Intent Group Planning
Tools Guide 2022

Intent Group.

board

Baringa

Table Of Contents

Background

Since 2016 Intent Group has held numerous discussions focussing on planning, covering aspects such as tool selection, planning process, change management and advancing to IBP. Those discussions have been for exclusive small senior groups. The offer of these closed-door discussions has been the ability to hear the opinions and first-hand experiences from other organisations. We wanted to be able to share such first-hand insights with a broader audience. To do this we conducted confidential interviews specifically for this guide with an impartial stance. Frank discussions with planning leaders have enabled us to include direct quotes and a range of viewpoints.

Supply chain planning itself covers a huge spectrum; for this guide we focused on demand forecasting, S&OP/IBP and sharing of supply chain information across functions and regional entities.

Why read this guide / how can it help?

There's no single answer to what is the best planning solution, because complexity, maturity and needs differ for every user. So, mapping all solutions in a single chart is of some use, but would not provide context or learning around how to approach selection, what others are finding in their planning journey, and how to avoid missteps. This guide aims to equip you with:

1. Advice on implementation and best practice for embedding new planning process
2. Suggestions on how to avoid some of the most common pitfalls
3. Ideas to support your shortlisting process for a new planning tool
4. Parallels with others and learn of their next steps
5. Feedback from users – what they say about their solution or implementation

As with any report or guide, we have canvased only a sample of organisations, but with enough candid input to make what we hope is a useful and informative guide.

We extract recommendations and suggestions that will be applicable to most, if not all physical supply chain organisations, regardless of size, sophistication, or complexity of existing tools. We have sought to remain impartial and independent, regardless of our vendor partnerships.

Why is planning in the spotlight right now?

Demands on the function are ever increasing – for example, we're seeing

- Higher expectations of scenario planning
- The need for faster execution
- The requirement to quickly replan over the course of the pandemic
- A continuing backdrop of global competition and the need to find more efficiency
- AI becoming more commonplace, especially for stable SKUs

…all of which are driving organisations to be more flexible. The demands on planning tools are therefore increasing. Perceived slowness and constrained computational power are driving many to reconsider their planning tool. Decision automation is True North' for many: it's commonly accepted that planners are best utilised with handling exceptions or NPD.

Intent Group
INTENT GROUP

Approach/selecting the best tool to meet your needs

Changing a tool or process carries a degree of business risk which can jeopardize the project. Costly investments will be more damaging to the business if that change is not carefully managed. The perceived risks can outweigh the perceived benefits, and frustratingly, go-ahead is stalled.

With changes ahead in the support landscape for SAP APO, this is a juncture for many to reconsider. A significant proportion of planning leaders we spoke to are SAP APO users – some considering whether to move to SAP IBP or seek specialised alternatives. Consensus is that even if remaining with SAP, SAP IBP still requires some spreadsheet integration. So the perceived risk of integrating specific planning capability tools does not in itself create additional risk. Indeed, adding specific capabilities (through planning tools) can be successful, particularly in non-manufacturing sectors, or organisations who need to handle more volatile/less stable supply chains.

It's a common view that SAP's planning offering is less well suited to retail environments due to more rigid functionality. Beyond retail, SAP often does not cater to needs for specific functionality, or does not support required business agility. It's felt that layering of specialised tools on top of SAP would be their likely route. Most were comfortable that solutions can be integrated with SAP, coupled with the recognition that it is commonplace to employ spreadsheets for specialised calculations.

The most dangerous result of changing SC planning tool is the reluctance of users to adapt and adopt processes, or to adapt to new ways of working. Even those who had been well aware of this fact commonly underestimated the size of this challenge. Well embedded processes and ways of running planning cycles can be hugely difficult to change or improve. Buy-in at all levels should therefore be a prerequisite.

Once planners or system users operate 'outside' the system (bypassing mandated processes using Excel spreadsheets), the efficacy of a new tool is quickly undermined, lower cases leading to costly missteps and unrealised benefits. We'll cover this crucial consideration in the section on 'Change Management'.

Example: Gigaset expands and improves planning capabilities

An interview with Dirk Lörwink, Logistics Manager at electronics manufacturer, Gigaset. Here Lörwink shares his insights on the Gigaset planning journey and evolution.

Previously Gigaset was part of Siemens Group, an SAP APO user. Becoming independent from Siemens allowed Gigaset the freedom to select a new tool. It was decided that Board was the right choice - the company therefore adopted the solution in 2009 for Demand Planning, Logistics and Sales reporting. Lörwink explains, "over the years we've been able to easily extend and further adopt the tool for sales, quality, logistics, procurement and production management, all integrated with finance. We started with basic functionality, and quickly found we could extend the process, including factors such as rebates, bonus programmes or discounts".

At Gigaset, Board is used in the rolling monthly order forecast, planning 12 months ahead. Products are assigned to customer groups, with planning at that level. One benefit Lörwink singles out is the ability to repair mistakes, catching errors before the plan is made.

As it was for so many electronics manufacturers, Covid significantly impacted materials availability at Gigaset, notably in microchip availability. Because they had a robust planning process in Board, this enabled Gigaset to flex in new ways and build new processes they had not previously seen as necessary, thereby enabling a futureproofed approach. The planning team was able to create an allocation programme, loading in a bill of materials, and analysing material availability at each production location. "We could then turn the view 180 degrees from sales to materials, getting a report on how much we could produce. We could then match production to supply constraints." This has been a learning process for Gigaset, but something that Board enabled them to swiftly achieve.

Gigaset now has up to 300 users of Board, with typically 70-80 using it every day. As Gigaset's superuser of Board, Lörwink calls the solution's flexibility invaluable: "once we had the foundation of knowledge, we were able to develop additional applications for ourselves". The majority of users are using reporting facilities, but more and more usage is for planning. The impact, he emphasises, is the visibility it brings: "the power of reporting and simple data entry means that Board became very popular here! Another cool function is that I can add comments, e.g. when we have critical stock. We use the tool in a lot of applications. It has become our single version of the truth".

Lörwink makes an interesting point about the responsibility shift that others do wrestle with: having visibility of the numbers across the organisation has improved the 'responsibility' for the numbers. For Gigaset, it's been a 'huge boost' in performance and knowledge. He adds that the solution has facilitated much better collaboration by creating a doorway from sales through to manufacture.

"Before it was siloed working. Now we see the benefit of collaborating by using Board. Steadily and consistently we have integrated more capabilities".

End to end, ecosystem or point solution?

Linked to the perceived 'risk of change', the question of an end to end planning solution versus an ecosystem approach will be a major strategic consideration (by ecosystem, we mean an integrated group of solutions that together meet your specific planning needs). Due to legacy and business complexity, most larger organisations currently have an ecosystem in place. Global complexity is, for many, a barrier to global aggregation, forecasting, inventory management – and can therefore be a major source of inefficiency.

For some, despite being impressed by the capability of some end to end tools, the scale and risk of change is too great for senior management. Too much risk is perceived, or there is not enough confidence in fully end to end tools, e.g. a tool that can incorporate a control tower and IBP process. Flexibility is not just required in the plan, but also in the planning environment itself to enable and provide confidence for change.

A more conservative approach is understandable, but ultimately can constrain the progression of the company. With the latest sophistication and powerful capabilities of AI, many users keep an eye on the marketplace and constantly benchmark the efficacy of existing tools.

"Our systems roadmap is continuously changing. It's a characteristic of our business – we are matrixed and decentralised. We therefore constantly benchmark and evaluate which tools can best address our needs. Is it a good practice to constantly re-evaluate? I don't know!"
Planning Excellence Director, Pharmaceutical Company

There are benefits to 'end to end' change. Calculations and scenarios can be performed much more rapidly, there is no lag of checking different figures and inputs, and aggregation is simpler because a single system handles everything, and figures can be exploded for further drill down.

"A question remains for us around regional planning aggregation. We're trying to figure out at what levels we can plan. Our supply is becoming more flexible. To enable us to service customers in an agile way we must be able to aggregate internationally."
S&OP Lead, F&B company

Some of the most capable tools can aggregate data from multiple sources, and an ecosystem approach can function well. Indeed, some described that some acquired companies can be stifled by forcing upon them the parent company's planning tool, i.e. an ecosystem approach would have been beneficial.

Change the tool or change the process?

How esoteric is your planning process? Should you seek to change the process before selecting a tool, or should the tool dictate best practice? Every supply chain is different, with particular characteristics, demands and constraints. That said, the consensus is that processes should be standardised, rather than seeking a bespoke planning solution that can perpetuate esoteric process.

"To shortlist our planning solution, we drew up a list of 160 requirements, not including sales planning. Our chosen provider was able to reflect our complex needs. At my previous company, the selection would probably have been different as that was a more standard consumer goods supply chain'.
Planning Director, Consumer Goods Company

When making the case to bring in a new solution, you will need to create a business case. One suggestion is to start with a blank sheet of paper and create a needs discovery process both with all functions and management. This can help to ensure the solution addresses the underlying needs of the business at all levels.

When planning your business case a clear exploration and statement of end goal(s) and value to the whole business is crucial for success. This will ensure that all functions engage, and support the shortlisting process and ensure right decisions are made.

A four way tug of war?

"In general I believe you should have clarity of the process and then bring in the tool. There are tools out there that can do a lot in terms of providing data. The mantra seems to be changing - I still think the process should be clear and then the tool should fit that. I've heard with some end to end tools, some step away from their existing tool because it does not support their process."

Global Operations Director, Consumer Goods Company

Turning data into actionable insights / the role of the planner

As part of a drive toward digitalisation, organisations recognise the need to automate the planning of stable SKUs. Reducing the cumbersome process around these numbers engenders more efficient planning processes and less time spent 'arguing the numbers'.

Most agree that the best use of planners' time is to focus on exceptions, and to plan for new products. Driving such insights does require more time for planners, and the best solutions should open the door to more efficient use of planning time. Some say that the function of the planner of the future is a bridge between commercial, marketing and supply chain. Counter to this, some warn that a range of challenges can be 'rolled down' to planners - with the planner finding him or herself facing questions outside of his/her proper remit. Planners do, and should act as the custodians of the forecast – managing the forecast number and the S&OP output.

The most capable planning tools enable scenario planning. Whilst some solutions will limit the number of scenarios, the general consensus is that a finite allocation of scenarios can and will be quickly used up. In fact, when scenario planning across the business, the constraint soon becomes processing power. When forecasting scenarios, many will be challenged by the demands on master data.

"When we set up the S&OP module we found that it requires massive financial data - including sales prices, future sales prices. It must all be included. Advance planning tools give you all this - really robust master data will be your constraint - otherwise you'll run into challenges."

VP Integrated Business Planning, Chemicals company

Key advice

Create a detailed statement of needs/required outputs. Seek to achieve clarity on needs in order to ensure no mismatch later in the process.

Map user stories to build the case for change, include user data. Management can often misunderstand or underestimate the very function of 'planning'. Consider the benefits to the business, rather than just the supply chain.

Speak to other users of any tool you are shortlisting, to gain a fuller picture and build a realistic concept of implementation, support and results.

Do not make the planning tool a supply chain project – cross functional buy-in is an absolute prerequisite. Before talking to vendors, fully survey the needs of all functions and take these into account.

Don't involve the vendor too early – ensure you've fully mapped requirements and have detailed the statement of needs. Involving the vendor too early can add unnecessary complexity and, of course, drain budget.

ROI – implementing a new tool and reaping the benefits is a multi-year project. But breaking down the digitalisation journey, starting small and adding functionality is a good strategy for most. This means that the business benefit can be monitored and evaluated – ensuring management remains bought in to the journey.

Talk to the developers, not just the vendor sales team. The developer team will be able to best advise on capability and the scale of your challenge.

Have you considered...?

Here we detail some questions as suggested key considerations when selecting the right tool for your organisation. As your planning function matures you will require further sophistication. Some feel that vendors are keeping pace, others feel they are outgrowing the capabilities of existing systems. Complexity of the tool is a double-edged sword: too much complexity can be a barrier to user adoption.

"We require a solution that will evolve with us. As an organisation we won't jump into AI and automation - of course not. The system needs to support us on that planning journey. We need the flexibility to do that. FLEXIBILITY is a big gap for us at present."
Consumer Goods Company (SAP user)

- Can/will the vendor run a pilot using your data to demonstrate capabilities?
- Are you moving towards IBP? Does the tool truly offer IBP/can it reflect your IBP process?
- User interface: how intuitive is the tool? User adoption can be dramatically impacted if an interface is not user friendly, no matter how capable the tool is.
- How is usage charged? Are you charged per user license or by volume of data? This is a key consideration for many.
- Garbage in garbage out: consider data cleansing, especially if you are moving from a fragmented Excel based process to a sophisticated tool. The algorithms can only work with the data inputted.

INTENT GROUP

- Flexible to your needs: does the tool allow you to aggregate data as well as drill down? Many stated this was a capability gap.
- Scenario planning – how many scenarios will you require? This budget will soon be allocated, and should therefore be carefully considered and costed, if you are limited by the vendor.
- Visualisation capability: acceptance and adoption can be dramatically affected by something as simple as how quickly suggestions can be understood and evaluated. Visualisation or ability to integrate with visualisation tools should be a part of your thinking.
- Speed of output – how long do algorithms take to generate calculations? We spoke to many users who stated that waiting times can dent user adherence to the tool.
- Systems must account for the real constraints faced by planners. As soon as this is not the case, work-arounds will creep in.
- How important are you to the vendor? Are you a large client for the vendor or a small one? This can affect support levels and appetite or likelihood of the vendor developing capabilities for you.
- Where is the vendor support located? Language and time-zone differences can become an obstacle.

A word about Excel

Excel is still a powerful tool, but its shortcomings are well known. It is used for patching or wrap-around capabilities, i.e. it can be employed to provide answers to specific questions or calculations. Changes are quick and easy to make, and the tool is well understood. It's therefore unsurprising that some still use Excel, using it to fulfil parts of the process. In weaker implementations, the planning tool is a system of record, with all inputs and scenarios conducted in Excel.

Whilst Excel is acknowledged to be an inefficient way to plan, it is deeply ingrained in ways of working, and will therefore be the first fall back.

There are of course many downfalls to Excel, such as

- User error. Simple copy and paste errors can easily creep in.
- Esoteric spreadsheets that only a single person or small group fully understand. When planners are out of the office and their sheets are used, errors do occur.
- The volumes of data involved in planning can very quickly exceed the processing capabilities of a spreadsheet with anything other than a small number of SKUs.
- Challenges around achieving a single version of the truth – if teams work on different versions of a sheet, changes are only locally made, making version control an immediate issue.

What to expect in 2022. In conversation with David Food of Board

Flexibility will continue to be a mantra for supply chain, which of course is underpinned by the need to be able to rapidly share information and a single version of the truth. Whether it's the requirement to source products from alternative sources, or a more broad scale re-evaluation of supply network. David Food agrees: "a crucial demand on planners is to be able to quickly generate scenarios, to look at 'what-ifs'. Executives are then able to take informed decisions as they compare the alternatives. In today's environment of regional supply uncertainty, planners need to be able to simulate the loss of a key supplier, even a whole country shut down. Fundamentally you must be able to change the parameters and compare - generating quick answers". He highlights this 'planning with uncertainty' as a new challenge for most. The need to plan outside 'normal variation' of day to day business is where we've seen a shift.

The recent volatile global supply constraints have affected so many organisations, and have forced companies to plan more flexibly. This underpins why so many we spoke to are highlighting their need to be able to generate scenarios. Advances in technology enable integrated planning, in real time, dramatically cutting planning cycles and enabling organisations to plan and replan much more easily.

David Food cautions that many will need to 'speak the same language as their finance function'. Plans are revisited, but the answers to 'Is this a profitable plan?' are loose, if not uncertain. Many organisations are now seeing healthy demand, and strong recovery. He highlights that profitability will require deeper focus. "Yes sales may be up, but often, profitability isn't". This is due to the uncertainty of supply and therefore seismic increases in freight and materials costs. It's not surprising that so many recognise this, and are seeking to adopt better integration with finance.

"In 2022, organizations will apply better technology-driven standards across Supply Chain operations to more effectively manage Supply Chain risks, product development, and lifecycle planning. Eventually, technology will aid organisations in preparing for and predicting future threats".

Businesses will naturally want to avoid a lengthy or circuitous selection process – how can you take the most direct route to selecting the right tool? David Food advises that being definitive on the capabilities you require is a way to avoid over complex RFI. He suggests that it's easier to move quickly to a proof of concept if objectives are clear from the start of the journey.

David Food is Head of Supply Chain Marketing at Board but also Associate Principal Lecturer (Subject Matter expert Supply Chain, Logistics, Analytics & Marketing). He has also worked as a consultant and advisor to various Supply Chain Technology companies. Describing himself as a Supply Chain Evangelist, David states that "Using intelligent technologies to automate the simple tasks to unleash more time and space for innovation and change, means I have to stay connected and socially engaged as there is always something new to learn and apply."

Avoiding the most common SC planning tool shortfalls

Vendor promise vs. reality: it's vital to clearly and explicitly state needs and required capability. Don't assume that the vendor has the same understanding of the level of complexity you require, or that terms commonly used in-house will be interpreted in the same way. Inadequate detail in a user specification creates challenges further down the road.

Underestimating the need for sustained and regular user training: planners change roles reasonably often, so there is a need to regularly monitor and embed user practices. Even with relatively stable personnel, there will always be a propensity to revert to old ways of forecasting. Those with the most successful implementations factored this in from the outset.

Overrule: there will always be a level of decision overrule; experience, intuition and simple human intervention by senior management are commonplace. Whilst frustrating for planners, it's perhaps a symptom of the current trust and maturity of machine learning. Some tools can now learn from overrule, and can gauge the impact of such actions, providing intelligence on any manual override, and taking this into account in future decisions.

"I've been involved in SAP implementations - one went well, one less so. You definitely need top level sponsorship - but it's a pincer - the doers need to push too. It can't be just top down"
Planning Director, Publishing Business

Transparency: a critical success factor is the ability to see and understand how decisions have been reached. Being able to drill down, or view the calculations behind a number is key to building trust and therefore usage of the tool.

Simplicity vs. complexity: whilst it's important to introduce a system that is not overly complex at first, plan to build up complexity as new processes become embedded. UIs vary enormously: less intuitive UIs are a direct cause of weaker adoption. Good UIs are simple and logical e.g. they might utilise icons that planners and other users are already accustomed to. This lowers the barriers to adoption and reduces the required change in learning.

Don't try to implement an 'S&OP tool'. Framing is important – for example, if the tool is positioned as a sales planning tool, you're much more likely to have acceptance from commercial teams. A planning tool should bring direct and obvious benefit to all stakeholders, e.g. commercial and marketing teams might spend 10-50% less time inputting data for S&OP meetings.

"S&OP across your business siloes is not a project, it's a cultural change that then needs to grow and adapt with the business in the future... make sure your tool enables that."
David Food, Board

SC must be involved in selecting the right tool! Bearing in mind the previous point, it's also important that SC is represented in the selection and shortlisting. Some described how tools were shortlisted by Finance and IT functions. Robust approaches involve all functions.

Inadequate vendor support: some reported rifts growing with the tool vendor. An upfront explicit statement of needs and expectation of service level provision may be one way to minimise this risk.

Dedicated external PMO? Involving a specialist consultancy can seem an avoidable expense. Bringing in external expertise can, however, help to avoid the nightmare of divergence from standardised implementation. If you have the internal resource for a proper PMO, you may opt to avoid this. For others, bringing in specialist expertise wad fundamental to success. We heard multiple experiences of regret with hindsight.

"We have strong PMO and communications teams that are tasked with change management globally. There are some risks with this, in terms of PMO becoming pseudo-experts, trying to influence rather than facilitate. Sometimes you have be bloody minded or be honest and say we need external input to move on"
Planning Lead, F&B supplier

Don't let the tree grow branches! Constant and consistent compliance training is the only way to ensure the process stays in place. It's particularly difficult to keep international divisions aligned. This should be recognised and planned for upfront, to reduce or prevent divergence. Power users or Centre of Excellence? Your approach will vary depending on how your business is structured and how large the scope is. Power users will be bought in to the system, and will have a 'pride' in maintaining and ensuring proper usage.

"The systems just facilitate ways of working: PEOPLE deliver ways of working. We should spend as much time on mindset and trust in the system. I've found it's much easier to involve the people at the outset - so they understand the 'why'. For new systems - you're moving a person with expertise to being a novice - so they go outside the system to solve problems."
Planning Director, Packaging Company

Change management

Change management should be planned carefully and with dedicated expertise. A good tool alone won't in itself enhance capabilities. A tool must meet the needs of marketing, commercial, supply chain and finance and be properly transitioned.

"We began implementation two years ago – we are only now exiting hypercare. This means we are letting people do things by themselves. We are in the third stage of training now. This comprised basics, advanced, and now scenarios. We are enabling the teams to use the tool 'live' during meetings. It takes a lot of time for people to trust the tool. If you bring the tool live to the meeting with a dashboard, you can't blur the details! Gaps can be exploded into more detail. It will take another year to embed."
Planning Director, Global Consumer Goods Company

Key Change Management Advice:

- Get the cross functional users involved right from the outset. Use their data – demonstrate capability and make the case as early as possible.
- Once you've identified cross-functional users, formalise their role throughout the programme potentially as a business user group. Change leaders are an underpinning group that support all aspects from controlling messaging, to testing, and supporting the system, becoming super users.
- Get the right personalities involved in the project. Negative mindsets can quickly 'lose the room'.

- Map and understand full stakeholder group, understand their individual needs and manage accordingly.
- Be clear on the end goal but also communicate what the journey will look like. Maintain the point on the horizon, but bear in mind that it's often a multiple year journey – helping to minimise organisational impatience!
- Clearly document the scope of the user journeys that the tool will address.
- Bring to life the user experience once the tool is in place.
- Don't position this as a supply chain project, nor a top-down roll out. Try to achieve a mix of both top-down and bottom-up support. Position the benefits to each user function.

"When do you use the carrot when to use the stick? The company has said it is moving to SAP IBP.

What is the carrot? Over time this will help bring efficiencies to the business - it will reduce costs and ultimately enable us to have one set of numbers running the business. You get huge internal chaos when people say the numbers don't look right. That's the carrot. In my view there is no room for flexibility in adopting the new tool - planners simply must use it, full stop. You can force people like that. Eventually people get into line."
VP Operations, Industrial engineering company

- Create a PMO, either internally resourced or external, with global remit.
- Do not let decisions be made outside the tool.
- Plan a programme to embed and sustain.
- Operate in an agile way using sprints to make the key milestones manageable, and to facilitate reporting.
- Recognise that even with clearly defined end goals – the journey will change to a degree – this is normal.
- Post go-live: deploy super users to support.
- Post go-live: describe stories of where the tool is delivering i.e. where you've found quick wins

"I didn't realise how much onboarding you get from system users when you include them in the initial data validation. My advice is to get as many users as possible involved. We did this 100% online with staff working from home. We ran user acceptance training, and utilised every opportunity of exposure."
Global Planning Director, FMCG company

Case study: Major Planning Transformation at FTSE 100 Consumer Goods Company, supported by Baringa Partners

Modernising planning is often underpinned by a broader goal of improving operational efficiency. The most common aims are reducing process complexity to more quickly respond to customers, avoiding lost trade. In this example, a 'burning platform' of underperformance in one global region prompted an ambitious multi-year project to transform the operating model, with planning at its core. We spoke (in confidence) to the VP of Transformation, two years into the journey to find out more about the project's aims and what has been learned along the way.

"If we'd suggested these changes five years ago, we'd have been refused"
VP of Transformation

When is the right time to focus on planning?

There were huge opportunities for efficiency at the company: planning processes were outdated after years of underinvestment. Planning at a decentralised level meant that opportunities were being missed, creating commercial impact. The company was well geared to be reactive to markets: it therefore coped comparatively well in the crisis period of the last two years. Country planning teams and planners at each factory decide on global allocations. The VP of Transformation notes, "this means planners are pulled in multiple directions every day. Being reactive allows no time to plan for the medium term, to be analytical, to be proactive. This was not a sustainable situation for the company". The time was therefore right to make significant improvements."

Identifying weaknesses in the tool and processes

The current planning tool does not allow for planning with any constraints - meaning plans could be carefully conceived but impossible to deliver. The company decided to add two additional 'pillars': connected planning control towers and a global centre of excellence. The concept was to create a filter between factories and countries. A more centralised approach would then allow the company to supply a statistical forecast to planners, with the aim of 'worrying about creating a forecast only for those SKUs for which local inputs are relevant, and focusing mainly on S&OP/IBP'.

Baringa Partners are supporting the project - we spoke to Director, Malcolm Ritchie. "The vision and how it addresses the pain points currently being felt by the company was crystal clear. Getting the buy-in at all levels was a process that did take time, however because the vision is clear, there has been widespread support for the transformation. The company is resourcing the project with excellent internal experts and finance expertise, helping to make it beyond doubt that the savings were achievable and realistic."

What are the risks of such a large scale transformation?

Many would shy away from transformation at this scale. So what are the key challenges? The VP of Transformation is unequivocal: "the technology is not the challenge - systems do what you tell them to. The real challenge comes with people." The transformation was carefully planned and introduced, so that factories and regions do not feel disempowered. Because they retain a level of autonomy, with their own planners, this reduces the risk of outright rejection of the project.

"We will have a Centre of Excellence. This team will not take planning decisions, and will comprise planning system experts. Instead they will augment the quality of the planning decisions by supporting the full exploitation of the new planning system."
VP of Transformation

Key advice
Choosing a tool, selecting a Systems Integrator

Choose the tool before selecting the systems integrator. Whilst integrators often have specialism in multiple tools, it makes sense to avoid wasted budget by making the selection first, then finding the right SI partner. Having a fully scoped operating and process model as well as a clear set of requirements means the SI can quote accurately, and costs can be more carefully managed.
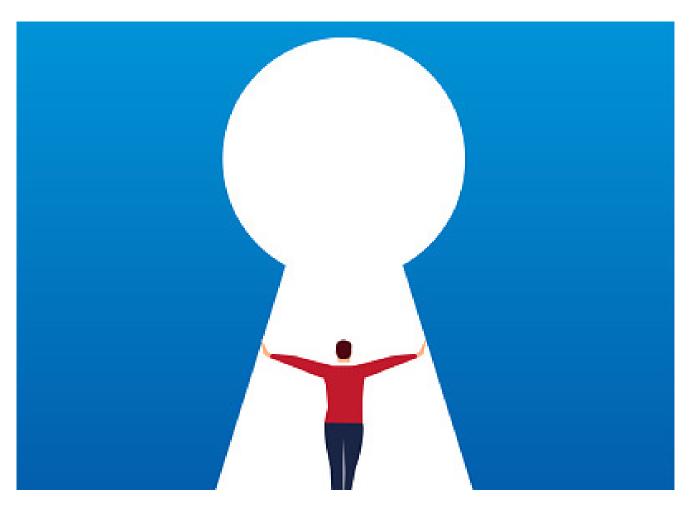
Cultural fit is often overlooked: systems integrator and software vendor should align with your culture. The VP of Transformation reflects, "it's about the individuals, not the logo. We interviewed individuals at our system integrator, and the software vendor. If you can, lock in the best talent at these organisations".

Creating the Archetypes

In global organisations, multiple archetypes will inevitably be required, with different transition journeys. Baringa helped to clarify and design the process for the different archetypes, shaping the concept of planning internationally. Different regions have different sales or distribution models, so this has been reflected, without making things too complex. The operating model design can and should be done concurrently with shortlisting of technology.

Change Management:

As it becomes possible to plan continuously - the planner's day to day activities can change dramatically. Weekly planning cycles can become daily or hourly and S&OP cycles can be made shorter, so this underpins dramatic change to the nature of planning roles. Malcolm Ritchie notes,"it's an often overlooked consideration - whilst the upside is real time decision making, the risk can be increased volatility." The impact on the role of the planner is dramatic - necessitating significant changes to org design. The centre of excellence model will ensure good practice is carried forward, that the change is embedded and supports a more sustainable operating model well into the future.

Remaining questions

There will always be differing views around some areas of best practice. Some of the points raised in our interviews have no single best answer. Those challenges are constantly re-evaluated or are monitored as part of an ongoing planning journey. Some of these are:

- There is no typical baseline right now. Those who've switched planning tools in the past two years has been that we are in exceptional times – i.e. It is a very tricky time to compare data with historical performance.
- How should safety stocks be amended in line with the need to cope with current volatility?
- How to handle NPD?
- How can demand shaping be built into IBP?
- How best to integrate demand sensing across channels?
- A push towards business 'agility' can quickly lead to holding excess inventory, tying up cashflow. Historical analysis during the pandemic should prevent some of this over-forecast.
- How to better plan lifecycle management? Particularly in the F&B and pharmaceutical sectors, there is a driver to be able to reduce waste and have tighter control of lifecycle management planning.
- How can planning tools be used to achieve deeper visibility (end to end) into sustainability metrics?

"Very few companies completely trust the data. If it's too complex it becomes a black box. Organisations should gradually increase the complexity of cases; 'does it still make sense - do I trust the outcome?'"
Head of Planning, Consumer Goods company

"The o9 platform provides advanced product lifecycle management capabilities for the demand planners to manage the lifecycle demand. New product introductions or product transitions with Phase-in / Phase-out planning where the system provides advanced analytics to find like products based on certain attributes (e.g. target market, physical characteristics of products, etc.), build a lifecycle forecast, then apply future building blocks (e.g. price points, expected product rating, etc.) and generate an NPI forecast including correcting for Halo and Cannibalisation effects. Forecasters can model rich cannibalisation relationships to show how a new SKU, pricing promotions, etc. can affect the demand for other related SKUs. Different transition curves from history or from scratch can be used to generate the forecast of related products in such cases.

Handling NPD: comment from o9 Solutions

What characterised feedback on specific vendors/tools?

As mentioned in the introduction to this report, here we are not seeking to rank different providers. We considered it more in keeping and useful in the context of the aims of this guide to extract thinking around some of the most respected tools, highlighting the aspects for which they are most often reported to best meet the needs of users. We detail these below:

Advanced/sophisticated:	E2open, o9 Solutions, Kinaxis
Flexible and versatile:	Board, E2open, o9 Solutions,
Powerful and capable:	Board, SAP APO, Anaplan, John Galt
Strong scenario planning, specialised:	OMP
Strong Control Tower offering:	Blue Yonder
Good UI:	Microsoft (Azure, Dynamics)
Not overly complex, offering good value/ ROI:	Slimstock, Netsuite

About Intent Group

Intent Group is a European network of 650+ Supply Chain Directors and Planning Directors. Our members comprise businesses from all sectors, with turnover above £200m. We are an independent group, serving our members as a platform to share ideas, advice, experience and suggestions. Intent Group does not offer consultancy. We surface the views and experiences of practitioners under confidentiality.

Acknowledgements

We would like to sincerely thank everyone who generously contributed experience, ideas and recommendations to this guide. Candid feedback on successful implementations, ongoing developments and pitfalls was vital to compiling this guide.

Conclusion

The planning landscape is changing. Demands on the planning function are ever-increasing. Agility is a watchword – planning tool decisions are driven by the need to be able to provide faster answers, shortening planning cycles. AI capabilities are being watched carefully and considered by the majority of large organisations. Many are seeking fuller end to end collaboration with suppliers to be able to fully understand the implications of decisions.

The change management challenge around the adoption of any new planning tool or changed processes are often underestimated, and are of vital importance. Planning tool change is a long journey, all functions must be bought in, and complexity should be fed in gradually.

We hope you found this guide useful. Please feel free to share your thoughts with us.

Intent Group will be hosting a series of follow up Virtual Boardroom Discussions for practitioners. These can be viewed at www.intent-group.com, or express your interest to ed.lawson@intent-group.com.

Abbreviations used

AI - Artificial Intelligence
FMCG – Fast Moving Consumer Goods
IBP - Integrated Business Planning
PMO - Project Management Office
S&OP - Sales and Operations Planning
SC - Supply Chain
UI - User Interface

Our Report Partners

Board is the #1 Decision-Making Platform, trusted by many supply chains worldwide. Board technology provides a unified platform to support data-driven decisions, combining business analytics, reporting, forecasting, demand, and supply planning capabilities in one solution. Board enables companies to harness their data to make fast, informed decisions and effectively link strategy with execution from suppliers through to customers and from supply chain operations through to the finance function. Board is a tailored solution for any planning and analytics needs across all industries from retail, manufacturing, automotive, pharmaceutical, and services. Board technology empowers leading companies to adapt, evolve, and emerge stronger to achieve digital transformation; our clients include; Puma, M&S, Coca-Cola, Gigaset, Starkist, and Tetrapak.

https://www.board.com/en/supply-chain

We set out to build the world's most trusted consulting firm – creating lasting impact for clients and pioneering a positive, people-first way of working. We work with everyone from FTSE 100 names to bright new start-ups, in every sector.

You'll find us collaborating shoulder-to-shoulder with our clients, from the big picture right down to the detail: helping them define their strategy, deliver complex change, spot the right commercial opportunities, manage risk or bring their purpose and sustainability goals to life. Our clients love how we get to know what makes their businesses tick – slotting seamlessly into their teams and being proudly geeky about solving their challenges.

We have hubs in Europe, the US, Asia and Australia, and we work all around the world – from a wind farm in Wyoming to a boardroom in Berlin. Find us wherever there's a challenge to be tackled and an impact to be made.

www.baringa.com