

Integrated Business Planning ...

... is the next generation of S&OP, being a decision-making process that aligns the strategic, tactical and operational plans for all business functions in all geographies to support the company's strategies, business goals, and targets.

The earlier generations of S&OP – matching demand and supply within manufacturing companies – enabled a conduit between the sales and supply sides of the business, and provided a bridge between the tactical and operational activities.

The evolution of IBP has incorporated product planning and financial planning into the process, and extended the planning horizon into the strategic level of management. This broadening of scope has also enabled take up by organisations other than manufacturing: basically any organisation that is resource constrained can benefit from the principles.

The results of introducing IBP/S&OP can be dramatic: significant reductions in inventory; improved equipment utilisation and lower downtime; better staffing availability and reduced overtime; improved customer satisfaction; better funds management; and enhanced staff collaboration. Breaking down the silos within the organisation is a common outcome.

But implementing the concept is not a simple or short term solution: it is hard work and involves a whole of business approach to ensure the many benefits are realised. At SCD, we have implemented and trained large and small organisations in the principles and practicalities of implementing IBP/S&OP.

Our approach to IBP enables rapid integration of the culture and concepts required through any or all of these elements:

- **Assess** Diagnose the maturity of the existing IBP/S&OP processes, identify the gaps and develop a business case for implementation and rollout of the concept.
- **Envision** Agree with management the vision and improvement roadmap, and 'sell' the concept to management and staff through workshops and presentations.
- **Design** Agree a detailed process design and mobilisation, undertake detailed training, prepare templates and gain stakeholder alignment.
- **Implement** Implement new ways of working, prepare and attend initial meetings, institute performance measures and embed standardised processes.
- **Master** Work with the organisation to fulfil the whole potential through sustained and continuous concept improvement.