



Collaborating to Satisfy Customers: Sales and Operations Planning

Executive Summary: A Fortune 100 retailer and its top consumables vendors work together to set joint sales and inventory plans and improve supply chain visibility. They adopt new processes and tools to deliver unprecedented transparency and accountability

The Challenge: Chaos

A leading pet food retailer and its largest vendors were challenged with a lack of common expectations around mutual sales plans. Too often vendors were surprised by orders higher or lower than expected and firefighting was becoming business as usual. Needing to balance purchases to consumption, smooth product flow into stores and improve their joint sales forecast to do accurate capacity planning was difficult when vendors and the retailer planned at different levels and used different measurements.

The Journey

Challenged by leadership to make immediate changes, they turned to a team led by Delaney Consulting. With swift insight and deep participation on both sides of the desk, the integrated group agreed to align receipts with sales to efficiently move inventory through the end-to-end supply chain. Because of our years of experience, it was a swift journey to identify priorities, functional goals and desired outcomes for a long term, collaborative relationship between the retailer and its key vendors. After a review of the current tools and processes, best practices were incorporated into a new integrated sales and operations planning activity.

The Solution: Clarity

The team implemented an integrated vendor program still in use at the retailer today to build joint sales plans with key vendors. There is a business rhythm designed to structure preplanning activities through post-event reviews. Roles and responsibilities are clear for internal functions and vendors. Meeting and milestone schedules are included so that expectations are clear. New tools were created that are available on a secure portal site. Scorecards and monthly reviews drive improved performance and collaboration between the retailer and its vendors. There are clear accountabilities for forecasts and changes from forecast.

The Results

The retailer and its vendors have a successful communication and collaboration model supporting their sales and operational planning process. Cross-functional teams with vendor and retailer representatives meet to review past performance, build future plans and develop long-range activities to meet their mutual goals. A joint scorecard tracks performance to document progress in sales, forecasting, and supply chain performance. The program has expanded to include more vendors than the original pilot group because of its proven success.

The retailer's partnership with its top vendors has reduced surprises in inventory and sales performance. There is collaboration in setting and delivering results. Partnership and joint accountability exists at unprecedented levels.

