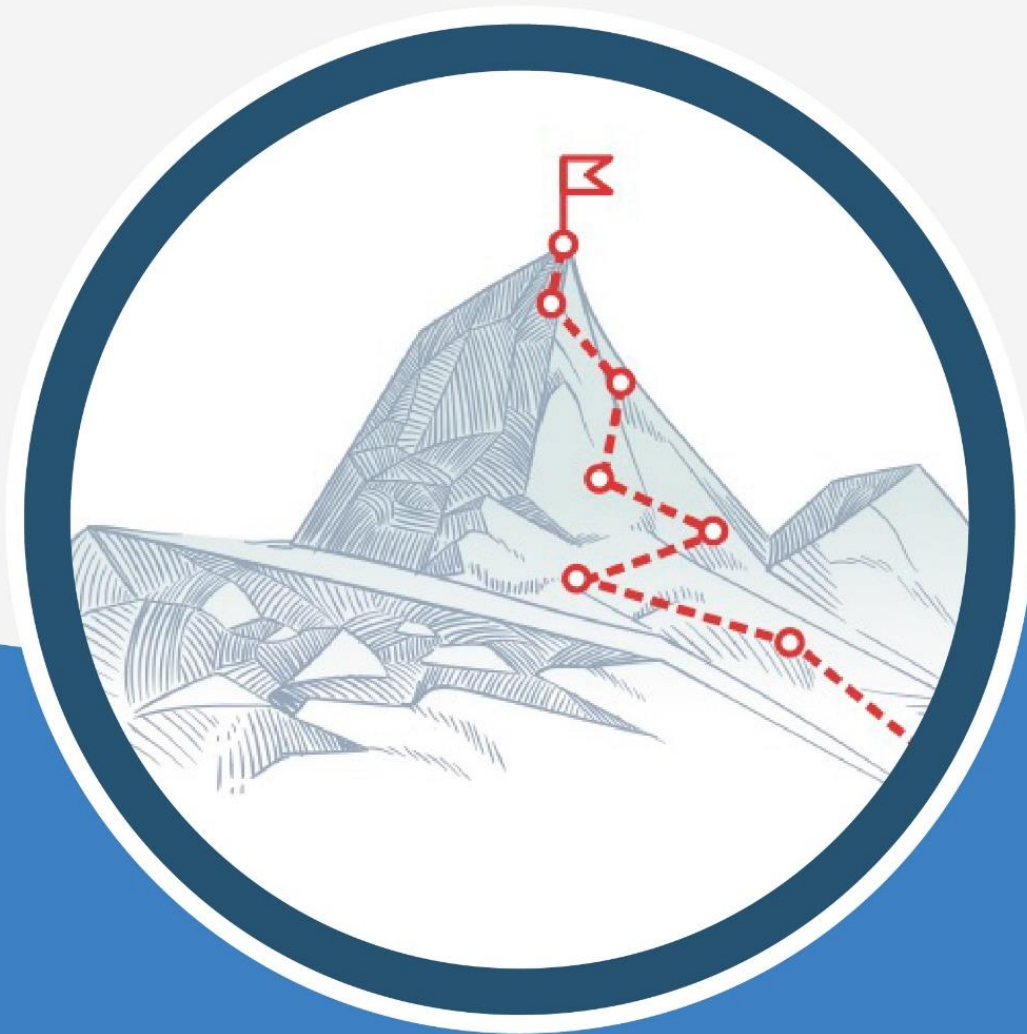


Integrated

BUSINESS PLANNING



Intent Group Guide 2024

Supported By



Table of Contents

What is IBP?.....	3
Watch Out!.....	5
Tackling the Challenges:	8
Maintaining the Process:	8
Bias:	10
Ask the Experts.....	10
Permanent	12
Technology	12
Small vs Large.....	12
Granularity	13
Business Case/ROI	14
Data	14
Tools.....	15
Our Guide Partners.....	17
ABOUT OLIVER WIGHT	17
ABOUT BOARD	17
OLIVER WIGHT IBP POWERED BY BOARD	17

Welcome to the 2024 Intent Group Guide on Integrated Business Planning. The purpose of the guide is to pull together experiences, findings, and challenges of some of those companies 'on the journey' to IBP, allowing you to extrapolate useful suggestions and ideas that you can use to guide your own organisation towards IBP.

The Guide has been created from direct interviews with IBP, Planning and Supply Chain Leaders from a range of organisations. All conversations have been conducted confidentially, so that contributors could be 100% open and honest. This gives you a 'no-filter' view of their experiences, the direction they are taking, the challenges, and solutions they've found along the way.

Intent Group is hugely grateful to those who were generous with their time to share their own experiences, hard learned lessons and challenges for the purposes of the guide. Thank you for your frank and open insights!

Approach / editorial principles

- Independently put together, with an impartial perspective

- Succinct: we've attempted to distill some of the key learnings and points of interest, focusing on the recurring questions and challenges

- Contributors are quoted verbatim where possible

- Judgement is not made on any comments. Some comments may therefore be contrary!

Thanks to our Partners for this Guide, Oliver Wight and Board, who were asked to answer some of the questions put forward by contributors. Working with both companies brought an invaluable perspective and allowed us to draw on experience of working with a great range of companies and projects. Partners have had no influence on the content outside of their respective 'ask the Expert' sections.

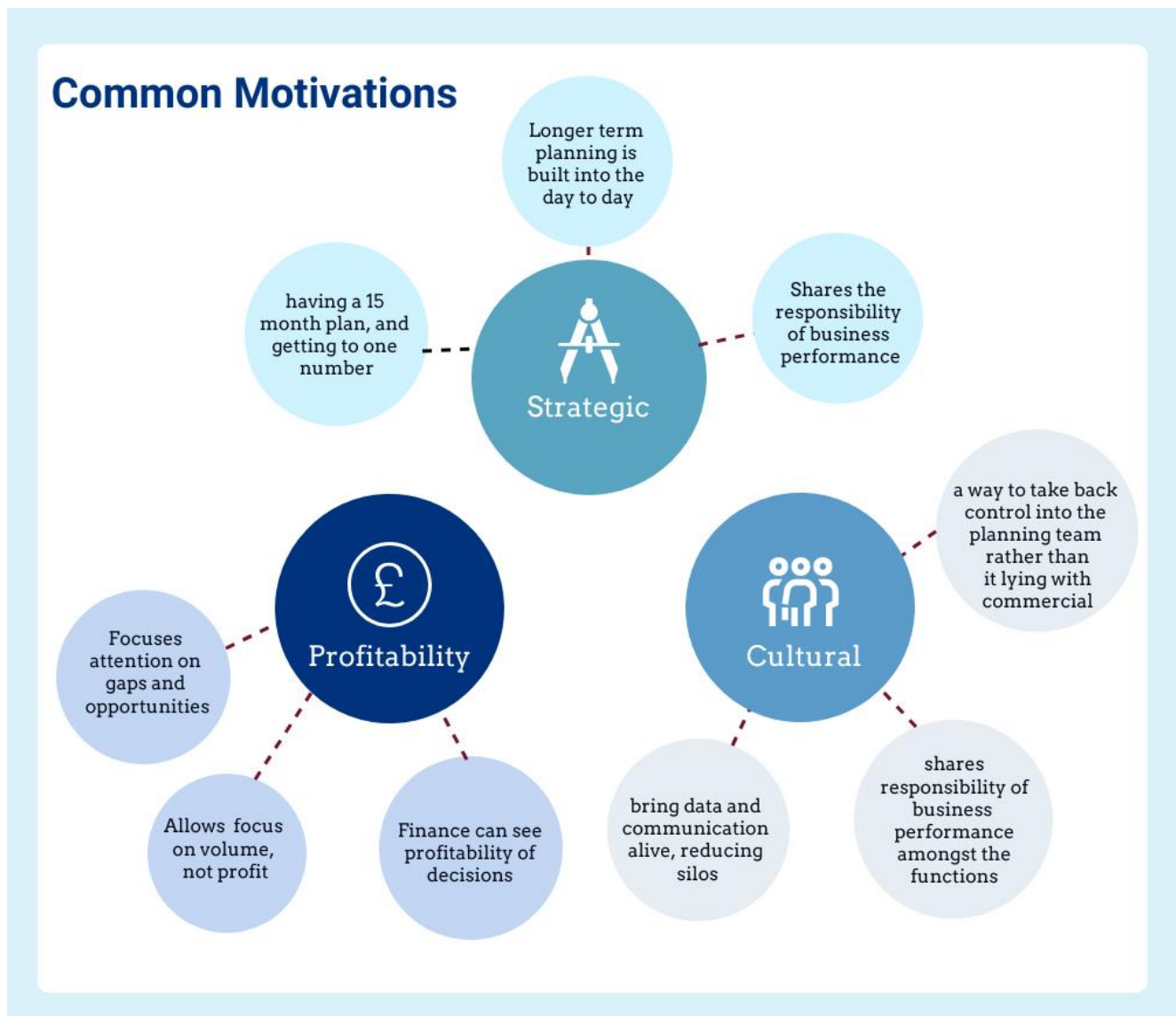
It's hoped that you find this Guide an enjoyable and informative read. No doubt you will find thoughts that echo your own learnings, and for those early in their journey, it is hoped that some of these pointers will guide your thinking to a successful realisation of IBP.

What is IBP?

Whilst definitions differ considerably, IBP can signify different things in different organisations. There is a clear definition of IBP, but processes at lower levels of maturity will not display all the characteristics. For those advancing their existing S&OP it is most often about including finance. For larger organisations IBP can serve to translate strategy into operational plans.

There is a need to have a process to manage the medium to long term, and a process to manage the execution over the next 12 weeks (often called S&OE, or ITP). These are two different processes with different focus, cadence, levels of aggregation etc. but need to communicate with each other.

Many point out that IBP needs to be 'translated' to fit with your organisational DNA. It's commonly agreed that bringing in expertise from other organisations will pervade your style of IBP.



You said:

"IBP is S&OP with pound notes. Adding financial forecasts makes it strategic"

"Are finance happy with the cost of sales/marketing/manufacturing - does it meet expectations? It gives us a true view of profitability"

"Leaders can see sales as profit - so the knee-jerk reaction is to say we just need to sell more. There is an overfocus on volume, not profit"

“S&OP is just about the planning, i.e. to understand how much the supply plan is going to cost. IBP goes one step further: why are you doing that? It's for finance to see the profitability of decisions”

“IBP is a way to introduce and ensure longer term planning is translated into the everyday. Reduce cashflow, reduce inventory”







“IBP drives action in the business - if all is great with no risk, we don't have to do anything. IBP shares the responsibility of business performance - until you have those capabilities, the responsibility lies purely with the inventory teams”

Oliver Wight is clear about IBP vs S&OP:

“There are many differences between Sales & Operations Planning and Integrated Business Planning, but firstly it's important to note that IBP is not a supply chain process; it has a much broader reach. IBP is the process that connects your strategy and business plan to ensure both are delivered.

The purpose of IBP is not to drive a better forecast with which supply chain can plan. It is the process that brings focus to the deployment of your business strategy and provides a framework for effective decision-making to drive growth.”

Watch Out!

-  Be clear about your aims from the outset. Especially if coming top down - what are you trying to achieve?
-  Clearly define terms. Make sure you're talking a common language.
-  Be realistic about how long it will take (or risk losing buy-in).
-  Try to establish how you are going to measure success and ROI. Some suggested new KPIs need to be developed. Maturity assessments are helpful.
-  Keep it simple at first, then add complexity. Many describe the process being too time consuming, complex, and convoluted at the start, by including too much.
-  You may decide to avoid the term IBP, depending on culture and your aims. Some choose to do so to avoid the perceived difficulty of IBP!



Getting Support to move to IBP

This was the most talked about challenge. Many discuss the challenge to get buy-in from the Executive, others have found that buy-in from key stakeholders has faded. For many it's about sponsorship and continued commitment from other divisions and countries.

Strategy 1

Find the value

"For the executive it is one of many priorities. So we are looking for the burning platform. I'm looking to find sponsors at VP level to build the case for change"

Strategy 2

Be realistic, set expectations

"The challenge is the considerable resource and focus needed to get IBP off the ground. This is our stalling point."
 "Setting expectations is vital. Ensure you have IBP experience in house from the outset to set expectations, otherwise the CEO's buy-in can quickly be lost"
 "Be utterly realistic about timeline and value generated. Losing any level of buy-in can be fatal"

Strategy 3

Engage as widely as you can

"Ensure ALL the executive is bought in. Just a single detractor can erode the process"

"The CFO is a key stakeholder, as the right hand person to the CEO"

Strategy 4

Assemble resources and supporters

"IBP does not come from the top - it comes from commercial and financial. It is good to have IBP experienced people from other companies - those sold on the concept become sponsors"

Strategy 5

Be prepared for change

"Sponsorship has been a challenge when business leaders have changed"
 "The number one aim of the CEO is to make the business profitable, so I would push back on any 'disengagement'. Profitability should be at the core of every IBP process"

Common Challenges

People - Process - Technology



- People Challenges
- Process Challenges
- Tech Challenges

Convincing executive to move to IBP



Eliminating silos

Reducing bias



Sustaining/maintaining good process

Need for better tools



Keeping it simple

Challenging the forecast

Avoiding forecast inflation to meet shortfalls

Good meeting process

Tackling the Challenges:

You said:

“It’s important to maintain the long-term focus of the IBP meeting. Don’t get into the weeds and don’t be diverted from the meeting focus. Having a process owner should ensure this.”

“We’ve seen success by moving to a focus on demand drivers rather than the forecasted numbers. If it’s less than a 5% difference, it’s disregarded (that’s what safety stock is for!) If it’s related to the next quarter, this is not part of our IBP discussion.”

“Other meetings do happen, e.g. exec meetings. It’s important to align with S&OE and exec meetings and ensure purpose and parameters are clearly agreed. The team need to believe that the CEO is not circumnavigating the IBP meeting by talking direct to the CFO!”

“We learned that IBP focuses on the future - short term noise can be a big distraction. If you have a lot of noise and are firefighting it’s hard to get people out of the weeds. Senior management should be about strategy and long term decisions. You will struggle if you’re in the short term. “

“Needs to be really integrated. Respect the monthly cycle but accept that decisions need to be taken outside of this....”

“Make the IBP meeting the single most important for the CEO. The full team must attend.”

Maintaining the Process:

A centre of excellence (CoE) is a good strategy for larger organisations, to ensure process is adhered to and ongoing training is given. Keeping the process as simple as possible means that functions are less likely to become disengaged.

Maintaining the process

Making good practice stick



1

IBP and future planning

"It is not only in systems - it should live in the hearts and minds of the leadership"



2

Tailor the story

"present the story appropriately, with the right level of detail. Multiple versions of the same story can be helpful"



3

Mindset and buy-in are essential

It is about tech - but it means nothing unless people are playing the game. The workforce is formatted a certain way - different teams have different KPIs which don't always support the IBP process! So it's awareness - getting people to change the way they think."



4

Start high level

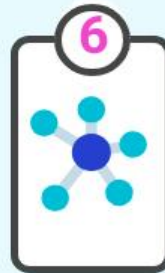
"Begin with a problem statement. Don't lose people in the detail, don't cover everything in the meeting"



5

Process owner

"... needs to be someone who is, or has been in Supply Chain"



6

Data quality/supply

"You need everyone to commit to supplying data. If discipline is there, there is no problem with process"
"Good reliable data is key"



7

Ensure meeting is used in the right way

"The executive needs to be convinced to use the meeting in the right way"



8

Mitigate forecast

"We need to mitigate the fact that the forecast is not accurate. We focus on the risks and opportunities"

Bias:

Having an independently owned process, with a team outside of the functions means that there is less bias, and the outcomes are less open to debate and dispute.

You said:

“We find that including finance in the forecast keeps us honest. IBP should show the full picture: If the commercial team over forecast then we will end up with additional cost. Conversely, if we underforecast we will end up with lost sales”

IBP is cultural. Watch out for lack of alignment with KPIs - this is important. Commercial teams are typically prone to optimism.

“Avoid process duplication of process and toolsets: try to find single ownership.”

“It is most difficult to implement in challenging demand conditions. Commercial are happy to forecast when the going is good...”

You are challenging the CFO's forecast. This is not easy. There is an obvious reluctance to forecast under budget! Many describe being forced into forecasting unrealistically for other SKUs or portfolios when one area is underperforming... there needs to be a 'safe environment to forecast' if the process is to be accurate and meaningful.

? Ask the Experts

We asked experts Dave Food, Head of Supply Chain at Board, and Kirsty Braines, CEO at Oliver Wight EAME, to tackle some of the tricky quandaries that were raised by those interviewed for this Guide.

What does good look like?

Successful IBP is used to realise the optimum value by deploying the business strategy across all functions hence it must be owned by an organisation's leadership team.

The process is financially integrated throughout with the entire organisation using one set of numbers.

Risks and opportunities are identified and actions to mitigate/take advantage are executed. Scenario planning is used to generate alternative plans.

When is the best time to bring in consultants (i.e. diagnosing the need and making the case for change to IBP, or designing the process, training/upskilling)?

Before embarking on an IBP journey, organisations should understand their current level of maturity vs. best practice. To do this, a diagnostic must take place – performed by an external consultant.

At Oliver Wight, we believe the best time to begin working with clients is at the beginning of the journey so we can diagnose current challenges and ambitions, help to make the case for change, work with the client to design the process, and transfer our knowledge to address the change required and ensure continuous improvement.

Does IBP work best when there is a small/minority of NPD?

Part of the IBP process includes Portfolio Management and the role it plays in deploying the future offering aligned to the business strategy.

An organisation's offering will always change over time to remain current and create the value they expect. This can range from large changes through NPD or small tweaks to the offering where there is little NPD. Either way, IBP is effective.



How long does it take, typically, to move towards working IBP?

It depends on the maturity and complexity of the organisation but typically an IBP implementation takes 12 to 18 months to be sustainable, with benefits realised from 6 months.

What are the pros and cons of calling it IBP, typically?

There is no 'con' to calling the process IBP, but some organisations opt to use a personalised version, relevant to their business to encourage employee buy-in. One of our clients calls it "GPS".

By calling the process IBP, organisations can build a reputation for operating the chosen process of some of the world's best-known and progressive companies. It is also easier to remain aligned to best practice advice, and find resources such as [white papers](#), [blogs](#), and [case studies](#).

Getting buy-in: tips and suggestions.

- 1. Include your leadership team in discussions with consultants at the beginning as it is the process that they will use to run the business. At Oliver Wight, the team that sells you IBP is the team who will help you implement it. We are your coaches and mentors throughout the journey and transfer our knowledge to you and your team, creating accountability and trust.*
- 2. Outline the benefits and focus on "what's in it for me?" For example with IBP, leadership teams will avoid wasting time resolving lower level issues and can instead focus on major strategic decisions that drive the business forward.*
- 3. Involve different parts of the organisation in the design of elements they will own. This is the first part of the change journey. Don't use a central team who won't own the process to do the design and expect the organisation to adopt it - without engagement and designing it for themselves it won't happen.*

Suggestions to better engage commercial in the process

For each aspect of the process the team owning that part need to understand "what's in it for me?" and be instrumental in the design so that it is their process.

How can you make sure the commercial/sales team is bought in to the number?

They need to own the number. Their insights, plans, and actions will impact the demand plan and these need to be integrated. Build confidence in the plan by ensuring bias is removed and accuracy is improving.

How do you separate performance management from IBP?

Performance management for strategic, operational, and financial plans is part of IBP. Performance is the result of actions and defines the predicted outcome of future actions and insights.

∞ Permanent

Are there any top tips or guidance on making the IBP process stick?

At Oliver Wight, we have a unique knowledge transfer approach to implementation projects. We share our expertise with you through design and education workshops, so you learn how to make improvements yourself, now and in the future. This ensures that IBP is thoroughly embedded and doesn't dissolve when people leave the company.

How can we leverage the IBP process in a fast-changing consumer environment?

There is sometimes a belief that IBP applies a 'straitjacket' preventing a response to change. Whereas IBP provides an understanding of the latest integrated base to which you can apply the latest changes. There are only limited possibilities if all changes are managed in the short term.

IBP enables you to align on what you believe the changes will be in the medium to long term and optimise your response. Each cycle will focus on, and integrate the latest changes, hence your plans remain aligned and execution in the short term is far more predictable and effective.

Technology

When is the optimal time to bring in a tool to support the process?

Organisations are consistently looking to optimise process and technology usage. When the technology cannot support a business process effectively and efficiently, then it's time to review the market. Best practice processes are often impeded by what's available in an organisation's technology stack—but this need not be the case. Seamless alignment is the recipe for IBP success.

Once an organisation can clearly express the benefits and purpose of IBP, it's time to evaluate options. This can happen when companies are expanding, undergoing significant changes, or entering new markets—the opportune time to consider adoption of IBP software that can accommodate these shifts in the business effectively.

Small vs Large

Does this vary according to the size/complexity of the business?

The key here is the capability and capacity to manage change - whilst also continuing business as usual. It requires having the right skill sets, change management strategies, and a dedicated plan for user adoption.

Size and complexity are reflected in the approach to planning, the current systems portfolio, and the consistency of the data models that will be used to drive IBP.

IBP technology implementations can often be a long, drawn-out process. With Oliver Wight IBP Powered by Board this doesn't have to be the case. It's an holistic solution combined with industry-leading consultancy so you can accelerate your IBP journey and deploy technology in the same timeframe as the education and design process.

How do you overcome the resistance to change of using new technology?

Clearly articulate the purpose and benefits of IBP. Explain how it aligns with organisational goals and how it will improve efficiency, decision-making, and profitability. Make the case for change compelling and understandable for everyone involved.

Develop a structured plan outlining the steps for implementing IBP. This plan should address timelines, milestones, responsibilities, and resources required. Having a clear roadmap can minimise uncertainty and resistance. It is also critical to identify key project champions within each function who have visibility into implementation processes as well as user adoption strategies. IBP supports empowerment for faster, smarter decision-making across the enterprise.

Details

What level of granularity is generally considered most successful - given the need to keep functions engaged and committed? Avoiding getting caught 'in the weeds'.

In essence, the most successful level of granularity often balances detailed guidance with sufficient autonomy. Teams and individuals may have different preferences, so a flexible approach that accommodates varying working styles can be more effective in keeping functions engaged and committed.

The granularity level should align with the overall goals and priorities of the team or organisation, ensuring interoperability and usability are carefully considered.

Overcoming the fact that different silos talk different languages, can technology help to unlock this challenge?

Projects like an IBP implementation facilitate a common understanding through aligning KPIs and measures; often, many of these differences can be aligned through the universal translator effect of aligning and synchronising planning and planning objectives.

Foster a culture that values collaboration, mutual understanding, and the importance of clear communication. Encourage openness to learning and adapting to new terminologies or concepts from different silos.

Using a single integrated technology solution aligned to a single operating plan removes language barriers. Terminology used in the process and technology will automatically become the single language used across the business.

 **Business Case/ROI**

How can you balance the business case for investment in new technology vs. business improvement outcomes?

IBP can significantly improve an organisation’s performance by fostering integration, collaboration, and alignment across various business functions - ultimately leading to better decision-making and outcomes. With better visibility and alignment across departments, IBP helps to identify cost-saving opportunities.

Alignment helps prioritise initiatives that contribute most effectively to achieving long-term objectives, aligning KPIs, and driving an ongoing culture of improvement and investment. Having to address required costs and resources needed to facilitate change management at an organisation’s legacy tool can be a costly exercise. By contrast, leveraging a purpose-built, unified solution to support your IBP process can yield significant cost savings, both upfront and into the future.

...what resources are needed to implement a tool effectively?

A cross-functional team of experts from finance, operations, supply chain, sales, marketing, and IT. Provide comprehensive training to employees on IBP concepts, methodologies, and software tools. Dedicated change management experts are recommended to lead cultural and organisational shifts required for successful adoption.

 **Data**

What are best practices in large organisations to collect all the information?

From a technology perspective, organisations need a cloud-first strategy and data-agnostic tool to ensure a future-proof solution. But that’s just the start. Implementing IBP successfully is not solely about the tools; it also involves a robust change management process, leadership commitment, skilled personnel, and a well-defined strategy aligned with an organisation’s goals. Integrating these tools effectively while fostering collaboration and communication among different teams is critical for success.

How do companies leverage the technology to make better decisions?

Employing collaborative planning tools and cloud-based solutions allows real-time sharing of critical information among departments and stakeholders. Companies can run scenario planning and simulations to evaluate the impact of multiple strategies or market changes that impact the business - accelerating insight-driven decision-making as well as robust contingency plans.

Technology accelerates the art of planning possibilities to enhance an organisation’s ongoing competitive advantage.

Did you employ consultants?

Around 85% of those we spoke to work(ed) with Oliver Wight, employing the Oliver Wight 5 step process model. A few have used integrators to assist them in implementing tools. A minority have not used external expertise, but most still follow the Oliver Wight process.

You said:

“Using consultants helps at the outset was so important to getting buy-in. A diagnosis from an external viewpoint can position IBP as a better way to solve some of the actual challenges you’re seeing in the business.”

“The Oliver Wight methodology sets in place a best practice blueprint, sets the goals and maturity checkpoints.”

“It’s important to be able to translate best practices and methodologies into your own DNA. What IBP looks like will depend on whether you’re reporting quarterly results, how you forecast, business complexity etc.”



Watch Out!

You need to have IBP experienced people in house from the start of the journey in order to set expectations and agree purpose. Setting the wrong expectations can rapidly erode sponsorship.

Your IBP process can be heavily influenced by the blueprint of other companies if key stakeholders all came from that company.

Tools

Most recognise that having capable tools is an integral part of the move to IBP. Some have voiced that they wanted to get the process correct first, and for smaller organisations this might be possible in Excel. Some decide to avoid the capex request at the outset, but all recognise that tools are required over and above ERP.

You said:

“We want to get the right process in place first, then look for the right tool”

“We were initially very clunky and unwieldy because we did not have the tools - it was a huge effort to put the info together. There was not enough effort to analyse it. It took too much time. We have a template in terms of the info we provide - huge effort to complete the template. We struggled to get it ready for review meetings.”

“Using an APS with capable people is a must, Also analytical power is needed to perform scenario preparation”

“We have every system you can think of ... some no longer being supported. Two key issues on data: first - how to turn data into insights and modelling scenarios? Also, how we’re working with vendors and partners - if you don’t understand the supplier data - it can be difficult to do the scenario models. How do you bring in data from outside to have a full view of the end to end supply chain, and then how you can manipulate that?”

“Supply Chain had had no ‘systems attention’ for a long time - so we went for a system that was too complex for our needs. It is easy to be sold a vision that is beyond reach”

TOP 10 RECOMMENDATIONS

1. Involve good consultants *early* in the process, to help make the case for change
2. Evolve planning/S&OP before you move to IBP
3. Assemble an experienced, bought-in team
4. Be clear about expectations, timelines, and purpose (aligned with company objectives)
5. Keep things simple, especially at the outset. Select tools accordingly.
6. Define purpose and terms (everyone speaking the same language)
7. Maintain strict meeting process, personas involved
8. Set boundaries for the meeting to maintain the rigour
9. Determine a process owner that has had supply chain experience.
10. Expect bumps in the road (senior leadership change etc).



Our Guide Partners

ABOUT OLIVER WIGHT

Business improvement specialists Oliver Wight deliver results, not just better processes – things like increased revenue, improved margins, and greater market share.

Originators of Integrated Business Planning and experts in Supply Chain, Demand, and Portfolio Management, Oliver Wight transfer knowledge directly to you; knowledge that comes from over 50 years of working with some of the world’s best-known companies.

<https://oliverwight-eame.com/>

ABOUT BOARD

Board Intelligent Planning Solutions help over 2,000 organisations worldwide plan smarter, enable actionable insights, and achieve better outcomes. Industry leaders trust Board to unify strategy, finance, and operations through more integrated and intelligent planning, so they can take full control of performance. Partnering with Board, global companies such as H&M, BASF, Burberry, Toyota, Coca-Cola, KPMG, and HSBC have transformed their planning processes to build a competitive edge.

Founded in 1994, and now with 25 offices worldwide, Board International is recognised by leading analysts including BARC, Gartner, and IDC.

<https://www.board.com/>

OLIVER WIGHT IBP POWERED BY BOARD

Oliver Wight and Board International are helping organisations realise their Integrated Business Planning vision with a unique, unified solution aligning people, process, and technology, that delivers operational excellence, high performance, and growth.

In an industry first, Oliver Wight and Board are combining best practice IBP design and implementation with the leading Intelligent Planning software platform.

Optimise business outcomes, maximise profit, reduce risk with Oliver Wight IBP Powered by Board and achieve:

- Demand and revenue growth
- Portfolio and innovation improvement
- Supply constraints and balanced demand
- Strategic imperatives delivered by integrated and timely operational decisions
- Continuous view of healthy performance, course to correct, scenario analysis of risk and opportunities
- Closed loop management system focused on delivering performance by identifying and solving constraints and optimising trade-offs

Find out more:

<https://www.board.com/en/integrated-business-planning>

<https://oliverwight-eame.com/oliver-wight-ibp-powered-by-board>