



## QAD S&OP

Providing visibility into strategic objectives during functional planning results in more effective sales, more efficient operations, optimized service levels and the right product mix. Key business units within a [manufacturer](#), like sales, operations and finance, may develop functional plans without fully considering company-wide goals. Leading companies often adopt S&OP (Sales & Operations Planning), a solution and process that ensures business units make plans and decisions in the context of overall business objectives. S&OP is also referred to as IBP (Integrated Business Planning), particularly in the context of product management review and financial appraisal.

The QAD DSCP ([Demand and Supply Chain Planning](#)) solution helps companies adopt and use S&OP by facilitating better communication and planning across the company. QAD DSCP simplifies S&OP by offering the following key capabilities:

- Provides management with an optimal decision tool for S&OP.
- Facilitates clear and formal collaboration and communication between the demand and supply sides of the business.
- Documents a company-wide vision shared by all key business units.
- Drives alignment between planning levels, including strategic, tactical and operational, and executive S&OP with operational S&OP for product mix.

Though S&OP processes vary from company to company, here is a sample of a typical S&OP approach:

- **Gather information on company performance against strategic KPIs.** Examples include inventory levels, actual performance to schedules, sales to forecast ratio, backorders and delivered in-full ontime (DIFOT).
- **Update the sales forecast.** Gather input from all applicable sources, particularly sales, marketing, demand planning and new product development. Collaborate on the demand plan until you reach consensus.
- **Review new forecast impact** on applicable areas including production, storage, distribution and inventory. Identify budgetary deviations.
- **Investigate alternative scenarios** such as best case/worst case analysis, and make plans for addressing both. Look at the possible results of unplanned supply chain interruptions for key raw materials or components, and make plans for how to deal with these events if they arise. Identify areas requiring a final decision by senior management.
- **Plan a formal monthly S&OP meeting** with the key decision makers.

### VALUE AND BENEFITS

**Improves customer service while reducing inventory** levels due to improved synchronization of demand and supply plans.

**Facilitates alignment** between strategic, tactical and operational plans across the company.

**Senior management makes better decisions** through the use of alternative scenario analyses and a planning tool that ties decisions to KPIs.

**Improves internal and external communication** due to stakeholders interacting and sharing information on a formalized, on-going basis.

**Reduces supply chain costs.** Coordinate activities of the key business units in the company.

**Maximize profitability and return on assets.** Ensure business units make functional plans and decisions in a strategic context.

## KEY FEATURES

QAD designed the QAD DSCP solution specifically for S&OP, in terms of technology and features, including:

- **Single Click Collaborative® Technology** — The in-memory QAD DSCP solution offers a multiuser, multi-constraint, multi-level solution enabling collaborative forecasting and planning simulations and approaches. The underlying technology includes ergonomics to help users collaborate and easily make excellent business-impacting decisions.
- **Built-in S&OP Business Process Support** — QAD DSCP includes decision tools, reports and dashboards that support every step of S&OP.
- The **Demand Planning** solution facilitates sales forecasting, taking in to account field feedback and safety stock dimensioning that adapts based on forecast accuracy.
- The **Supply Chain Planning** solutions, including Production, Distribution and Procurement Planning, translate validated requests into loads which may be tailored to capacities, whether they affect production, transportation or storage. Companies may define an optimal projected inventory level by comparing inventory policies and supply chain constraints.
- **Alternative Scenarios** — When planning the overall supply chain, QAD DSCP helps identify critical situations. The alternative scenario tool then helps restore a balance between supply and demand while complying with corporate strategy. As a result, the S&OP leader easily develops applicable agendas for S&OP meetings that incorporates critical problems, alternate scenarios and areas of high impact.
- Includes a **shared vision document and the approved S&OP operations plan** to effectively communicate company strategy.
- **Key Performance Indicators** — The S&OP process and meeting draws on consistent and robust indicators, expressed in flexible units and add-on values including standard costs, sale prices and profit margin. As a result, the manufacturer makes clear and accurate decisions shared across the company.
- **Configurable** — Easily tailor S&OP to meet the specific requirements of your company.
- **Integration** — Automates and secures data collection needed for S&OP information

assets and processes, using built-in, two-way “data hub” integration technology.

- **Flexible deployment: cloud and on premise** — Customers may deploy QAD DSCP on premise or as QAD Cloud DSCP in the QAD [Cloud](#). QAD Cloud DSCP gives manufacturers the freedom to focus on their business without worrying about implementation and on-going management. The predictable, flexible and secure QAD Cloud offers excellent service levels, global accessibility, dependable around-the-clock support and predictable costs and budgeting.

## 10 STEPS FOR EFFECTIVE S&OP

S&OP could be thought of as a control tower for guiding companies towards excellence and becoming an effective enterprise. Here are 10 essential steps for effective S&OP:

1. Obtain senior management support and sponsorship
2. Identify a process moderator – often a supply chain management leader
3. Define roles and responsibilities for each stage
4. Focus S&OP initially on demand planning and management to realize near-term ROI and gain familiarity with the process
5. Define relevant aggregation levels to analyze product families from the commercial or production standpoint
6. Ensure data reconciliation between operational processes and aggregated S&OP vision
7. Define a 12 to 24-month visibility horizon and comply with monthly frequency and key stages of the process
8. Formally structure the S&OP meeting and release formalized decisions within 48 hours
9. Set up a continuous improvement system for S&OP
10. Develop cooperation, communication, transparency, constructive attitudes