

Tuesday January 12, 2021

SALES & OPERATIONS PLANNING MASTER PRODUCTION SCHEDULING SIMILARITIES ... DIFFERENCES

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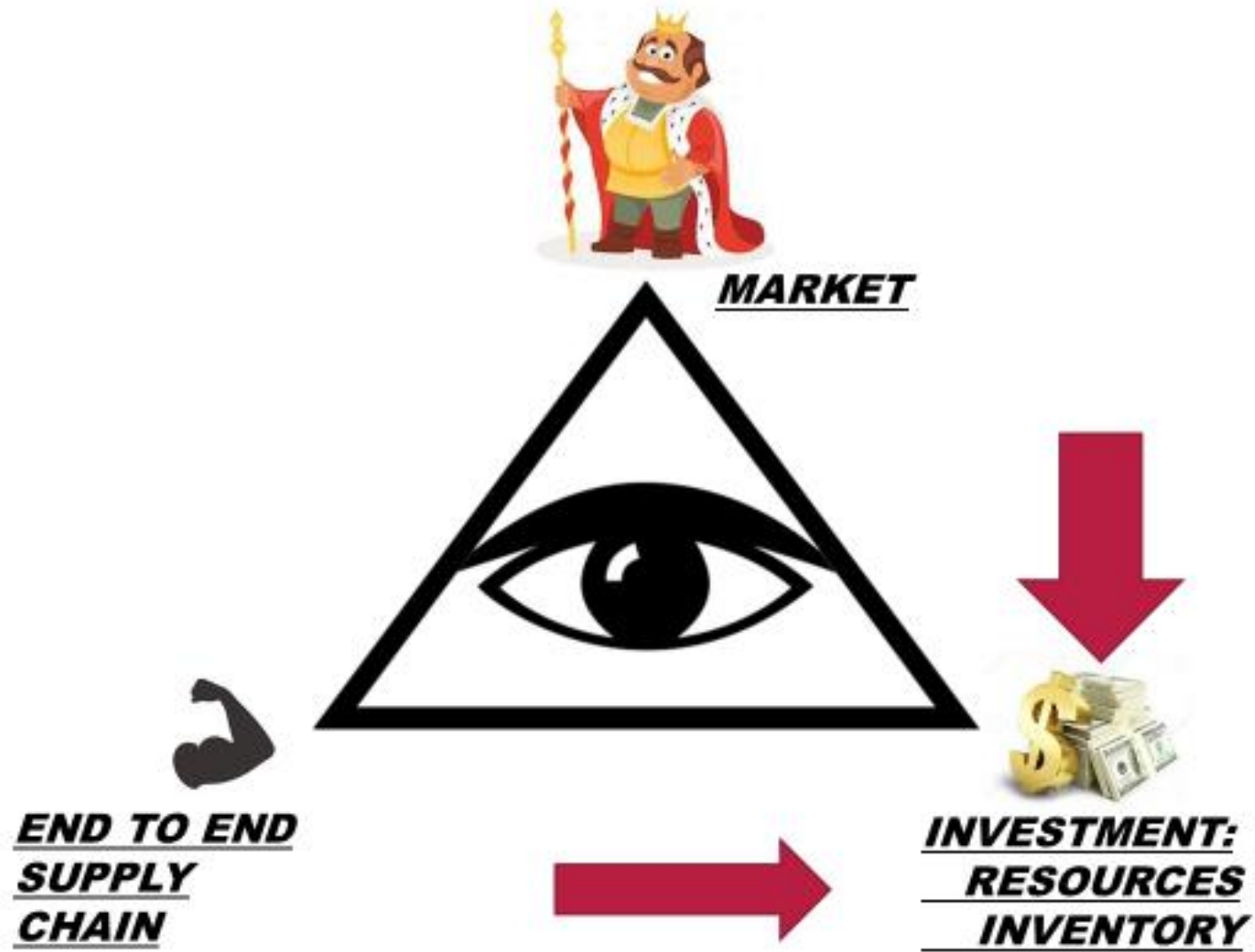
TODAY'S AGENDA

{***SLIDE DECK WILL BE AVAILABLE***}



- ❖ THE Triangle that guides us
- ❖ Business Hierarchy
- ❖ What is S&OP
- ❖ What is MPS?
- ❖ How S&OP and MPS are alike
- ❖ How S&OP and MPS are different
- ❖ Questions: Hit me with your best shot

❖ ***Type your questions into the Chat area as you have them.***



Business Hierarchy

Level	Horizon	Frequency	Amount of Detail	Process		Validation
Strategic	> 2 years	Annually	Minimal	Business Planning	↔	Financing
				↕		
Tactical	18 months	Monthly	Aggregate	Sales & Operations Planning	↔	Resource Planning
				↕		
Tactical	3 months	Weekly	MTS=End Item			
			ATO=Sub Assembly	Master Scheduling	↔	Rough Cut Capacity Planning
			MTO=Raw Materials			
				↕		
Operational	10 weeks	Daily	Intense	Material Requirements Planning	↔	Capacity Requirements Planning
				↕		
Operational	6 weeks	Shift	Most Intense	Work Orders	↔	Scheduling
				Purchase Orders		

Why Plan

ALIGN FOCUS ENGAGE

- Customer satisfaction
- Inventory requirements
- Capacity requirements
- Revenue expectations
- Cash requirements



WHAT IS S&OP?



- Drivers:
 - Strategy
 - Future unconstrained demand
- Market Facing
- Aggregate Level
- Medium horizon [begins AFTER MPS ends and continues for 3 months beyond longest key resource total lead time]
- Includes Risk Management
- Includes ALL departments [including all leadership]
- Owned by “CEO”

WHAT IS S&OP?



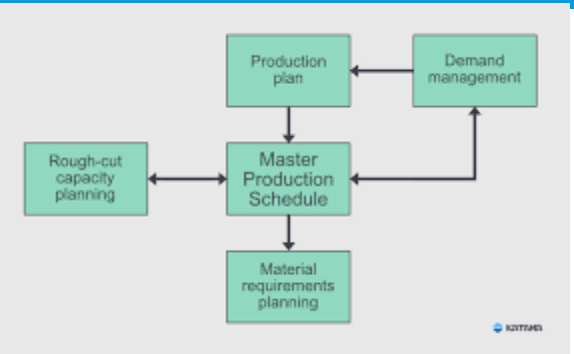
- A formal, disciplined, monthly process that culminates in a forum for meaningful discussion among all the leaders of a company to create a single, company-wide game plan.

A ROSE BY ANY OTHER NAME ...



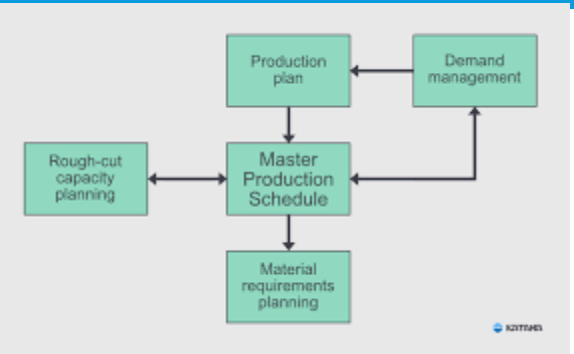
Evolution of Names of the Process	Evolution of Names I've been called
S&OP	Buster
eS&OP	Anthony
SIOP	Tony
D&OP	Tone
IBP	Z

WHAT IS MPS?



- Drivers:
 - S&OP
 - Actual demand / short term forecast
 - Bottlenecks
- Customer Facing
- Detailed Level [level depends on customer preference]
- Short horizon [based on cumulative lead time of majority of products]
- Owned by Master Scheduler with participation from Sales, Operations, Finance

WHAT IS MPS?

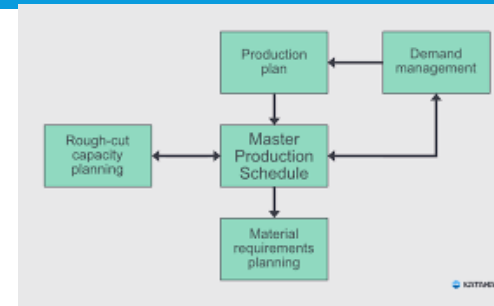


- A formal, disciplined, weekly process that culminates in a realistic and achievable build plan driving MRP to create purchase and manufacturing requirements.

Let's walk through a supermarket



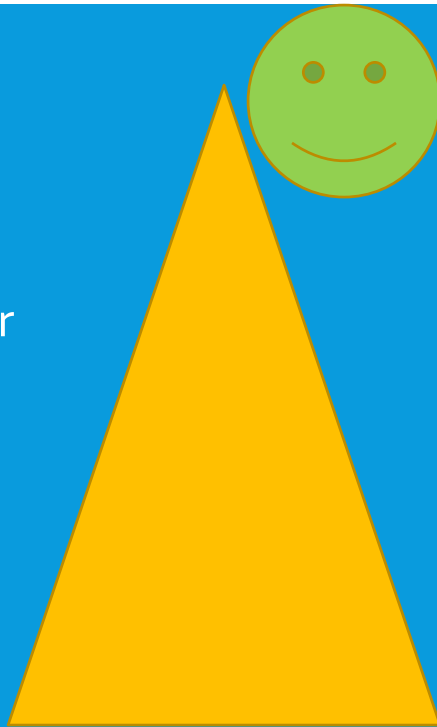
MASTER SCHEDULING POINT



FG

Inter

RM



"Exaggerated for illustration purposes; oh that real life were so simple!"

Make to Stock

Assemble to Order

Make to Order

SIMILARITIES:



- Customer Satisfaction
- Revenue Expectations
- Cash Flow
- Investments
 - Inventory
 - Resources

DIFFERENCES:



S&OP

Drivers: Strategy

Focus: Market

Detail: Aggregate

Horizon: Medium

Resources: Long

MPS

Policy

Customer

Individual

Short

Bottleneck

DIFFERENCES:



S&OP

MPS

Involved: Leadership Management

Frequency: Monthly Weekly

Owner: CEO Master Sch'r



YOUR TURN
... TALK TO
ME



THANK
YOU
ALL