

Building a Repeatable Supply Chain Planning Process

Top-tier manufacturing performance and planning go hand-in-hand with a focus on four key objectives:



CONNECT

Replace silos with cloud-based planning to connect people, processes, and supply chains



AUTOMATE

Replace planning guesswork with recommended order requirements, safety stock and lead times



TRACK

Keep tabs on data, material usage, and related financial transactions to optimize your supply chain.

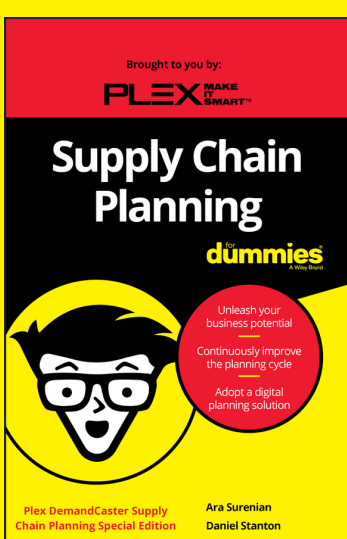


ANALYZE

Evaluate what matters most to drive informed inventory decision-making.

Implement these 7 simple steps for agile integrated business planning (IBP)

- 1 Decipher the Data:** Have departments provide analytics on demand, supply, and finance to understand opportunities and risks. Employ the 80/20 Pareto Principle, focusing on the 20 percent of data that affects 80 percent of the business. Understanding your data puts you in a strong position for effective supply chain planning.
- 2 Develop the Demand Plan:** A *demand plan* tells you what you're selling, to whom, and when they are purchasing. Use quantitative forecasts of historical patterns in data from sales, marketing, and finance to predict future demand trends. Where historical data is unavailable, augment the demand plan with qualitative subjective forecasts from experts with judgment on new products or markets.
- 3 Drive the Supply Plan:** Your *supply plan* lays out the manufacturing schedule, inventory of materials, and the resources needed to produce your products on-time to meet demand. The supply plan helps optimize the timing of purchases and scheduling, while building in flexibility and safety stock inventory to guard against external supply chain disruptions.
- 4 Delineate the Constraints:** Assess gaps. Are there constraints between what you want to do (demand plan) and what you can do (supply plan)? Not enough production capacity? Consider outsourcing some production tasks, adding shifts, or even adding facilities. Supply chain planning software can help by running risk-assessment scenarios associated with different gap-filling strategies.
- 5 Deliver Consensus:** Get your organization singing from the same sheet of music by having a final plan review with senior management and stakeholders. Planners should explain assumptions, risks, and contingencies. An executive SCP (supply chain planning) meeting will ensure buy-in, a single source of truth, and allow senior leaders to adopt the plan as their own.
- 6 Deliberately Execute:** Gain maximum effectiveness from the plan by executing with disciplined and consistent project management. Weekly or even daily check-ins provide visibility to progress, and can yield early signals that a plan adjustment may be required. Tools from Lean manufacturing can drive process improvements.
- 7 Do It Again:** Expertise builds from experience. The more a company learns from the practical application of supply chain planning, the more opportunities arise for reduction of cycle times, less effort required in planning, and greater improvements in quality and consistency of execution.



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