

### Sales and Operations Planning

*Sales & Operations Planning (S&OP)* allows manufacturing companies to minimize operational cost while improving on-time delivery which will improve their competitive position and profitability.

The *primary goal* of any successful manufacturing company is to attain a well-balanced and synchronized harmony between sales and operations. This enables manufacturing companies to establish strategic buffers and optimize inventory levels across the supply chain consistent with the expected demands.

Delivery lead times can then be reduced, while avoiding costly material shortages will eliminate inconsistent loads on manufacturing capacity, unnecessary overtime and improve both supplier and customer on-time delivery.

Synergy's **Sales & Operations Planning Program** not only focuses on training and implementation, but also includes establishing best practice process, optimized business systems, data and the overall change management needed to deploy a successful program.

#### Step 1 — Strategic Thinking Review

To successfully deploy an S&OP program, Synergy believes it is important for companies to establish a long-term (3-5 years) vision and a short-term (1-2 years) business strategy. Our team will review of your company's 1-2 years business strategy as well as the key KPI's and metrics used to monitor performance as the first step in the process.

#### Step 2 — Business (ERP) Systems

Accurate data to make good data driven decisions will be a critical to success component. Synergy will run several routines to calculate average daily usage of all materials and products.

Concurrently, Synergy's **Supply Chain Analytics Program** will be deployed to examine key Supply Chain metrics that are vital to the success of the program.

- Lead-time Accuracy
- Data Summary of Lead-time Data
- Cost Accuracy
- Data Summary of Cost Data
- On Time to Supplier Promise %
- Data Summary - Average Days Late & Receipts w/o promise
- Date

The results of the analysis and recommendations will be provided in the form of a findings report.

#### Step 3 — Teamwork, Training & Alignment

A closed-loop S&OP process brings together two distinctly different teams (Sales & Operations) that frequently have different department objectives and goals. Often these objectives and goals are found to be conflicting.

To achieve the desired results, Synergy will work with this team of managers to review objectives and expected results to confirm that they are not conflicting as we work to closely align the S&OP plan with the Company's business strategy.

During this step of the program, the S&OP framework will be established, and regularly scheduled go-forward meeting established with an agenda, roles, and responsibilities.

#### Step 4 — Delegation and Tactical Execution

With the S&OP framework in place and clear objectives agreed to, the execution step begins. Your Business systems will need to be optimized early in the process. Action required resultant of the **Strategic Thinking Review** and the **Supply Chain Analysis** findings as well as observations and information from interviews will be used to further optimize your Business system.

The teams will leverage the power of *Kaizen* and focus on rapid improvement to short-term issues such as production planning, scheduling, supplier performance, supplier qualification, materials shortages, capacity issues, staff overtime, and



the associated financial impact. In identifying and addressing these issues, these Kaizen teams will rely on the aligned objectives outlined so that there is clear linkage between the long-term strategic plan and the short-term tactical planning.

Ultimately, the goal is to *ensure* the company has the right amount of material, in the right place, at the right time.

### In Summary

Manufacturing executives, manager, and employees often know or have an idea of what needs to be done to improve the current condition. The problem seen today is that everyone is usually deeply engaged in dealing with the day-to-day issues.

An *effective* sales and operation plans require time and effort to develop and sustain, but the advantages far outweigh the typical current state of hoping, or guessing.

If you will have the right material, in the *right place, at the right time*. Although it may not be simple to establish an effective sales and operation plan, it is necessary!

*Let Synergy Resources help you position yourself for success.*

To contact us about  
**Sales & Operations Planning  
(S&OP)**  
please email us at the link below:

**[CustomerCare@SynergyResources.net](mailto:CustomerCare@SynergyResources.net)**