

The logo of Galgotias University is a circular emblem with three curved, overlapping bands in shades of yellow, blue, and red, creating a stylized 'G' shape.

# **Sales & Operations Planning**

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- Objectives of Session

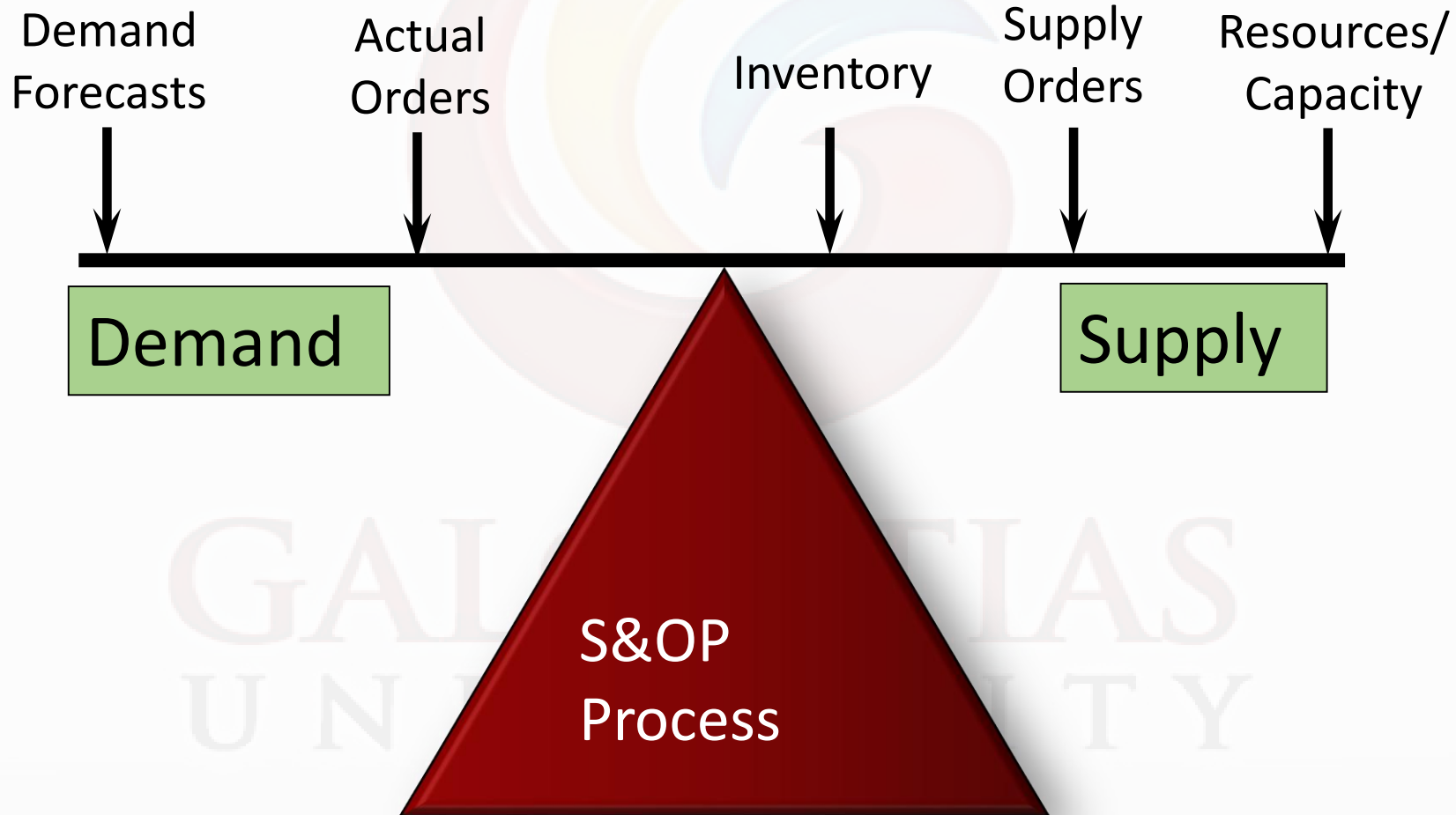
- S&OP Definition
- S&OP process overview
- Major Attributes of S&OP
- Objectives of S&OP
- S&OP Planning Process
- Benefits of S&OP

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## ***What is Sales and Operations Planning (S&OP)?***

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.

## S&OP – A Balancing Act

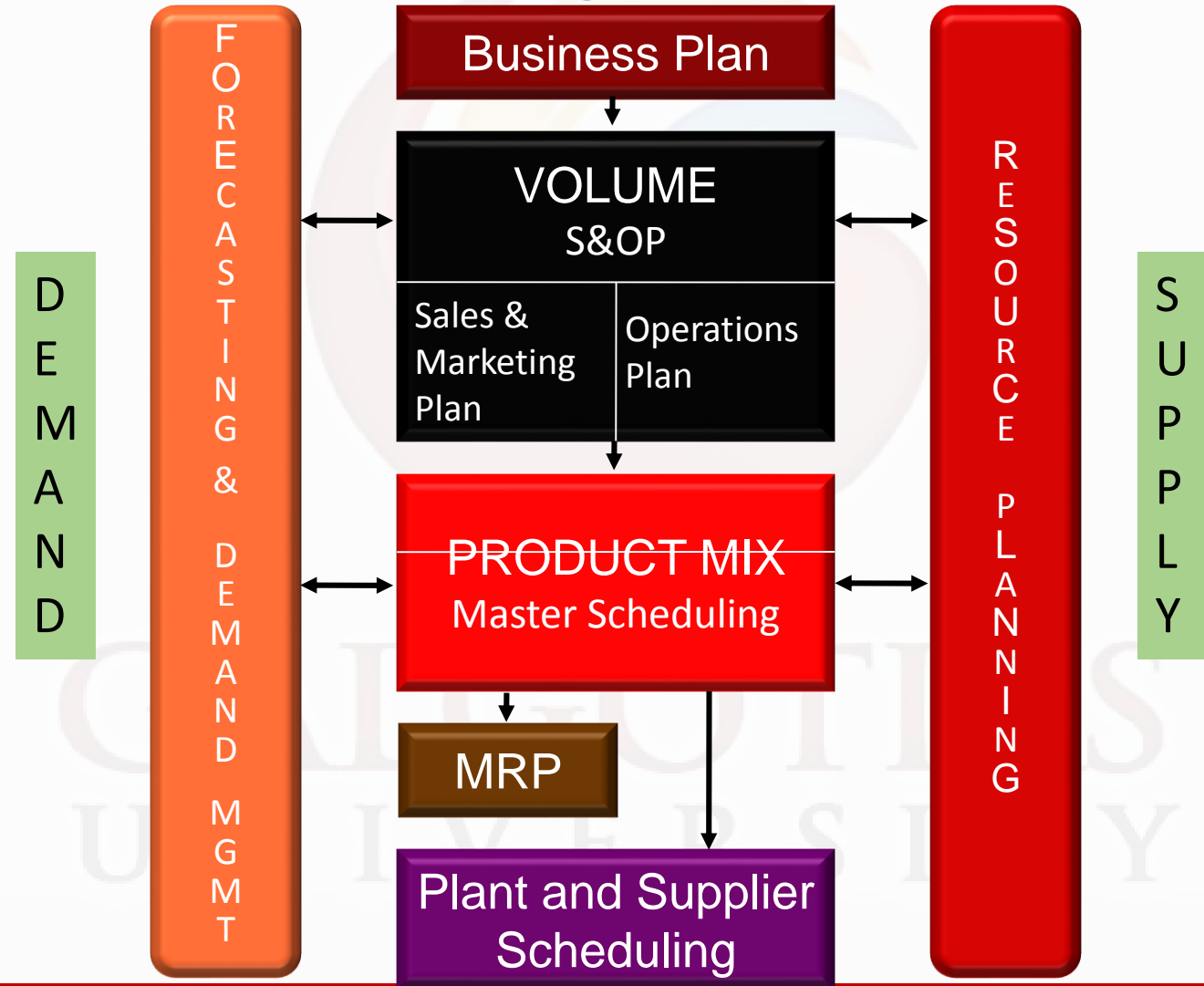


# School of Business

Course Code : MBOP6010

Course Name: Sales & Operations Planning

## Demand and Supply and Volume and Mix



Name of the Faculty: **SUMIT RASTOGI**

Program Name: **MBA**

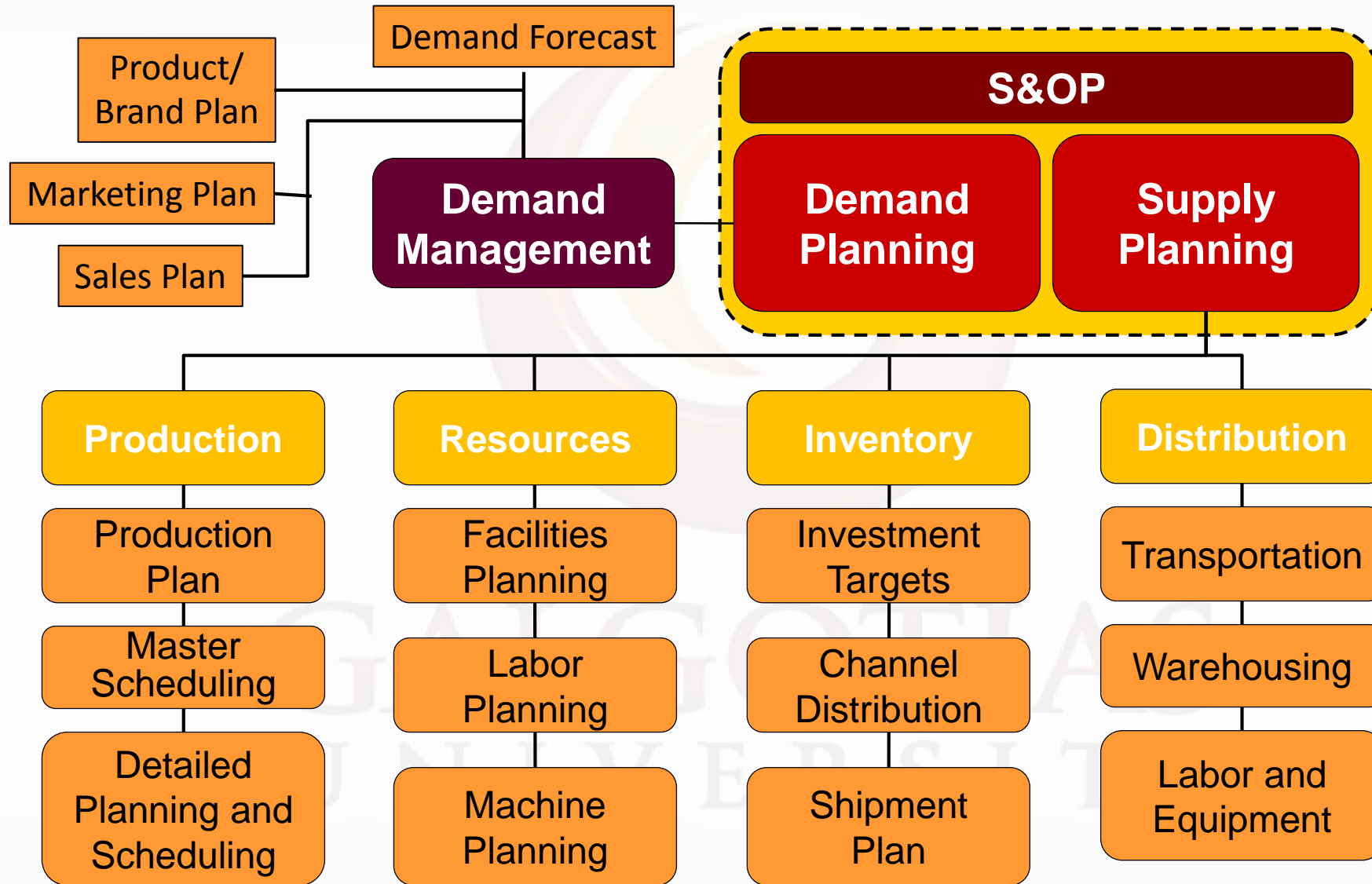
Adapted from Wallace, *Sales & Operations Planning, 3rd ed.*, p. 207

# School of Business

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S&OP Processes



Name of the Faculty: SUMIT RASTOGI

Program Name: MBA

## Major Attributes of S&OP

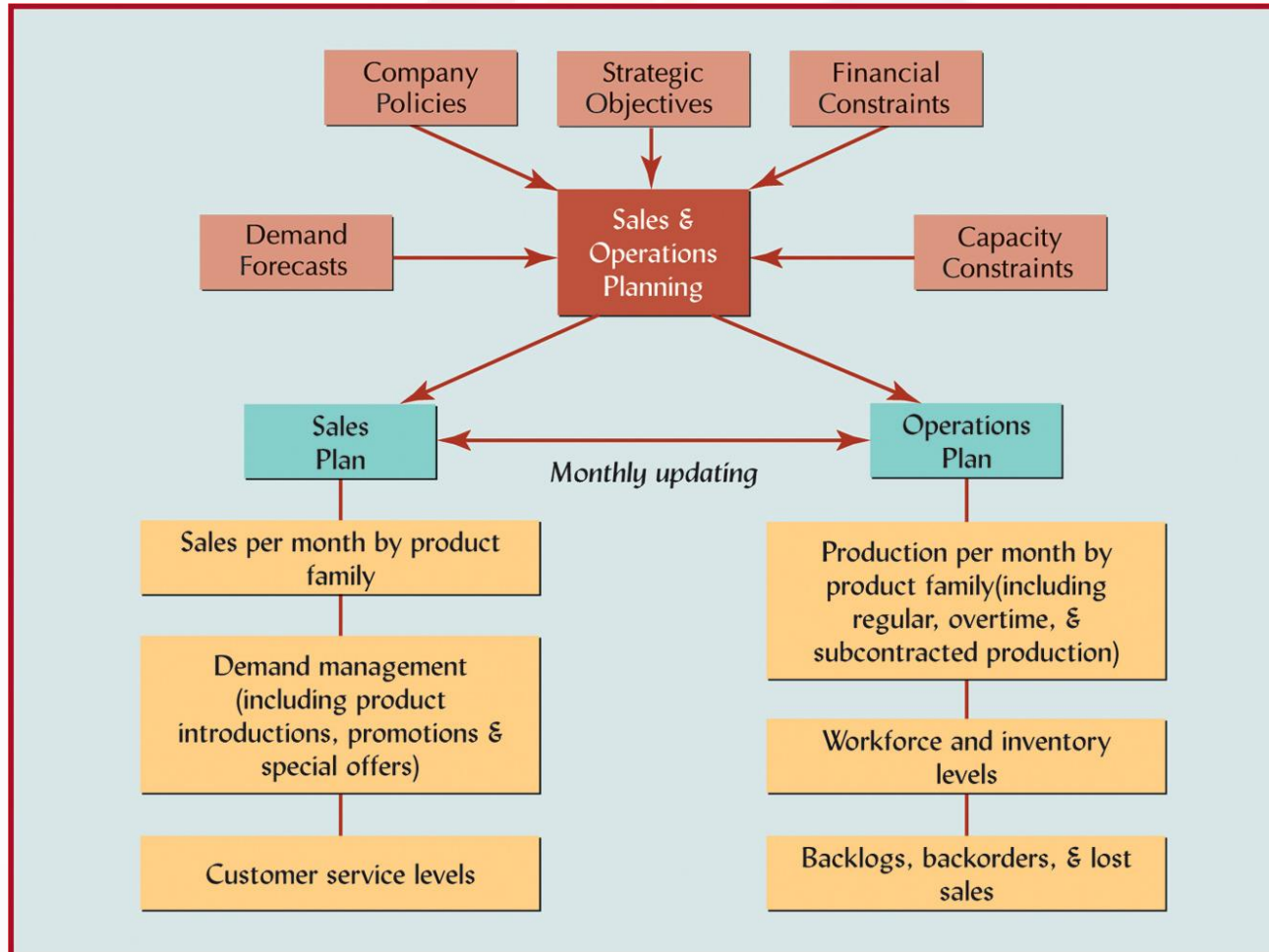
-  Connects business planning to tactical planning
-  Balances supply and demand at the product family level
-  Plans at the volume level using aggregate time buckets, not the individual end-product mix level
-  Enables in a better understanding of the customer and market opportunities and company capabilities
-  Involves sales, marketing, manufacturing, logistics, finance, and other departments
-  Is a demand- and strategy-driven process

## Objectives of S&OP

1. Supports and measures the business plan
2. Ensures that the strategic plans are realistic before being passed to tactical planning
3. Enables the organization to effectively manage changes to plans
4. Provides for the effective management of finished goods inventories and order backlog to support customer service
5. Enables performance measurement to identify when actual performance has deviated from the plan
6. Enables the organization to be *focused, aligned, and engaged*.



## Sales and Operations Planning Process



## Benefits of Sales and Operations Planning

- 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