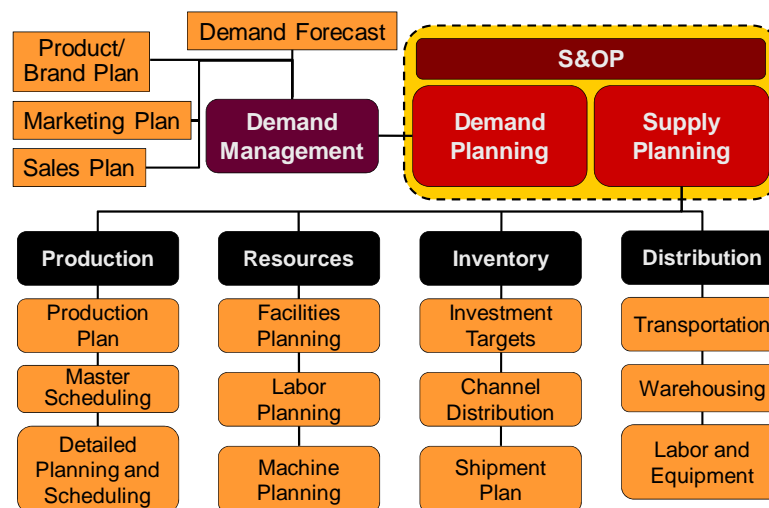# APICS Introduction to Sales and Operations Planning (S&OP)
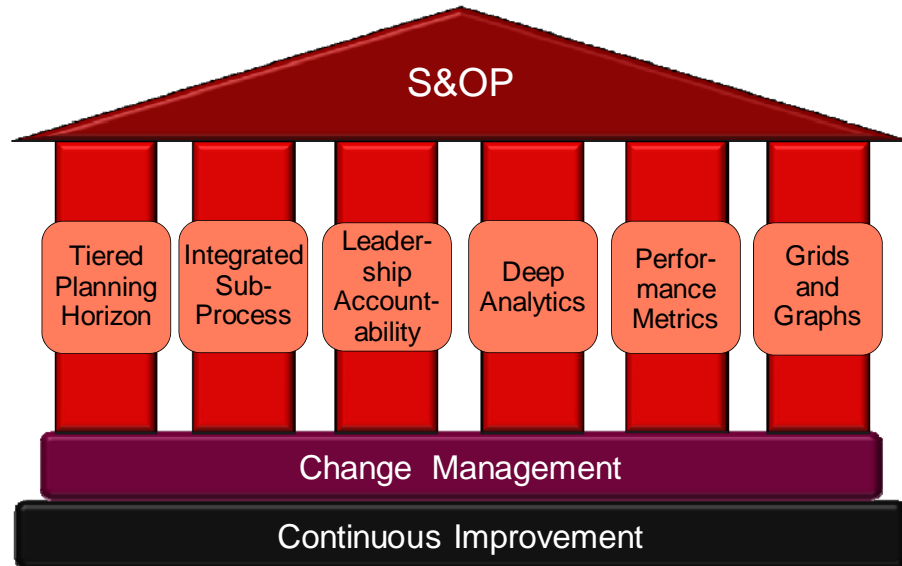
Key Discussion Points:

- Sales and Operations Planning (S&OP) Definition:
  - 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. *APICS Dictionary,* 14th edition

- S&OP Processes:

- Objectives of S&OP:
  - S&OP supports and measures the progress of the entire organization in meeting the enterprise's business plan.
  - S&OP ensures that the strategic plans developed in the business plan are realistic and can be successfully executed before they are passed to tactical planning.
  - S&OP enables the organization to successfully manage marketplace change.
  - S&OP provides for the effective management of finished goods inventories and order backlog to support customer service.
  - S&OP reporting mechanisms enable the S&OP planning teams to identify when actual performance has deviated from the plan.
  - The S&OP process enables the entire management team to understand the challenges confronting the organization and to act upon them in proper priority or focus.

- Foundations of Successful S&OP

S&OP

| Tiered Planning Horizon | Integrated Sub-Process | Leader-ship Account-ability | Deep Analytics | Perfor-mance Metrics | Grids and Graphs |

Change Management

Continuous Improvement

- Benefits of S&OP
  - Establishes operational plans consistent with the business plan
  - Continually updates the production, financial, and sales plan
  - Provides for cross-functional planning
  - Establishes regular meetings with senior executives to resolve demand versus supply trade-offs
  - Checks availability of resources to validate the production plan
  - Increases teamwork and collaborative skills

- Resources to Learn More
  - APICS S&OP Folios (free for members)
    www.apics.org/sopfolio
  - APICS Principles of S&OP Seminar
    www.apics.org/seminars
  - Best of the Best S&OP Conference
    www.apics.org/best
  - APICS 2014 (annual conference which for 2014 will include a dedicated S&OP learning path)
    www.apicsconference.org