

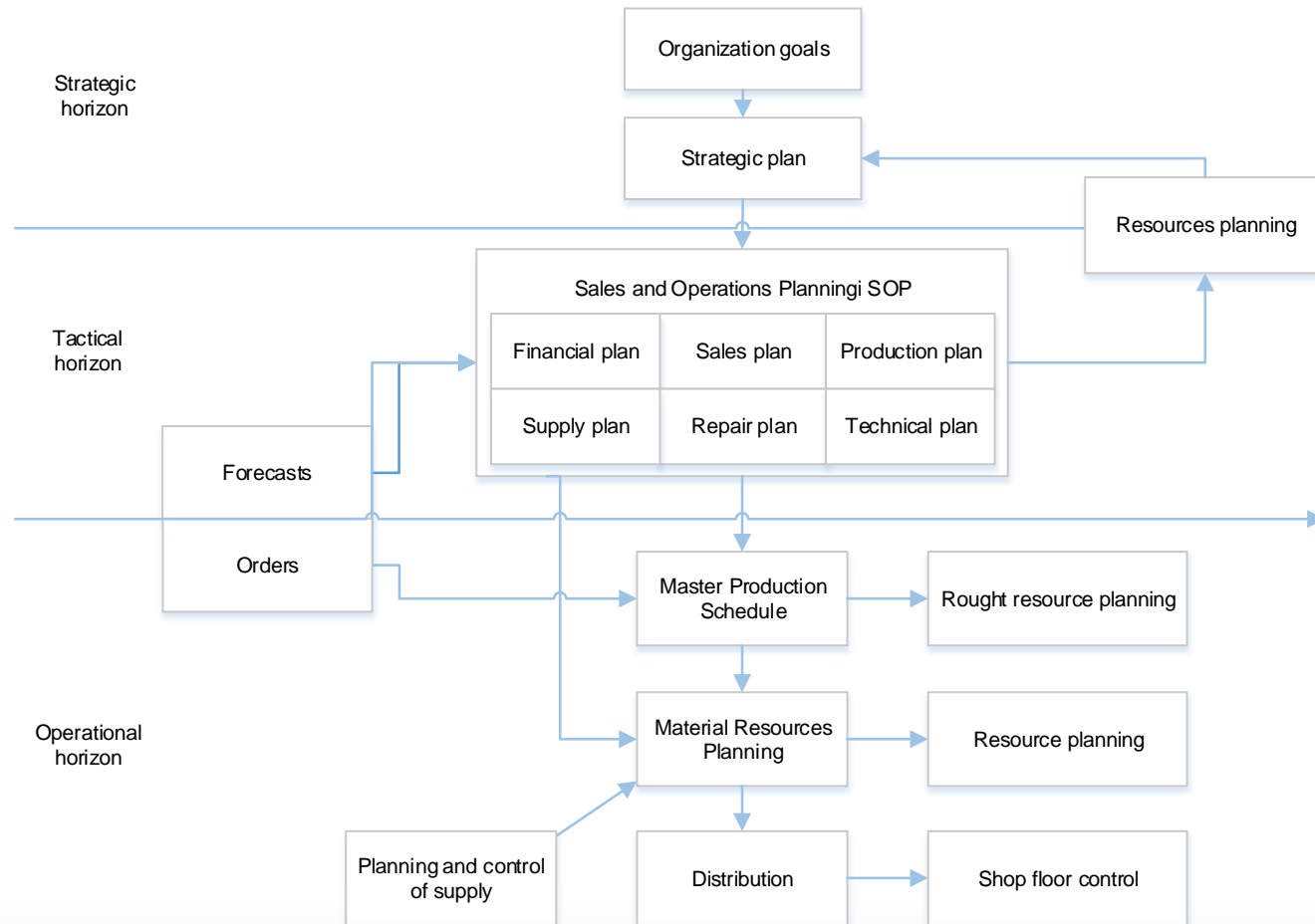
Sales and Operations planning in Polish manufacturing companies



WYŻSZA SZKOŁA
LOGISTYKI

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PLANING PROCESSES STRUCTURE



Sales & Operations Planning

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SOP DEFINITION



SOP is „a process to develop tactical plans that provide management the ability to strategically direct its businesses to achieve competitive advantage on a continuous basis by integrating customer focused marketing plans for a new and existing products with the management of supply chain. The process bring together all the plans for the bussiness (sales, marketing, development, manufacturing, sourcing, and financial) into one integrated set of plans. It is performed at least once a month and is reviewed by management at an aggregate (product family) level. The process must reconcile all supply, demand, and new product plans at both the detail and aggregate levels and tie to business plan. It is definitive statement of the company’s plans for the near to intermediate term, covering a horizon sufficient to plan for resources and to support the annual business planning process. Executed properly, the sales and operations planning process links the strategic plans for the business with its execution and reviews performance measurements for continuous improvement”.

SOP DEFINITION

Muzumdar & Fontanella define SOP as:

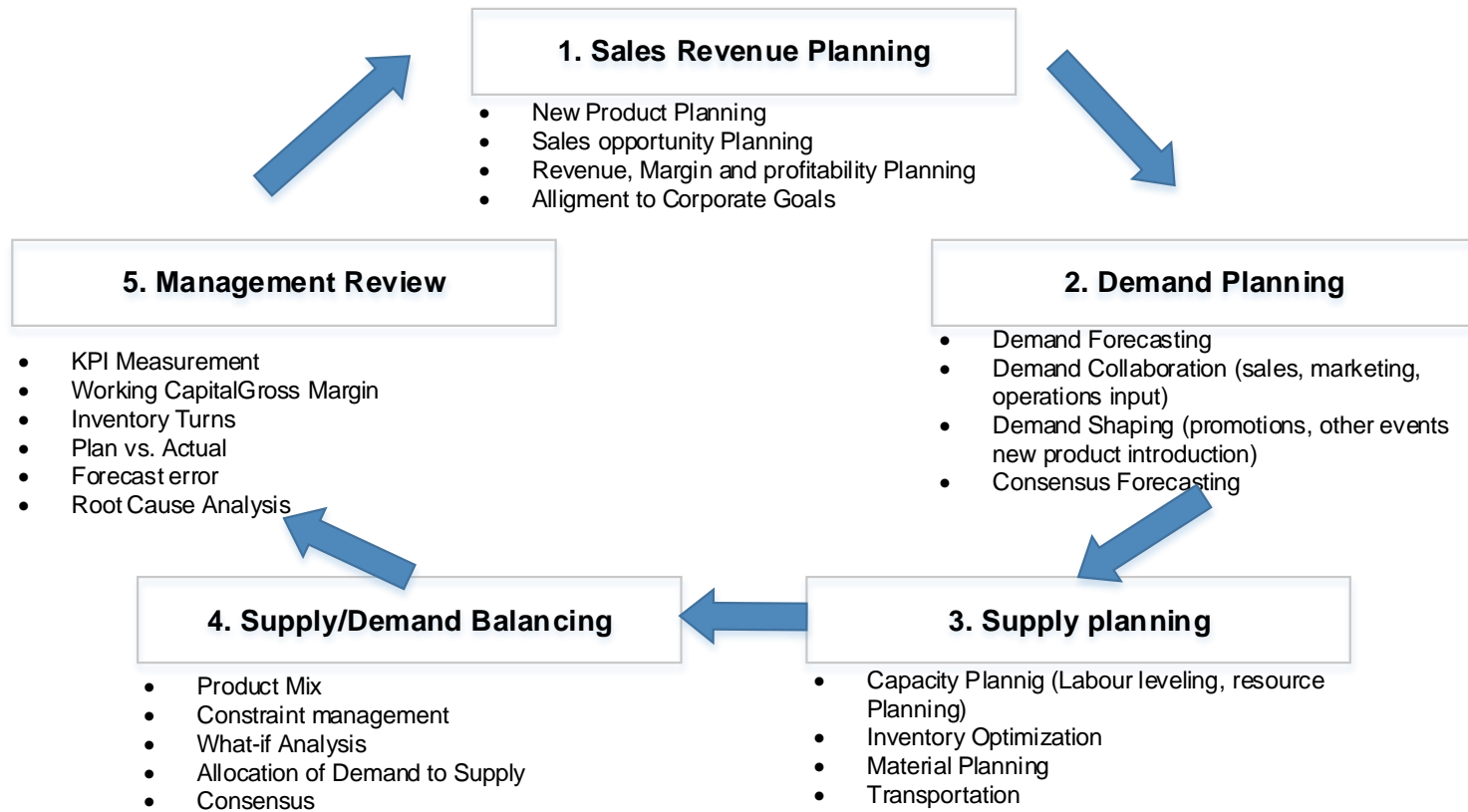
„a set of business and technological processes allowing the company to match market demand to production and supply capacity in the most effective manner”

SOP role in supply chain

According to Affonso, Marcotte & Grabot (Affonso et al. 2008, p.139) a SOP plan is of huge significance for the coordination and integration of planning processes in companies, because it brings together many functional areas.



SOP AS AN INTEGRATED PLANNING



SOP AS AN INTEGRATED PLANNING

The objectives of SOP are as follows (Gray, 2007, p. 23):

- institutionalizes management decision-making and communication, especially in the areas related to customer demand and manufacturing volumes;
- balances demand and supply in a way that meets the needs of the customer;
- shock absorbers when supply and demand are not equal;
- integrates financial and operating plans;
- links strategic plans with detailed plans and schedules;
- regulates all detailed master schedules and sales plans;
- provides "long range vision" to other more short sighted processes, especially to resolve potential long-range capacity, material and financial issues.



SOP AS AN INTEGRATED PLANNING

Stahl (Stahl, 2010, pp.35-37) distinguishes five main stages of the creation of the plan SOP:

- **Step 1** - data collection - is of particular importance for the creation of the plan and its quality. Often companies data are collected in a non-institutionalized for at their meeting the needs of SOP is difficult. The data should be organized in a way that the possibility of making on the basis of the decision which in turn requires them to current and complete;
- **Step 2** - demand forecasting - creating a sales plan for the next months based on the collected historical data and information from customers;
- **Step 3** - Planning material flow - taking into account production planning, procurement, inventory held, outsourcing and resources needed to implement movement;

SOP AS AN INTEGRATED PLANNING

- **Step 4** - working meeting - at which managers tactical level from different departments of the company they work out solutions and recommendations for the management of the enterprise; major decisions relate to: determine the best option sales plan including production plans and supplies, repairs, transfer of part of the tasks in outsourcing, to build a financial plan for the company, establish a plan meetings with the management company;
- **Stage 5** - a meeting of top management company - the culmination of the development plan SOP. At this stage involves the chief managers of each area (a male by SOP) and the management of the company. At the meeting, managers will learn the management of the current state of the company and present the solutions developed. The task of the board is to select the best in their opinion and approval of a plan for implementation.



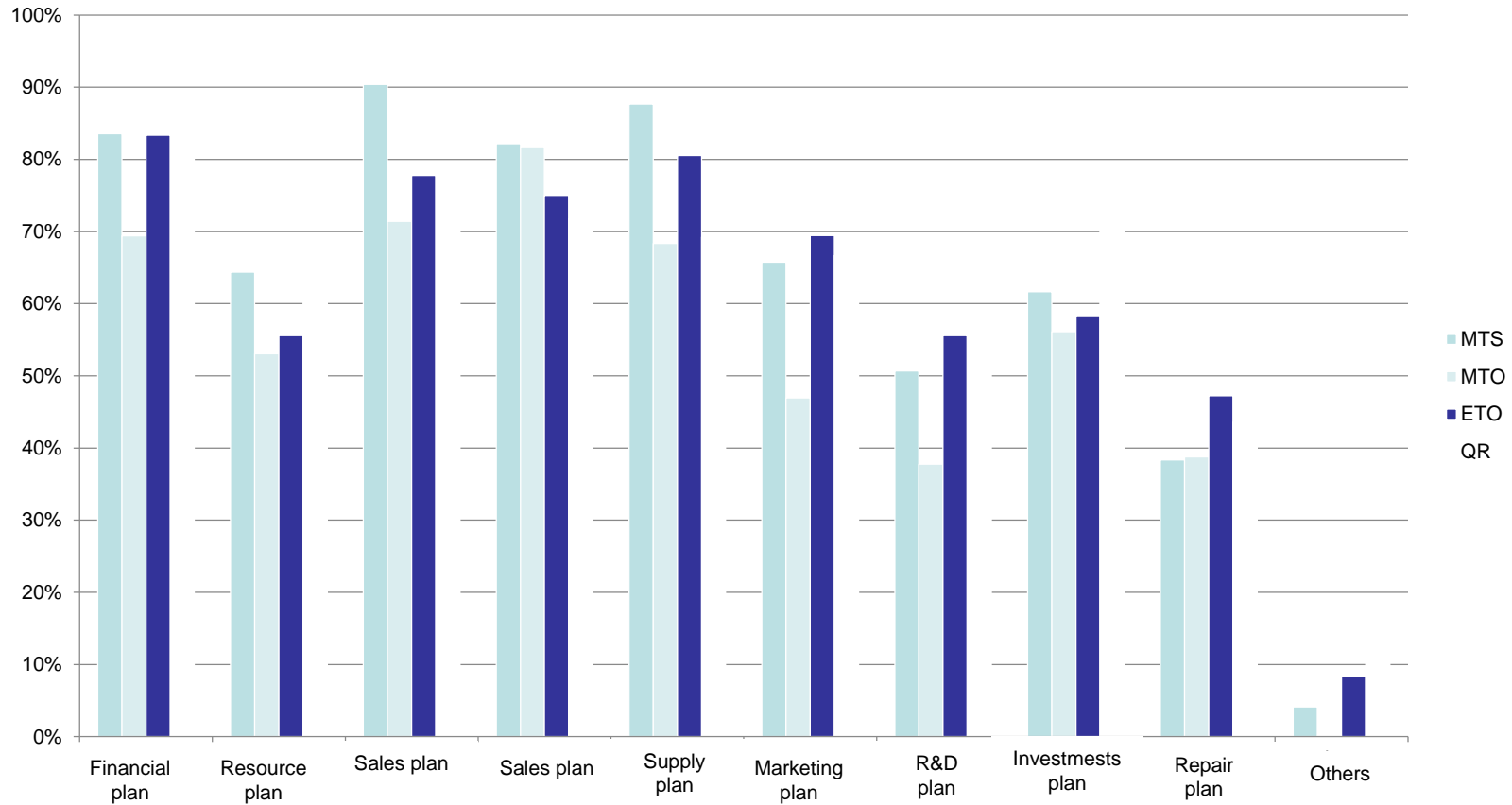
SOP AS AN INTEGRATED PLANNING

In the process of creating a plan SOP opinion L. Lapede (Lapede, 2007, p.21) should be involved interdisciplinary team, which would include experts from the areas of:

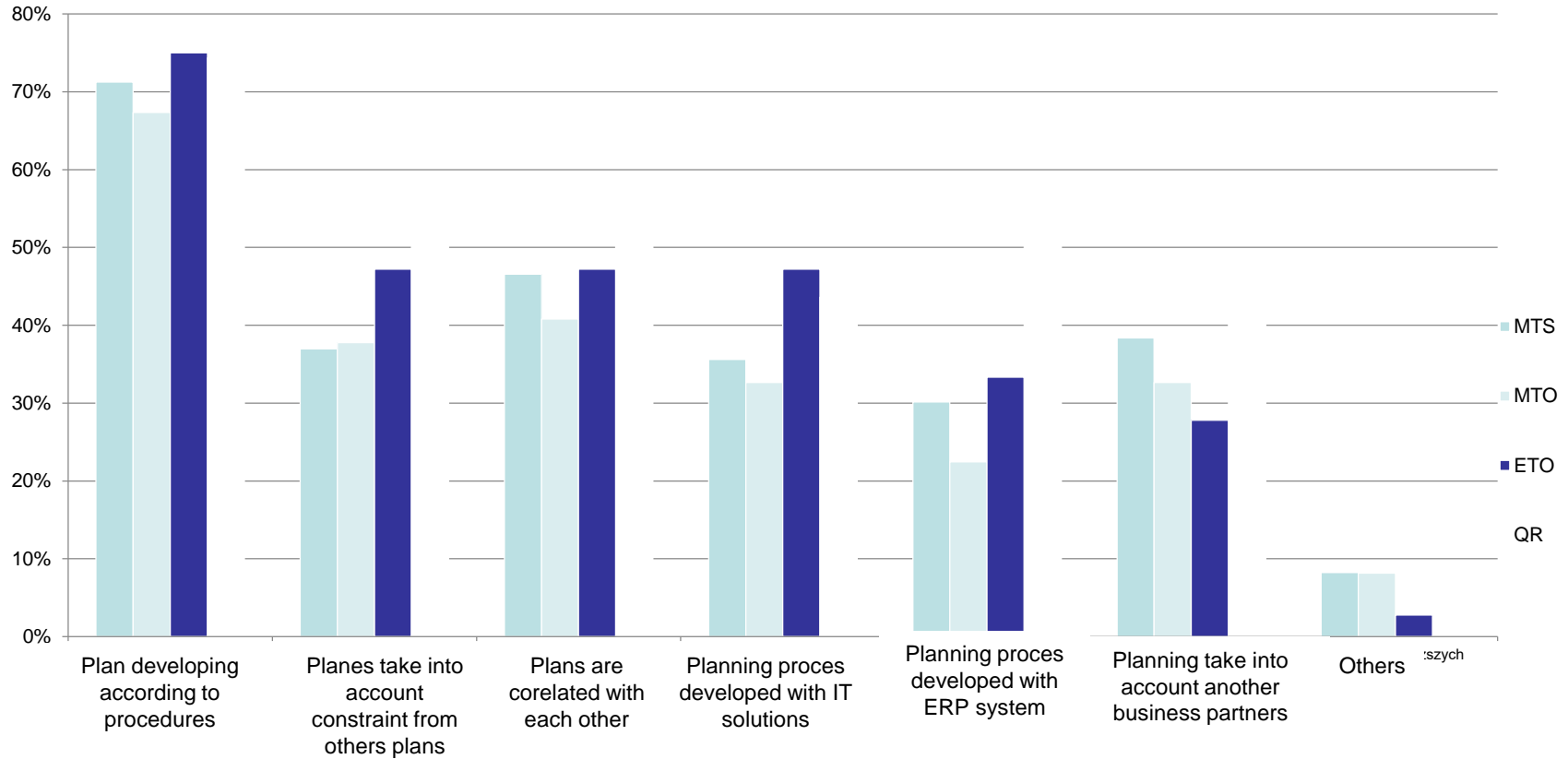
- production planning and logistics - responsible for planning the production of the numbers of sales forecasts, balancing tasks of available resources and to provide information about faults or resource reserves;
- supply chain - to coordinate and synchronize all plans ranging from the supply of production materials, services, energy, and distribution of products to the final customer;
- marketing - decisive for the introduction of new products on the market, determining future prices, market research, customer needs, creating products to meet the needs of buyers;
- sales - creating sales plans, delegating tasks sales;
- finance - making all the plans in the form of monetary compilation of actual financial results planned.



SOP - RESULTS OF SURVEY IN POLAND



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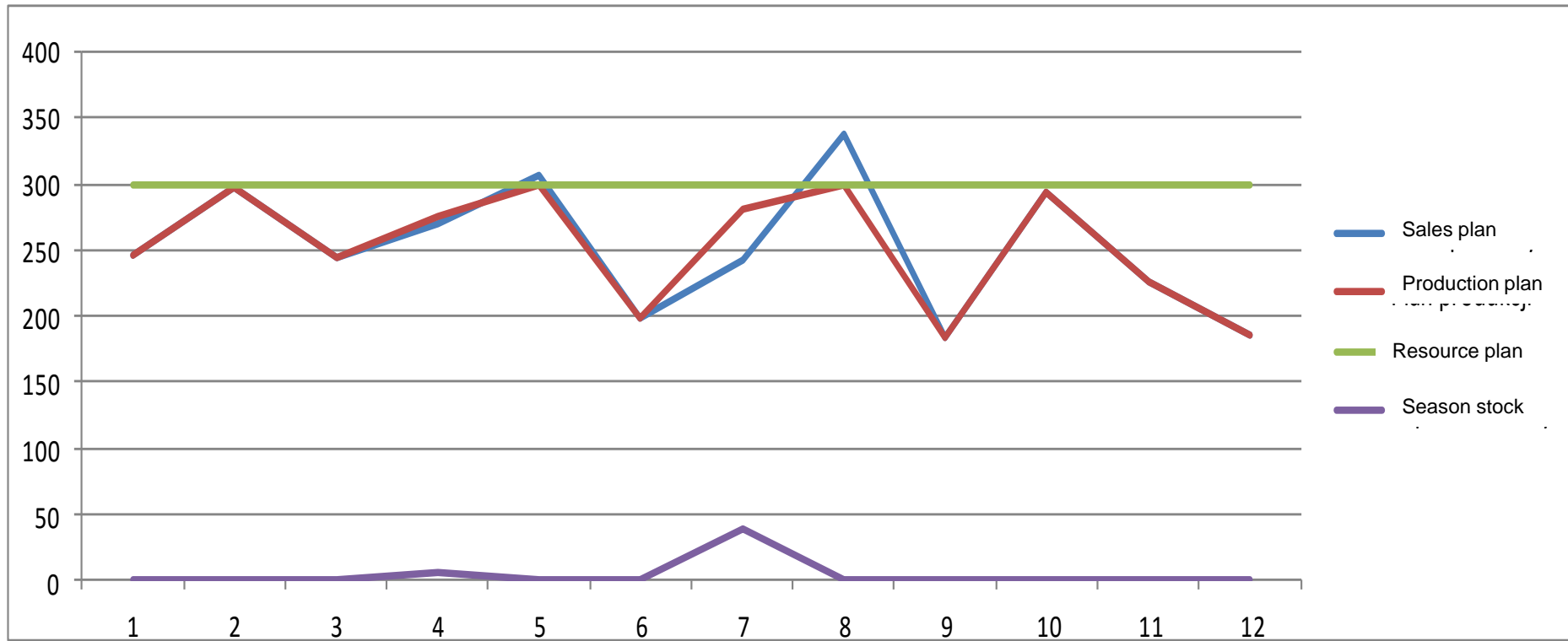




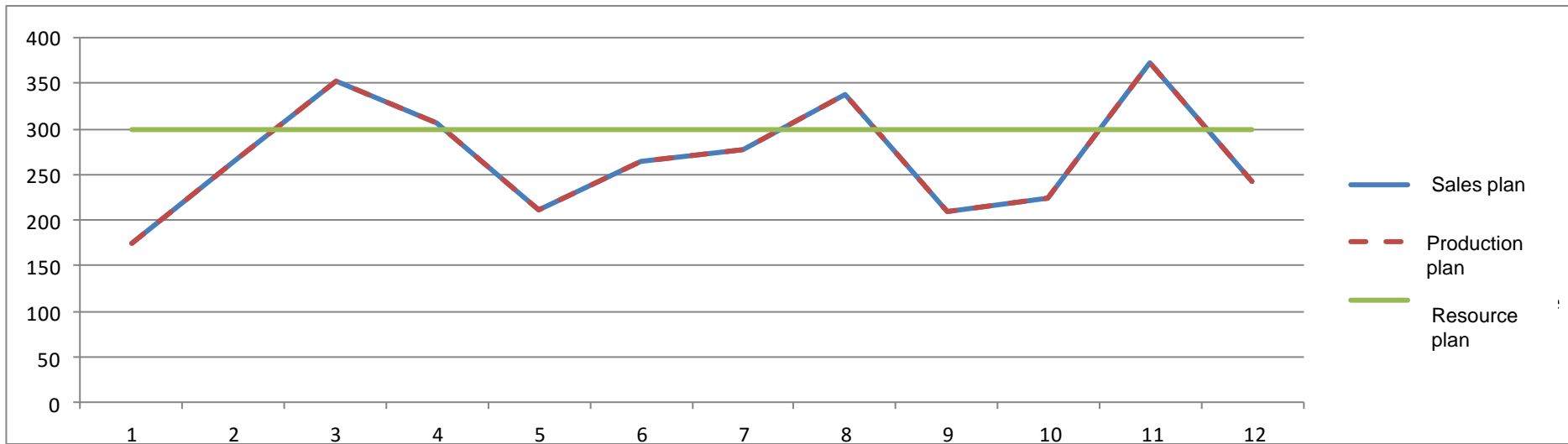
SOP – CASE STUDY



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