

## Establishing the Foundation for S&OP Excellence

### *Industry & Client Situation*

A leading wholesale distributor faced challenges in capturing critical customer and field sales input and successfully integrating this information into forecasting, inventory, and service planning processes. Frequent product line transitions and changes in customer ordering patterns resulted in substandard service performance and significant excess inventory. The distributor lacked an integrated Sales and Operations Planning (S&OP) process with communication between the sales and the supply chain organization unstructured and email-based. Moreover, roles and responsibilities for capturing, communicating, and acting on customer demand signals were unclear with no metrics in place to measure process efficiency and effectiveness.

### *Approach*

Bridge deployed an integrated Strategy and Operations team to establish a robust and sustainable S&OP process. Together with a cross-functional client team, the Bridge team:

- Baselined and categorized current drivers of customer demand variability (e.g., product transitions, one-time events, promotions, etc.) and modeled impact on customer service and business performance
- Evaluated existing processes and approaches for capturing, communicating, and acting on customer forecast and “event” information
- Conducted joint workshops with sales and supply chain teams to identify issues and opportunities and evaluate current processes against “best practice” approaches (leveraging Bridge’s Stages of Excellence Framework)
- Designed and rapidly prototyped custom forecast and event communication tool that served as a workflow engine to guide communication between sales, demand planning, and supply planning organizations
- Established clear roles and responsibilities for managing information at each stage in the process and defined process performance metrics
- Piloted new tools and S&OP processes with the sales and supply chain teams and defined roadmap for organizational rollout
- Established S&OP meeting calendar with defined agenda’s to guide the S&OP process and drive sales and supply chain alignment

Central to Bridge’s approach was an intense focus on enhancing communication between the sales and supply chain teams. Through a series of open and collaborative workshops the teams gained a greater appreciation for the requirements of each function and the collective benefits that a more systematic approach to S&OP would deliver to their customers and their business.

### *Results*

Implementation of the new S&OP processes and “Event Tracking” tools was a highly successful and marked by a rapid adoption of the new tools and processes. Process governance and metrics have been established to actively monitoring progress and performance improvement. Prototype tools are being migrated to an enterprise-class workflow management system to support integration of S&OP into business planning and management processes.