

navigating the S&OP journey



The uncertainty and volatility facing today's supply chains means monthly, spreadsheet-driven Sales and Operations Planning (S&OP) processes are proving too slow and cumbersome to keep pace. Often, these outdated approaches are the root cause of problems such as:

- **Siloed systems**
Without a shared view of data, departments can't easily collaborate to reach consensus.
- **Disconnected people**
46% of manufacturers and service organizations cite lack of collaboration across functions and externally as an obstacle to improving supply chain processes.
Source: APQC
- **Firefighting to deal with today's volatility**
Hurried decision-making can mean short-term gains but long-term pain.

64% of organizations expect unexpected customer demand variations to increase over the next 5 years.

Source: Gartner



It's Time to Take Control

Coping with these headwinds requires finding ways to better synchronize demand and supply, make more strategic tradeoff decisions, and support gap-to-close actions aligned to business strategy and financial goals. Supply chain leaders need:

- **Greater visibility**
A view into the revenue or profit implications of decisions and the information needed to balance the tradeoffs is essential to effectively coordinate sales and operations plans.
- **Better cross-functional collaboration**
Input from sales, finance, supply chain, marketing, and other functions is key to building consensus across product review, demand, supply, and the executive team/leadership.
- **Agile decision-making**
Organizations must be able to continuously orchestrate several concurrent business activities, so they can make rapid adjustments and accommodate unexpected disruptions.

The overarching goal is to expose and reduce risks and maximize business opportunities with the ability to set financial targets and support business strategy:

87% of respondents call supply chain planning their top area of focus for 2022 (89%). Within that, **S&OP is a top-three priority.**

Source: APQC



What a Solid S&OP Process Can Do

A redesigned S&OP process enabled by a modern, flexible S&OP application can make a dramatic impact on your ability to meet supply chain and overall business goals. Impact can be seen in:

- **Tighter financial alignment**
A stronger link into financial planning ensures alignment with overall financial goals.
- **Greater capacity for experimentation**
Advanced analytics and digital twins facilitate scenario testing and innovation.
- **More strategic, long-term decisions**
Planning 2-5 years out or longer drives smart strategic decisions such as CapEx investments.

“S&OP is the single most important and critical cross-functional process. If S&OP is done properly, it leads to significant returns, including increased revenue and profitability.”

*Michael Youssef
Senior Director Analyst at Gartner*

Average S&OP Results:

1% – 4% top line growth

8% – 14% cost reduction

15% – 25% improvement in cash flow & working capital

Source: Institute of Business Forecasting & Planning



Leveraging S&OP As a Strategic Tool

Properly executed S&OP processes require robust and well-designed software that's a part of a larger, integrated supply chain planning platform. John Galt Solutions' **Atlas S&OP** application enables you to go well beyond balancing supply and demand and mitigating risk to using your S&OP process as a strategic tool to achieve business goals.

**DOWNLOAD
THE E-BOOK**



JOHN GALT