

Welcome to the RA Stahl Company executive S&OP Newsletter

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On Time in Full (OTIF)

Attainment Requires both Technology and Process

I recently participated in a conference run by the Consumer Healthcare Products Association (CHPA) in Baltimore, MD. The theme and focus of the conference was in part to learn how to achieve improved performance in the delivery measurement of OTIF, thereby avoiding the huge non-conformance penalties being imposed by the retailing industry.

Many of the presentations were very technical, involving larger and larger amounts of data with more and more high power modeling software. There were some very convincing companies and practitioners presenting and discussing these issues. I was quite impressed.

My presentation was on the subject of *Sales Forecasting - A New Approach*. My focus was very much in contrast to that. I emphasized that a sustaining successful solution would come from not doing what you do better (forecasting more accurately), but from doing things differently to be better. Recognizing that this effort would require a highly controlled and disciplined process that gained a collaborative consensus between both the supplier and the retailer. Not an easy challenge.

As I listened and learned, it reinforced a strong reality that neither process nor technology alone would solve this problem. Both will be NECESSARY but alone neither would be SUFFICIENT. A lasting and effective solution will require BOTH.

Following the conference in a conversation with a technology company and a practitioner company, there became an appetite for the three of us to get together and work on developing a collaborative consensus approach to a solution with regard to OTIF performance - perhaps creating a framework that companies could follow to bring about a pragmatic, effective, and lasting solution.

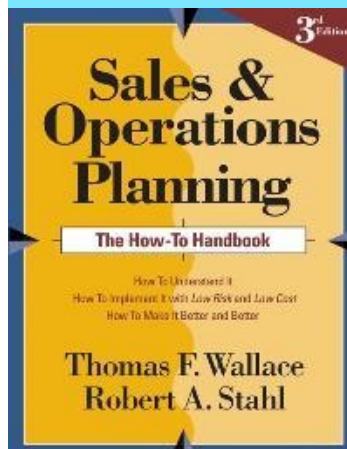
Stay tuned; we'll have more to say shortly!



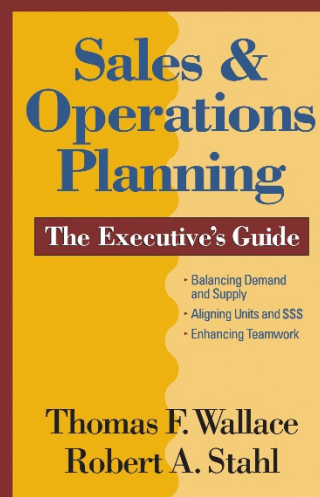
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BULLETS from BOB

Evolution of eS&OP
Becoming a Strategic Imperative

A strategic imperative is something that you are not doing today by choice, circumstance, or lack of competency, BUT if you could would result in a lasting competitive advantage. eS&OP is just such an opportunity for many companies.

Everyone is doing eS&OP in some form or fashion- you can't be in business without some means of bringing balance to demand and supply. The real question is, "are you doing it as well as it can be done", according to generally accepted good practice. For most, the answer is a resounding NO!

As I continued to think about this question and the evolution of eS&OP, I realized that the advance of the eS&OP methodology was not rooted in technology (although that was necessary), but it was rooted in behavioral or cultural improvement. It has become VERY people-centered.

What's happened over the last several decades, is that we've learned how to do S&OP a lot better - which has resulted in major performance improvements. Those companies that have implemented eS&OP to it's full potential have experienced transformational benefits in quantum fashion. The leaders of those companies have come to well understand that hard measurable benefits are the direct result and consequence of soft benefits that align human energy - which is the main objective of eS&OP. When you align human energy, companies can do things not before possible.

For a complete conversation about the increments of this evolution, that has made eS&OP improvement a strategic imperative, refer to my extended piece by that name on my web site: [S&OP's Evolution: Becoming a Strategic Imperative](#).

Thanks for listening and best wishes.

Bob Stahl

For more insights about eS&OP, refer to my web site for free downloads, and/or get one or more of our books at:
www.RAStahlCompany.com



Note: If you have questions, comments, please don't hesitate to contact me.

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Bob Stahl has spent 40-plus years as a practitioner and counsel to

manufacturing companies. He is a teacher, writer, and eS&OP coach. He has coauthored six books, including *Sales & Operations Planning--The How-To Handbook, 3rd Edition*, and *Sales & Operations Planning--The Executive's Guide*. Three of his books have been used for professional certification. Bob was the inaugural S&OP Editor for the International Institute of Forecasters' (IIF) *Foresight Journal*.

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