

Sales, Operations, & Financial Planning Process

Day 1-5

Value Stream Demand Planning

INPUT

- Month-end data.
- Customer forecasts
- New product plans.

OUTPUT

- VS product family forecasts in units.
- New SOFP Spreadsheet.

WHO

- Sales & marketing
- New product development team

Day 6-10

Value Stream Operations Planning

INPUT

- Demand forecasts
- Value stream cost analysis
- Lean improvement plan
- Value stream changes

OUTPUT

- VS capacity forecast
- Updated SOFP sheets

WHO

- Production operations

Day 12

SOFP Planning Meeting

INPUT

- SOFP spreadsheet

OUTPUT

- Decisions to balance demand & capacity
- VS improvement plan
- New product introduction plan
- Month-end financials
- Agenda for Executive SOFP Meeting

WHO

- Value stream mgrs
- Sales & marketing
- New product develop
- VS Finance
- Other key operations people

Day 13-15

Value Stream Financial Planning

INPUT

- SOFP spreadsheet

OUTPUT

- Updated rolling budgets for next 18 months
- Major budget issues list
- Major new expenditure

WHO

- VS Finance
- Plant or Division controller

Day 15

Executive SOFP Meeting

INPUT

- SOFP spreadsheets
- Exec SOFP Meeting agenda
- Updated budgets
- Major budget issues
- Major new expenditure

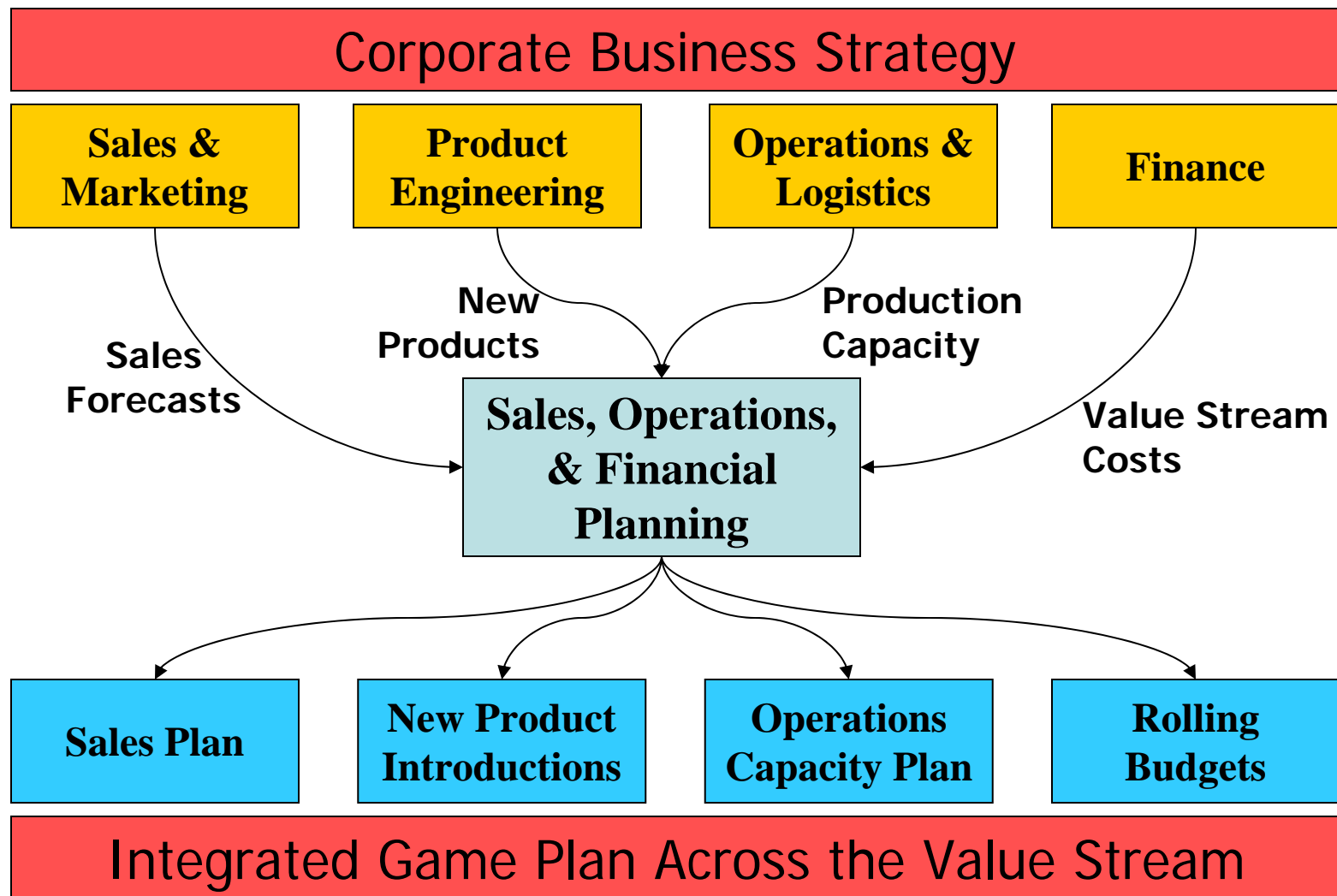
OUTPUT

- Operational decisions
- Authorized business "game plan"
- Financial decisions

WHO

- President
- Senior managers
- Value stream mgrs
- Sales & marketing
- New products
- Other key people

Sales, Operations, & Financial Planning



What does this mean in practice?

- Meaningful demand forecasts
- Meaningful operational capacity information
- Develop integrated plans to serve the customers and create more value
- Adjust resources to optimize the flow and profitability
- Create level scheduling of the value streams
- Identify & plan for resource changes over the longer term
- Create plans to maximize the revenue & profitability of the value stream
- Establish financial control through well planned budgets
- Clearly communicate these plans across the value stream and across the organization; both operationally & financially