

Appendix 5

p. 17, *The Missing Links* by Caroline Mondon (Industrial Press, 2016)
www.themissinglinks.info

Sales & Operations Plan: Definitions

“Sales and Operations Planning is a set of decision-making processes that balance demand and supply, integrate financial and operational planning, and link high-level strategy to ongoing, day-to-day operations.” (*Source: Sales and Operations Planning Institute*)

“A process to develop tactical plans that provide management the ability to strategically direct its business 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. It is performed at least once a month and is reviewed by management at an aggregate (product family) level. The process must reconcile all supply, demand, and new product plans at both the detail and aggregate levels and tie to the business plan. It is the definitive statement of the company’s plans for the near to intermediate term, covering a horizon sufficient to plan for resource and to support the annual business planning process. Executed properly, the sales and operation planning process links the strategic plans for the business with its execution and review performance measurements for continuous improvement.” (*Source: APICS dictionary*)

“Using the Integrated Business Planning Process to create one company Agenda, align your planning processes with the business strategy over a 24 to 36 month horizon, with full product portfolio management and financial integration, to ensure the organization is working to a common agenda and single set of numbers.” (*Source: Ollie Wight*)

“Sales and operations planning is a critical process to help businesses become more demand-driven. Orchestrating – demand sensing and conscious trade-offs for demand shaping to drive an optimized demand response. The New Five-Stage S&OP Maturity Model - Stage 1: React, Stage 2: Anticipate, Stage 3: Integrate, Stage 4: Collaborate, Stage 5: Orchestrate.” (*Source: Gartner Model*)

“Demand Driven S&OP is a bi-directional integration point in a Demand Driven Adaptive System between the strategic (annual, quarterly and monthly) and tactical (hourly, daily and weekly) relevant ranges of decision making. DDS&OP sets key parameters of a Demand Driven Operating Model based on business strategy, market intelligence and key business objectives (strategic information and requirements). DDS&OP also projects the model performance based on the strategic information and requirements and various model settings. Additionally, DDS&OP uses variance analysis based on past model performance (reliability, stability and velocity) to adapt the key parameters of a Demand Driven Operating Model and/or recommend strategic alterations to the model and project their respective impact on the business.” (*Source: Demand Driven Institute*)