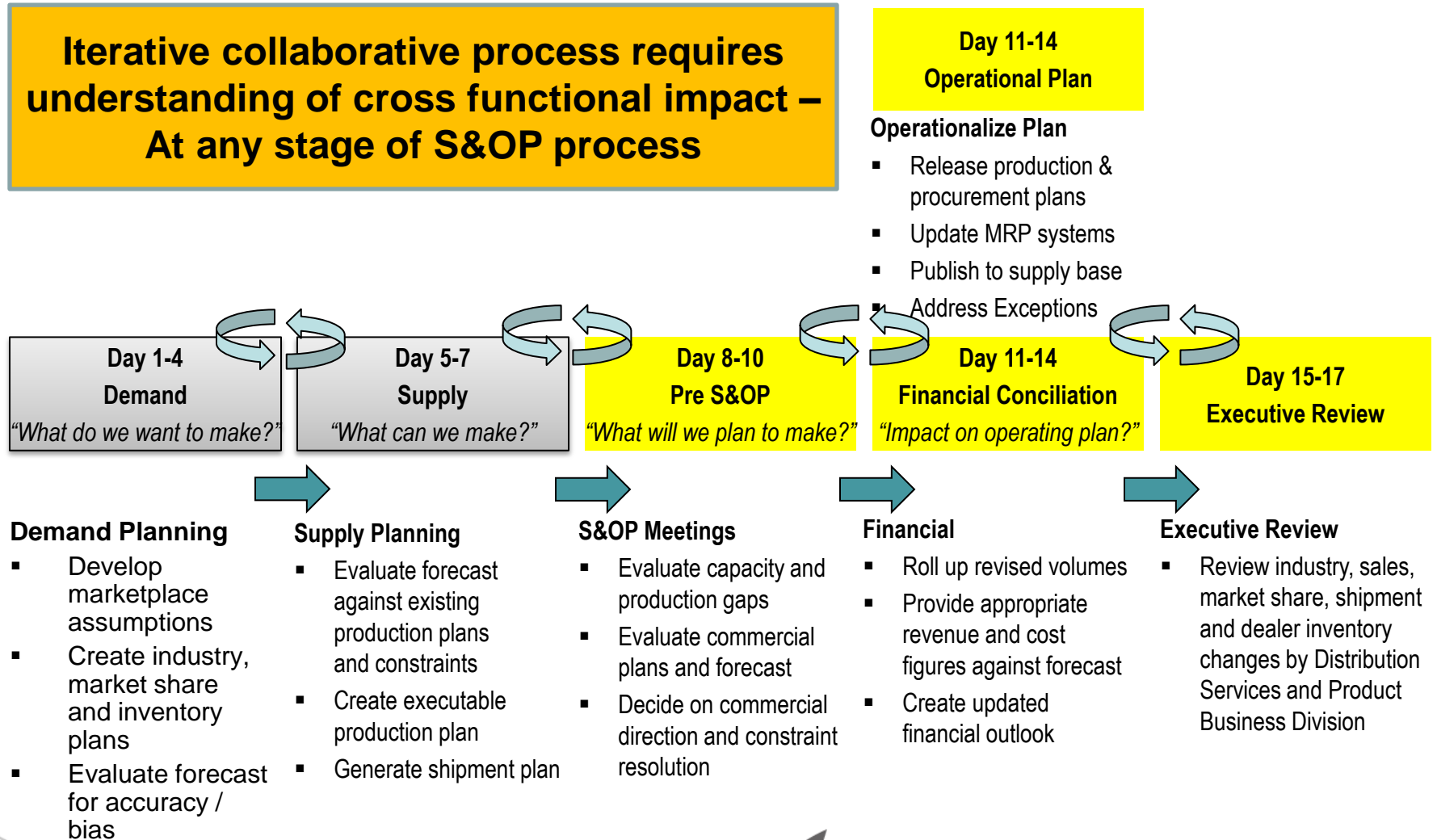
Source: Dr. Larry Lapide, MIT Center for Transportation & Logistics

→ **Relative importance of technology**



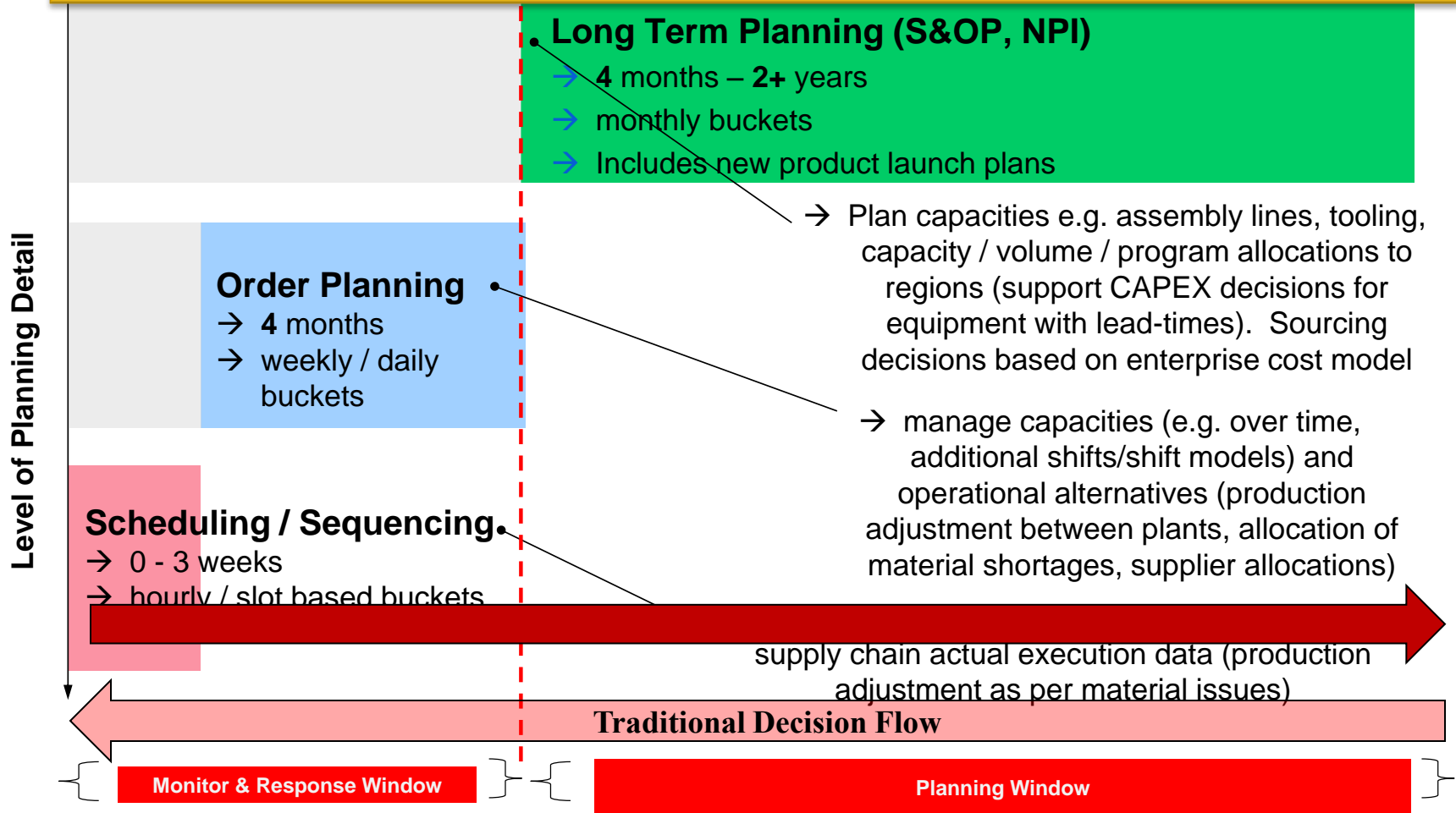
Misconception # 3: S&OP is a sequential cadence of separated sub-processes leading to an executive meeting

Iterative collaborative process requires understanding of cross functional impact – At any stage of S&OP process



Misconception # 4: Create S&OP plan and then forget it for a month

The decision flow is bi-directional. One must be able to react when the S&OP guidance is violated due to unplanned events

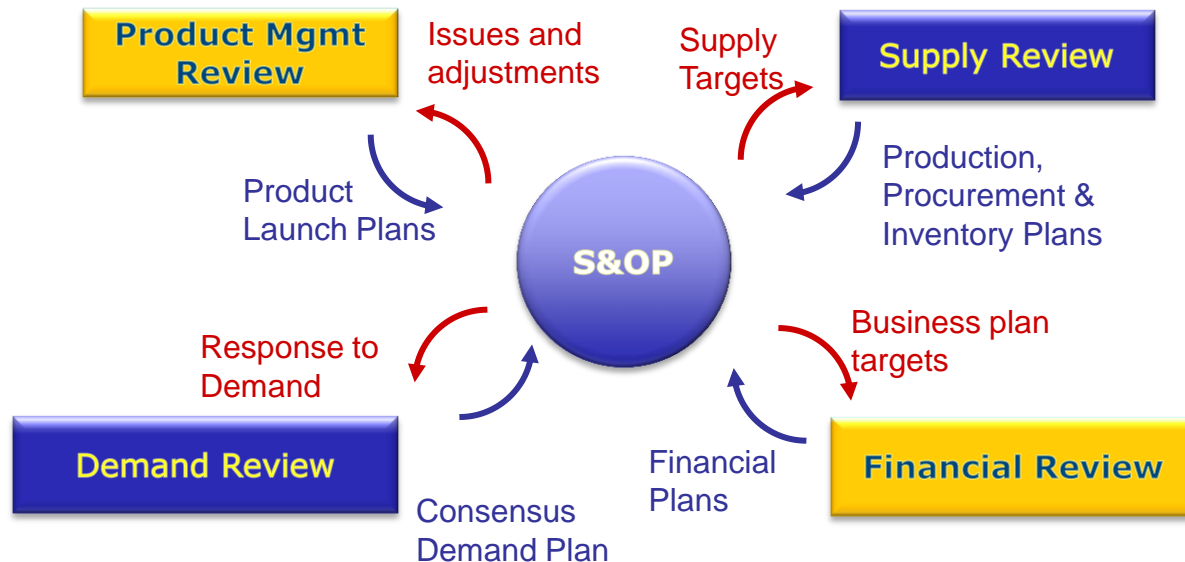


Agenda

- Common Misconceptions
- **Continuous S&OP Definition**
- Enabling Capabilities for Continuous S&OP

Continuous S&OP Definition

- Set of decision making processes used to
 - Balance supply, demand and financials (volume, mix, \$\$)
 - Seamlessly converge planning and execution
- Provide a holistic view to the business
- Monthly planning process with continuous feedback loop from execution
- Most effective when led by senior executives with process, technology and organizational alignment



S&OP Maturity Model

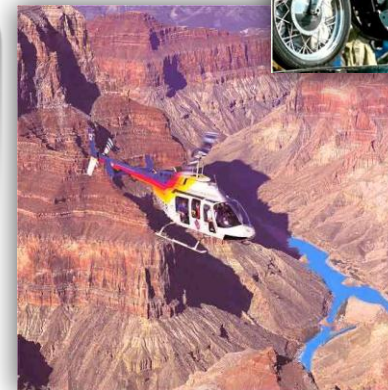
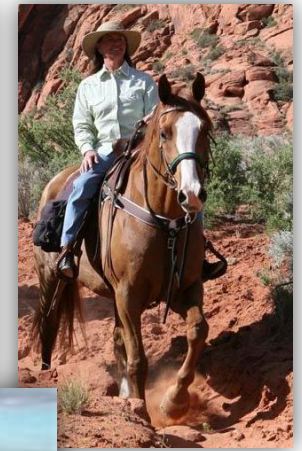
Attributes	LEVEL ONE Consensus Demand Management	LEVEL TWO Demand – Supply Integration	LEVEL THREE Continuous S&OP	LEVEL FOUR Continuous S&OP Extended Across Trading Partners
Operational Synchronization Focus	Disconnected Batch Based	Partially Connected Batch Based	Connected Within the Enterprise Real Time Based	Connected Within the Enterprise & Key Partners Real Time Based
Corporate Functional Participation	Sales	Sales and Manufacturing	Sales, Manufacturing, Supply Chain, Engineering, Finance	Sales, Manufacturing, Supply Chain, Engineering, Finance, Key Customers and Suppliers
Frequency	Quarterly / Monthly	Monthly	Monthly / Weekly & Continuous Feedback	Monthly / Weekly & Continuous Feedback
Process Workflow Integration	Limited	Demand – Supply Process Cadence	Workflow Automation / Event based Alerting	Inter-Enterprise Process Orchestration
What-if Scenario Analysis	Demand Volume	Demand & Supply	Demand, Supply, Inventory, Financial	Demand, Supply, Inventory, Financial – Value Chain Level
Process Ownership	Sales / Demand Management	Supply Chain Management	Cross Functional Senior Leadership – Dedicated S&OP Owner	Cross Functional Senior Leadership – Dedicated S&OP Owner
Enabling Capabilities	Forecasting & Consensus Demand Management	Rough Cut Capacity Planning	Quick Scenario Analysis, Role & Action Based Collaboration, Financial Reconciliation, Audit Trail and Assumptions	Demand & Capacity Planning-Constraint Representation Across Multi-Tiered Supply Chain

Agenda

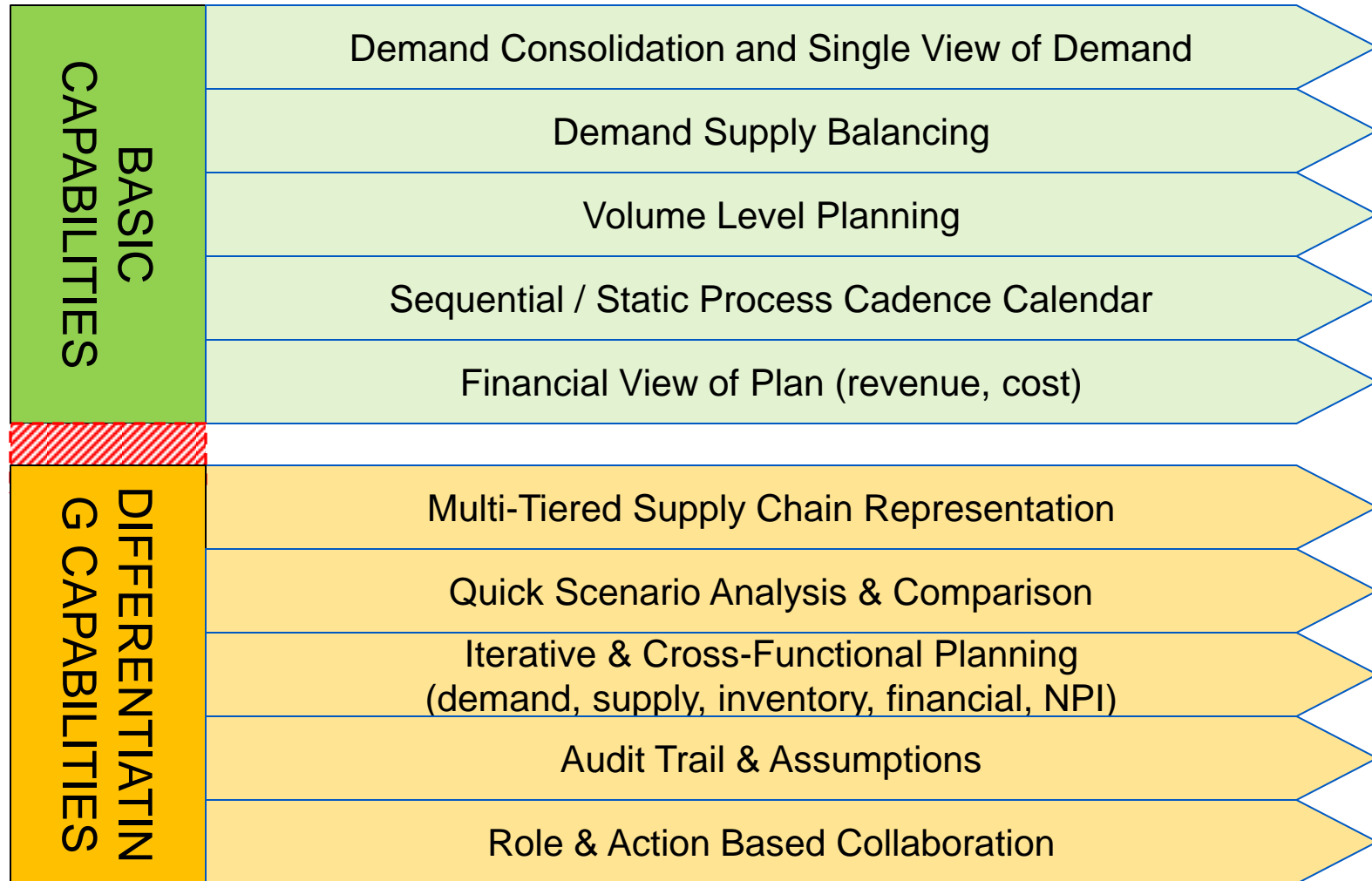
- Common Misconceptions
- Continuous S&OP Definition
- **Enabling Capabilities for Continuous S&OP**



- Technology choice means
 - Different skills/people
 - Different processes
 - Different results



Enabling Capabilities Continuous S&OP

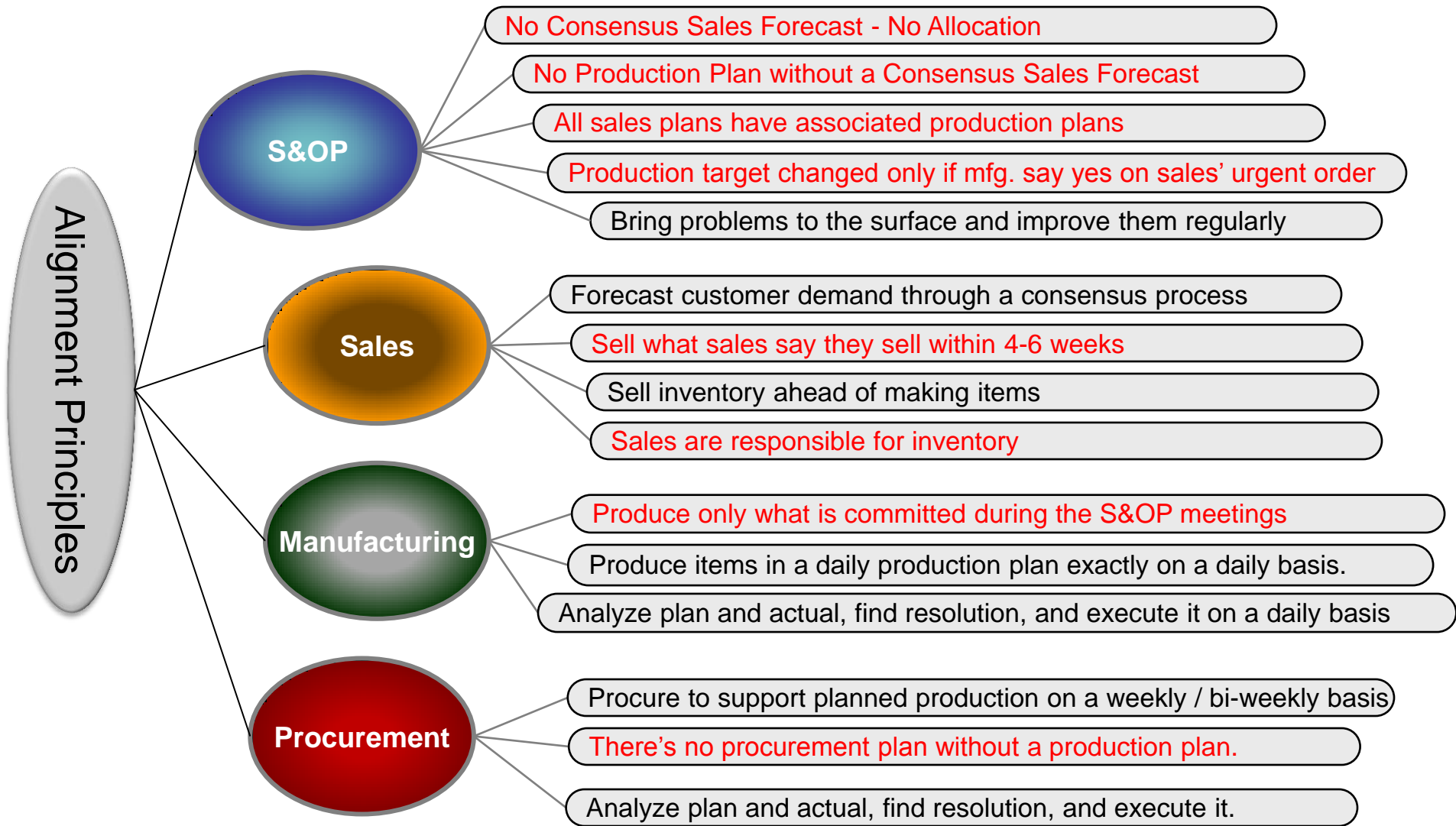


“If I had asked people what they wanted, they would have said faster horses.”

Henry Ford

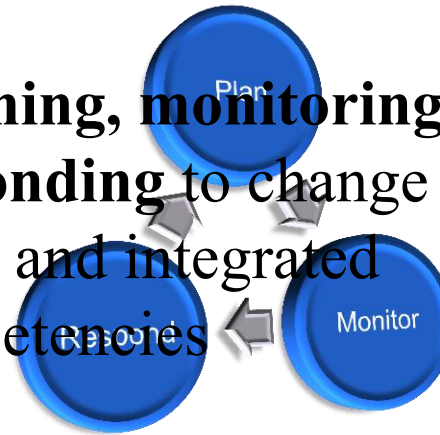
Enabling Capabilities

Organizational Alignment

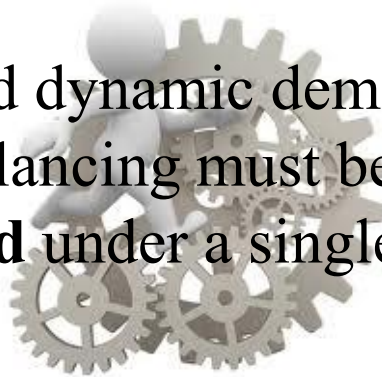


Kinaxis Point of View

Planning, monitoring and responding to change must be equal and integrated competencies



S&OP and dynamic demand/
supply balancing must be
integrated under a single system



Business is complex, but your
IT systems **must not be**





Thank you for your Participation

For further questions, please contact:
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