



WHAT IS S&OP?

S&OP, which stands for **S**ales and **O**perations **P**lanning, is a key element of the FarStar **Supply Chain Optimization** practice.

S&OP, also written as **SOP**, is a process with which most industry professionals are likely familiar. Improving the S&OP Process is a SCOR (Supply Chain Operations Reference) Model best practice (BP.026).

In simple terms, a properly implemented S&OP process **routinely** reviews customer **demand** and **supply** resources then **balances** them by re-planning quantitatively across an agreed rolling horizon. Both short and long term horizons are considered along with volume and mix. At this level, the process includes Master Scheduling, Plant and Supplier Scheduling, Outsourcing, Distribution and other detailed planning/coordination. The process repeats on a monthly rhythm or cadence.

Executive Sales and Operations Planning (ES&OP) is top management's part of the overall S&OP process. It is a tool through which the executive/leadership team continually achieves focus, alignment and synchronization among all functions of the organization.

S&OP is a 5-step planning process which includes:

- an updated sales plan Funnel or **Sales Pipeline**
- production (**capacity**) plan,
- **inventory** plan,
- customer lead time (**backlog**) plan,
- **new product development** plan,
- **strategic initiative** plan
- and resulting **financial** plan.



It is one of the most critical business processes used to achieve best in class performance to consistently outperform competitors.

Key outcomes of the process are:

- higher customer service
- lower finished goods inventories
- more stable production rates
- shorter customer lead times for make-to-order products

What does an S&OP implementation look like? (see over).

FarStar S.A.C. Consulting, Inc.
168 Beaconsfield Blvd, Beaconsfield QC H9W 4A1
Tel: 514-942-6537 Fax: 514-221-2306

www.farstarconsulting.com


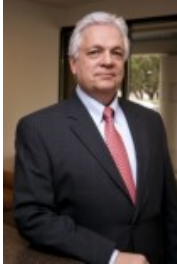




There are four key steps leading to a successful S&OP Implementation:

1. An **Executive Briefing** facilitated by one of our senior team members.
2. **Live Pilot** Demonstration of one or two S&OP product families.
3. **Expansion** and Replication to remaining families.
4. Full **Financial integration**.

See our S&OP Senior Practitioners:

Stephen Cherlet	Thomas Gottlieb
	
<p>Experience level: COO, EVP, Board participation</p> <p>Industries: Aerospace and Defence, Electronics, Process and Industrial Equipment</p> <p>Key competencies: global manufacturing strategy, operations, operational excellence, supply chain management, information technology, S&OP, ERP systems</p> <p>Location: Montreal, Canada</p>	<p>Experience level: President, VP</p> <p>Industries: Aerospace, Automotive, Trucking, Electronics, Security, M&A</p> <p>Key competencies: leadership, strategy execution, operational excellence, supply chain improvement, S&OP, ERP systems, business start-ups</p> <p>Location: Cincinnati, USA</p>

FarStar uses a holistic view in its approach to providing services to its customers. Customers can take advantage of individual services or a suite of offerings, depending on their need, all of which fall under an overarching business improvement framework supported by best practices.

Contact us to find out more!

FarStar S.A.C. Consulting, Inc.
168 Beaconsfield Blvd, Beaconsfield QC H9W 4A1
Tel: 514-942-6537 Fax: 514-221-2306
www.farstarconsulting.com

