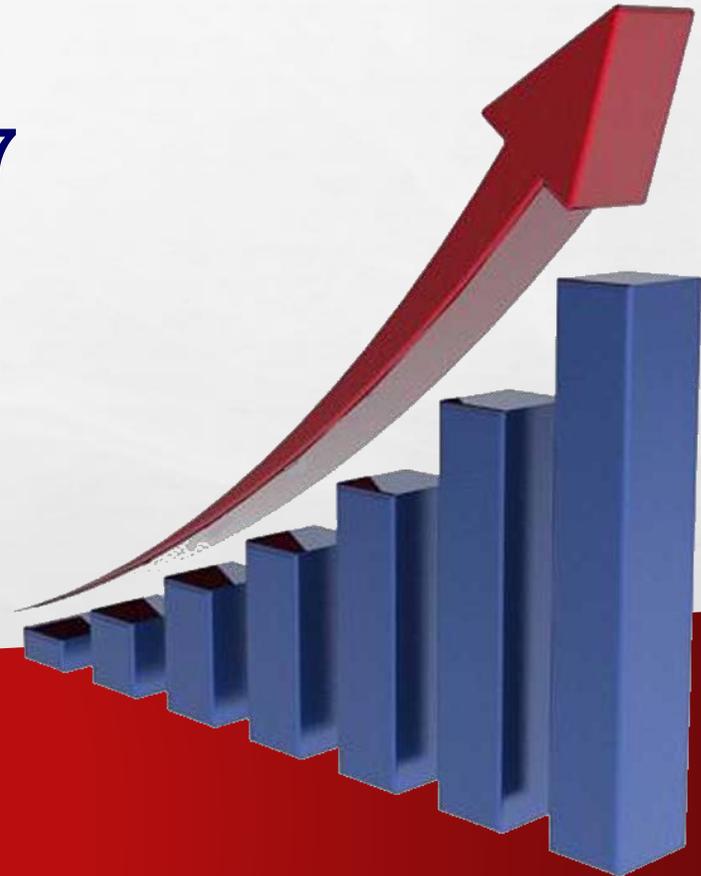


Nexview Consulting

Key Topics in S&OP Survey Results, 2017

March, 2017

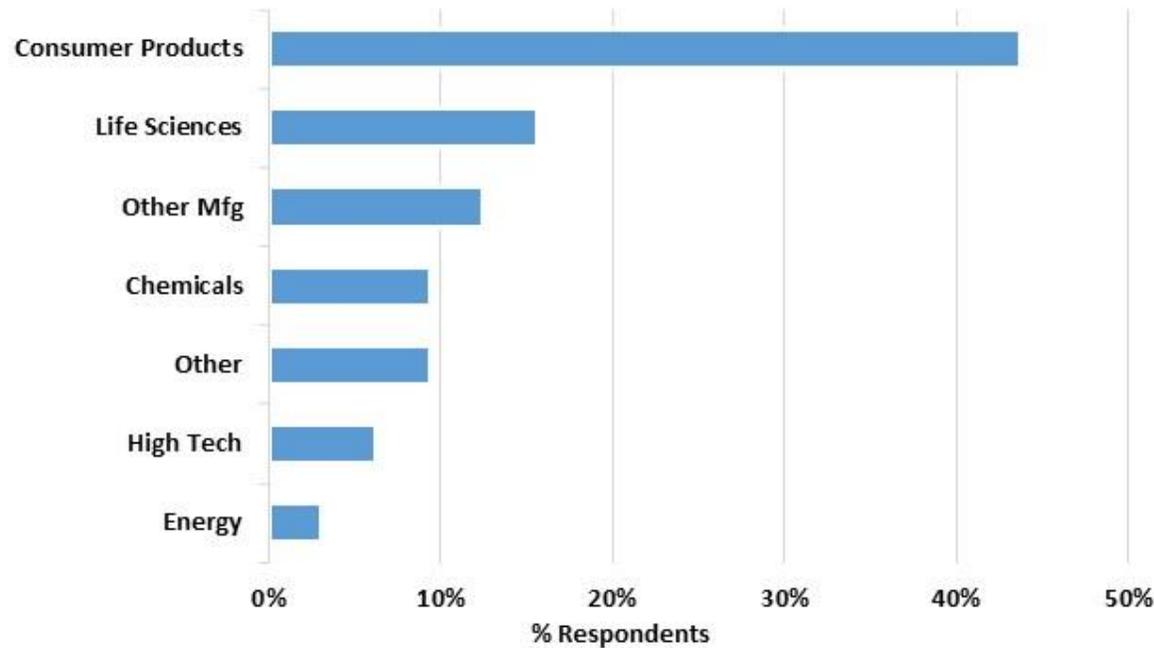


Summary of findings - 2017

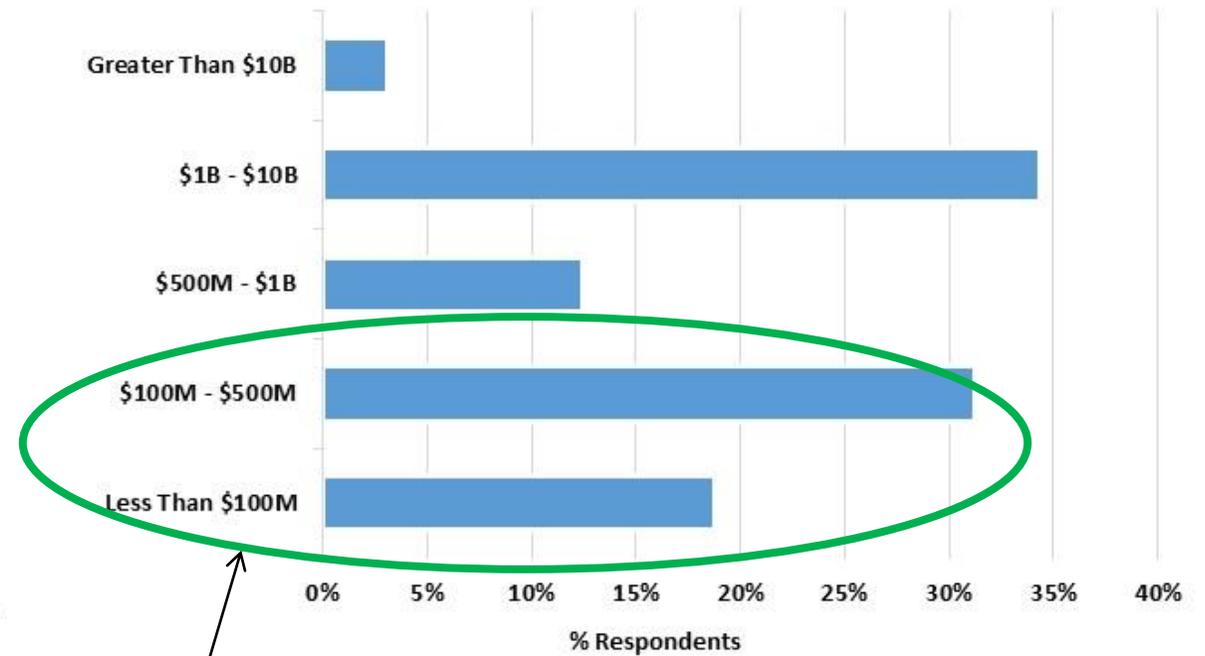
- Consumer products companies made up the bulk of respondents this year (44%) with a fairly good balance of large and medium-sized companies
- 61% of processes are sponsored at the executive level, yet executive support is reported as a top challenge
- Nearly half of respondents report overall results improvement above 10%, with 26% reporting results improvement above 20%
- Responses showing S&OP to be an effective vehicle for growth are high this year. Over 25% of respondents report improvements in sales and/or margins attributable to S&OP
- Communication, accountability, teamwork, and decision making are the highest ranking intangible benefits
- Finance integration is better this year, about 65% of companies have some level of finance integration
- Integration of Portfolio Management is also improved this year, 61% of companies have it and are discussing a variety of topics in the meeting
- While several companies reported using S&OP for more than balancing demand and supply as shown by the breadth of strategic topics reported being discussed, half of all respondents felt their processes were at a “Basic” level of maturity overall
- Companies report some advanced capabilities being provided by their IT tools, but most feel that their current IT use and tools are inadequate

The survey was conducted across a variety of industries and company sizes, we had 32 responding companies

Industries



Company Size

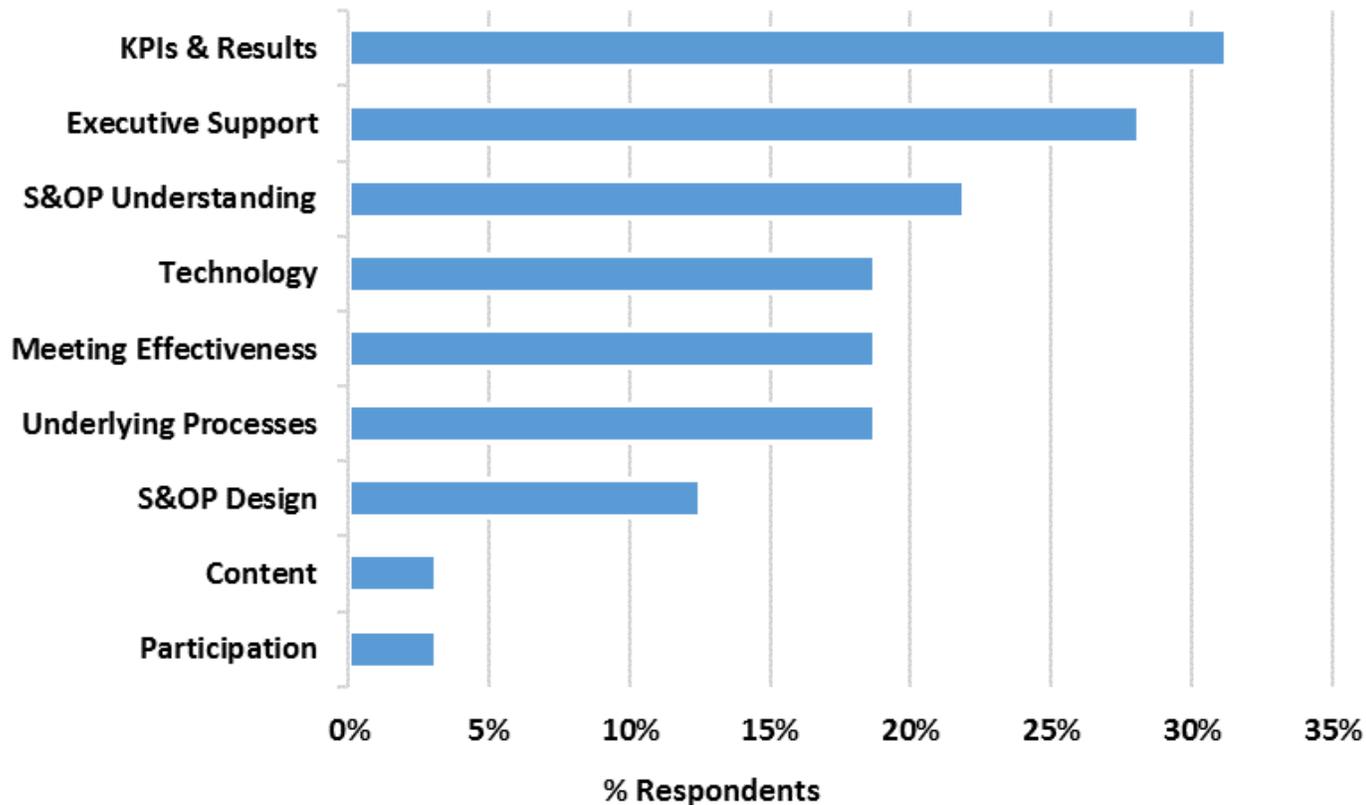


S&OP isn't just for big companies! This is also consistent with last year's survey.

KPI and results management as well as executive support are the largest challenges indicated by respondents this year

Respondents chose their top 2 challenges

Top Challenges with S&OP



- Executive support is back towards the top of list this year as most respondents were non-executives and this is a widespread perception at lower levels
- Participation and content were at the bottom of the list, indicating respondents have reasonably good meetings relative to other items (although meeting effectiveness was a top item for 19% of people)
- 19% of respondents reported the strength of underlying processes (e.g. demand planning, supply planning, financial planning) to be a key issue.

You may also like



[Why S&OP Initiatives Fall Short – Interview with Supply Chain Brain](#)



[Five Ways to Excite Your Executive Team about S&OP](#)

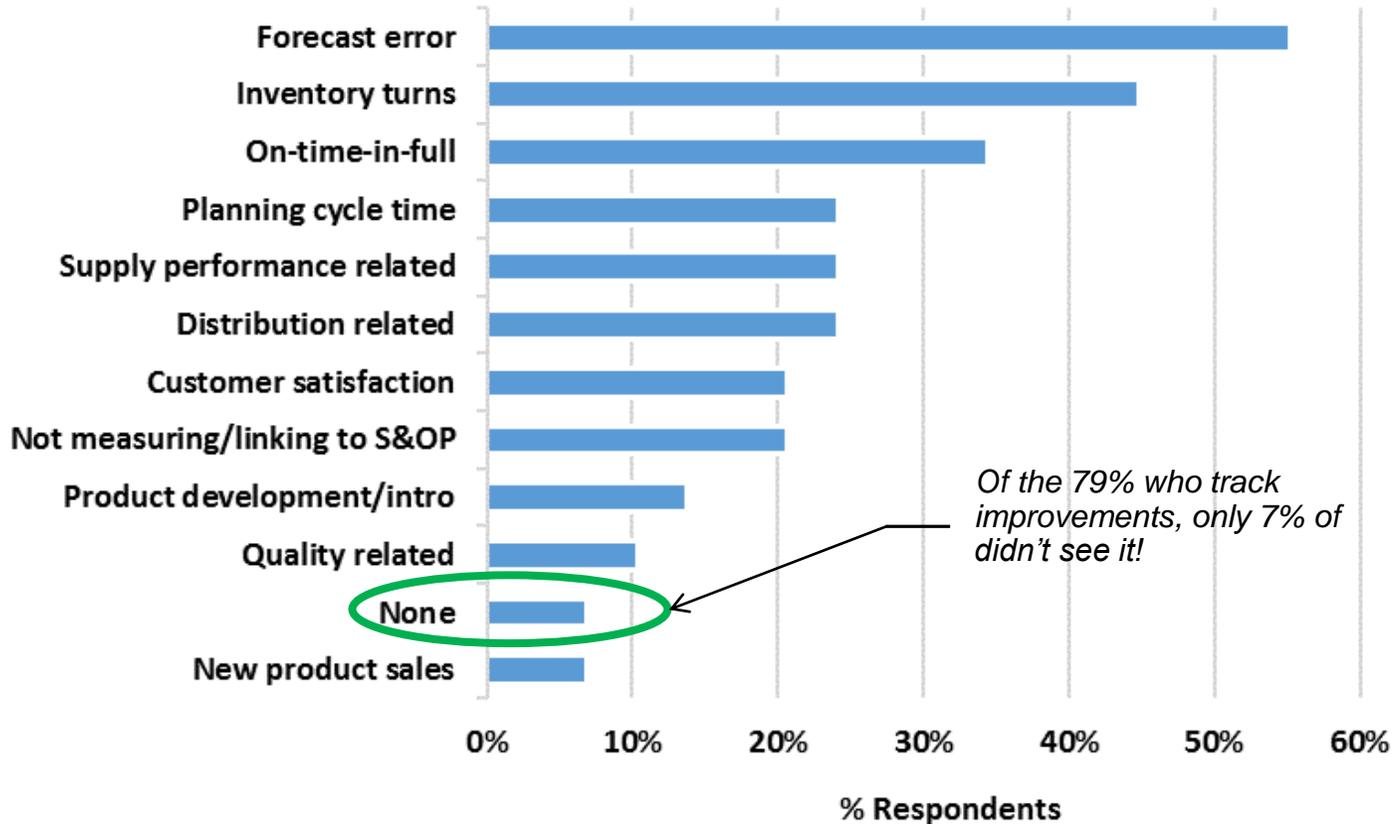


[Implement S&OP First or Fix the Underlying Planning Processes First?](#)

The vast majority of respondents are seeing OPERATIONAL improvements

Operational Metrics Improved

Respondents chose all that applied

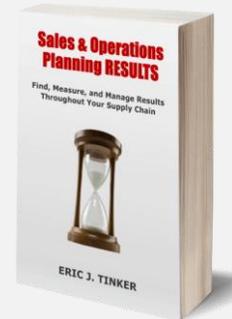


Of the 79% who track improvements, only 7% of didn't see it!

For more ideas and techniques for achieving results, please see

“Sales & Operations Planning RESULTS”

Find, Measure, and Manage Results Throughout Your Supply Chain



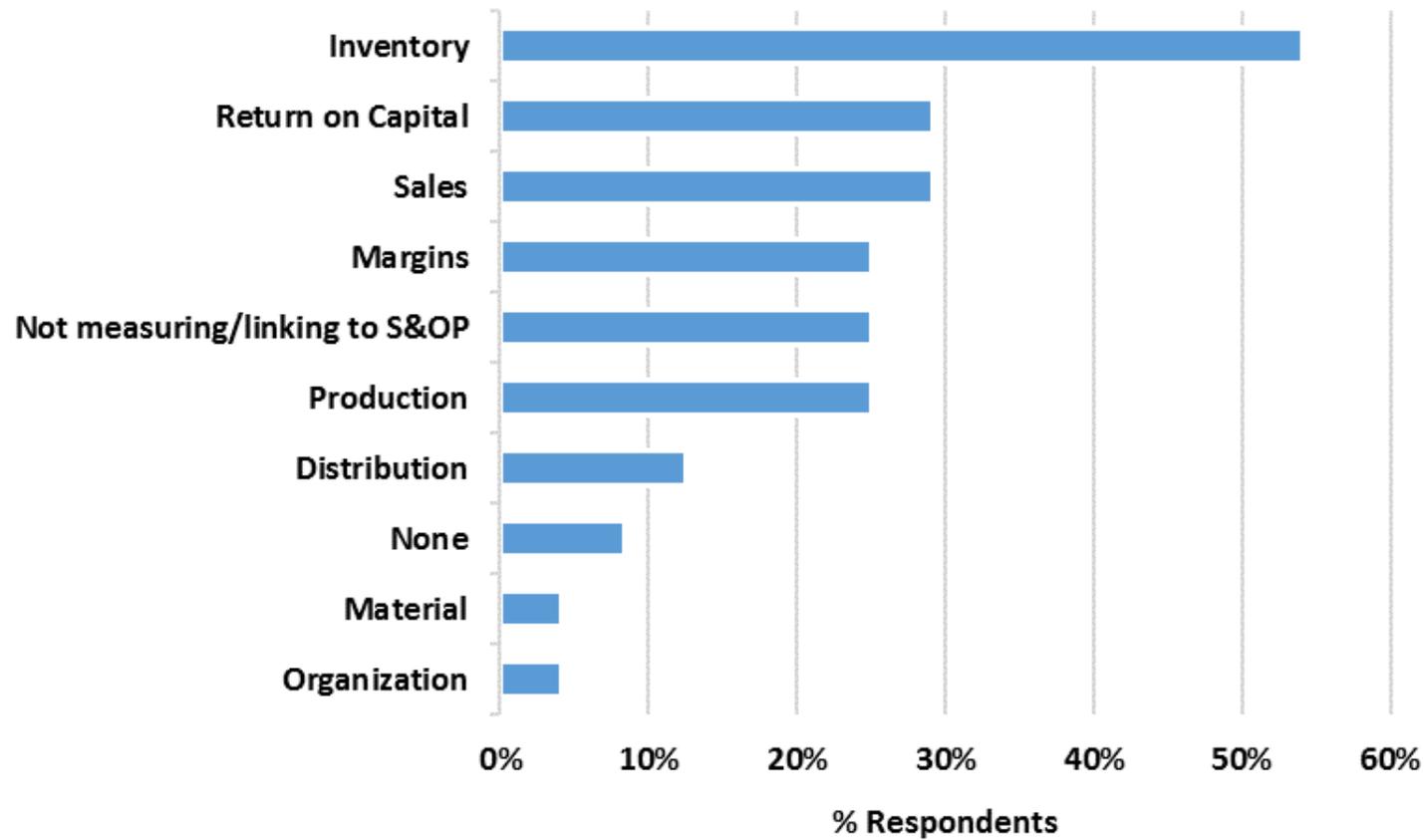
Available on [Amazon](#) or the [website](#).

The top result areas are similar to those indicated in last year's survey.

Sales and Margins are high on the list for FINANCIAL results, indicating a higher focus on growth and profitability in comparison to prior years – this is higher S&OP maturity!

Financial Metrics Improved

Respondents chose all that applied



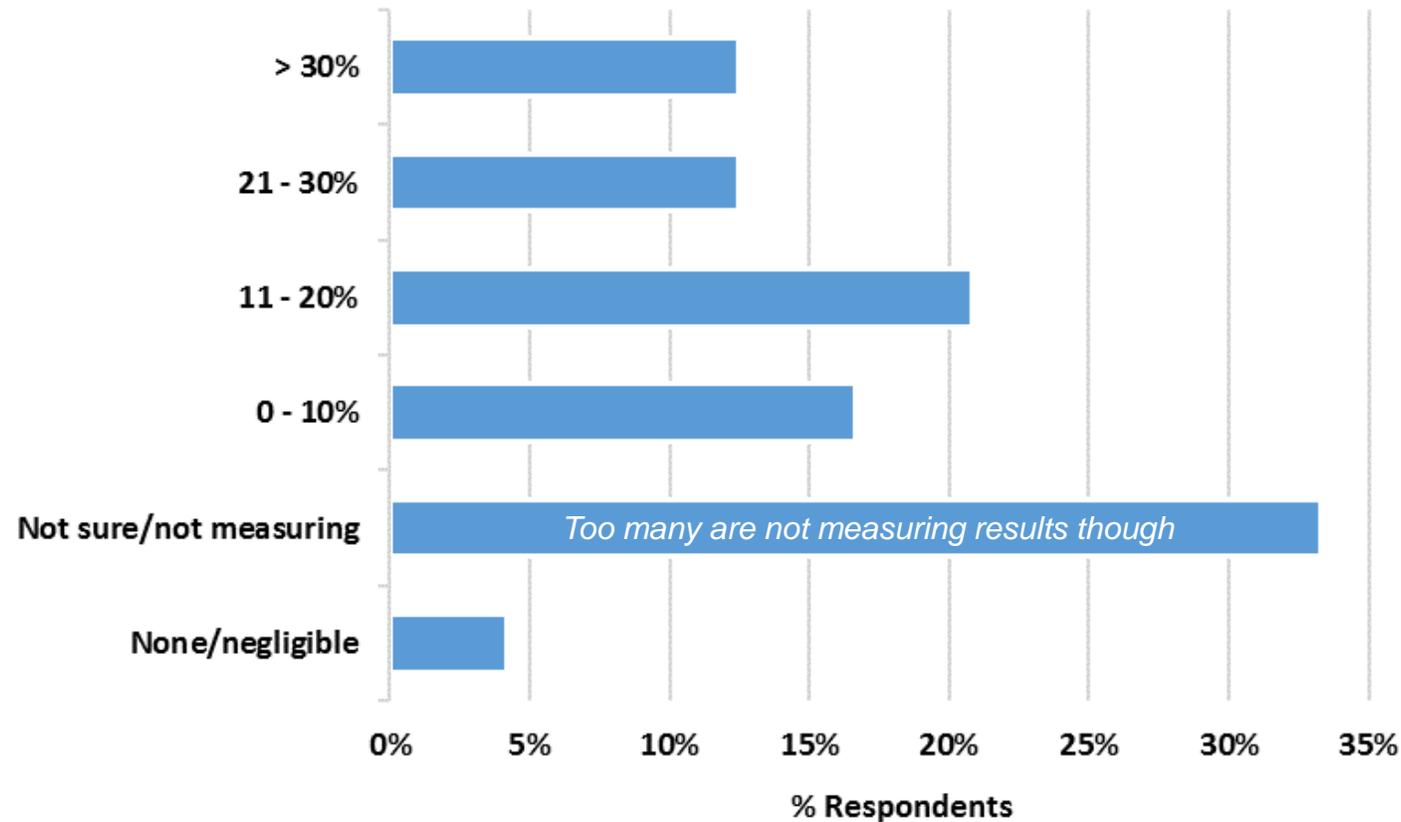
➤ Ideas for sales and margin improvement include:

- Tracking connections between increased sales and topics addressed in S&OP
- Improving promotions management/S&OP integration
- Making S&OP decisions that result in meeting demand
- Managing budget shortfalls in Demand Review and putting corrective actions in place
- Getting products into the marketplace faster as well as pricing management in Portfolio Review
- Changing structural elements of the supply chain/business (M&A/divestitures, outsourcing/insourcing, market entry, product management)

Leaders of the more mature S&OP processes, recognize this can be used as an engine for growth!

Magnitudes of results reported are higher this year, 47% reported improvements exceeding 10%

Typical Magnitudes of Improvement Due to S&OP

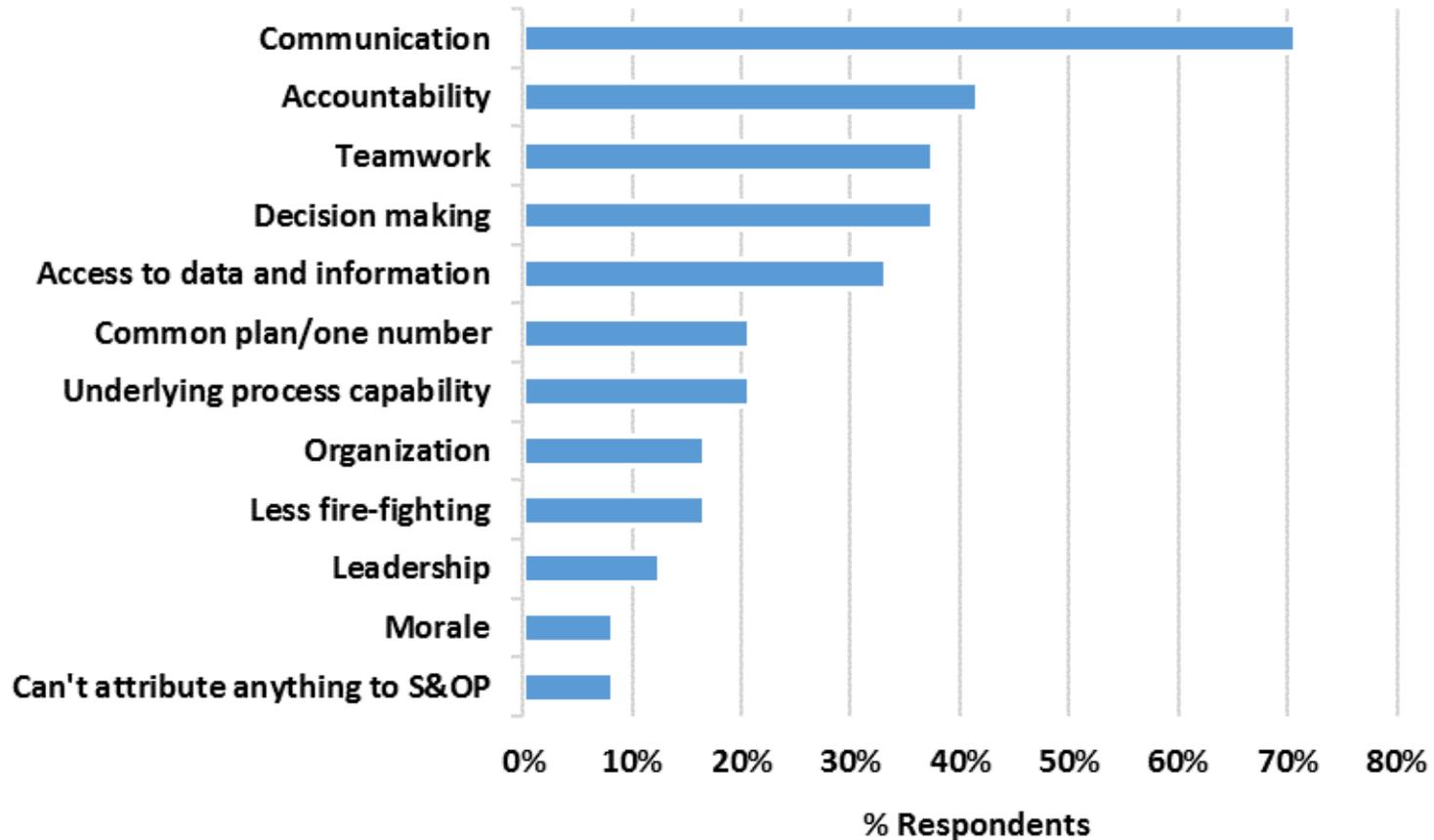


- Measuring results will
 - Keep people engaged
 - Demonstrate that the hard work is paying off
 - Set expectations for continuous improvement
 - Lead to root cause discussions
 - Enable the team to address issues before they become bigger problems

We normally see improvements in the 10-20% range.

INTANGIBLE results are important too

Intangible Items Improved

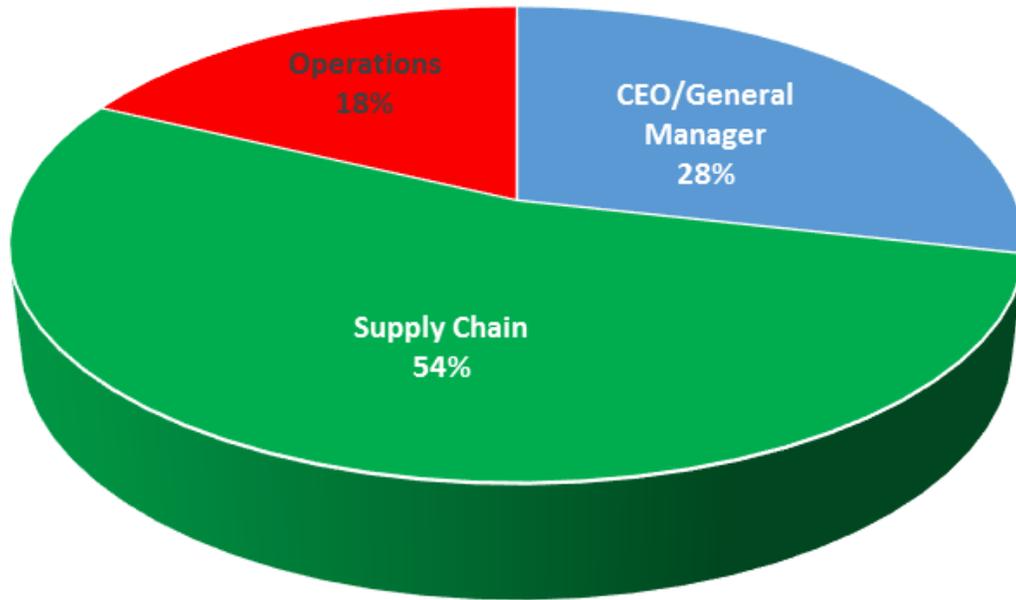


Respondents chose all that applied

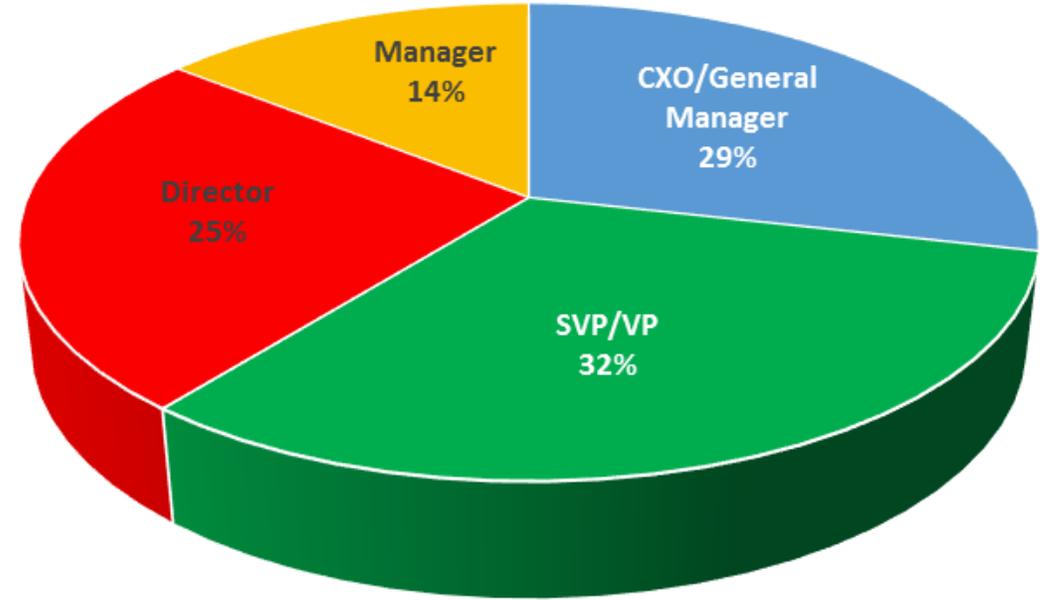
While intangible results are good, if they aren't backed up with tangible results, you'll likely lose some leaders over time.

No surprises this year in the functions that sponsor S&OP, but good to see that 64% are above the Director level

Functions that Sponsor S&OP



Levels that Sponsor S&OP



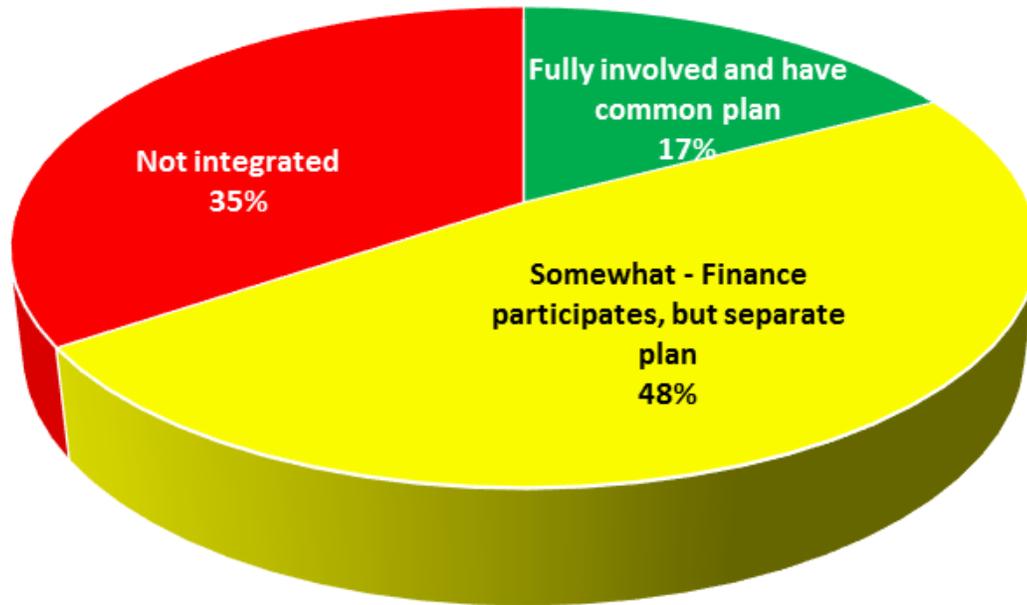
Executive sponsors are needed for S&OP to be the true decision making process for the company.



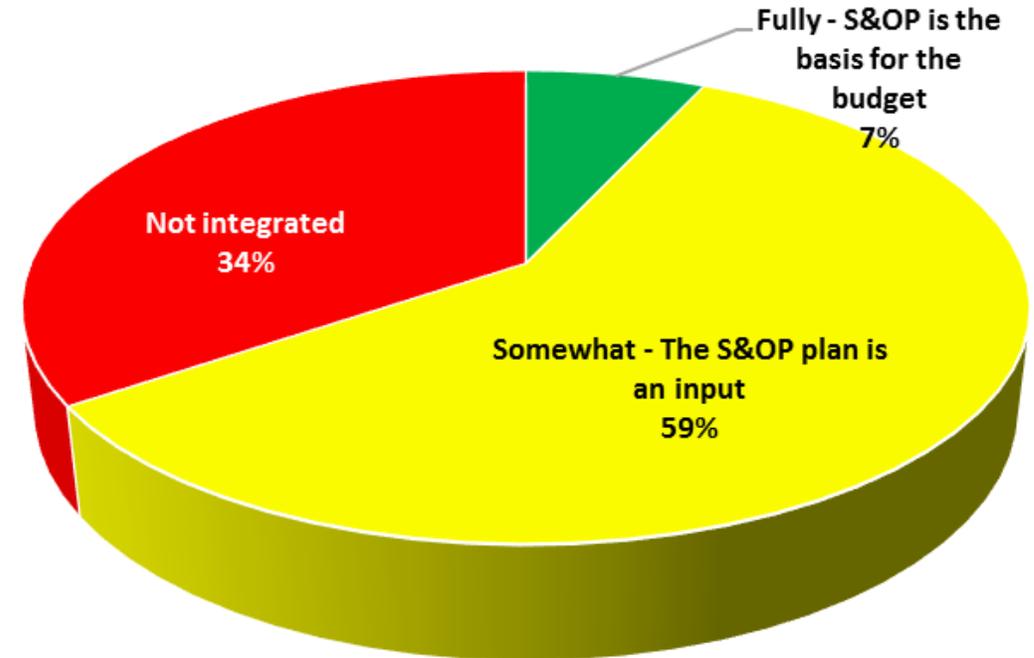
See the APICS Magazine article [*“Directing Success – 10 Tips for S&OP Sponsors”*](#).

While, most organizations have some level of finance participation, this continues to be an area for improvement focus

Financial Planning Integration



S&OP and Budget Process Integration

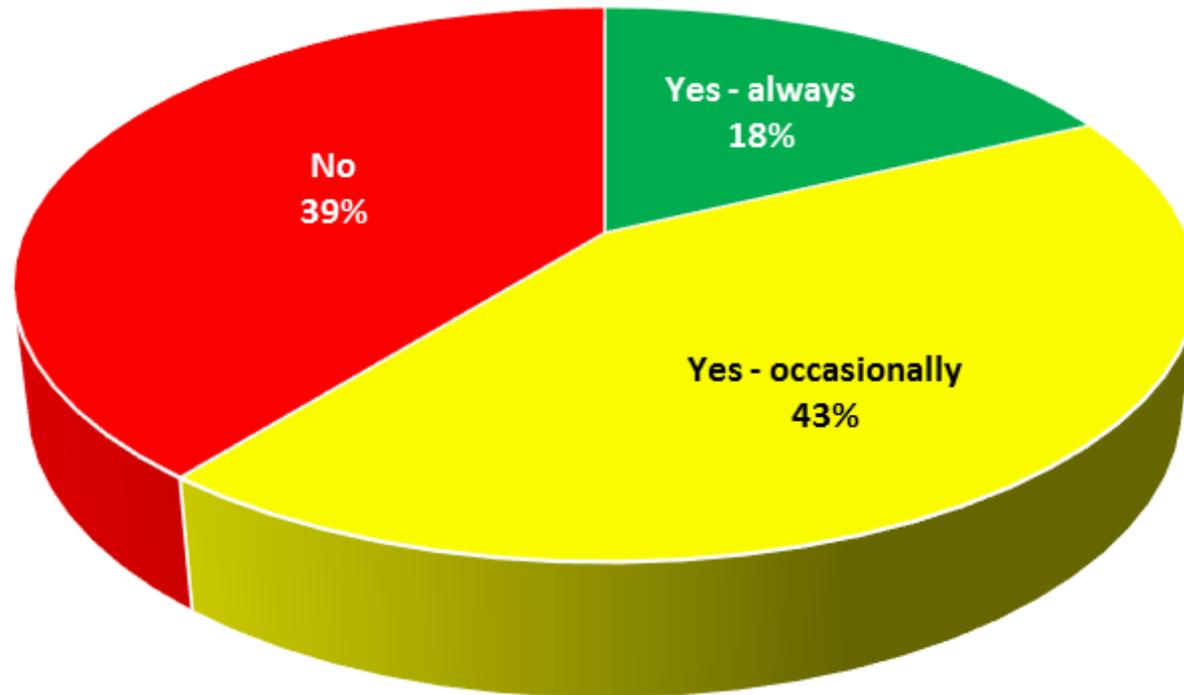


Finance has many skills other than accounting, reporting and budget coordination, they should be involved with scenario planning, budget focus, and monetization of volume plans.

See the blog post, [“The Increasing Impact of Finance on S&OP”](#).

Despite the majority of responses coming from consumer product companies, 61% have some form of Portfolio Review associated with S&OP

Do You Have a Portfolio Review with Each S&OP Cycle?



➤ Companies with a high number of SKU's and/or an active or developing portfolio should include Portfolio Review as part of the S&OP cycle

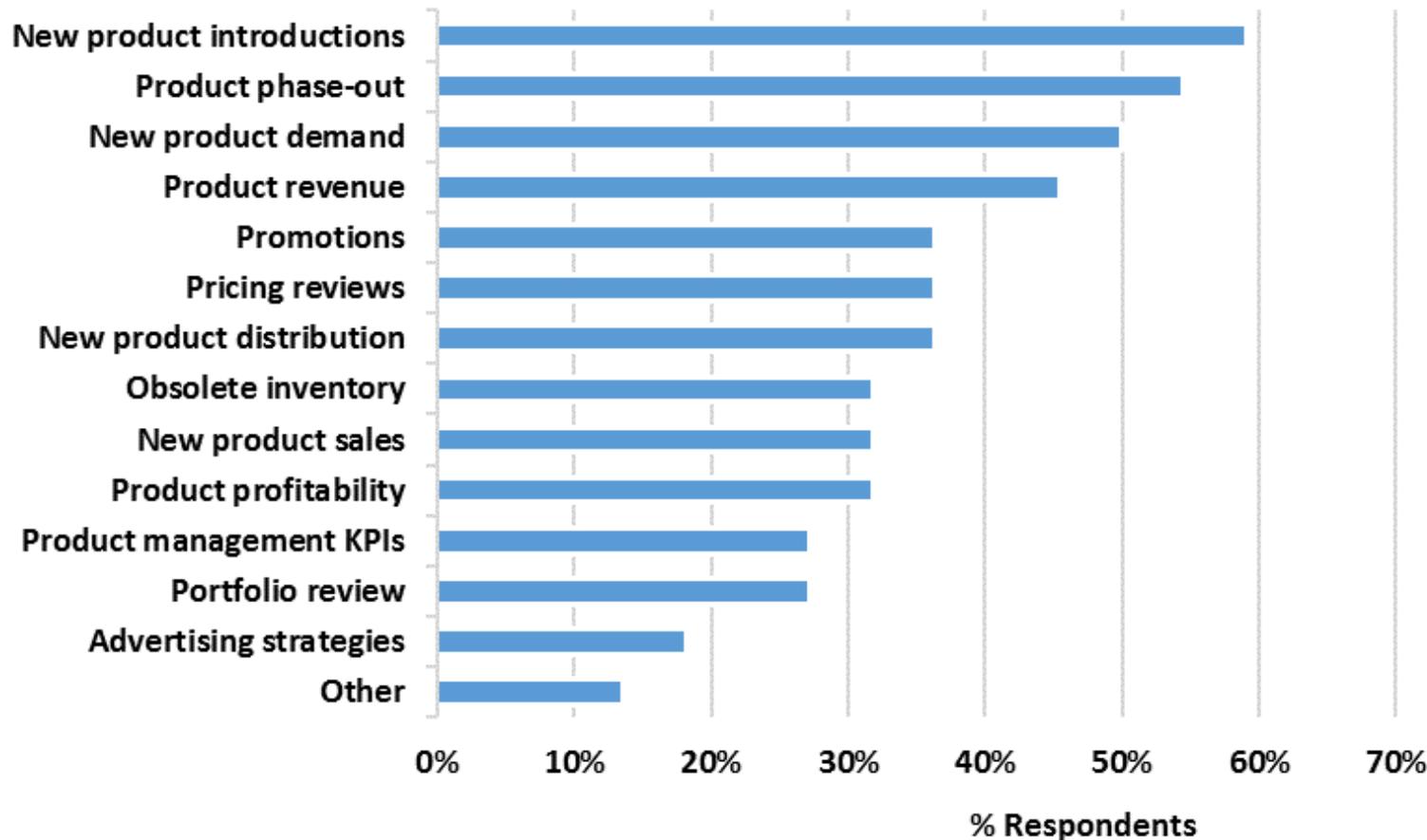
- Active management of product introductions, discontinuances, margins, and related KPIs
- Demand management of new products and smooth integration into the supply chain
- Usually sponsored by marketing

While still a gap, results are much improved over last year's results (61% did not have any kind of Portfolio Review in our last survey).

For those that do have Portfolio Review, here's what they are doing in it

Discussion Topics in Portfolio Review

Respondents chose all that applied



Some companies will modify the frequency of topics depending upon business needs. For example you could look at KPIs and new product demand monthly, but only critically examine the portfolio (including sales and margins) on a quarterly basis.



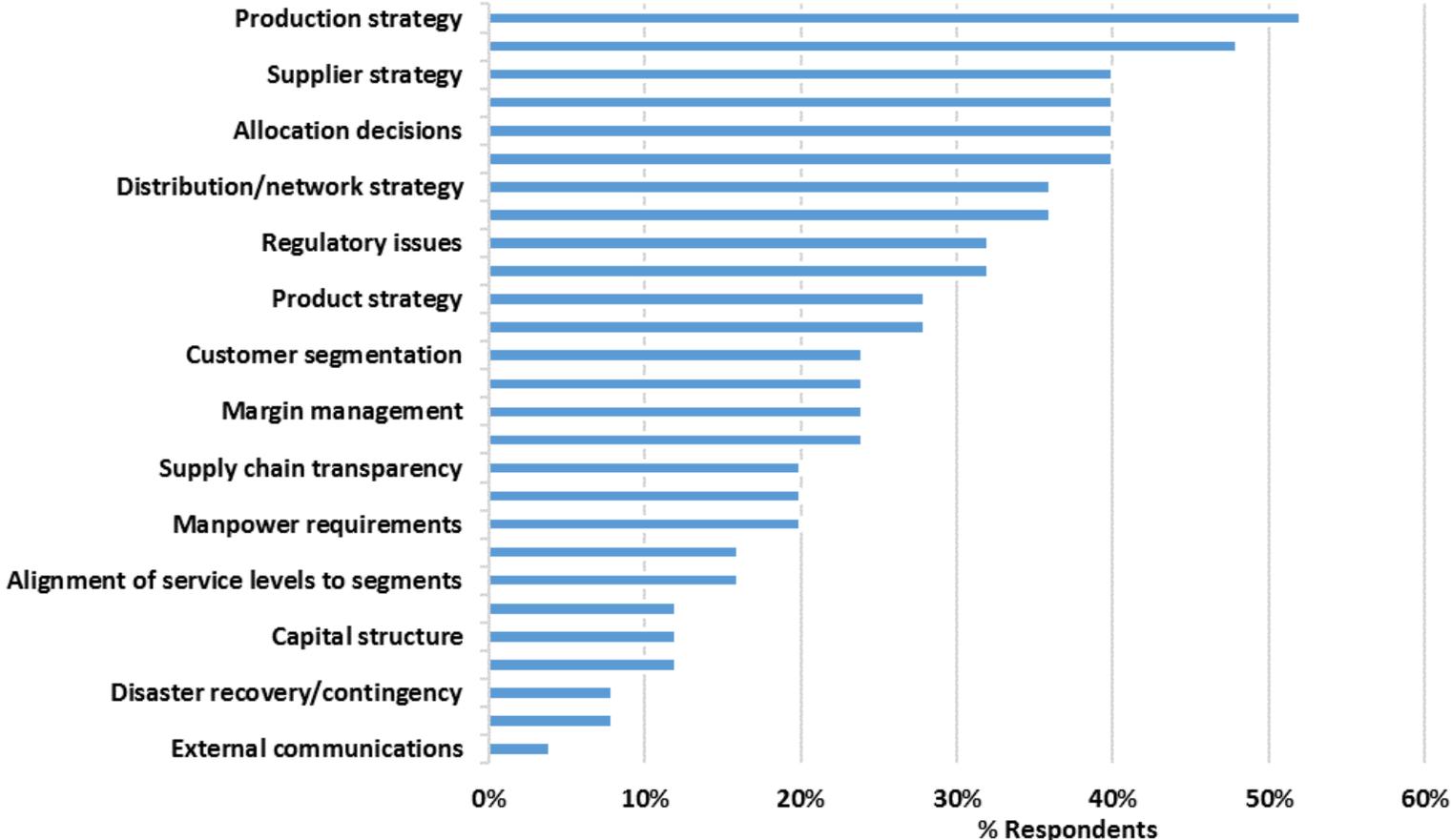
See the blog post

“Considerations When Rationalizing Your Product Portfolio”

Companies are now using S&OP for much more than just balancing demand and supply

Strategic Topics Discussed in S&OP

Respondents chose all that applied



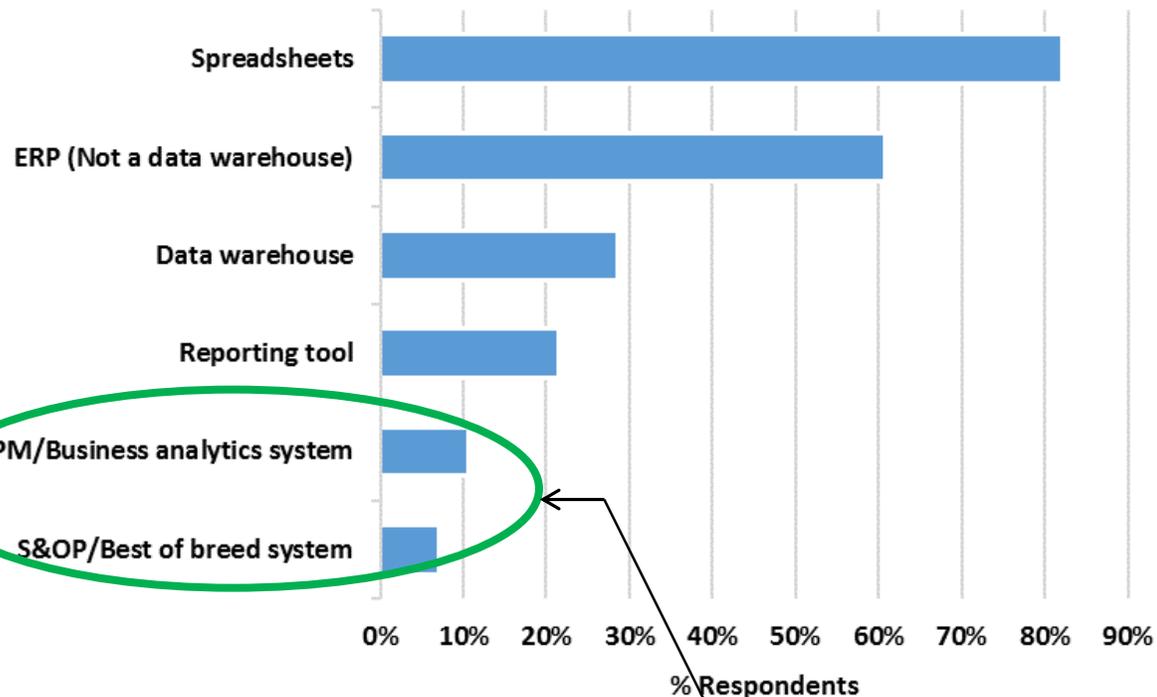
We recommend listing out the higher level topics your business deals with and then educating the team that S&OP is the place to discuss these items.

The Sponsor should ensure these topics are brought into S&OP.

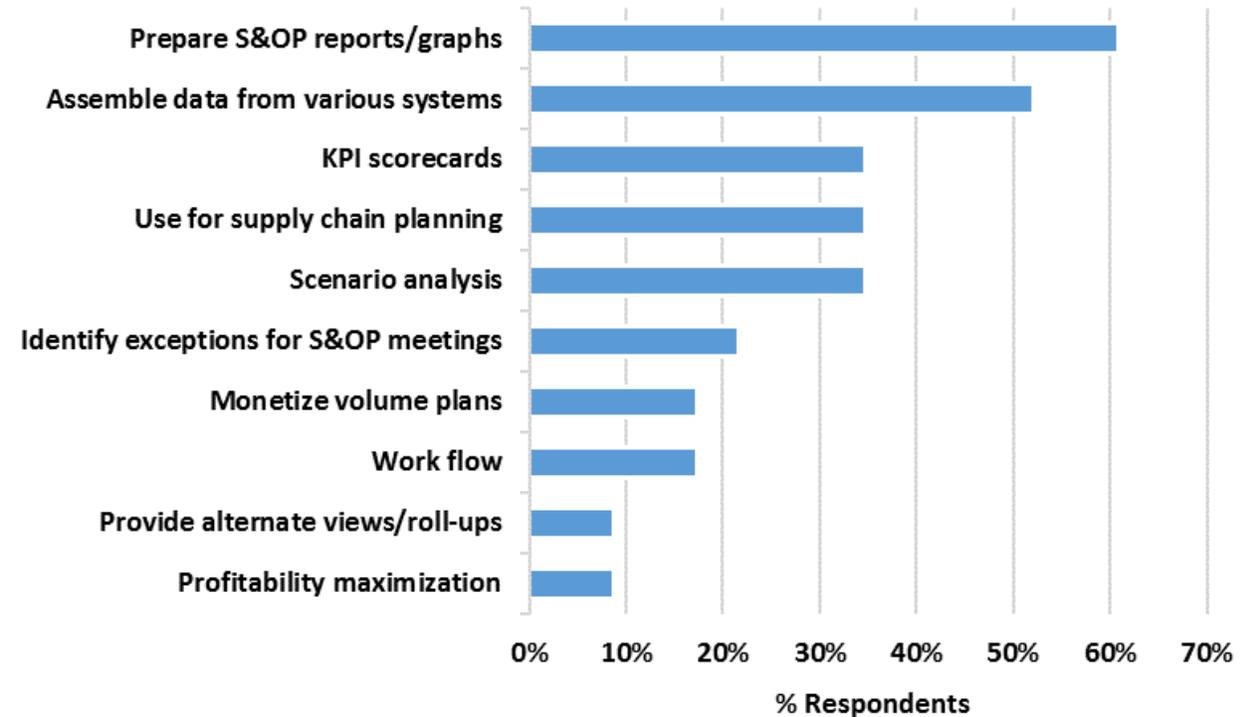
Spreadsheets are typically used in combination with other IT systems to support the process

Respondents chose all that applied

IT Tools in Use



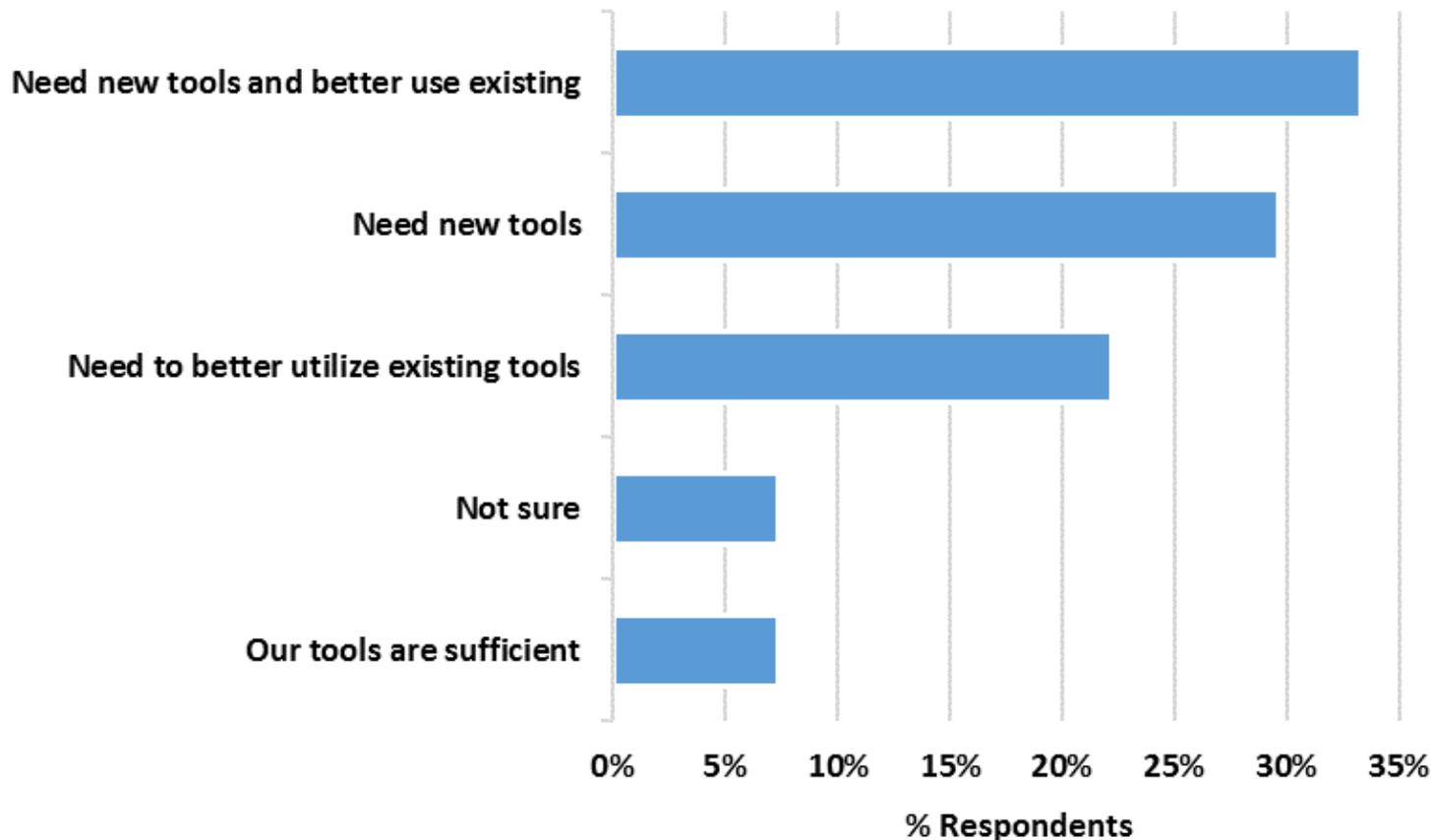
Capabilities of IT Systems Supporting S&OP



We would have expected higher results here given the growth in this market, as well as some of the more advanced IT capabilities reported in the adjacent chart.

Only 7% of respondents are happy with their current IT tools

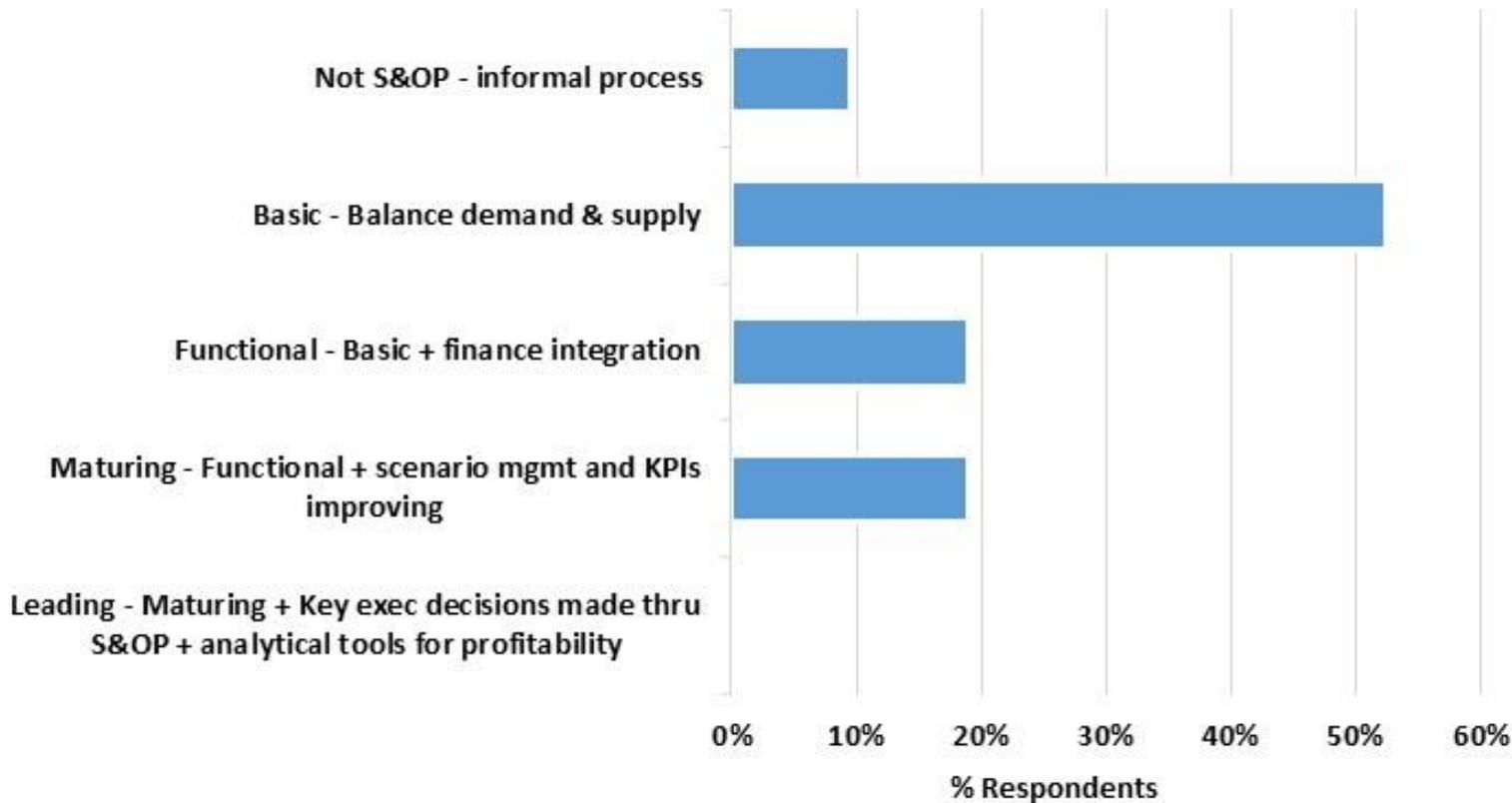
Are You Fully Utilizing Your Existing Tools or Do You Need New Tools?



While the new IT tools are becoming easier and more cost effective to implement, we always challenge why existing tools aren't sufficient. IT tools need a maturity plan that is integrated with your overall S&OP maturity plan.

Most only have basic S&OP in place

How would you rate the maturity of your S&OP process?



Those who improve to the higher levels of S&OP maturity will have a competitive advantage.

See more on our thoughts on S&OP Maturity



[Kinaxis Interview – “The Use of a Maturity Model for S&OP is Critical”](#)

Thanks and there's much more to see on the website through Nexview Online



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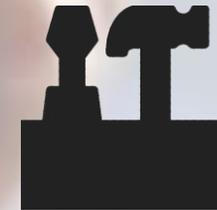
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Please more on the website, participate anonymously in our current survey, and see instant results at nexviewconsulting.com/surveys2

About Nexview Consulting

Nexview Consulting is a boutique management consulting firm that specializes in Sales & Operations Planning and Supply Chain improvement. We leverage S&OP to be the platform for continuous improvement and profitability in client organizations. We also work with clients to improve organizational performance, structure, and enabling supply chain technology.

Consulting methods promote sustainability of performance improving behaviors, tangible results, and development of client team members. Our consultants are highly-experienced business and consulting leaders with track records of delivering results for clients across the world, typically with larger more well-known consulting firms. We are based in the Boston area and Houston, but we travel worldwide to conduct training seminars, speak at conferences, and work with clients on high-impact, performance improving initiatives.

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