

OUR VISION AT SOLVENTURE

# Driving sustainable change and value through S&OP

by Prof.dr. Bram Desmet, CEO at Solventure



# TABLE OF CONTENTS

Driving sustainable change and value through S&OP **03** >

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Exec Summary **04** >

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Step 1: Awareness **07** >

---

Step 2: Envision **09** >

---

Step 3: Engage **11** >

---

Step 4: Design **14** >

---

Step 5: Implement **16** >

---

Step 6: Improve **17** >

---

Step 7: Sustain **19** >

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# DRIVING SUSTAINABLE CHANGE AND VALUE THROUGH S&OP

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Confession 1, in the 15 years I'm implementing S&OP processes and tooling, not all of it went smoothly. I've had difficult discussions with disappointed clients that told me, you are the expert, you have done this before, you should have told me. Confession 2, for 15 years we've been preaching you need to combine people, processes, tooling and analytics, but when we started the project, and certainly when we were selected after a tooling RFP, more than once we got pushed into a technical systems corner and have missed a broader impact.

After 15 years, it's time to prevent that and to turn it around. I want to more actively challenge our customers and prospects that the right things are being done to drive sustainable change and value through S&OP, and that a holistic perspective of people-process-tools-analytics is being taken. To do so, we have bundled our experience in a 7-step approach. 7 steps that should help you navigate around the known pitfalls. 7 steps that automatically blend the right combination of people, process, tooling and analytics. This will be our compass. This will be our bible. If you are on an S&OP journey or are planning to do so, how do these 7 steps resonate with you? What do you like and what are you missing? Let's challenge each other and both get smarter as a result!





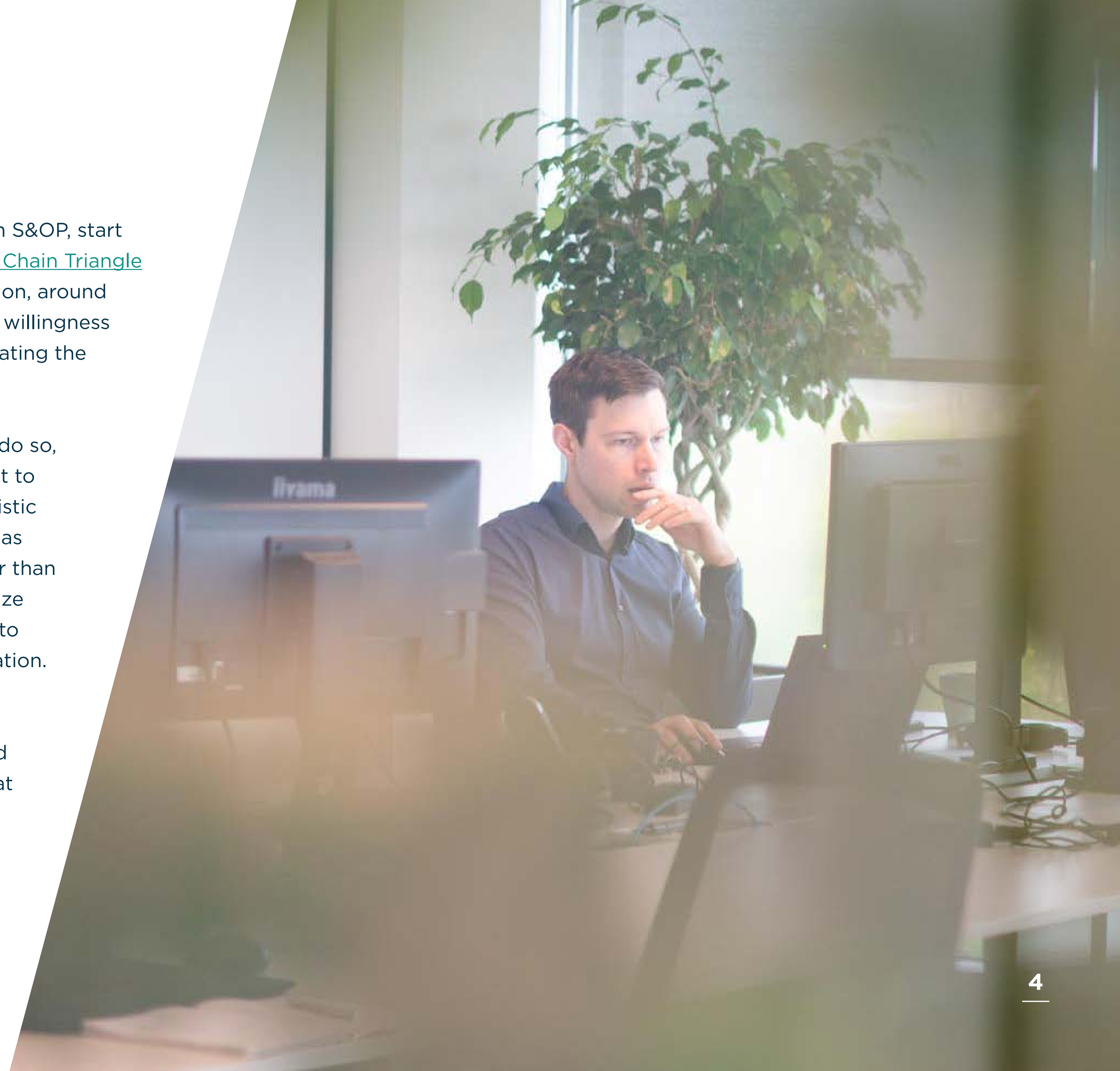
# EXEC SUMMARY

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From a helicopter view, it starts with creating awareness. Don't start from S&OP, start from the problem. We typically start from (a lack of) balance our [Supply Chain Triangle](#) and try to gather different functions and different layers in the organization, around a common understanding of what needs to be improved, and a common willingness to do so. If everybody understands the problem, then you can start educating the organization on S&OP as (a part of) the solution.

Once there is an understanding we need to change, and a willingness to do so, once there is a basic understanding of how S&OP can help, it is important to envision where you want to go, what is the level of ambition, what is realistic in which timeframe. There could be some fear or disillusion at this stage, as implementing S&OP is not for free, and it turns out to be a journey, rather than a project. But yes, you are sure you want to continue, as you start to realize how much value S&OP can drive. We recommend a financial benchmark to reveal potential on EBIT, inventory turns, working capital and asset utilization. We recommend complementing that with a bottom-up assessment of how individual pieces of the S&OP puzzle can contribute to those top-down objectives. As you make a high-level business case, you understand implementing S&OP is challenging, but fundamental, a game changer that needs to be done.

Once your mind is made up, you'll need to continue engaging the broader organization. If you are highly centralized that could be easier. If you are more decentralized, you need to take the time to get individual countries or regions on board, you need to take the



time to clarify what will be the impact on how regions and countries operate as you start introducing new regional or global processes. You need different parts of the organization to fully commit to the new way of working and to the envisioned benefits. Be critical on how much change your organization can absorb. Be prepared to invest in backfills and temp support to ensure the job can be done properly. As you go along this path, your high-level scope, timeline, cost and value generation will be refined. Strive to get a firm and unanimous GO. Any hurdle you haven't solved at this stage, will come back later, at a more difficult time, with less options to solve it. Iterate, until you have what you need.

Once the organization has embarked, continue defining the high-level process and system architecture. How will demand interact with the DRP, with the RCCP, ... How will your advanced planning system interact with your ERP? Before digging into the details of a single process, the high-level architecture needs to be clear. In a next step you can do the detailed design of the processes, the functional and technical design of the system and the data integration.

As you start implementing, take an iterative approach, where key users are trained and give feedback in multiple iterations. Insights keep growing as the data comes alive in the tool. Find a way to incorporate that. Remember that you're not just bringing alive a tool. You're also bringing alive a process. We recommend you get some process coaching and guidance. How to drive your first demand review meeting? How to harness the power of that new RCCP process and tooling? What type of analysis to perform? What type of scenarios to run and report back into the S&OP meeting?

The go-live is not the end of the project. It's the start of the real work. Start tracking value and benefit generation. Launch a continuous improvement competition to drive smaller tweaks and bigger changes improving performance and improving adoption. Invest time to experiment, learn and adjust the powerful analytics of your newly bought APS solution. We recommend starting simple with basic forecasting algorithms or with a basic model in the optimization engine. Better understanding and mastering the true power takes time, blood, sweat and tears.

We see many companies have a 3-year cycle. We launch a first big project in year 1 and take year 2 and 3 to fully digest and optimize. Ensure you sustain what you've reached. As people move around, you'll have to retrain. Start thinking about the next steps in parallel.

We provide a lot of training, webinars, vision papers where we hope to inspire you and create a next level of awareness so you can envision your next step in your S&OP journey.

This is the exec summary. On the next page we describe each of the steps in more detail.





- > Understanding **best practices**. What is S&OP. What are the steps, how are companies doing this.
- > Create a **common language**. Allowing to focus on 'what is our ambition', instead of 'understanding what is S&OP'.
- > Understanding **current maturity**. What do we have? What are we missing?



- > What is our **ambition**? Defining goals: timing + level of maturity.
- > Generate **value**. How will we generate benefits? What is the business case? How will we measure?
- > High level **Scope** and **Timeline**. What will we do in APS vs ERP?



- > What time is needed from which people? How will we free up **resources**?
- > Do we have the **right capabilities**? Do we need extra hires, do we need to backfill?
- > What is the **financial cost**, internally and externally? Do we believe in the case?
- > How do we **engage** key stakeholders?



- > **Processes**: e.g. how to separate RCCP, MPS and daily planning?
- > **Organization**: e.g. roles/functions: who drives RCCP? KPI's/incentives: who owns inventory?
- > **Capabilities**: e.g. what skills are required for which roles?
- > **Tool**: is the 'systems blueprint', refining functional specifications & integration with other systems



- > **Processes**: process steps, who does what, meetings & agenda's, ...
- > **Organization**: new roles/functions, change KPI's/incentives, ...
- > **Capabilities**: process training (mgmt+users) & tooling training (users), new hires, ...
- > **Tool**: technical implementation, data validation, integration, ...



- > **Processes**: Improve adherence (people?), quality (discussions?), performance (KPI's)
- > **Organization**: Refine roles, RACI's, KPI's, ... where needed
- > **Capabilities**: Ensure continued training and coaching (mgmt+users)
- > **Tool**: Adjust fixes and small enhancements



- > Sustain **value** generation: benefit tracking & monitoring!
- > Continued updates. Benchmarks. Inspiration.
- > Next step in **maturity**. Redefining **ambition**.

# STEP 1 AWARENESS

[Sales & Operations Planning](#) is still poorly understood, within Supply Chain, within Sales, within Operations, and within Finance. A lot of companies don't have a 'tactical' planning layer and are stuck into operational firefighting. If that is where you are, it is typically hard to imagine the value of being proactive and avoiding problems rather than solving them. Still, a lot of companies don't have an organized collaborative forecasting process and Sales have little interest in contributing to, what they consider, another administrative task without added value. Operations may be tired of chasing the unrealistic dreams of Sales, may have turned its back on them, and are making their own forecasts to stabilize the operations and gain some efficiency. Finance feels frustrated, as inventories are out of control, financial forecasts are unreliable, profitability is below par, and analyst meetings are tough, quarter after quarter.

Don't expect a tool is going to solve this problem. It starts with awareness. Don't start with S&OP. S&OP may be (part of) the solution. Start with the problem. We have captured the problem in our [Supply Chain Triangle of Service, Cost and Cash](#). Over the last 5 years, we've been very successful in aligning different departments around a common goal: we struggle with the balance in the triangle, we understand this impacts value generation, we have a common ambition to change this. If that's the case, you can start talking about S&OP, what it is, what are the steps, what are the roles of the different functions, how it comes together,

how it will help to better balance the triangle. After creating a common goal and ambition, it is important to create a common language: demand planning, demand review, rough-cut capacity plan, master plan, ... You need to come to a point where you can discuss how to implement this in your company, rather than discussing what it is, and what is e.g. the difference between a rough cut and a master plan.

## White Paper: Balancing Service, Cost & Cash in the Supply Chain Triangle



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Your starting point may be higher on the Gartner maturity curve. You may have bits and pieces of processes and systems already installed. You have a demand planning process and tool however the adoption might not be as strong in all your regions or countries. Some countries/plants historically have a proper RCCP though in an outdated version of their ERP. Other countries/plants have nothing and are just scheduling the orders for the next few days or weeks. You have 1 or 2 senior sponsors but financial processes are disconnected, the CFO doesn't believe in a major S&OP overhaul, there is a long list of missed opportunities where we were late to react to a business opportunity or where inflated sales opportunities didn't materialize and left the chain with excess inventories and capacities. Your starting point is higher, but the conclusion remains the same. Don't expect a tool to solve this problem, and don't start with S&OP, however S&OP may be (part of) the solution. Start with the problem. Capture the improvements using the Supply Chain Triangle, create a common awareness, a common understanding and a common willingness to change.

## HOW WE CAN HELP

For 7 years we have been running our Solventure Academy that introduces the Supply Chain Triangle and an understanding of S&OP. We have experience in creating that common understanding and that common ambition to drive the required change. This needs to be done high enough and broad enough in the organization.

We can support this through a series of workshops, including the executive committee, including regions/countries and cross functional teams. For those companies that are quite advanced in their S&OP, we are looking forward to

introducing our vision on strategy-driven S&OP, creating a common understanding we need to align strategic, financial and S&OP planning, and to creating a common willingness to do so.

**White Paper:**  
**S&OP - Our vision at Solventure**

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## STEP 2 ENVISION

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Once there is a common understanding of the need for change and a shared ambition to drive that change, we need to be more specific on where we want to go. Creating awareness is the easy part, defining the vision on where to go is probably the hardest part. S&OP is a connected and close-loop process. Some of the value is only delivered when you have different pieces of the S&OP puzzle installed and connected. That can make it into a significant investment. That is a reality check, each time again. OK, are we still sure we want to do this?

Secondly, you need to carve out a manageable piece. If you don't have a demand planning process in place, getting in place the pure basics may be a challenge, both from a change perspective (getting sales on board) as from a technical perspective (data, data quality, ...). We may be able to tackle Demand and Rough Cut Capacity Planning but decide not to tackle Master Planning or wait with Detailed Scheduling. That is also a reality check, each time again. We're in this for a journey, creating a roadmap, not a single project. OK, are we still sure we want to do this?

Yes, we are sure we want to do this. And yes, we're in this for the journey, not just a single project. We're in this because we're going to drive value. Some companies invest in S&OP because they believe it is the right thing to do. Though very noble, no significant investment should be done without defining what we want to get

out of it. In some companies, the business case is like the checkbox, we've made it when we submitted the request for Opex or Capex, it's important at that stage, but it's never revisited in any of the subsequent stages. We see demand planning implementations without targets or even monitoring of forecast accuracy, far from monitoring impact on plan stability, last minute changeovers, or inventory write-offs. We should stop this. Early on in the process, we need to think through what the value drivers are, define a baseline measurement, define a target, and define how process metrics like forecast accuracy are going to drive top-line, cost and/or capital employed metrics. Today we quite often don't. It's OK if Finance want to simplify the business case and just look at inventory reduction. It's not OK if we are ignorant to the topline effect, if we don't define an ambition, neither follow that up as we are doing the project. Ambition is the first step to success.

### **HOW WE CAN HELP - S&OP ROADMAP:**

Implementing S&OP is our passion and profession. When building a house, you need an architect. Though every house has a kitchen and a bathroom, no 2 houses are the same. The same goes for S&OP. We are experienced S&OP architects. We can help you to create manageable steps and create a longer-term roadmap for your S&OP processes and systems.

## HOW WE CAN HELP - S&OP VALUE GENERATION:

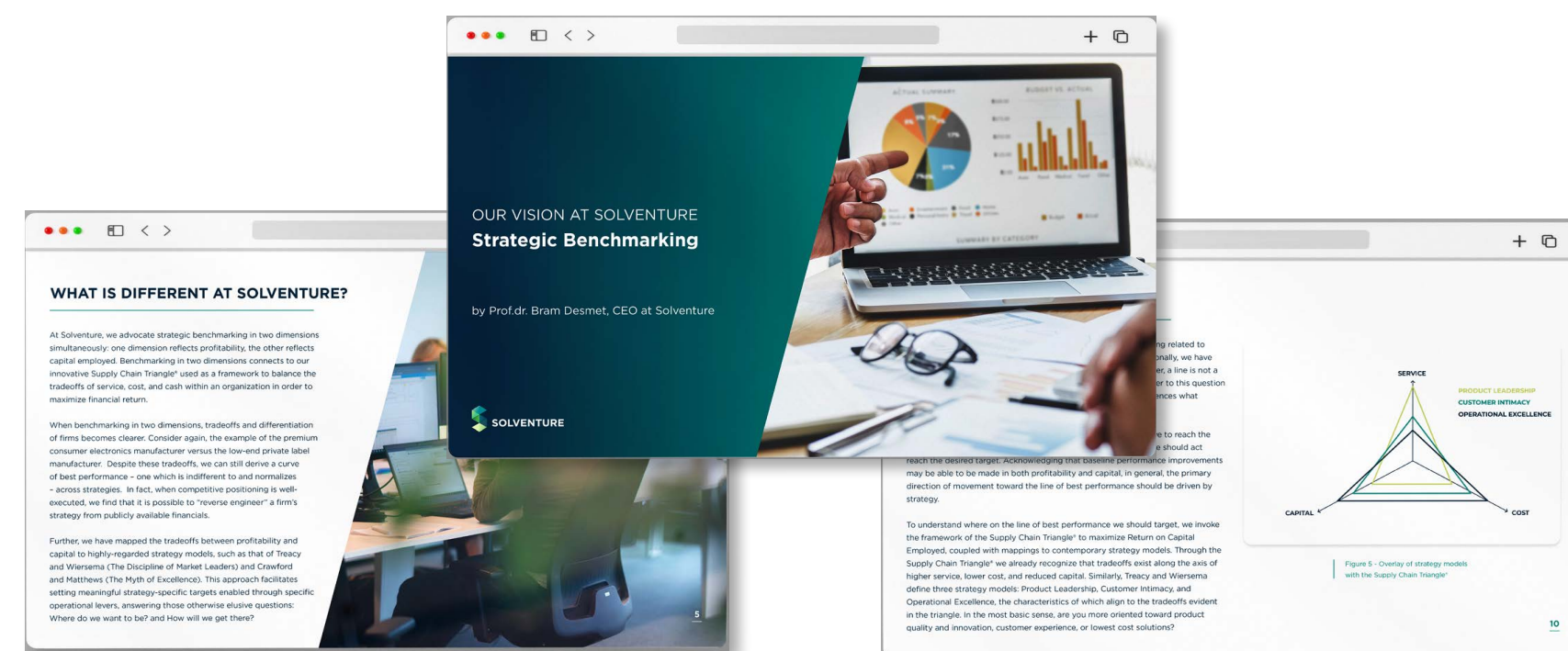
We understand how S&OP drives value. In our book [Supply Chain Strategy and Financial Metrics](#), we have revealed how different strategies lead to a different trade-off between margins and capital employed. We have developed a technique and software for, what we call, '[strategic benchmarking](#)' that allows a better benchmarking against your performance and that of key competitors. It allows us to derive better targets for gross margin, EBIT, inventory turns, working capital, and asset utilization. You don't need to best in class in inventory turns if you are best in class in EBIT.

Starting from the wrong targets gets you down the wrong alley. Many are starting without targets, whereas we learned from the Cheshire Cat that "If you don't know where you're going, any road will get you there". So, we need targets, they need to be realistic, they need to be balanced and we need more than just inventory reduction. This is the top-down aspect. We've invested in tooling and knowledge to help and advise you on these targets.

The top-down needs to be supported by the bottom-up. If we are going to do demand, inventory, and distribution requirements planning, where do we seek the impact? What will be the service improvement and the resulting impact on the top-line or pricing? What will be the impact on expediting or costs in general? What will be the impact on inventory turns and may it result in a postponed investment in extra warehouse capacity? How will this piece contribute to the longer-term top-down objective? Which piece of the benefits gets carved out by this piece of the roadmap? We don't have the answers, but we can help in asking the right questions.

As we get to a high-level design, we can add a first estimate of the implementation costs. Offsetting the expected investment against the benefits, allows to check with yourself whether we are still sure we want to do this. Don't over engineer. At this stage it is better to be approximately right rather than exactly wrong. We have templates that can be used to define that high-level business case.

### White Paper: Strategic Benchmarking



[DOWNLOAD NOW](#)





STEP 3  
**ENGAGE**

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Once we understand we need to change, once there is initial enthusiasm, once we have an idea of what needs to be done, how we are going to drive value, what is the rough cut investment and what is the high level business case ... we need to engage the organization in the change and further prepare it for the actual journey.

We've seen many Supply Chain teams presenting an investment proposal for S&OP tooling to the executive committee, without having that executive committee understand what S&OP is about or what it is trying to solve. That is not very likely to succeed. We also feel it is often overly focused on the financials and there is a lack of attention on how this will impact the organization, whether we have the required capabilities, the right staffing, and potentially whether we have made the right choices when prioritizing. So, engaging is not a once-off activity, and is not just about the financials. It is an iterative process that further deepens and refines the high-level plan created as a start and refines the benefits and the costs. More importantly, it creates a shared accountability and engagement for the benefits, the investments and the required changes in the organization.





If you have a centralized team, with centrally led sales, centrally led production, in general the engagement is easier. To the opposite, branded goods manufacturers, typically have strong local sales organizations, with responsibility for the local manufacturing. We see these companies have a desire to standardize and centralize, but almost in willful ignorance, expect the implementation of a tool is going to drive that, without openly addressing the debate on how S&OP is going to drive a different balance, between local autonomy and central optimization.

If you only have this discussion, once you have reached the design of your system specifications, or worse, when you are trying a forced roll-out of the centrally decided template, it is unlikely to succeed. At least it will strongly distort the project management triangle of scope-timing-budget, which will impact the quality of the outcome and the value delivered. We have learned this the hard way. We challenge our existing and future customers to align the S&OP design with their organization design in the hope they avoid that mistake.

Other challenges may be the existing capabilities, the availability and quality of data, enough headroom to take on a project, ...

Let's start with the capabilities. If you don't have a real forecasting process today, neither will you have a demand manager. Or your current demand manager may be more a kind of demand analyst, with good technical capabilities, but unable to challenge sales or to help the organization make difficult decisions when not all demand can be met. The same for the S&OP process and manager. Do we have somebody that has the clout to run this at an executive level? Or what if we want to start regional or global planning? Who is strong enough to pick up those roles?

On the planning side, we may decide to start using optimization. Planning using an optimization engine is something different from planning with excel. Instead of managing the outputs, we need to manage the inputs and constraints. Are the current planners up to that? Do we need to shift people around?

Then we come to the data. I've heard many times 'our data is quite good'. The odds are against you. If you bring live new processes, or you bring it live across different countries or regions, (master) data will be an issue. It is better to acknowledge that upfront, address it as a separate step in your project approach, and think about who to involve in restructuring the master data and the actual cleaning and creation of master data. Nobody loves this but we need this, and it takes time, a lot of time. Bring those people on board, show them the rationale and the goal, the broader journey of which they are part. We need to make sense of the data and take it seriously, far enough in advance.

And what about the headroom in our organization? Many organizations are lean and mean. They have a lot of ambition to take on new projects and drive change. The eyes are often bigger than the belly. We often push our organization to or even beyond the limit. Let's ensure we know the limit. Let's analyze how we can create temporary support, for instance by organizing a backfill, have outside resources take over part of the daily operations so that your key people have brain space and agenda space to properly design and implement the future. Look for an outside project manager, if you don't have an in-house resource.



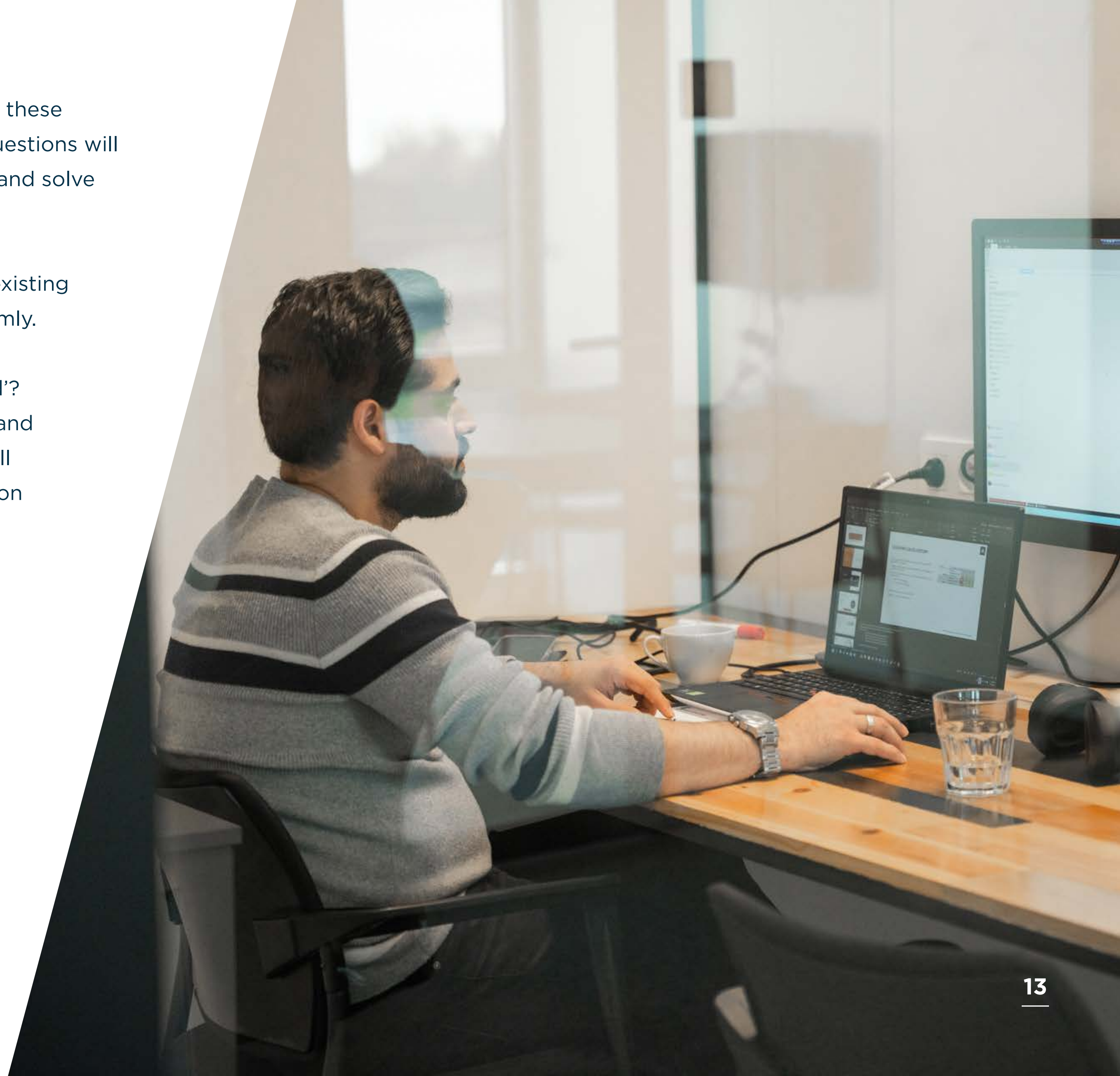
This sounds heavy. And yes, often we are tempted to skip or minimize these considerations, wanting to be pragmatic. That's not smart, as these questions will come back to haunt you, at a bad timing, with less options to answer and solve them.

We have learned the hard way, and once again we will challenge our existing and future customers from making that mistake, pragmatically, but firmly.

So, what is the 'outcome' of this **engage** phase and 'when is it finished'? The outcome should be a refined ambition, roadmap, scope, timeline and business case. And a clear GO from the different stakeholders, with full awareness on what will be their contribution, what will be the impact on their part of the organization, and how each of them believes this will generate value for the company, and how that value will be tracked.

### **HOW WE CAN HELP - ENGAGING YOUR ORGANIZATION:**

Somebody needs to ask the difficult questions. Somebody needs to point out where your weak spots are. It is so easy to get caught in a wave of enthusiasm and ignore the risks or carry them over to the next stages. Somebody needs to ask the unpleasant questions like you can't throw this on top of the existing workload. Better to be respected than to be loved. We are happy to ask those questions. Building on our experience of doing this across sectors and sizes, we've developed a skill of which questions to ask. We haven't been able to capture those in a single list. It's still more an art than a science.







STEP 4  
**DESIGN**

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When coming to the design, we prefer to split it in 2 steps. The first part is a high-level design/architecture. This may be available from the envision or the engage, it may need refinement. What is important before stepping into a specific part of the S&OP process, be it Demand Planning, Inventory Optimization, RCCP or MPS, is that we understand how the different pieces of the puzzle will interact. This is both a process and a system question. What will be the inputs, coming from the ERP, into the demand planning process, what will be the output of the demand planning process into the other processes. Looking at supply planning, it is important to define what complexity will be captured on which planning level: RCCP, MPS and Detailed Scheduling. You don't want to duplicate complexity on those different levels. If we can capture the key complexity on the MPS level, RCCP and detailed scheduling may be easier. Some of these elements are too detailed for an envision or an engage phase. At the same time, it's important to clarify these complexities before we dig into individual processes and modules. It's not the first time we see 'forecast consumption' and 'inventory netting' being pulled into a 'demand planning blueprint', whereas these questions are more logically to be tackled in an MPS and DRP process/module.

As we detail what functionality and complexity will be covered in which process, what are the inputs and outputs, it is also important to further refine what will be handled with the advanced planning system and what will be handled by the ERP system. What about Available-To-Promise, will we do that in the advanced planning system or the ERP.

Many companies try to sort this out in the RFP process of their APS, where there is inadequate knowledge. The company may not understand the detailed capabilities of the vendor, nor may the vendor understand the intricacies of the companies ordering process. For what is in the grey zone, we recommend further analysis in a first project phase, during the high-level design. We may even conclude that once we can shorten the lead times and improve the OTIF, the need for an Available-To-Promise disappears altogether. One typically comes to a best conclusion when there is a trusted conversation. RFP processes seldom provide that context.



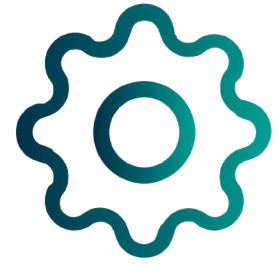
After the initial mapping of the processes and the systems, and how they interact, we can launch subprojects that detail the individual processes and systems. A lot of detail remains to be reviewed in the detailed process and systems blueprints. How many versions of the forecast will we keep: statistical, sales, marketing, consensus? How will we clean the baseline from tenders or promotions? Which option to choose? Companies increasingly ask for a standard and a best practice. At the same time, best-of-breed planning systems have a rich set of standard functionalities to choose from and allow easy configuration to model company-specific needs. Once more, the tool will not solve the problem. Think about a strong partner that guides you through the process and helps you to find the right Pareto, the 20% functionality leading to 80% of the added value.

If you are a global company with different regions, countries, and markets. Creating local buy-in to the global template and enforcing the standardization through a strict change request process, with a sponsorship into the top of the organization is key. Be clear on how you want to manage this. Be consistent in managing it exactly the way you told. Balancing standardization and buy-in is a delicate act. Clarity and consistency from the start are even more key.

### **HOW WE CAN HELP - BLUEPRINTING YOUR S&OP SOLUTION:**

Detailed design of processes and systems is what we have been doing over the last 15 years. We have process and systems templates and blueprints to start from. We can help you to define the right balance of standardization versus market/region intimacy, and how to capture that in a template and roll-out strategy. We have experience in the high-level interactions as well as the detailed intricacies of individual processes and modules.





STEP 5

## IMPLEMENT

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Once we get to the implementation, we'll run into a lot of technical and data challenges. Those are difficult but bringing the right experts around the table typically gets them resolved. With the right key users and an iterative approach, where functionality is released, tested and trained in iterations, rather than in 1 go, we can incorporate insights as they keep growing on both sides. It is in these phases that I see our consultants start remembering those same product codes as the key users, start talking equally intimate about the production process. Whether it's about chemicals, chocolates, candies, diapers, hazardous waste, ... we become as proud and passionate about the intricacies as our customers.

What we'd forget amidst all the technical magic is that we also need to bring an entire new process with even potentially new roles to life. So how do I run a successful demand review meeting if I have never done so before? Or how do I leverage the power of an optimizer? Which scenarios to run and how to present them to senior management? Many RFP processes are biased towards the software and leave little room for the implementation partner to position the necessary things on the process side. It is often not a question, and if you propose it yourself, you will simply more expensive than your counterparts that don't. RFP's tend to lead to price competition between S&OP implementors. A competition on cost tends to squeeze out what is considered as 'non-essential' and 'we will do that ourselves'. Less than half of the companies do a good job of

bringing the processes live, and remember, no processes means much less value add and higher adoption of the tool itself! It deserves a better debate and more attention in the overall approach.

### **HOW WE CAN HELP - IMPLEMENTING YOUR S&OP SOLUTION:**

Modelling complex APS environments in the absence of perfect data and busy agendas is what we've done for a living of the past 15 years. We have a team of talented and passionate consultants for which your challenge is their challenge. They go for the touch-down, even when the pressure is high and there are headwinds.

Ensure you have a guide on how to successfully run those first demand meetings. On how to leverage the power of the optimizer, which type of scenarios to run and how to bring that to the executive management. You need a guide for the demand planner, for the supply planner, for the S&OP manager, for the executive team. It is about harnessing the power of the new processes and tools in place. We've done this before. We can be that guide.





STEP 6

## IMPROVE

Remember the days you just got your driver's license. After a theoretical course and exam, there was a practical course and exam. How proud were you when you had that driver's license in your hand! Did you know how to drive a car? Sort of ... basic driving in controlled conditions. In current VUCA times, we all need to be race or rally pilots, depending on the challenge at hand, and that requires training on the job and continuous improvement!

The first TODO is to monitor value generation. Which KPI's did we put forward in the envision phase? What type of value generation did we expect? What extra KPI's do we need to add? Process adherence will be one: how many account or sales managers go into the tooling? What is the value their adjustments have made? I would say less than 50% of the companies do value and benefit tracking and monitoring. That is a shame. What you measure is what you get. You've done a significant investment by this stage. Every investment deserves a decent return. This is the time to come back to the accountability we searched for in the engage phase. There will be hurdles to achieve and generate value. These hurdles need to be removed.

May Jun Jul Aug Sep Oct Nov Dec



A second TODO is harnessing the power of analytics. Advanced Planning Solution/Tools are extremely powerful. Learning to handle their analytics capabilities is part of the improvement. We recommend starting with basic configurations of statistical forecasting, optimization engines, in the initial go-live. We recommend to experiment, learn and adjust as you grow with the process and get more comfortable with the tools, the data, the interpretation, and the like.

A third TODO is creating an internal community and installing a continuous improvement dashboard.

Users will come up with plenty of suggestions on how to improve the system. Encourage users to come up with suggestions that they can tackle themselves. You'll be amazed at what comes up. Track the number of suggestions and the number of ideas that have been implemented. Organize a global competition and create the monthly 'best idea award'. Some gamification across countries and cultures can spark a wave of improvements and bring the solution and adoption to a level that only the power of a group can bring.

Some improvements will require modifications. We encourage our customers to foresee 20% of the initial implementation effort as a budget for support and enhancements. The reason is not we want to earn some extra money. That is the reason we are sometimes (though seldomly) kept out, because clients want to cut costs and want to be able to continue independently. The risk is that users start building their own processes and workarounds to implement their ideas. Gradually you will see that part of intelligence is shifting back to excel ghettos that are gradually eroding the initial implementation. You will be getting back to where you came from. That's not where you want to go. We do help customers to

train internal competence centers that are capable of improving and sustaining the solution.

### **HOW WE CAN HELP - CONTINUOUSLY IMPROVING YOUR S&OP:**

We have templates available for benefit tracking and monitoring. Next to the basics, we provide advanced training and guide you to harness the power of analytics in your newly adopted process and tool. We can help you to set up a continuous improvement dashboard and culture. We are eager to guide you in having the tool evolve, to lower the threshold and stimulate adoption, without outgrowing the initial scope.



The logo for Step 7 Sustain features a circular arrow icon on the left, composed of two teal arrows forming a circle. To the right of the icon, the text "STEP 7" is written in a teal, sans-serif font, and "SUSTAIN" is written in a larger, bold, dark blue, sans-serif font below it.

## STEP 7 SUSTAIN

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We see that companies go in cycles. Launch a major project or change in year 1, digest in year 2 and 3, and define the next iteration in year 4. As mentioned in the Awareness phase, implementing S&OP is not a project, it is a journey. If Gartner has a 5 stage maturity model for S&OP, many companies are somewhere between 1 and 2. If we look at our vision on strategy-driven S&OP, that opens a whole new range of opportunities, potentially extending the Gartner model with a stage 6, 7, and 8!

It is important to sustain and stay on track in your journey. To protect earlier investments and as a steppingstone for the next iteration. Sustain the benefits tracking and monitoring, remember that what you measure is what you get. The biggest threat to sustained value are organizational changes. The new management might not understand why things happen a certain way. Or planners that were initially trained in the process and the system are switching roles or companies. New faces are being brought in, or even worse, people are not being replaced leaving gaps in the process. Many of our customers guide that transition in-house. While that is logical, we believe it degrades the knowledge. We see that in the type of support requests that siphon through. They become more basic and are often due to a lack of training. We challenge our consultants to be pro-active and propose training whenever we see this happening.

### **HOW WE CAN HELP - SUSTAIN YOUR S&OP MAGIC:**

We stay in regular contact with our key customers and stay sharp on any fall back we see. We provide tooling training to new users. We have our Solventure Academy that organizes best practice trainings in S&OP which are public. These can be used as a basic education for the newbies that came on board. The interaction with professionals from different companies, sectors and sizes makes it a source of inspiration for the weathered supply chain professional as well. For some of our customers, we run an in-house Supply Chain Academy. Taking senior, middle, and operational management through a 2 to 10-day program. It keeps developing awareness and common language. It is the source of inspiration for either smaller projects a bigger next iteration in your S&OP journey.

## IN SUMMARY

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In this vision paper we have described our 7-step approach to driving sustainable value and change through S&OP. It compiles our experiences over the last 15 years, many of them learned the hard way. We hope you can use it as a checklist for your company and improvement journey. We use it as the starting point to more actively challenge our customers and prospects. Remember that any unanswered questions tend to come back at a later stage, when there is less time to answer, there are less options, and typically the cost is higher. The 7-step approach tries to more naturally integrate the 4 key pillars of people (change/capabilities/ownership), process, tooling and analytics. It also integrates a focus on defining value targets and the subsequent tracking and monitoring. Independent of where you are in your journey, we hope it may act as a possible roadmap and get you to where you want to be. We'd be most happy to discuss where you are and see if we can make it into a joint journey!



## ABOUT THE AUTHOR

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### **Bram Desmet - CEO | Professor | Author**

As CEO, since 2009 Bram has led the Solventure Group to transform organization's sales & operations planning processes into a competitive advantage using his innovative Supply Chain Triangle® and Strategy-Driven approach.

As an adjunct professor at both Vlerick Business School and Peking University, Bram bridges the gap between academia and industry practice.

As an author, he has encapsulated his experiences into elegant and practical frameworks in his books, Supply Chain Strategy and Financial Metrics and The Strategy-Driven Supply Chain, evangelizing strategic thinking for cohesive alignment of strategy, supply chain, and finance within organizations across all sectors. Bram is also founder of The Strategy-Driven Supply Chain Institute.

## ABOUT SOLVENTURE

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As Solventure we proud ourselves of being experts in designing and implementing Strategy-Driven S&OP. We do that through a unique combination of people, processes, tools and analytics. Solventure is Arkieva's, OMP's and Kinaxis's implementation partner.

Check us at [www.solventuregroup.com](http://www.solventuregroup.com) or contact us at [contact@solventure.eu](mailto:contact@solventure.eu) for more info.