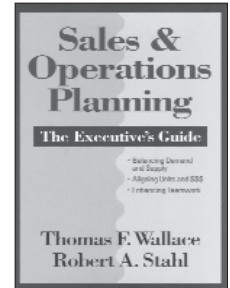
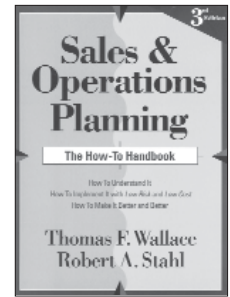


Sales & Operations Planning: The How-To Handbook, \$54.95

Sales & Operations Planning: The Executive's Guide, \$44.95

by Thomas F. Wallace and Robert A. Stahl

T. F. Wallace & Company, 453 Stanley Avenue, Cincinnati, OH 45226; March 2008.



This material is published in two volumes: The first volume is a top management summary of an executive guide to sales and operations planning (S&OP) and the second volume is a how-to handbook detailing the steps of the process. The authors make clear that S&OP is a process for executive decisions and not for SKU mix planning or execution.

Kanban systems in lean organizations handle SKU mix to takt. S&OP is a top management process for identifying aggregate sales volume (demand) by product families and aligning resources (supply) across the entire supply chain to meet that volume. That suggests that new product launches, old product wind-downs, new customers, the economic outlook, promotions, new quotes and bids, new plant openings, and so on must have a dynamic plan for providing the physical capacity and other resources required to meet the market demand. An alignment

of demand and supply is the issue in S&OP; the authors have found that it wouldn't happen very well if at all with individual, departmental application of other management tools. S&OP operates not at the hard-to-predict SKU level but from the aggregate, product family level, where the forecast variation is much narrower and therefore closer to the forthcoming marketplace reality. Without S&OP what process would executive management use to look into the future six months to two years and longer? Finally, the authors have identified that S&OP is an executive responsibility that insures that the size of the football field is big enough to play in. Other management tools such as six sigma or the philosophy of lean pick up where S&OP has provided the handle.

The Executive's Guide is a well-designed summary of the workbook detail with special advice to company executives, without the detailed steps of data gathering and

systems maintenance. All companies require an effective means to gather and identify the voice of the customer regarding sales volume so that the support resources and production capacity can be aligned. With such a top management process, the authors show how sufficient production resources are identified across the supply chain.

The How To Handbook is the third edition since 1999. Substantial new materials have been added since the previous edition including an implementation methodology, behavioral aspects of implementation, software selection criteria, and examples from real-world companies. Years of increasing experience with implementation accounts for many of these improvements. Section one has five chapters which take the reader through an overview of defining S&OP, where it fits in the overall management system, the information inputs, and the five step process including roles of major

players. Before the reader gets to pilot implementation, they have a good insight as to where the process is going and what is needed to support it. Part two describes the details of the live pilot (15 chapters identifying the assignment of responsibilities, project management, how to aggregate the products into families, data requirements and spreadsheets, and detailed discussions on how to align the demand and supply planning processes). Part three shows how to expand the pilot to the other product families and integration with the financials.

In chapter 19 of the handbook the authors go beyond single-plant thinking to address such complex environments as multiple plants, global operations, manufactured and

outsourced supply, and combination products (such as make to stock/make to order, make to stock/finish to order, make to order/finish to order). The last section discusses the cases for fixing a broken S&OP process and the S&OP contribution to business risk situations such as fire or floods. The final chapter introduces the future of S&OP in other environments than manufacturing such as banking. The book has several appendix aids such as a list of tasks involved in implementation, an effective process audit checklist, and some sound advice on the use of software with a recommendation initially for Excel.

These two books are recommended reading for the CEO, as well as marketing, engineering, and

operations executives who wish to formalize their present process with a proven approach. The authors have developed a time-tested management process which is a framework that other activities such as lean and continuous improvement seamlessly support.

Cash Powell, Jr, a member of the Target editorial board, is associate director, Center for Competitive Change, University of Dayton.

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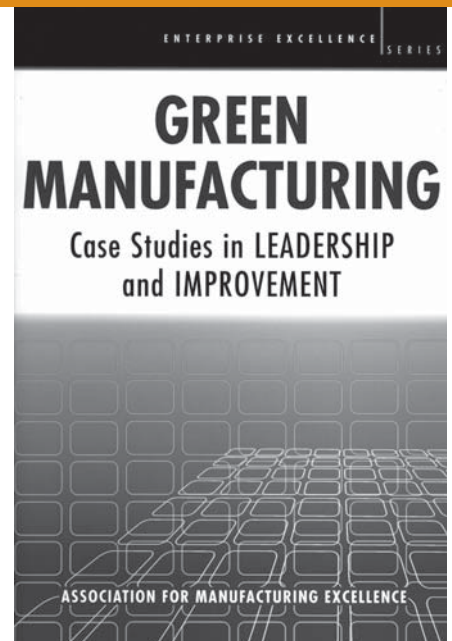
Case Studies in Lean and Sustainability

Green Manufacturing

This book was released by the Association for Manufacturing Excellence (AME) and published by Productivity Press as part of the Enterprise Excellence Series. The first book in the series, *Lean Administration* was published in 2007.

Environmental issues are growing in importance for all manufacturers, and while a variety of articles have focused on these issues, there are virtually no books that do so. Continuing with the Enterprise Excellence Series, this book brings together articles and case studies, previously published in AME's *Target Magazine*, on environmental, and energy issues.

Highlights include practical, in-depth descriptions of environmental, and energy issues – including discussions of application of lean principles to these issues.



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