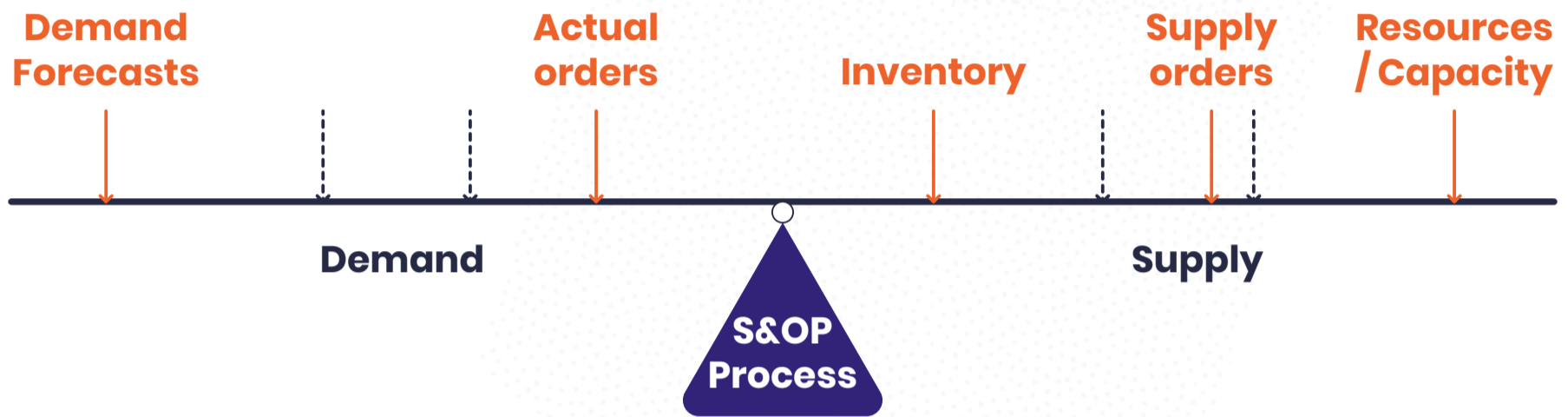


A process to **develop tactical plans that provide management the ability to strategically direct its businesses** to achieve competitive advantage on a continuous basis by integrating customer-focused marketing plans for new and existing products **with the management of the supply chain.**

The process brings together all the plans for the business (sales, marketing, development, manufacturing, sourcing, and financial) into one integrated set of plans.



The Process

	Demand Planning Meeting	Supply Planning Meeting	Demand/Supply Alignment Meeting	Executive S&OP Meeting
Objective	Review and approve demand plan for short and long term.	Review and approve supply plan for short and long term.	Align supply and demand plan for short and long term.	Approve financial and operational targets for short and long term.
Typical Inputs	<ul style="list-style-type: none"> - Demand forecast - Pricing & promotions - Product transitions 	<ul style="list-style-type: none"> - Capacity plan - Inventory targets - Supplier constraints - Production commitments 	<ul style="list-style-type: none"> - Demand plan - Supply plan - Initial financial impact 	<ul style="list-style-type: none"> - Aligned demand / supply plan - Financial impact scenarios
Typical Outputs	<ul style="list-style-type: none"> - Market share - Service levels - Demand plan - Unit & revenue plan 	<ul style="list-style-type: none"> - Cash flow - Manufacturing costs - Unit production plan - Supply plan 	<ul style="list-style-type: none"> - Tradeoffs between demand and supply - Financial impact scenarios 	Committed financial plan with market share, profit, cash flow
Typical Metrics	<ul style="list-style-type: none"> - Forecast error & bias - Cancelled orders - Order fill rate 	<ul style="list-style-type: none"> - Production plan attainment - Inventory versus plan 	<ul style="list-style-type: none"> - Lost sales (€) - Expedite costs - On time in full (OTIF)(%) 	<ul style="list-style-type: none"> - Revenue, market share, margin, cash flow loss and gain
Principal Decision-Makers	<ul style="list-style-type: none"> - Sales - Marketing - Product management 	<ul style="list-style-type: none"> - Operations - Manufacturing/ Procurement 	<ul style="list-style-type: none"> - Finance - Sales & Operations 	<ul style="list-style-type: none"> - Executives - Business unit heads



Food for thought

With high quality forecasts with AI, what changes does the S&OP process need?