

## Sales & Operations Planning process (S&OP)

Sales and Operations Planning (S&OP) is a tried and tested methodology originally used by manufacturing organisations to execute their business strategy. The specific steps within the plan focus the executive team on (1) the demand opportunities for current and new products and (2) the constraints on the supply chains ability to produce products to meet this demand. The plan, developed in a monthly S&OP executive meeting, ensures that demand is synchronised with supply, so customers get the product they want, when they want it, while inventory and costs are kept to a minimum.

At the heart of a successful S&OP process is forecast accuracy. Simply measuring forecast accuracy often produces an improvement, and a rigorous review process that includes feedback on forecast accuracy can result in dramatic improvement in accuracy.

We have experience of applying the S&OP process to a marketing organisation. By simply sharing information at monthly S&OP meetings the participants in the supply chain start to work together, and off the same set of assumptions and numbers! The link between the marketing organisation and manufacturing (either in-house or 3rd party) is improved by collaborative planning through this process. An improvement in sales forecast to 80%+ can dramatically decrease occurrences of overstocking (and writing product off) and stock-out situations.

Documenting the agreed actions, and tracking these actions to completion, are also built into the process so that individuals are held accountable.

---

HTF Associates specialises in the Supply Chain operation in the Pharma Industry. This includes outsourced supply chain management, obtaining a Wholesaler Dealer's Licence (WL) from the MHRA, selecting pre-wholesalers and advice on all aspects of Supply Chain Management in the pharmaceutical industry.

**For further information and help on this topic contact HTF Associates at [enquiry@htfassociates.co.uk](mailto:enquiry@htfassociates.co.uk)**