

SALES AND OPERATIONS PLANNING

KEY CONCEPTS:

The Objectives of the Sales and Operations process is to:

Monitor sales, procurement and inventory investment to plan and Customer service levels to agreed targets.

Develop a single forecast for each area to meet the requirements of Sales, Marketing and Finance.

Develop a procurement plan to meet forecast.

Set and agree inventory investment levels for each product group.

Manage projected out of stocks

Provide an interface between new product development and ongoing operations.

Agree on action for slow moving and obsolete stocks.

WHY DO YOU LOOK AT YOUR SALES IMPACT?

Backorders

What caused them?

What corrective action should be taken?

Projected backorders

Competitor supply problems

PRODUCT SWINGS

Products over selling forecast

Products under selling forecast

Forecast changes required

Market trends

SAMPLES

Customer requirements

Sales sample demand

Marketing strategy

Quarterly sample shipments

Supplemental shipments



PRODUCTS REACHING EXPIRY

Volume - Should we deal, sample or spoil
Repack or rework
What are the benefits / Potential losses

NEW PRODUCT INTRODUCTIONS

Introduction schedule
Does the manufacturing plant have copy / Specs?
Time line update
Launch Date
Launch Quantity
Launch Sample Quantity

COPY CHANGE

New Copy
Burn out old Copy
Time Lines

WHAT NUMBERS SHOULD BE REVIEWED?

Sales
Returns
Out of stocks
Inventory Holding
Service Levels
Promotions

KEY PERFORMANCE INDICATORS:

Stock coverage:
stockholding x 52 weeks / annual usage
Customer satisfaction:
comparison of % of sales actually satisfied with the defined service level
number of backorders

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