

Magic of 13 weeks

Connecting all levels of an organization to execution



Our Firm Has Been a Thought Leader for More Than 50 Years



Global firm founded in 1969 by Oliver Wight

65 Principals, all experienced practitioners with Class 'A' credentials, deployed as teams to maximize results

Authored or pioneered MRP II, IBP, Demand Planning, and CPFR® processes

Cross-industry, complex implementation experience

Proven methods and best practices

Benefit driven:
Time to results

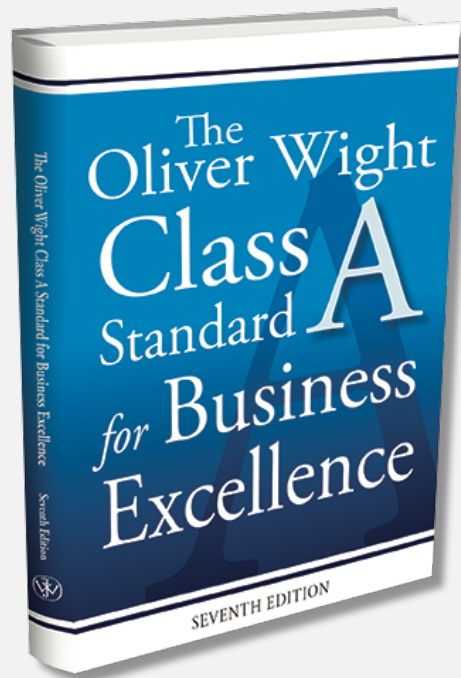
Experience transfer:

Ownership and independence

Oliver Wight
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Best Practice Benchmarking

- ✓ The longest-standing checklist
- ✓ Proven best practice
- ✓ Vehicle to integrate, drive and monitor business development and improvement
- ✓ 7th Edition pegged at Maturity Transition 4 practices and performance

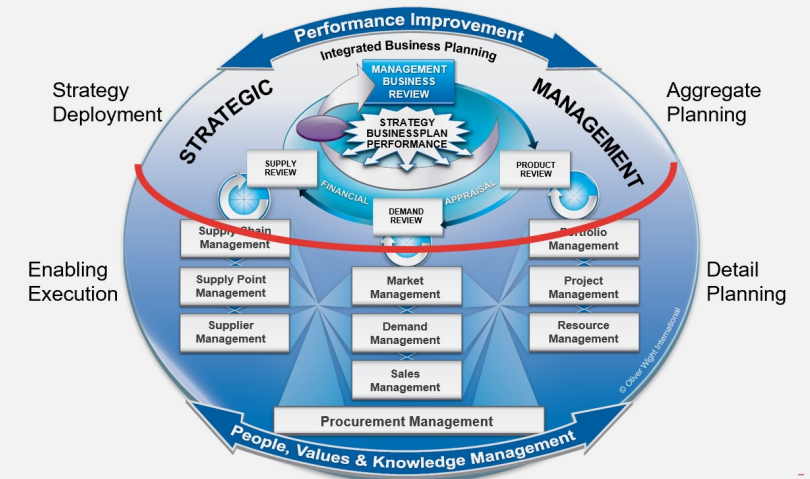


ITP Definition

Integrated Tactical Planning is a **cross-functional**, detailed planning process that **routinely re-aligns** and re-optimizes **core process plans** (product, demand, and supply), and facilitates effective communication, should re-alignment not be possible. This is **done weekly, typically over a 13-week horizon**.

It considers **changes** to the plans and as required **escalates decisions** to senior levels.

A primary objective of the process is to **ensure execution of previously agreed upon** Integrated Business Planning process plans. ITP enables **senior management to focus** on the four-to-24-month horizon and in the process helps **liberate** the organization.



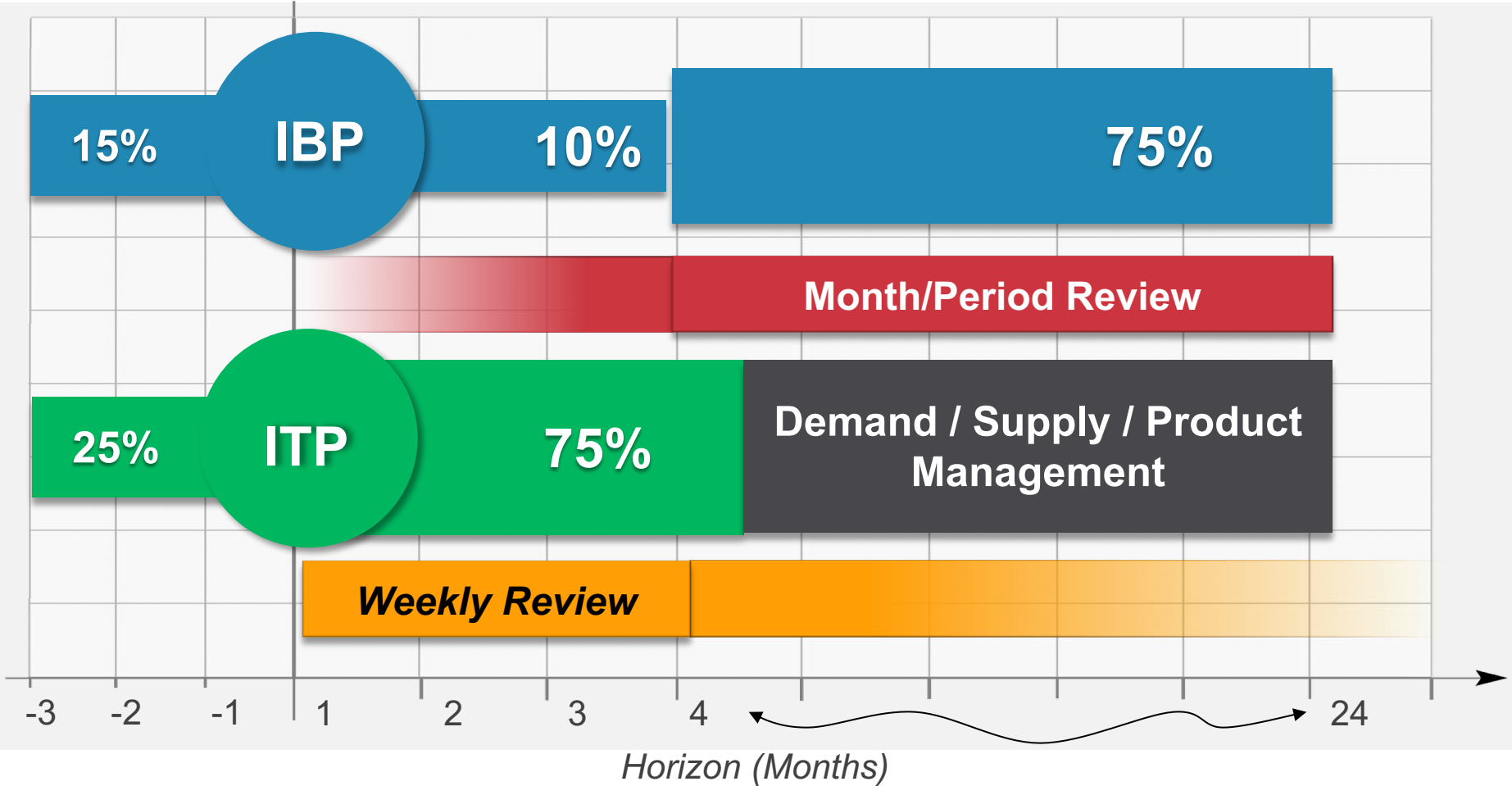
“Integrated Tactical Planning (ITP) ensures alignment between the monthly plan, and what is done day to day.”

Symptoms

Of the Lack of Daily-Weekly Processes

- Executives continually getting involved in tactical issues
- The Management Business Review is focussed on the short term
- Inability to predict end-of-year position with confidence
- Plans keep changing
- Costs and inventory continues to rise
- Customer service is down
- Purchasing is ignoring the planning systems

How We Spend Our Time - IBP & ITP



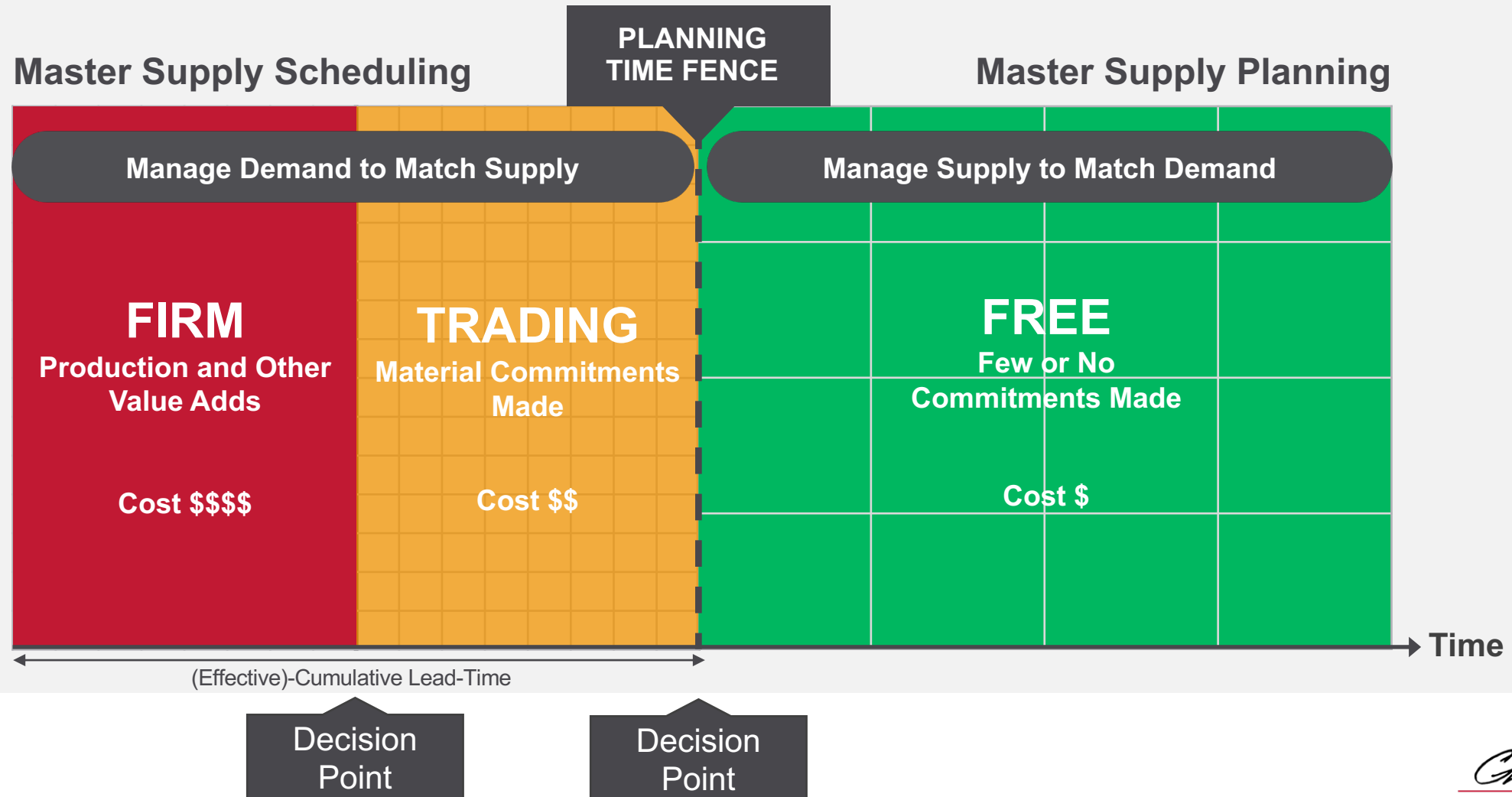
Planning Time Fence: “Where do we take control?”

A point in time denoted in the planning horizon of the master planning and scheduling process that marks a boundary inside of which changes to the schedule may adversely affect component schedules, capacity plans, customer deliveries, and cost. The Planning Time Fence setting prevents the computer from making changes within that boundary.



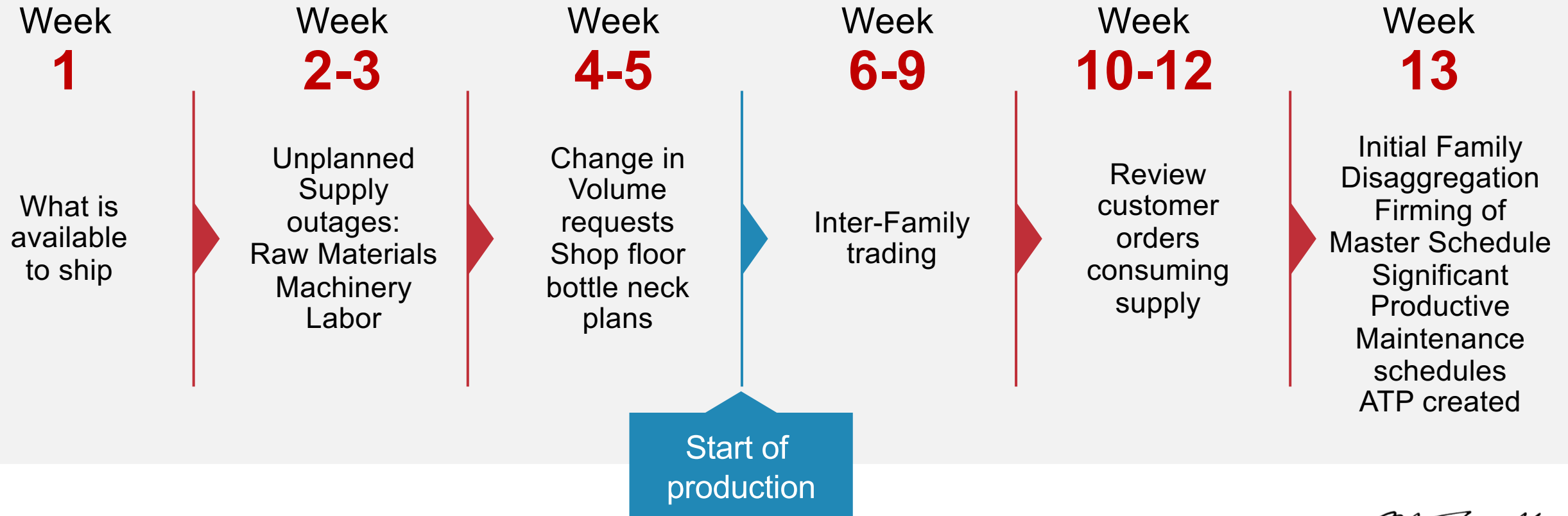
Taking Control

Planning Principle: Do not change the plan faster than the supply chain can respond.



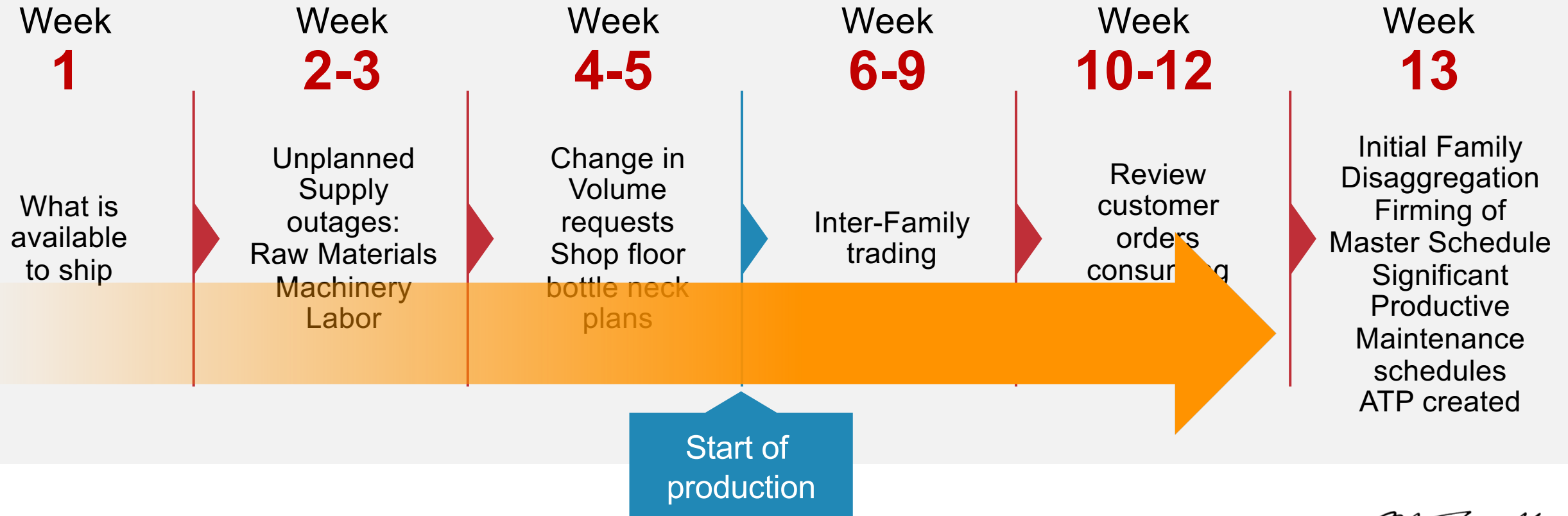
Supply Execution

Thirteen Week Communication Time Periods



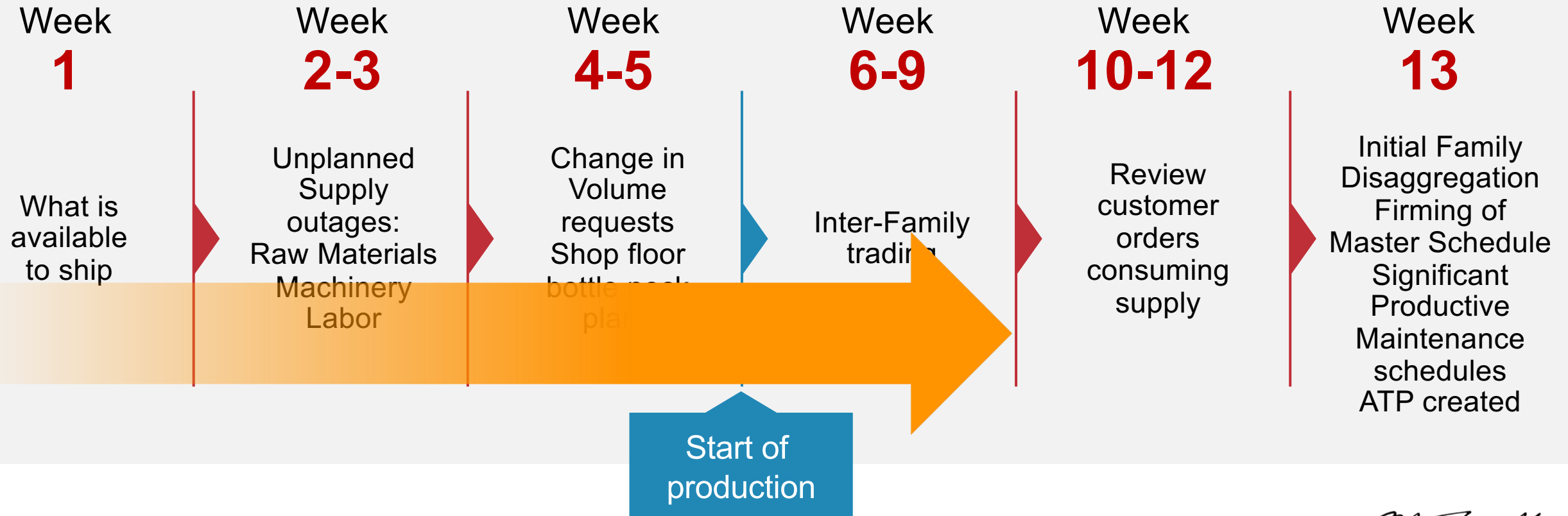
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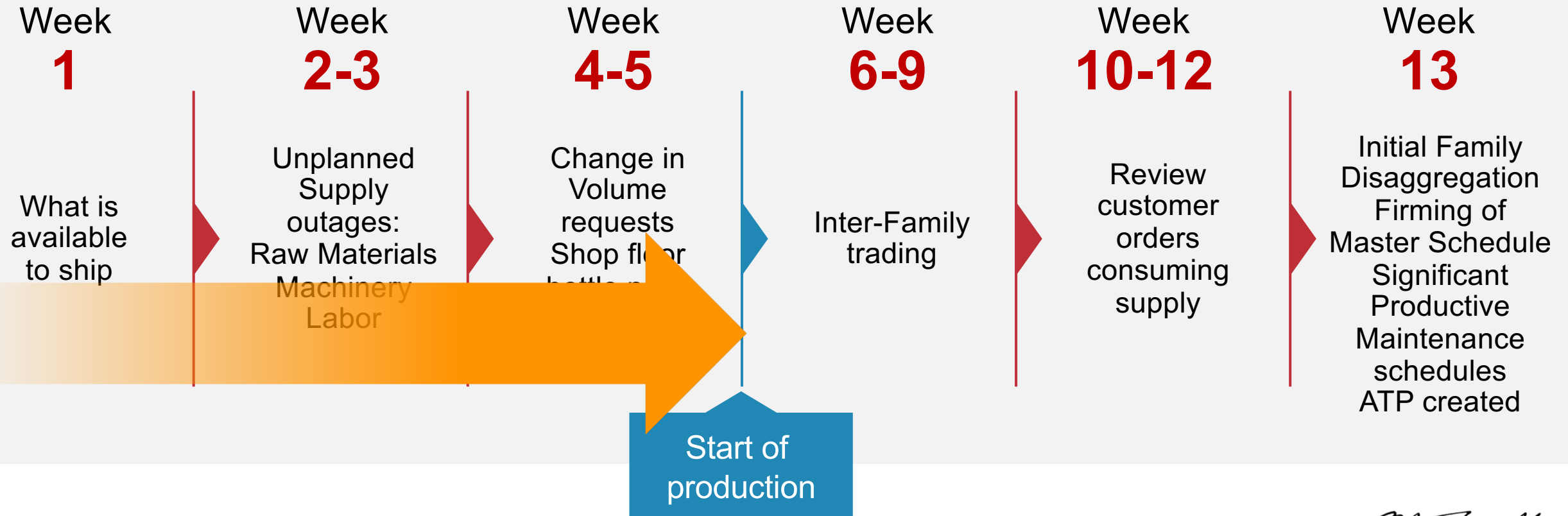
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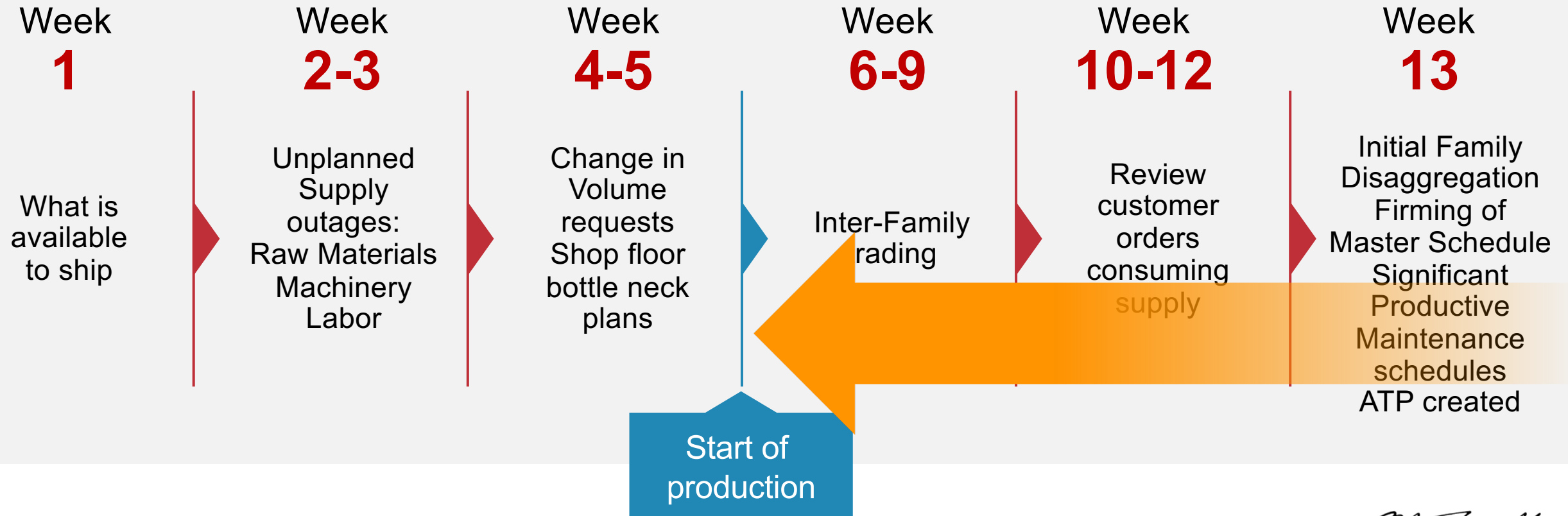
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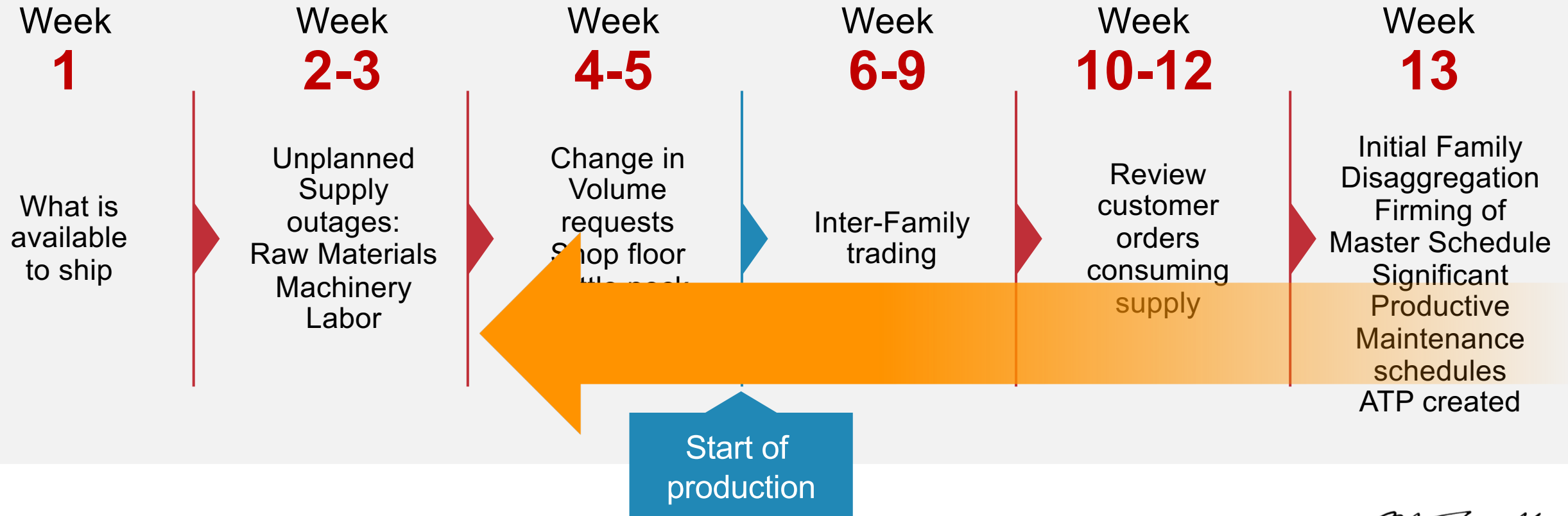
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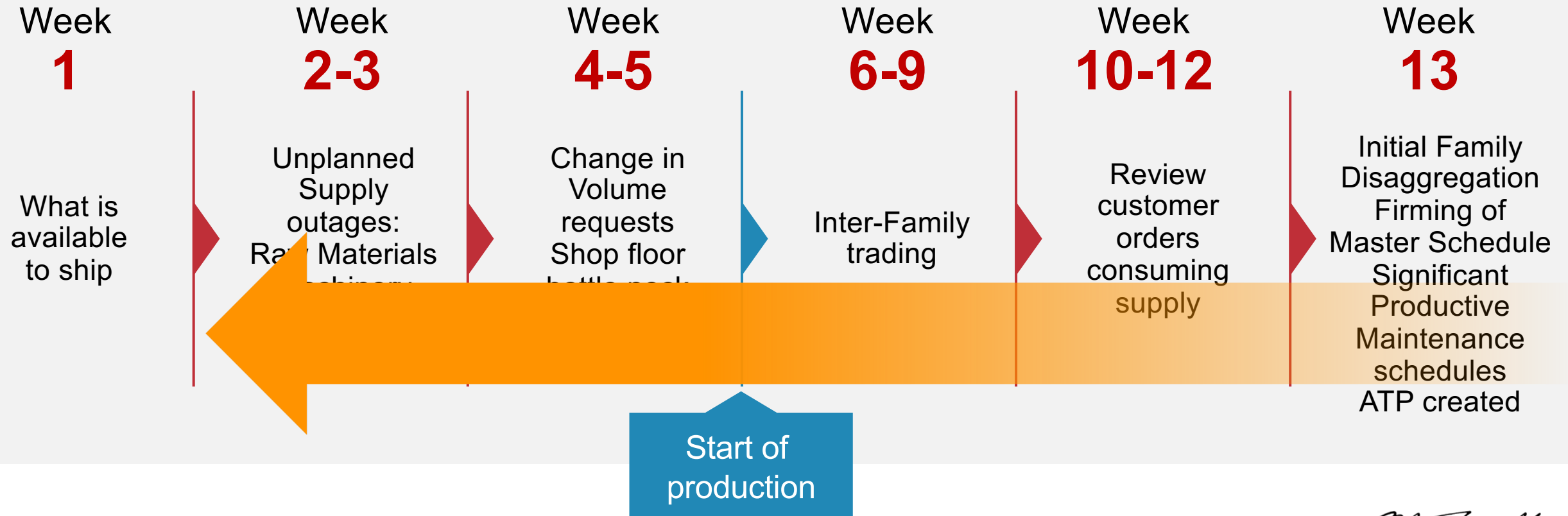
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Why Integrated Tactical Planning?

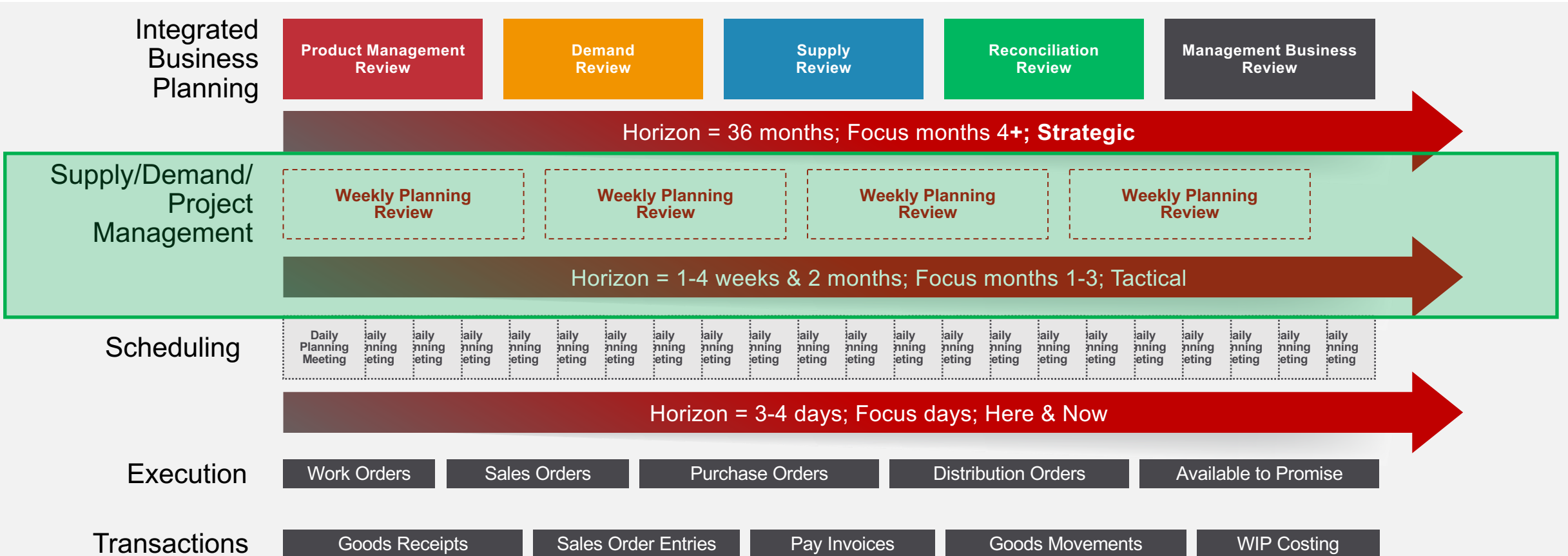
The Rationale

- To be truly strategic, decision making has to happen at all levels in an organization
- But how do you ensure the decisions are aligned with strategy?
 - Monthly IBP aligns upwards to business plan and strategy, and directs down to what gets done day to day
 - Weekly planning sits in between and aligns upwards to the IBP plan and directs down to day to day
- So, some of the symptoms that characterise organizations without a robust weekly planning process ...



Aggregate Planning to Detailed Execution

Monthly, Weekly, Daily Processes Run in Parallel



Integrated Business Management

IBP and Supporting Processes



Core Processes are more than just supply



PRODUCT EXECUTION



DEMAND EXECUTION



SUPPLY EXECUTION

Demand Management

Demand Planning and Demand Execution

Demand Management

Demand Planning

- Planning all demands for products and services to support the marketplace
- Involve all functional areas that plan and execute demand-creating activities
- Communicate the Demand plan to those who need to know in order to perform their responsibilities

Demand Execution

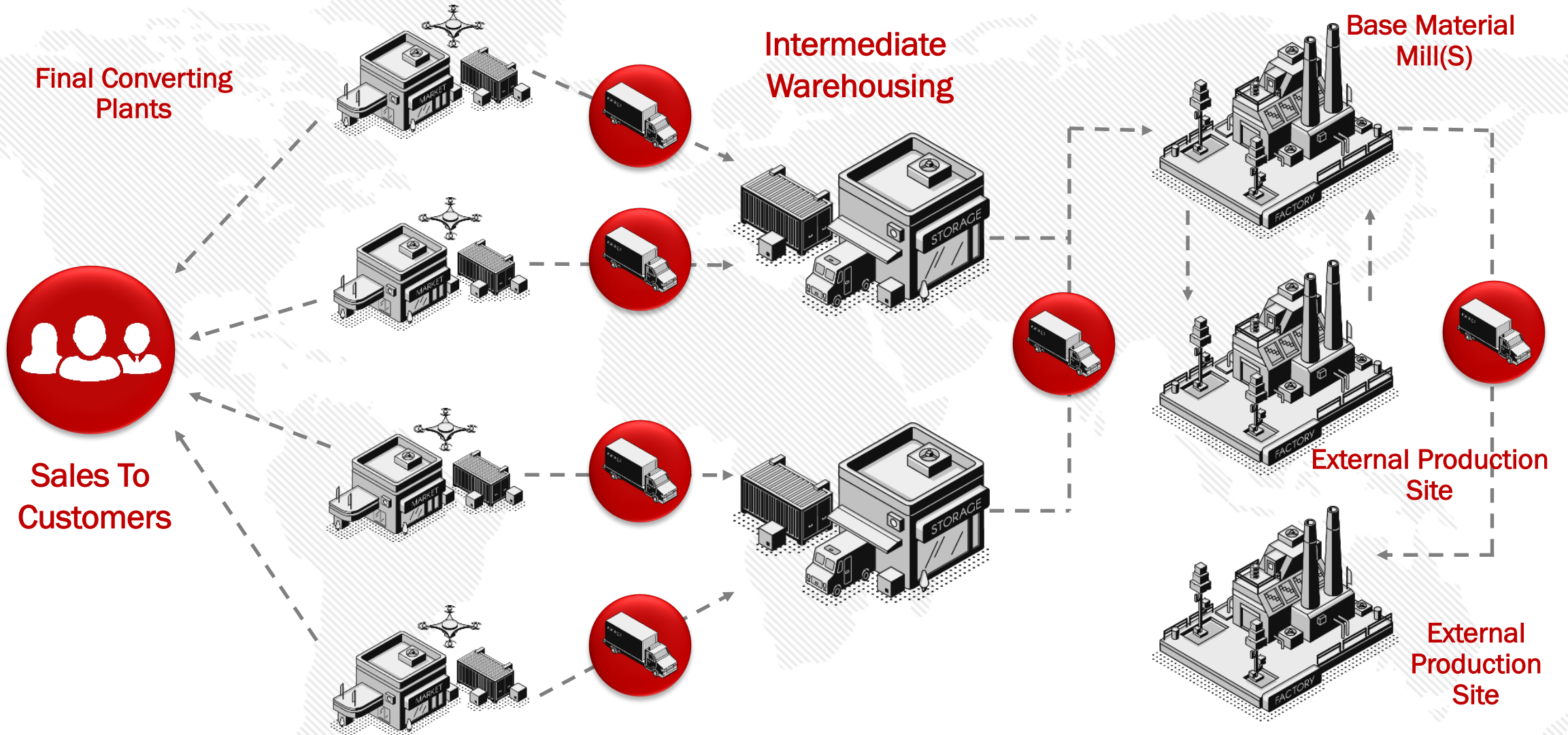
- Doing what is required to help make the Demand plan happen
- Executing the constrained Demand plan when supply is insufficient.
- Encompasses order entry, order promising and prioritization
- Measuring execution to better align plans and actions

The Weekly Planning Quorum

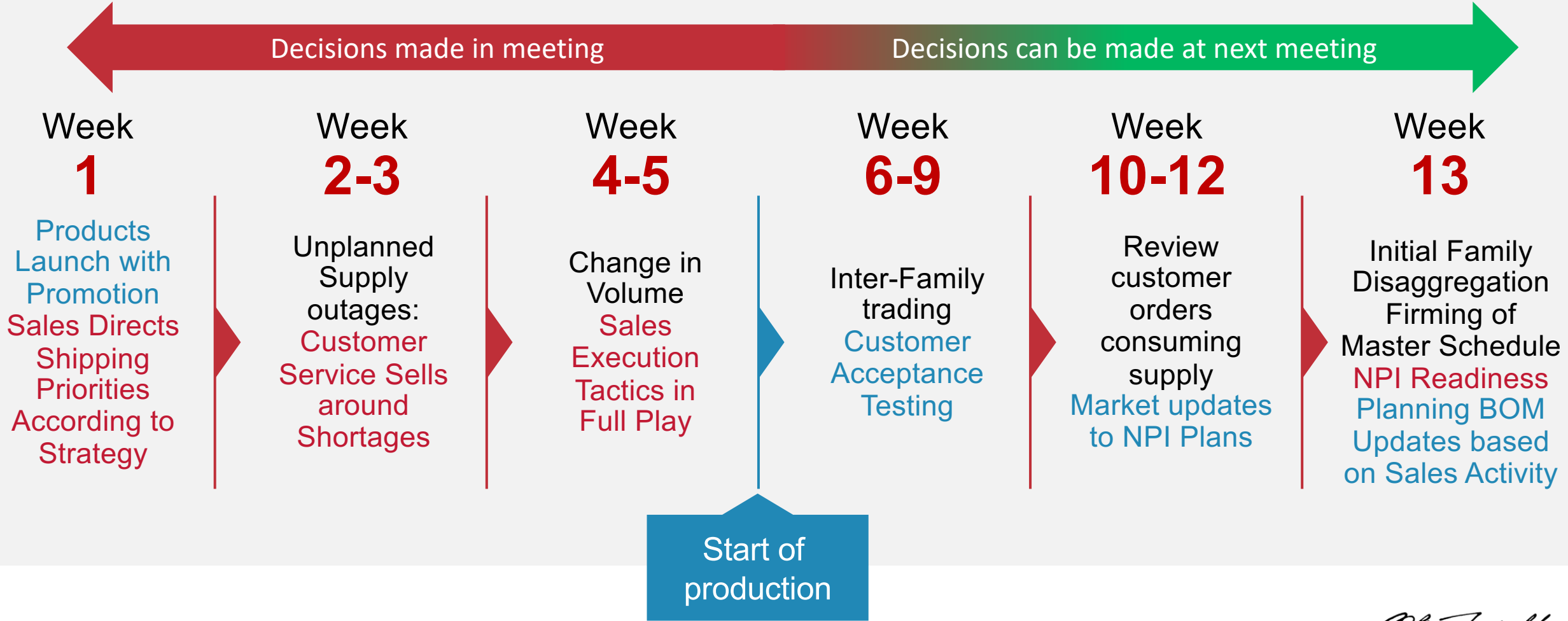
Roles and Expectations



Supply Positioning Inter-Site Model



Execution Supply Side ITP



Establish an Escalation Criteria

To Empower People to Make Decisions

	Type of Change	Tolerances	Authorization	Communication
Inside the Planning Time Fence	Minor changes in demand or supply	Less than \$?? Within key measure tolerances Sum of minor changes results in % miss of IBP plan	Supply Planner Demand Manager Line Supervisor	Email with defined information (originator, reason, cost impact or not)
	Moderate change, that may cost money or cut into safety or affect an A customer	Within +/- \$?? Cost Key measures may be affected.	Sales Director Finance Director Supply Chain Director	Email and basic Change form
	Major change, that will cost significant money or big impact on customer service	Greater than \$?? Considerable impact on customer service and financial projections	CEO	Email and follow up quorum with fleshed out scenario

- Requires change form to document reasons and plan
- Analysis on the number and type of changes
- Documented and communicated management plan

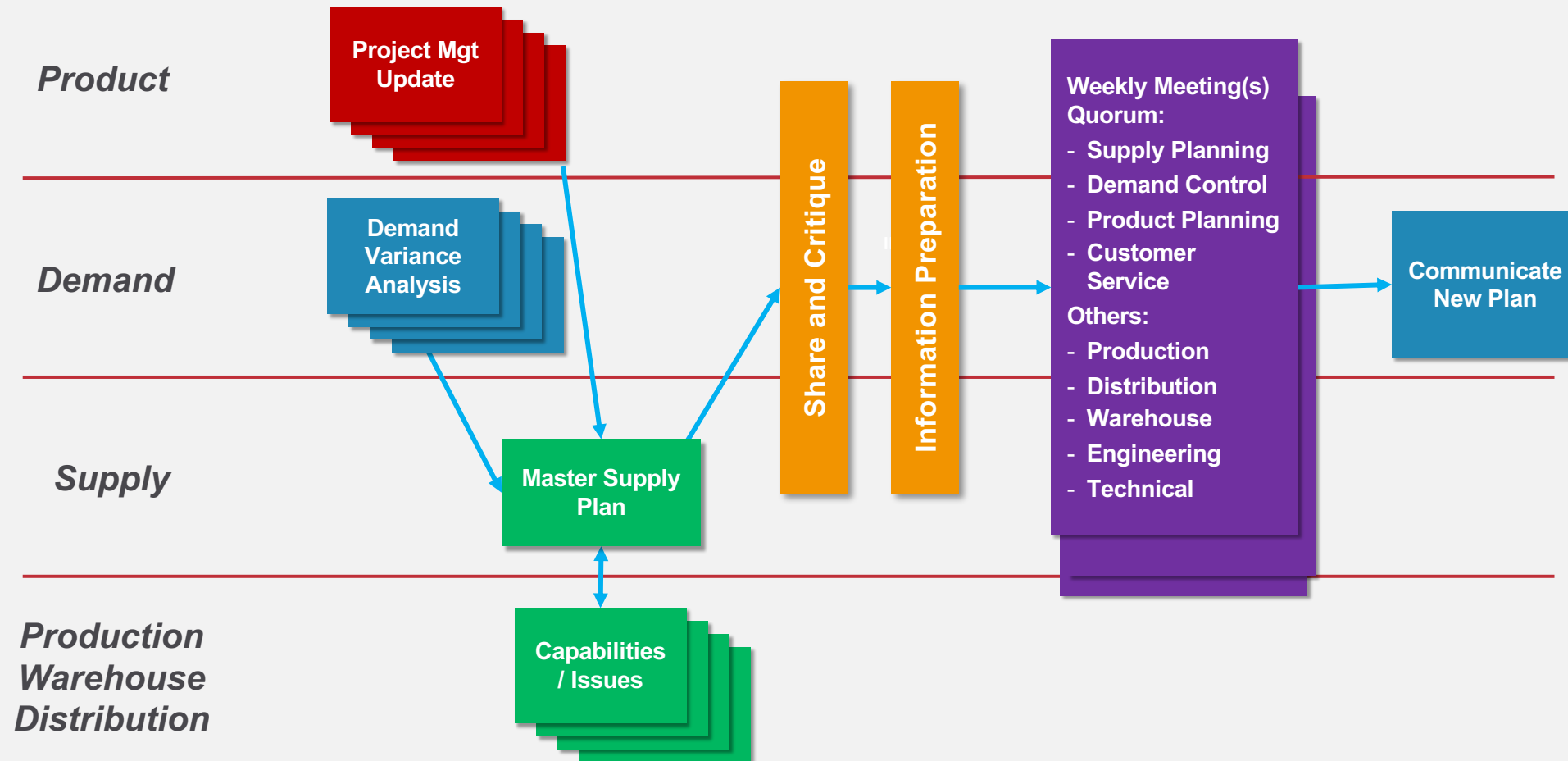
Who else is involved?



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- The anticipated build schedule for those items assigned to the master scheduler. The master scheduler maintains this schedule, and in turn it becomes *a set of planning numbers that drives material requirements planning*. It represents what the company plans to produce expressed in specific configurations, quantities, and dates.
 - *The master schedule is established at the cumulative leadtime and managed until shipment to customer or delivered to stock.* The master schedule must *consider* the forecast, the aggregate production/supply plan, and other important considerations such as backlog, availability of material, availability of capacity, and management policies and goals.

Weekly ITP Process and Meeting

The Daily and Weekly Cadence provides governance



Thank you

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