

# 1. Why S&OP?

## Recognition phase

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For a full overview of the tools see:

Stentoft, J., Freytag, P. V. & Mikkelsen, O. S. (2019), *Improved Competitiveness through Implementation of Sales & Operations Planning*, Department of Entrepreneurship and Relationship Management, University of Southern Denmark.

# Purpose, participants and application

- **Purpose**

- To create an understanding of what Sales & Operations Planning (S&OP) is about and why it is important to implement S&OP?

- **Participants**

- Top management, middle management including relevant stakeholders. It can be beneficial to communicate it broadly to avoid the perception of “closed party.”

- **Application**

- In recognition phase.



# Why consider S&OP?

- **Customers**

- Delivery issues (time, quality, assortment)
- Too long time-to-market
- Lost orders
- Lost customers
- ...

- **Finance**

- Too high inventory levels
- Too low inventory turns
- Too much obsolescence
- Too high net working capital
- ...

- **Planning/Supply Chain**

- Too much replanning
- Too much unplanned overtime
- Too much rush transportation
- ...

