

THE ROLE OF Sales and Operations Planning (S&OP)

IN Modern Manufacturing



An IDC Infographic Sponsored by Infor

Most Manufacturers Aspire to Better Supply Chain Performance

Top 3 Business Priorities of Manufacturers

63%

Product innovation

57%

Better organizational excellence

48%

Improved supply chain performance

Top 3 Challenges of Manufacturers

45%

Accelerate new-product time to market/success rate

38%

Gain greater control of new-product development

36%

Manage increasing complexity of new products

Source: IDC's 2015 Product Innovation Survey

The S&OP Process Can Help By...



Aligning enterprise-wide planning efforts to enable a "single version of the truth"

Integrating functional priorities and work plans to ensure achievement of all business goals



Achieving critical KPIs while minimizing costs and maximizing assets

48%

of manufacturers are either planning to buy or are already evaluating S&OP applications

External and Internal Pressures Shape S&OP's Evolution

Manufacturers wrestle with business and operational challenges...

40%

of new products fail to meet expectations in the marketplace

50%

SKU churn per year seen in some consumer products categories



Inventory, service, and production capacity trade-offs **NOT optimized**



High tech product lifecycles are often **measured in months**, not years

...As well as new technologies and processes



Every manufacturer IDC speaks to says their **analytics capabilities are deficient**...and will get worse



Mobile tools are now ubiquitous in the supply chain and more than **Two-Thirds** of manufacturers we speak with use them in the S&OP process

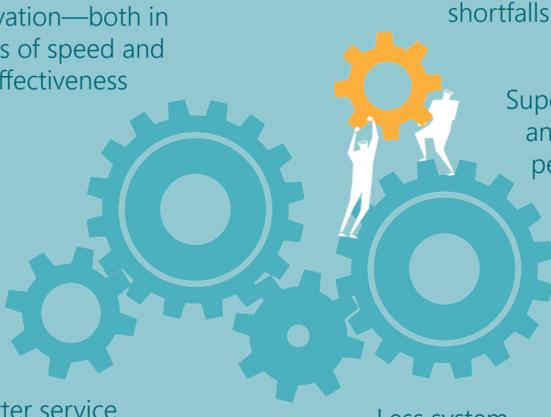
80%

are leveraging **business networks and collaboration** in their supply chains and to improve the S&OP process

S&OP Offers the Potential for Significant Benefits

More effective product innovation—both in terms of speed and effectiveness

More effective and efficient "gap closing" efforts against plan shortfalls



Superior financial and inventory performance

Better service performance and delivery

Less system disruption and/or better response

How to Successfully Implement S&OP

THINK through people and business process issues

INVOLVE a broad range of company constituents

ENSURE a clearly defined project team is in place

RECOGNIZE that business complexity is better managed with a purpose-built S&OP application

BE CLEAR and pragmatic about business benefits and how quickly they will accrue

PLAN for a cross-functional effort