

S&OP

S&OP, the art of balancing demand and supply to achieve business goals.

What is S&OP?

Sales and Operations Planning (S&OP) is a collaborative process that integrates marketing, sales, supply chain, and financial strategies into a unified plan. By aligning customer-focused initiatives with operational capabilities, it allows management to achieve competitive advantages and strategically steer the business.

Cross-Functional Collaboration:

- Seamless collaboration across sales, marketing, supply chain, and finance to ensure alignment and shared accountability in achieving business goals.

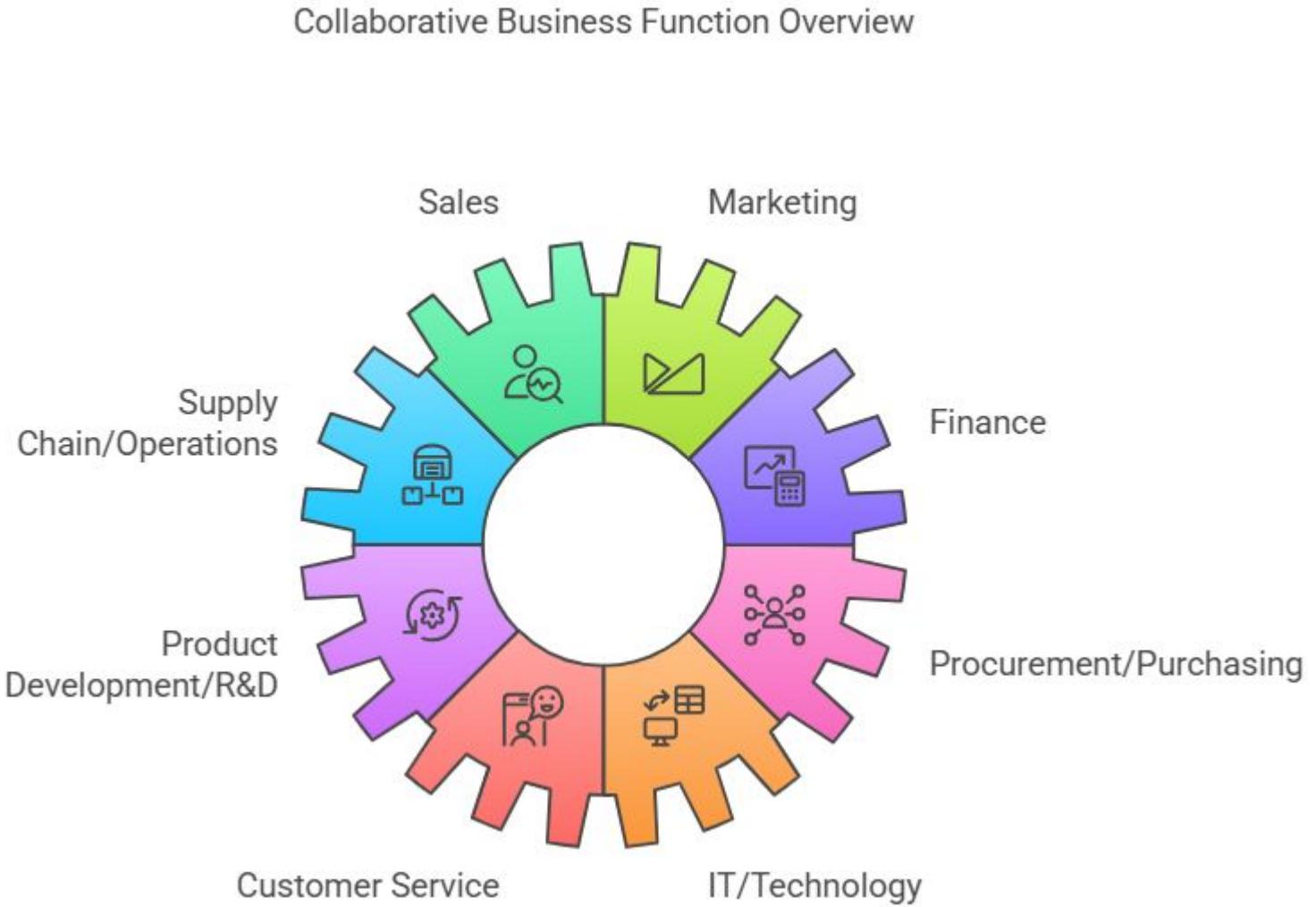
Financial Integration:

- Integrating operational plans with financial objectives to ensure profitability, budget adherence, and alignment with the organization's strategic goals.

Executive Decision-Making:

- Providing senior leaders with actionable insights to balance demand, supply, and financial priorities while making informed, strategic decisions.

Collaborative Business Planning



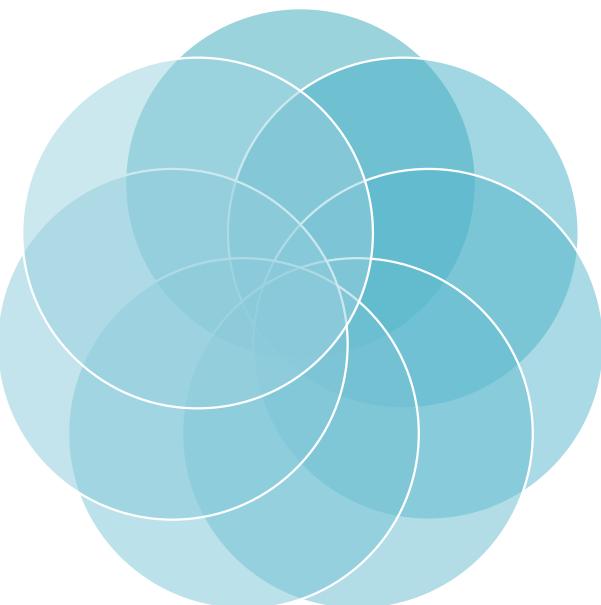
Objectives of S&OP

Support Strategic Goals:
Align operational activities with the organization's long-term strategic vision.

Set Clear Priorities and Actions: Turn discussions into actionable plans with clear ownership and accountability.

Enable Proactive Decision-Making: Identify risks, opportunities, and gaps early to allow timely adjustments to plans.

Align Demand and Supply:
Ensure demand forecasts and supply capabilities are balanced to meet customer needs efficiently.



Optimize Resource Utilization: Maximize the use of production capacity, inventory, and labor to minimize waste and costs.

Drive Cross-Functional Collaboration: Facilitate alignment and communication between sales, marketing, supply chain, finance, and other departments.

Ensure Financial Alignment:
Integrate operational plans with financial goals to meet revenue, profit, and budget targets.

S&OP meeting



Executive agenda / topic

1. What has changed since last month?
2. How are we executing to performance metrics?
3. How are product families performing?
4. Are we “on plan” financially?
5. What previous identified & new risks do we need to consider?
6. What decisions need to be made now and in the future?
7. Are we on track with product development
8. Do we have any critical constraints?
9. Is there any need to revise long-term plan ?
10. Define follow-up actions.

S&OP challenges and downfalls

S&OP meetings often become purely informational, focusing on data sharing rather than driving actionable decisions. This lack of follow-through undermines the purpose of the process, as plans are not adjusted, risks are not mitigated, and opportunities are not seized. Effective S&OP should lead to clear, agreed-upon actions that align cross-functional teams toward strategic and operational goals.

- Lack of Cross-Functional Alignment
- Inaccurate Demand Forecasts
- Inconsistent Participation / preparation
- Limited Executive Engagement
- Short-Term Focus
- Lack of Scenario Planning