5. Brown paper

Analysis and diagnosis phase

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 a common understanding of the current situation by analyzing the internal value chain from sale til delivering products and services.
  - To identify improvements areas.
- **Participants**
  - Top management, middle management, and key resources in the process flow from a sale to delivery.
  - Sale, order handling, logistics, planning, production, quality, product development, purchasing, IT and finance.
- **Application**
  - In the analysis and diagnosis phase.

The brown paper method …

- is easy to understand.
- has focus on traceability.
- is pedagogical.
- is interactive and dynamic.
- create an overview of processes.
- increase communication between actors.

Approach

1. Create an overview of the main process flow from sale and order entry to delivery of the physical products and services.
   - Which functions is the order involving?
2. Draw the process flow at a brown paper and use the terms that is used in the company. Name the functions as they are called in the daily operations.
3. Set the right team (choose participations to represent the whole process flow – max 25 participants).
   - Essential selection criteria should be in-depth knowledge about the process and an open-minded approach to dialogue in discussions with colleagues from other functions.

A brown paper workshop including data processing can be carried out an external consultant to secure neutrality.

Approach (continued)

4. Invite the participants to a whole day workshop including a clear purpose with the workshop.
   - The workshop can benefit from being carried out outside the company to avoid unnecessary disturbance during the workshop.
5. Start the workshop by informing about the program for the day and the purpose and explain the process flow from the brown paper.
6. Start the process, where all attendances write challenges as they see them in the overall process flow at the red sticky-notes. It takes about 30 minutes.
7. Each participant explains now one by one their red sticky-notes as they put them at the brown paper.

Repeat the process until all have explained their post-it's. Typically, there will be duplicates of post-it's but place them all on the brown paper.

Approach (continued)

8. When all red sticky-notes are at the brown paper – a brief discussion is carried out by the participants how to summarize all the red sticky-notes to some robust headlines.
9. Then, the process is repeated – this time with the green sticky-notes – where the attendances write statements about what works well in the company.
   - Again, this process ends with some concluding headlines from the green sticky-notes.
10. In plenum, the participants brainstorm of what they see as central success criteria for solving the red sticky-notes.
11. Bring the brown paper back office and write all the sticky-notes into a final presentation.
12. Review the file with all the sticky-notes to secure correctness and validity. This activity takes about 1 hour.

Remember some breaks through the day.

Some pictures from a brown paper process

TO DO's - before and after

- **Before**
  - Communicate what is understood with S&OP and why a brown paper session is important?
  - It requires the involvement of the employees.
  - The process will identify improvement areas of which some can be solved within a short time, and others can have a longer horizon for being solved.
  - The process has full top management attention and support.
- **After**
  - Communicate the results and areas for improvements.
  - Make a prioritization of the improvement areas.
  - Start some projects to make improvements.
  - Remember to follow-up.
  - Secure top management awareness and support.