

Prologue to Part One: What's New

TOM WALLACE: First, Bob, I'd like to welcome you to the writing team of this, the third edition of the *How-To Handbook*. It's great to have you on board.

Maybe we could start by you giving the readers a bit more input on what's new: what's in this book that's not in the second edition.

BOB STAHL: Thanks, it's great to be here. Regarding what's new, I'd estimate about half of this book, give or take, is new material: things that we just didn't know four years ago when the Second Edition was written. Happily, the fundamentals haven't changed: balancing demand and supply, aligning units and dollars, and the Five-Step Process are all alive and working well.

Now for some specifics:

- Perhaps the most major change concerns implementation and issues such as change management and the behavioral aspects of successfully implementing Executive S&OP. This is where the rubber meets the road: if you can't get the stuff to work, it doesn't matter how potentially powerful it is.
- As a part of this, we've added a new framework for implementation: a three-phase approach, carrying low risk and low cost.
- There is substantial new material on establishing and controlling what we call "simplifying assumptions" — the enablers of effective decision-making across the medium- and long-term horizons.
- We've added material on risk, focusing on S&OP's role in anticipating and recovering from supply chain disruptions.
- There's quite a bit of new material on graphical displays of the S&OP information — in color fold-outs, so they're easy to understand.
- Plus, as we pointed out earlier, this book contains new material on other topics including:

new product introduction	highly variable supply
software selection criteria	fixing a broken S&OP process

We've added a number of "Reports from the Field" throughout the book. These are, in effect, mini-case studies about the experiences of actual companies in implementing and using Executive S&OP. Where possible, we identify the actual companies except where the news is bad, not good, or where we were unable to get permission from the company to identify it.

TOM: What's that saying you have about being smarter?

BOB: We reserve the right to be smarter today than yesterday, and not to have to apologize for it.

TOM: Well said. Let's get started.