



IBP and Growth

Integrated Business Planning (IBP) is well accepted as it says on the tin, an integrated planning process through which the Leadership Team manage the business. Since the early S&OP days (1980s) when the focus was on Demand and Supply the process has evolved into IBP which integrates Portfolio, Demand, Supply, People Development, Finance and Leadership through what is now the six-step process.

Integrated Business Planning Process



The introduction of the People step took IBP to a new level of integrated business management which was based upon research that demonstrated that 'the attraction, retention and development of talent' was one of the three most significant issues that business leaders were concerned about. Hence DMi decided to introduce a specific People Development Review into the IBP process. The scope of this step is not hire and fire, it is much more than that, embracing all aspects of organisational/people development, culture, wellness and emotional/social intelligence.



People Development Review

Scope:

- Plan for future human resource requirements, skills and capability
- Create learning and education opportunities
- Talent attraction, retention and development
- Training plans based upon individual training needs analysis and PDRs
- A mentoring and coaching programme
- Management of:-
 - Salary negotiations
 - Union considerations
 - Annualised hours
 - Hybrid working
- An effective communications and briefing approach
 - Employee Feedback and actions

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People Development Review

- Right sizing and outsourcing
- Leadership development at all levels – secure based leadership
- Health, safety and Environment/HSE/ESG
 - Wellness (personal and mental)
- Culture Change Management
 - Team development
 - Empowerment
 - Innovation
 - Continuous improvement
 - Generous listening
 - Empathy
- Values and purpose (Vision)
 - A thriving people environment
 - What is your 'Cathedral'?
- Effectiveness of KPIs to drive the desired behaviour
 - KPI Line of sight

IBP has always been focused upon the medium to long term and 'is not interested' in the first few months of the horizon (typically 3 or 4). That doesn't say that the short term is not important its just that they are not IBP issues. Since the early 2000s IBP has been about AOP (Annual Operating Plan)/LRP (Long Range Plan) delivery and strategic execution which is in line with the typical 4-24/36 month rolling horizon.

"The pace of change is faster than it has ever been but as slow as it will ever be". I have used this phrase for a long time but given the state of global economics, conflict, technology, environmental challenges and global trade deals the 'what if' and scenario planning process is even more important in today's business world than ever. I also see scenario planning developing from a focus upon scenario planning to create options for situations that 'have happened' to scenario planning for situations that 'might happen'.

In its role of AOP/Strategic delivery and execution IBP must focus upon gaps and monitor CSFs.



When gap is mentioned most people's minds turn to negative gaps, in other words the 'truth as we know it', IBP projection is less than AOP or strategic ambitions. When this is the case the job of IBP is to take gap closing actions which is almost a hygiene factor in order to deliver the commitments that have been made to Corporate and Shareholders. However, when a negative gap does not exist then there is still a gap, on those occasions the gap is a potential positive gap. In other words growth. In this situation the job of IBP is to take gap opening actions and drive growth.

These actions often but not exclusively relate to the Demand step of IBP, where a prime focus is demand planning and assumption management (see previous DMi article 'The Big Three'). It is well known that forecasts will be wrong, but when they are wrong, which is always, it was not the numbers that were wrong it was the assumptions that were wrong.

Assumption management will significantly help us understand the thinking behind the numbers which will almost certainly drive improved forecast accuracy. However, if we understand the thinking behind the number we will also better understand the assumptions/levers to pull that will create a positive gap and drive growth!

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