# The Churn and People of S&OP and IBP

**I have been involved in the development of S&OP and IBP since the mid-80s. Despite S&OP/IBP never being a meeting, or even once the '5-Step' process was developed a series of meetings, I have heard many people refer to 'their S&OP meeting'. S&OP was not, and IBP definitely is not, a supply chain process. They are integrated business planning processes. The process is a continuous process that takes place in a monthly cycle every day of the month. The now '6' reviews form the backbone of the process which are connected by what I have described as the 'churn'.**
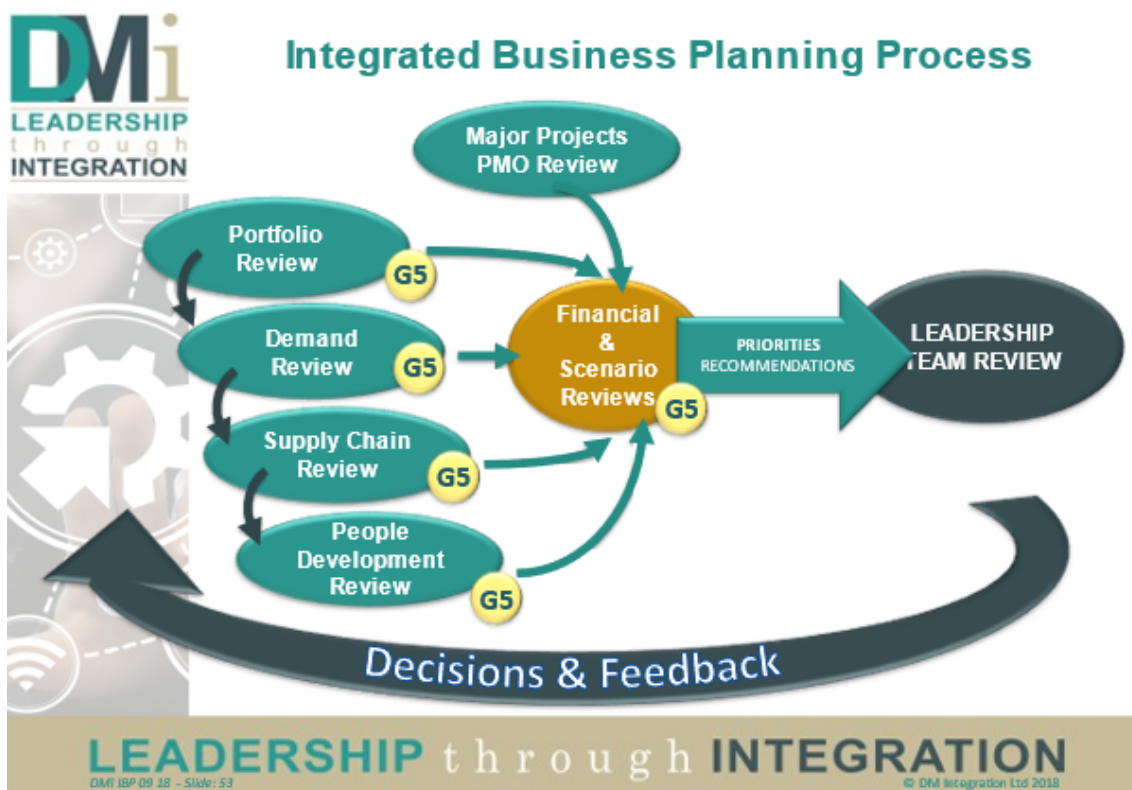


Over the past decade the understanding of the importance of people in any successful business has increased. It is no surprise that in surveys among top management they sight "the attraction, retention and development of talent" as one of their top three business priorities. If this is the case and IBP is to be 'the primary process through which the Leadership Team execute the business strategy and vision' (which I believe is the primary purpose of IBP) then the IBP process must fully embrace the development of people, talent and emotional/social intelligence, as the DMi 6-Step process above illustrates. It has always been the case that if you take the people out of a business then you take away everything not something. All you have left is empty buildings (which will decay), equipment (which will rust) and materials (that will rot), in other words you are left with nothing!

IBP does not happen on 'IBP day' or even only on IBP Review days. As I said above IBP is a 24 hour/365 day a year process, in other words continuous. The 'work' doesn't happen in the reviews it happens in the arrows between the reviews, in other words the churn.
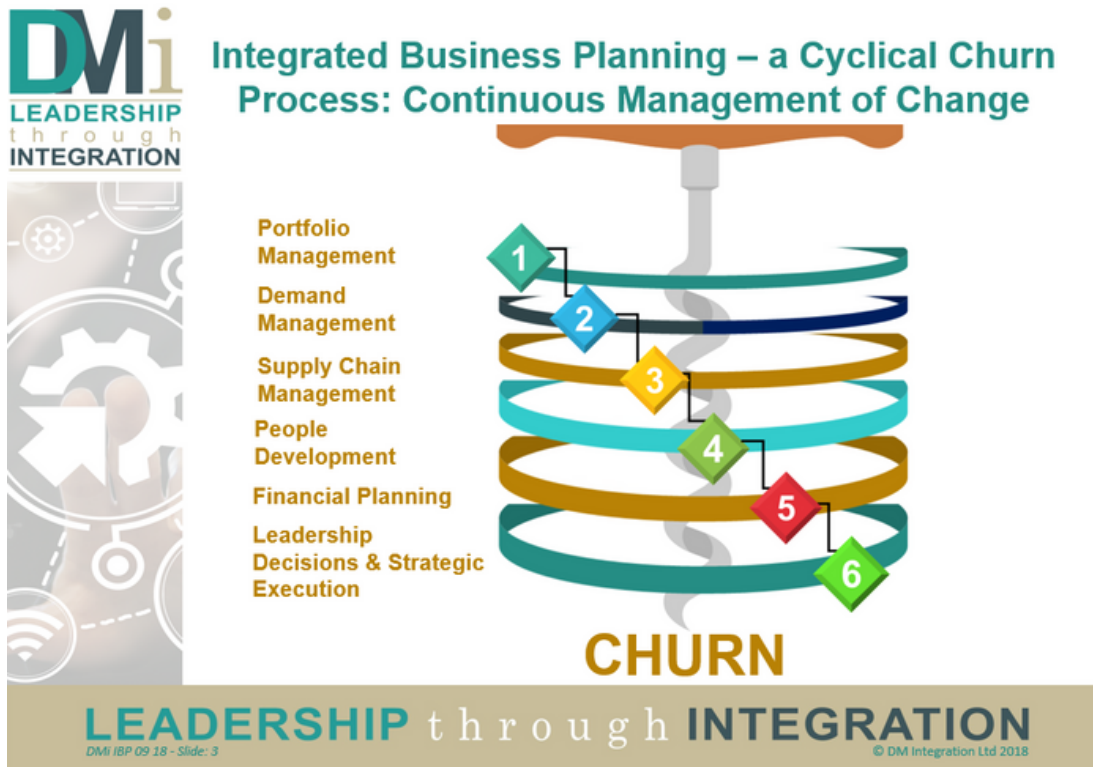


**The focus of each review should be:**
- **What's changed since the last review (last month)?**
- **What are the business implications (gaps) of those changes?**
- **What decisions or escalations do we need to make?**

These reviews must not be informational, communication or 'talking shops' they must be decision making sessions based upon clear options and recommendations. Hence each review should be chaired by the key stakeholder (Director) for that area of the business and attended only by the people that the Chair requires to attend in order to make effective decisions. This should therefore be a relatively small group at each review which should also be scheduled for a maximum of 2/2½ hours.

For this to be achieved then preparation is key, and preparation doesn't just mean creating the meeting Pack and Agenda it means 'working' the issues since the last review (last month). In other words, preparation for the next review starts the 'day after' the last review. Because the churn is continuous then the IBP orchestrator (facilitator) team is most effective when they are full time and are able to facilitate the analysis and preparation of options and recommendations that will be presented to each review for decisions to be made. This team are described as the G5 (Gang of Five) now the 'Gang of Six' G6. The IBP Team G6 do not have to solve all the issues but they 'need to know a man who can'.



The individual Gang of Five review orchestrators should continue to report to their functional HOD's or Directors but should form a close IBP team who think business wide first but 'represent' and coordinate with their functions. A full time Process Leader role should also be established who reports directly to the MD/GM/CEO and manages the process on behalf of the business leader who must clearly demonstrate their ownership of the IBP process – 'it is their process'. The IBP Process Leader also leads the IBP Team, because this position has no direct accountability then they need to be a highly respected, talented and high potential individual.

S&OP and IBP has been around for nearly 40 years but as the understanding of the criticality of people in business matures maybe it is the time for IBP to truly deliver its potential through the churn.

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