

The S&OP pulse check III

July 2012



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The S&OP Pulse check III: Introduction

Introduction

This is the 3rd S&OP Pulse check with the objective to informally research, create and share insight in S&OP. This was done by using free survey software from Kwiksurvey and using the social network LinkedIn to get participants in the survey. The aim was to take not longer then 5-10 minutes from participants their time.

The S&OP insight in this document aims to create inspiration, provoke some thoughts and hopefully healthy discussion. It's the personal interpretation of the survey results by the initiator.

Open source S&OP

The S&OP Pulse check is an open source S&OP initiative. The raw data from the survey is available for analysis on: <http://supplychaintrends.wordpress.com>. Everybody is free to analyse the data and create their own perspective.

Enjoy reading on S&OP.

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The S&OP Pulse check III: Survey demographics

Insight 1: S&OP is still a supply chain driven business process

Country and job level

A total of 55 participants from 19 countries completed the survey. Every participant had to complete all 13 questions. The United States represented 35% of participants.

The job level is for 79% manager, senior manager or director. This means a high representation of middle management. See figure 1.

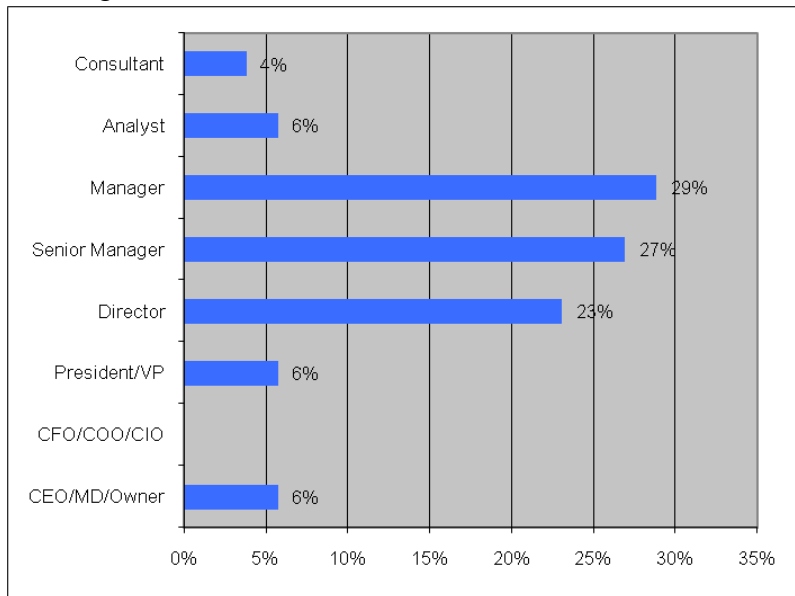


Figure 1: survey participants job level

Functional area

Although it is widely acknowledged that S&OP is developing from a Supply Chain driven process to a company wide driven process, 67% of participants are reporting into Supply Chain. See figure 2. If this result only slightly represent the functional area that drives S&OP throughout a company, we can conclude that **S&OP is still a supply chain driven business process.**

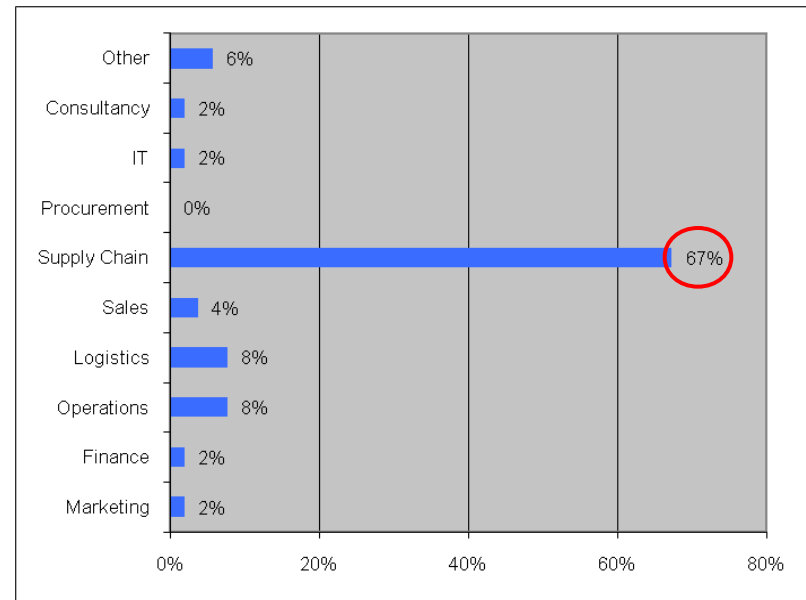


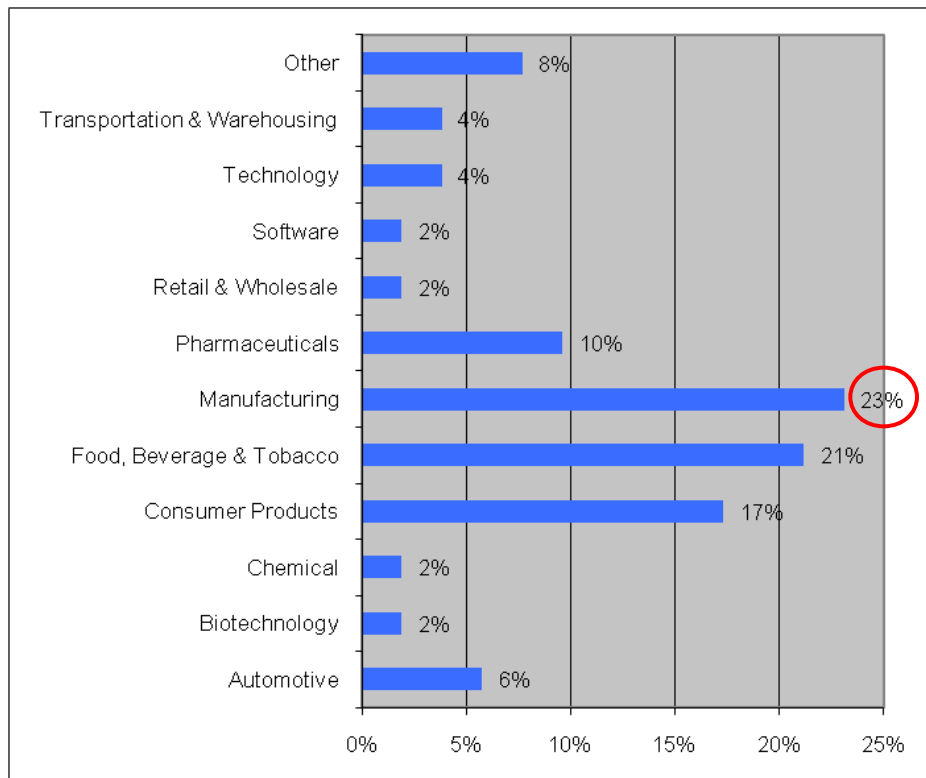
Figure 2: functional area survey participants report to



The S&OP Pulse check III: Survey demographics

Insight 2:

S&OP is mainly used in a manufacturing business environments



S&OP is mainly used in a manufacturing environment

S&OP does not yet has a wide user base outside the traditional S&OP environments

Figure 3: Industries represented by survey participants



Insight 3:

Create a consensus one number plan is the key reason to implement S&OP

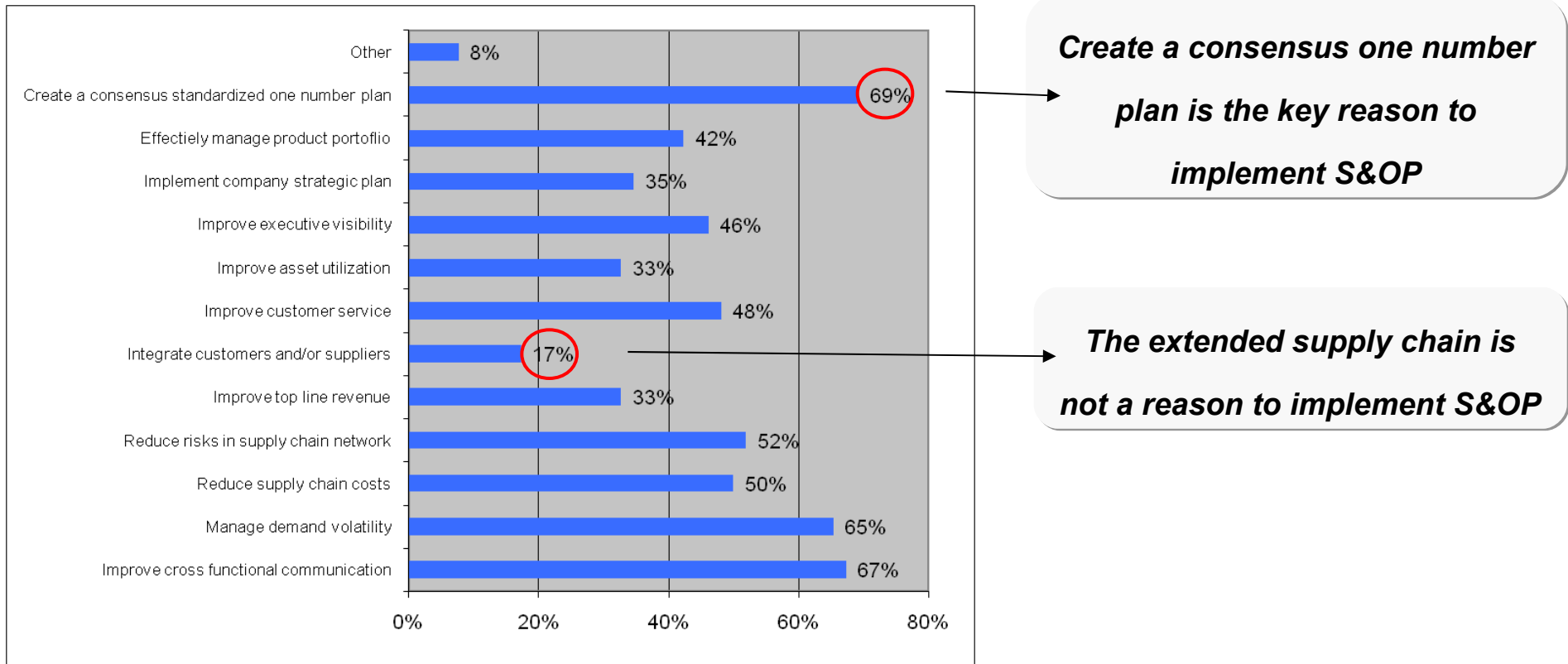
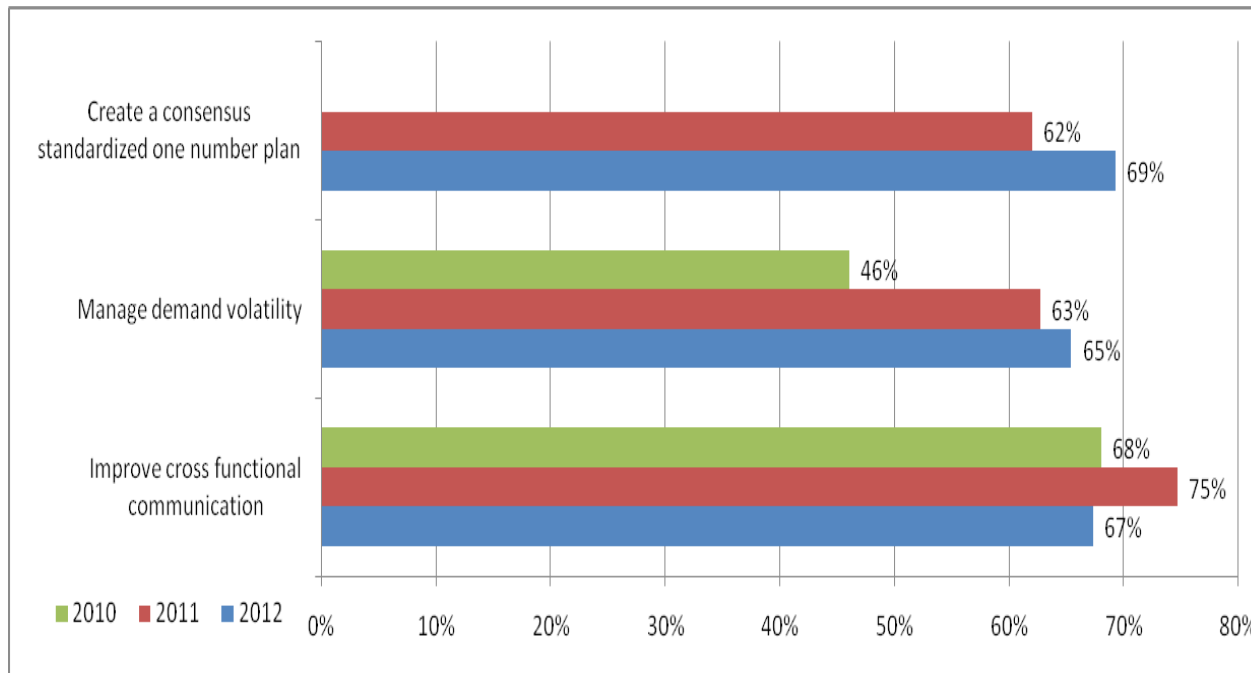


Figure 4: Key reasons for S&OP according to survey participants



The S&OP Pulse check III: Key reasons to implement S&OP 2010-2012



Improve cross functional communication is the most dominant reason to implement S&OP in the last 3 years

Figure 5: Top 3 reasons to implement S&OP between 2010-2012

Insight 4:
Less than 30% of S&OP processes includes the extended supply chain or scenario planning

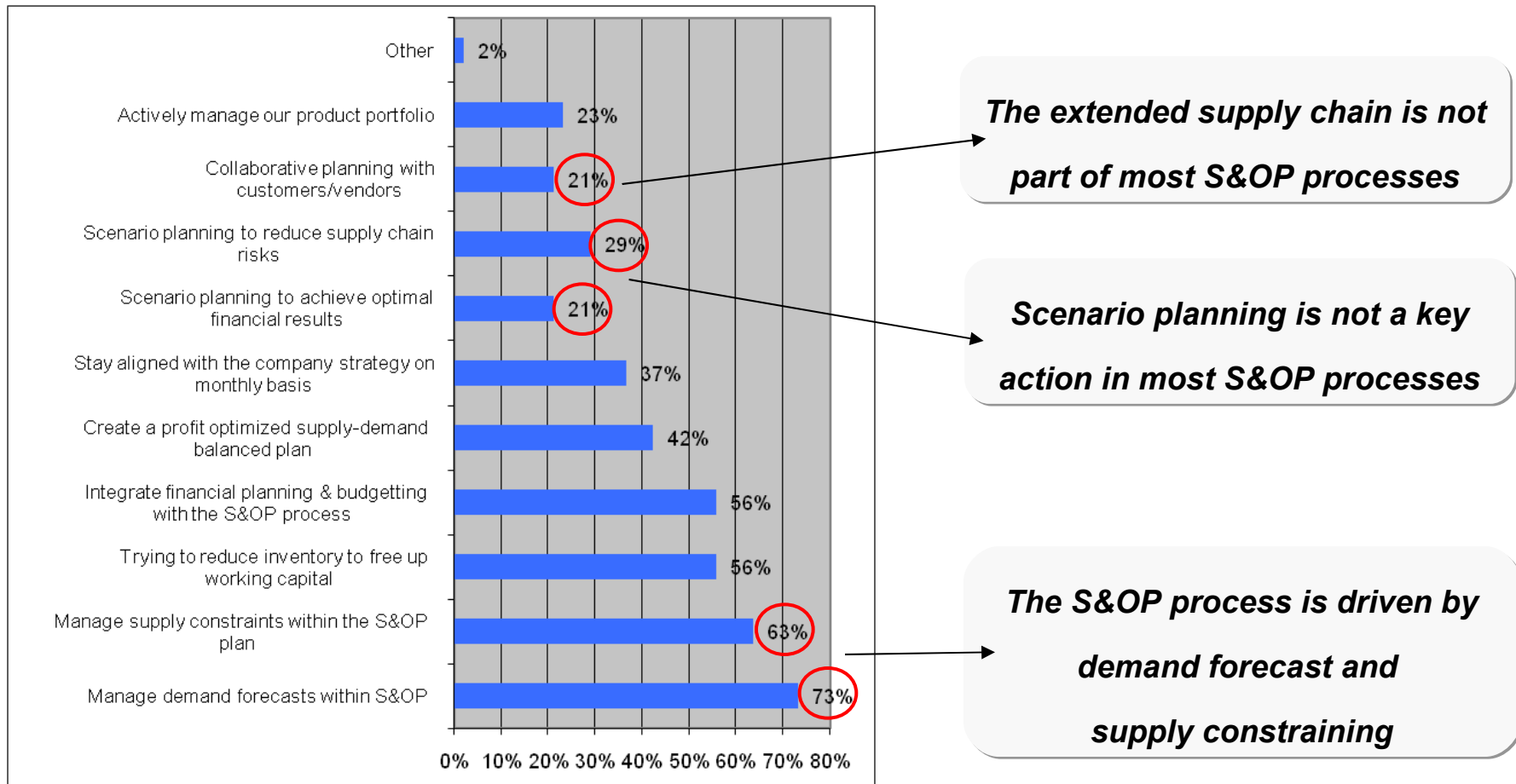


Figure 6: Key actions in current S&OP according to survey participants



Insight 5:
Satisfaction on trust, communication and discipline
between functional areas increases with S&OP experience

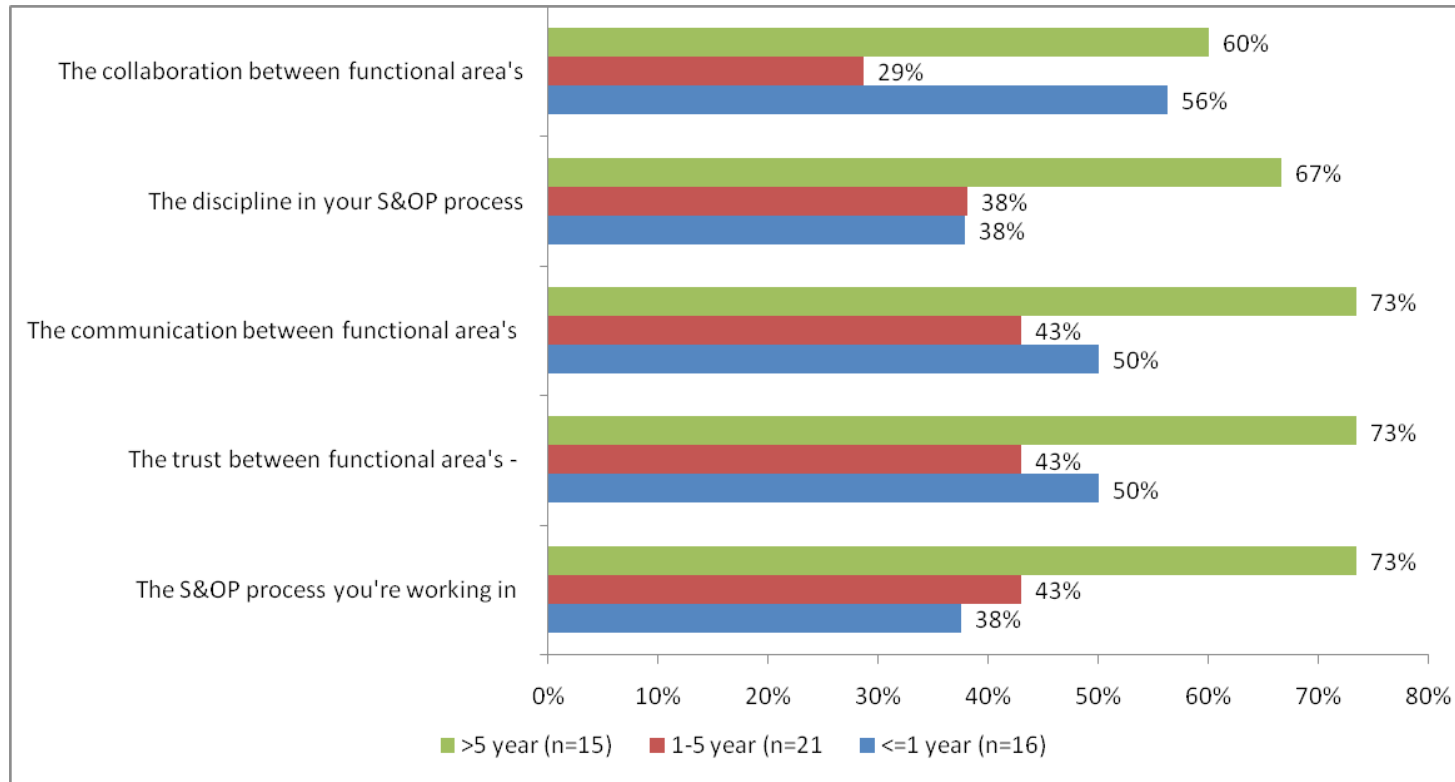


Figure 7: S&OP satisfaction on S&OP according to survey participants



Insight 6:

Companies do not clearly define what S&OP maturity level they want to achieve

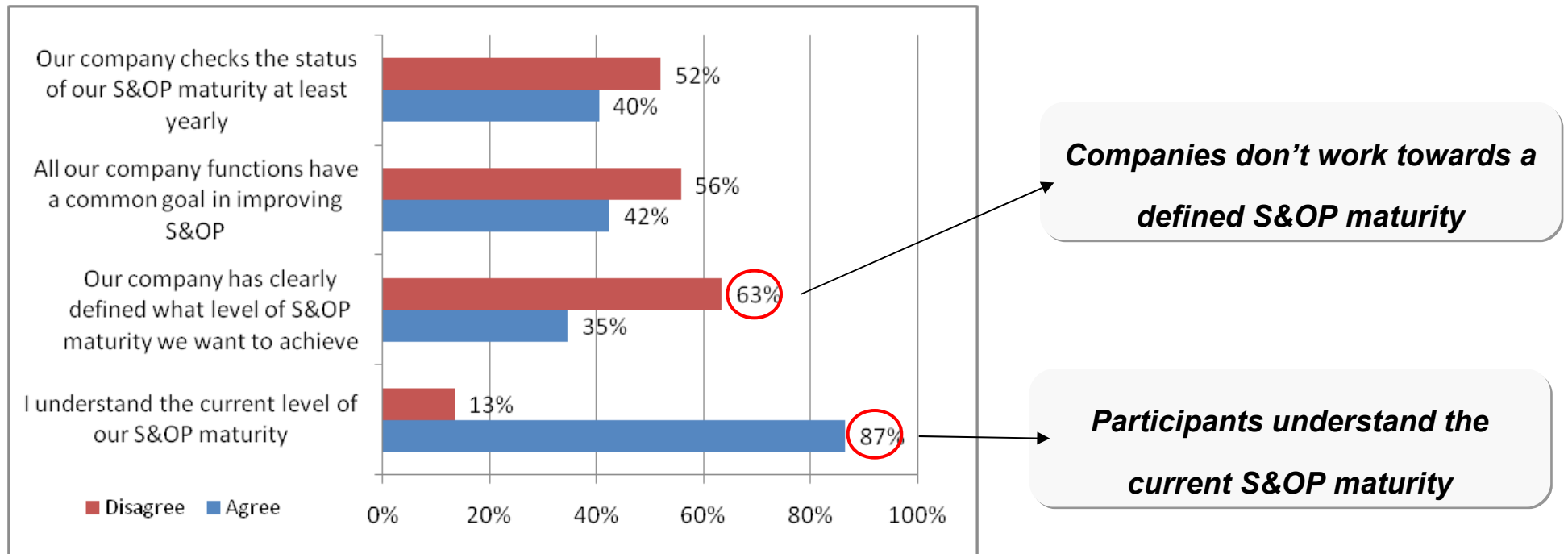


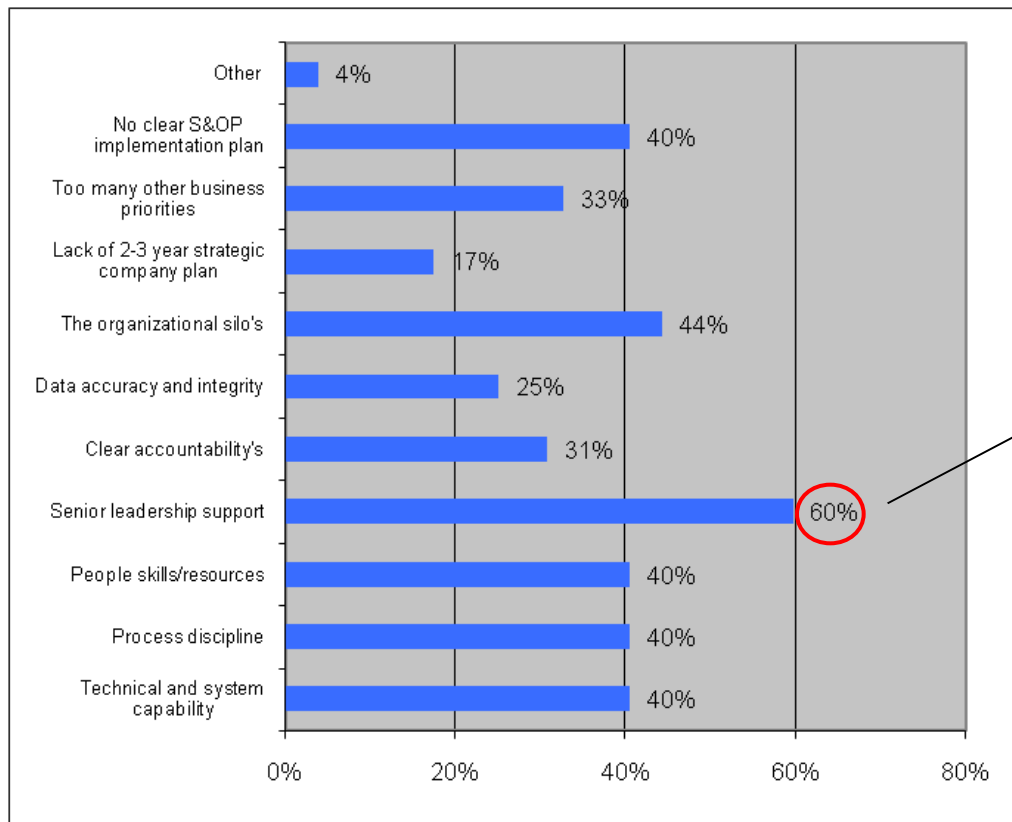
Figure 8: S&OP agreement on S&OP maturity statements according to survey participants



The S&OP Pulse check III: Main S&OP roadblocks

Insight 7:

Senior leadership support is the main roadblock in implementing S&OP



Senior leadership support is the main roadblock in implementing S&OP for the 3rd year
2010: 68%, 2011: 61%, 2012: 60%

Figure 9: Roadblock to implement S&OP according to survey participants

Insight 8: Excel is the main tool used in the S&OP process

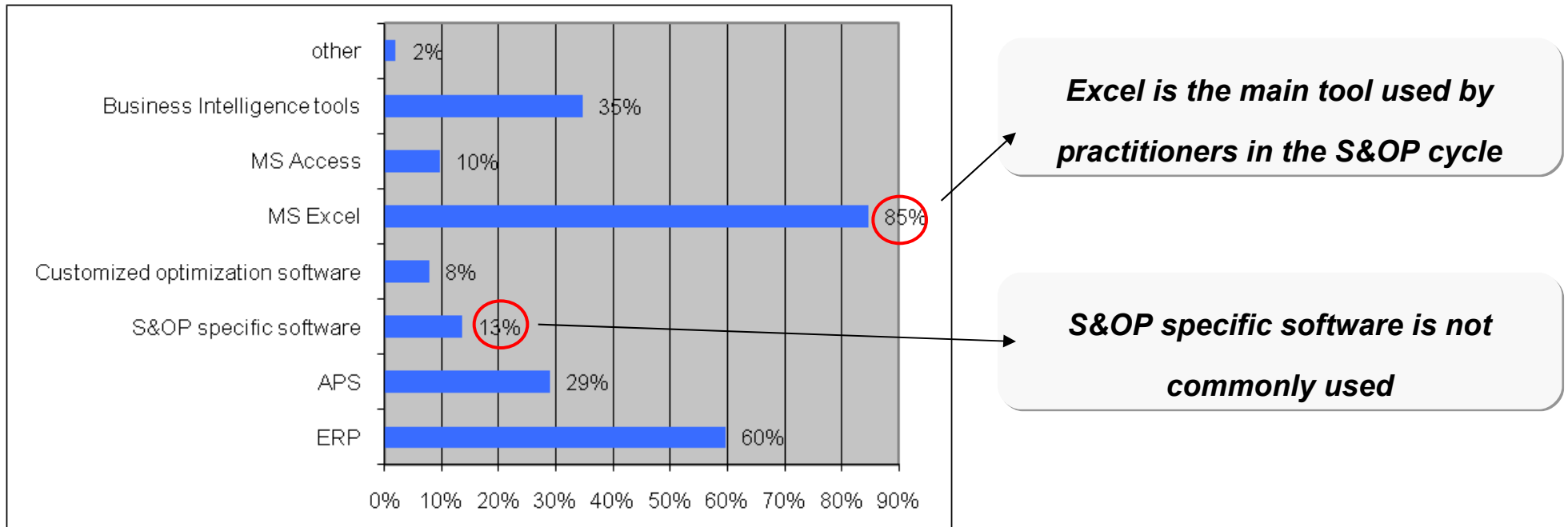
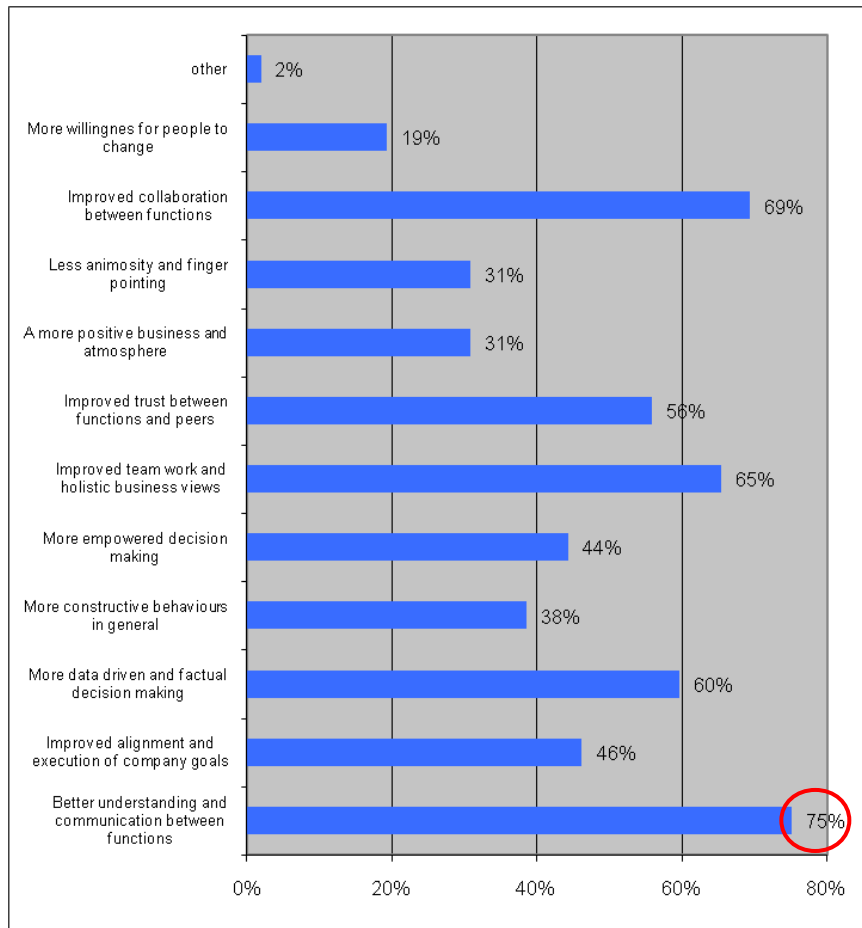


Figure 10: Tools used in the S&OP cycle according to survey participants



Insight 9:
Better understanding and communication between functions
is the main cultural change driven by S&OP



S&OP drives cultural change in team work, collaboration and increased understanding between functional area's

Figure 11: Main cultural changes due to S&OP



The S&OP Pulse check III: About

About Niels van Hove



For 15 years, Niels has been working as consultant, supply chain manager and S&OP manager in several multi billion dollar companies in over 10 countries. Niels holds an MSc. in Operations Management from Amsterdam University, The Netherlands.

About Supply Chain Trend



Supply Chain Trend is a blog in which Niels challenges the status quo of supply chain topics with a focus on S&OP, leadership and culture. He furthermore creates S&OP insight with the yearly S&OP pulse check.

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