

Climbing the Sales & Operational Planning (S&OP) Maturity Ladder

In our last article we discussed why a robust Sales & Operational Planning (S&OP) process is essential for your business. Here, we give some pointers on how to climb ‘the S&OP maturity ladder.’

The main objective of your S&OP process is to determine what and how much your customers are going to buy and your capability to meet this demand, with each functional department working together.

If your S&OP was introduced from the top and with ‘buy-in’ from each functional department (sales, marketing, demand planning, production, and inventory etc), then with an effective and maturing S&OP process, it is possible to integrate all department activities to produce a unified plan where each of their activities run more smoothly.

As with any process, there needs to be leadership and ownership and so S&OP needs to be continually driven from the top. In addition, within all meetings, each functional leader should be involved in the decision-making as this can allow the business to respond effectively to changes in demand, manufacturing or production output and supply issues.

Many of our clients have either attended our practical S&OP short courses where we discuss the DNA for Supply chain S&OP excellence and/or have requested our consultancy services where we have audited their S&OP processes with the purpose of comparing to ‘best-in-class’ S&OP maturity.

We like to really understand your business and get involved so our consultant experts meet all stakeholders and team leaders, attend all meetings, and give constructive feedback on elements they may want to think about to help them improve. We use a staged methodology called the “Fix-Focus-Grow” model:

FIX – making better the things we do today, by employing improvements that are implementable without too much investment

FOCUS – introducing new ways of working and enhancing the business processes, measures and S&OP design

GROW – sustaining and optimising the improvements aligned to business growth plans.

We’ve seen that clients are very willing to do their best to try and solve issues, but some issues keep resurfacing like poor demand planning input or actions from meetings not completed. Sometimes the business is on an acquisition trail which adds more complexity.



Based upon what we've seen, here are some pointers on what to think about to help you along your journey of climbing up the S&OP maturity ladder:

1. Make your people and teams a priority

Are your teams clear on their roles / responsibilities and do they have the training necessary to conduct their roles properly?

As a typical supply chain involves multiple connected departments and teams, we help them to better understand what a supply chain is and how each role impacts upon other supply chain activities. We also exclusively offer a personal effectiveness module to strengthen internal and external relationships and improve their communication.

We use the highly credible Insights Discovery® personality profiling model that has a simple but effective colour system that allows individuals to understand and remember their natural strengths and preferred ways of working. In addition, successful mature organisations understand that having a 'can do' attitude and culture is essential. Subsequently, they have included behavioural competence in reward & recognition, recruitment, and learning & development plans. Please don't leave it to the individual employee to ask to be developed!

2. Is the whole company working to one set of numbers?

One of the benefits of S&OP is being able to run the business to one set of numbers. This inevitability requires collaboration. An unfortunate but frequent approach is to invest considerable time in setting up S&OP but then stepping back, allowing the company to be run by separated performance measurement systems or budgets.

3. Do you have the right tools for the job?

Technology: Do your systems require configuration or change? Some of our clients have invested in new ERP systems that are simpler and more aligned to the businesses overall strategy.

4. Metrics that matter

Are your teams supplying realistic demand, production, and inventory metrics to meet customer requirements? We deliver short courses on S&OP, demand management and forecasting. Our expert training consultants teach forecasting from first principles helping you to try and eliminate as much error as possible.

5. Checking the budget sheet

The outcome of every S&OP cycle is a periodic and feasible updated profit & loss (P&L). Managing the cash flow is particularly important. How focused are you at looking at the figures?

Effective and sustainable S&OP requires good decision making, pro-actively working across silos and constructive conversations to make things happen so the business can adapt to changes in the markets, supply lines and production processes.

S&OP will not change it by itself! It does require a lot of extra focus, dedication, coaching and hard work...but we can help! Our experienced supply chain expert consultants can work with you to either train your people well or advise on how to improve and benchmarking to 'best-in-class.' ●



The Supply Chain Academy are part of a large group driven by experienced supply chain professionals, meaning we are led by the needs of business. Our delivery is communication driven and focused on collaborative, sharing, and comparing methods, which includes learning from peers and sharing of best practice.

We are the only worldwide learning resource centre that focuses solely on supply chain. We supply a range of educational services for business leaders and executives, delivering collaborative best practice supply chain experiences and solutions from world class facilities.

We promote Intrapreneurial thinking and develop T-Shaped Leaders.

An intrapreneur is an individual that behaves like an entrepreneur, while working within an organisation. Intrapreneurs take innovative ideas and turn them into profitable new realities, through assertive risk-taking and innovation.

A T-shaped leader has depth and breadth of knowledge and skills. They will typically be an expert in at least one field but also have capabilities and a good understanding of the entire supply chain.

We have developed a strategic S&OP course for senior leaders and believe every position from finance to operations/productions should go on this programme to develop their understanding of the end to end process.

For more information contact Alex Mortimer at am@supplychainacademy.org.uk or call on 01708 259 450.
