

Implementing on the S&OP Spectrum ©

There has been discussion about the complexity and cost of S&OP Process implementations employing major S&OP software packages. This cost and complexity may not make sense for some companies. All companies want the benefits that S&OP Process has demonstrated repeatedly. However, some companies simply cannot afford the S&OP Process solution with the S&OP Package. Other companies may not have the IT resources to allocate to, and sustain, an S&OP Process Implementation with an S&OP Package.

There are successful implementations of S&OP Processes in company environments with very little IT support as well as those whereby there has been quite a bit of IT Support. The key to succeeding in either situation is in setting your expectations before you start the project.

At one end of the Spectrum, there is “S&OP Light”. This type of implementation focuses on People and Process changes. You should expect results from this level of implementation from the discipline around people and process changes of functional teams. By definition, you will have to rely on the operational and financial data and metrics that you are already collecting. The challenge here is that the operational and financial data may not “tie out”. You will have to decide how comfortable you are making decisions for the business based on information created from this data.

At the other end of the Spectrum is “S&OP Heavy”. This type of implementation adds System focus to the S&OP Light. You should expect results from this level of implementation from the People, Process, and Systems aspects. The System aspect will involve the implementation of an S&OP Package that is custom fit to your IT architecture. This is likely the most cost intensive approach, but can yield very robust information at any frequency your data will support.

In the middle of the Spectrum, there is another approach I call “S&OP Plus”. This type of implementation builds on the S&OP Light implementation by building a custom database and interface for S&OP data without the full cost of an S&OP Package implementation. This will likely cost more than the Light and less than the Heavy.

Which implementation is best for your organization? The answer depends on many factors. Moreover, the answer will likely change over time. The key is to develop an S&OP Progression Plan. This Plan will allow you to see how you will evolve from one end of the spectrum to the other from a people, process, and system perspective.