

Finance – The HUB and Catalyst for Sales and Operations Planning (S&OP)



Connecting Finance and S&OP

A perspective on using OneStream to unify and integrate sales and operational planning

“

S&OP is converging with financial planning to create a truly unified business plan. Visualization of constraints and signaling of future trends are imperative to the post-Covid business environment. The rapid progress of technology makes true integration with S&OP possible but there needs to be a direct tie to financial planning to be credible and sustainable. Finance must leverage Corporate Performance Management Software (CPM) to be ***the HUB and Driver for integrated business planning including Sales and Operational Planning (S&OP)***. OneStream Software is well positioned to help lead this new convergence of capabilities...

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Carl Yost

Chairman / Co-Founder
Black Diamond Advisory



Introduction

The entire thesis of Sales and Operations Planning (S&OP) is to create “One Plan” that integrates Sales, Marketing, Finance, Manufacturing and Supply Chain. Over the last 10 years incredible technological advancements have been made in the underlying systems and data models that support these disciplines and there is real hope for true integration in the future.

The real question is who is going to lead this initiative within the organization and what should the “HUB” be for data integration. In the recent past the natural leaders of S&OP have been centered in the Supply Chain organization focused on capacity and demand planning.

In most organizations the S&OP process is immature and there is a lack of coordination and communication. Ultimately the S&OP process must integrate with the financial planning process of the company to create a unified business plan. Organizations want to “unitize” their business planning bringing complete transparency and connectivity to the units of the business to “dollarize” each and every business decision.



Source: Scott Stern - Intelligent eXtended Planning & Analysis

Black Diamond believes **Finance** is the natural leader for S&OP integration and OneStream Software should be the “HUB” for data integration.

Evolution of S&OP

“The 2000 scenario and ‘what if’ planning had been recognized as a critical business planning process. This was a significant development from supply and demand balancing which focuses upon the business implications of proposed changes on business performance and strategy.

In the ‘noughties’ 2000’s end to end supply chain collaboration was embraced – consumers, customers and suppliers were integrated into the process. A critical element of this development has been the challenge with critical suppliers and customers to develop relationships based upon collaboration and trust, which can only be achieved through communication and transparency.”

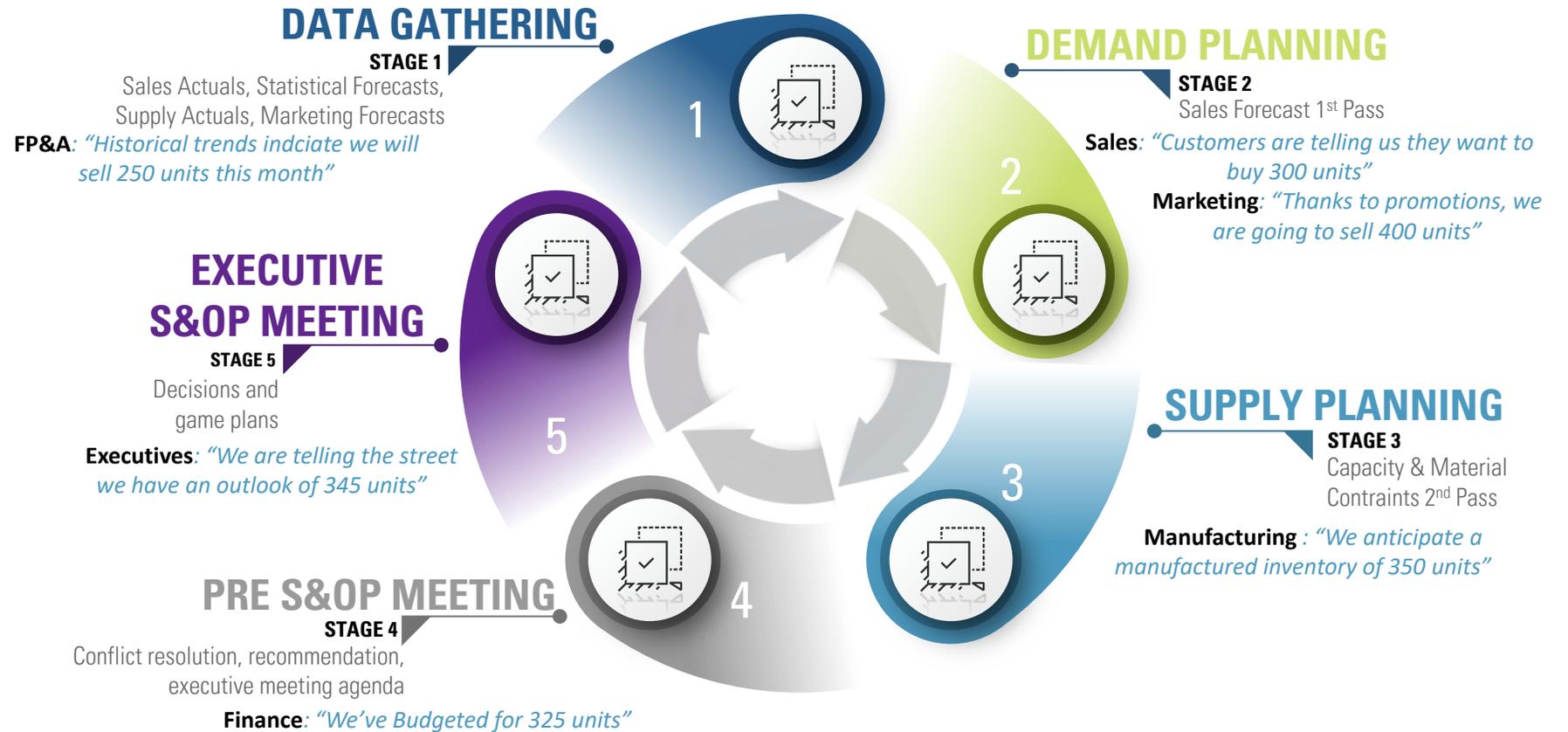
Dave Manning, Integrated Business Planning (IBP/S&OP) Evolution. Agile Innovation

The Evolution of

Sales and Operational Planning



Stages of S&OP



OneStream's value in S&OP

Cube Flexibility & Extended Dimensionality

Sales and Operation Planning Cubes are designed to support the needs of the planning process. Dimensions can be added and removed as needed. Additionally, accounts can vary by business unit to support their unique business needs

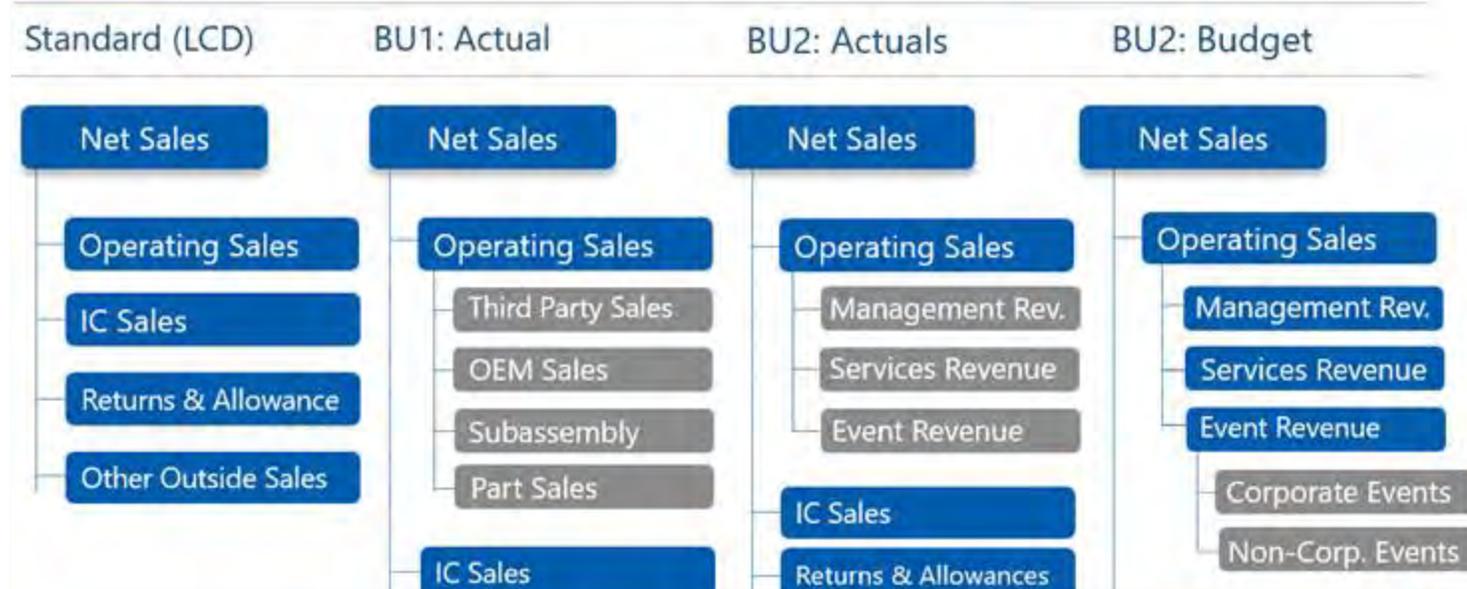
Analytic Blending Produces Data From a Variety of Sources

OneStream supports the blending of both multidimensional cubes and relation data

Integrated Drill Down and Drill Back

Data sourced externally can be linked back to the source systems transaction details. Sales for a business unit can be traced back to the individual transaction level details

Horizontal and Vertical Extensibility: Varying Mix of Both



Drill Down

Show Data Unit Dimensions Suppress NoData

Drill Down History																				
Amount	Cube	Entity	Parent	Consolidation	Scenario	Time	View	Account	Flow	Origin	IC	UD1	UD2	UD3	UD4	UD5	UD6	UD7	UD8	Ca
2.31	Corporate	Montreal		CAD	Actual - Actual	2019M1	YTD	CurrentRatio	Top	Top	Top	Top	Top	None						
2.31	Corporate	Montreal		CAD	Actual - Actual	2019M1	YTD	CurrentRatio	Top	Top	Top	Top	Top	None						

Results For Most Recent Drill Down (Formula Definition: CurrentRatio = Total Current Assets/Total Current Liabilities)

Amount	Cube	Entity	Parent	Consolidation	Scenario	Time	View	Account	Flow	Origin	IC	UD1	UD2	UD3	UD4	UD5	UD6	UD7	UD8
245,000.00	Corporate	Montreal		CAD	Actual - Actual	2019M1	YTD	CurrentAssets	Top	Top	Top	Top	Top	None	None	None	None	None	None
106,090.00	Corporate	Montreal		CAD	Actual - Actual	2019M1	YTD	CurrentLiabilities	Top	Top	Top	Top	Top	None	None	None	None	None	None

Next Generation S&OP Processes

Visualization -Organizations are increasingly calling for further enhancement beyond table-based planning systems, into visual dashboards that support integrated views of supply-chain processes and operations.

Workflow - As S&OP processes mature, there's a greater need to support integration of the planning processes themselves.

Collaboration - Extend collaboration by examining how their planning processes can better involve suppliers, distribution partners and customers.

Scalable – Cloud based technology systems that support collaboration through data integration and simplify complexity.

Finance - S&OP platforms increasingly need to dollarize views of every possible scenario with risk adjusted parameters.



Sales Planning

Intelligently align **customers, products, pricing and sales targets** with **financial plans** in One Model.

Create flexible plans by territories; align to revenue targets and quota

Unify customer and product plans and scenarios across the P&L, Balance Sheet and Cash Flow

Align forecasts by manager, territory and with revenue targets

Import, track and manage sales opportunities at with direct integration available with Salesforce.com

Drill-back from financial reports and dashboards back to granular Sales Plans for full transparency and auditability into underlying operational plans

Integration Partners



Source: Scott Stern - Intelligent eXtended Planning & Analysis

Operational Planning

Intelligently align **demand plans, unit costing, sourcing, capex needs and financial plans** in One Model.

Unify S&OP with the P&L, Balance Sheet & Cash Flow

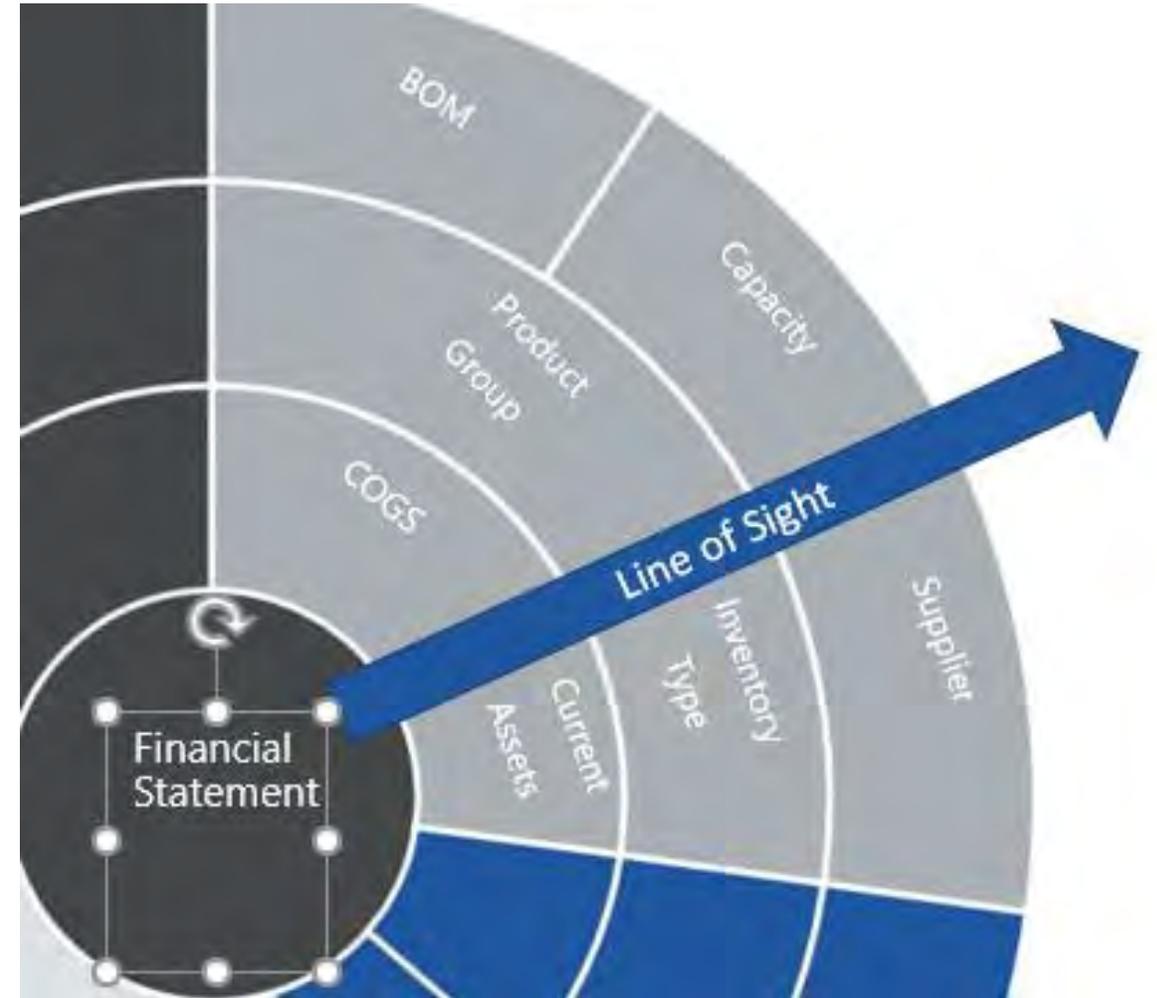
Develop multiple scenarios on-the-fly

Model plans using business-drivers across diverse products and/or business units

Create daily and weekly operational signaling for rapid response decision-making

Full auditability and drill-down and through to transaction details

Integration Partners



Source: Scott Stern - Intelligent eXtended Planning & Analysis

Marketing Planning

Intelligently align **new product offering demand generation campaigns and pipeline optimization** with sales plans in One Model.

Unify granular marketing campaign and KPIs with sales and revenue targets

Create agile plans for new product introductions; align with budgets and plans

Develop and model multiple scenarios on-the-fly

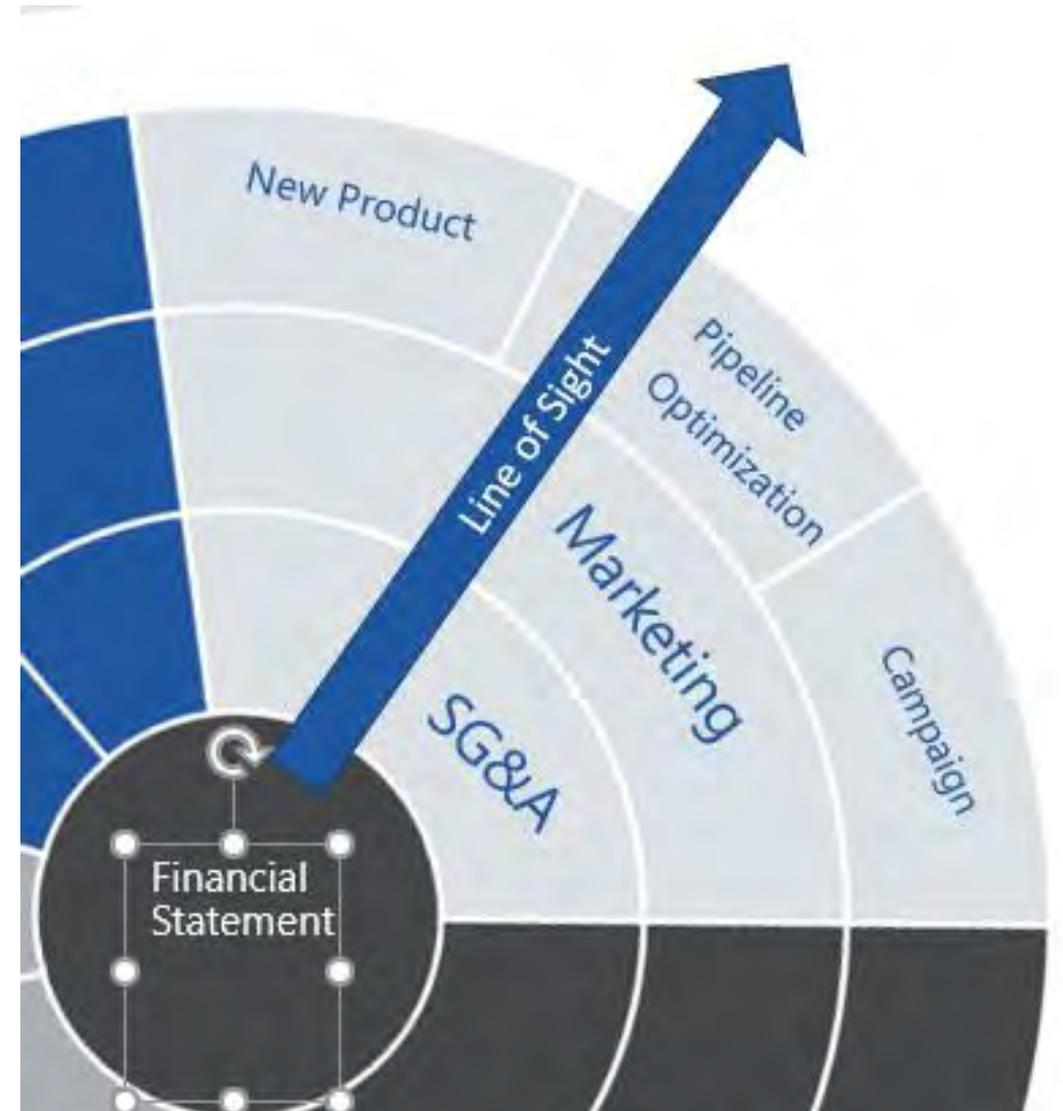
Track and report pipeline stats such as MQLs, SQLs and pipeline conversion metrics

Eliminate silos of connected marketing plans in spreadsheets and fragmented processes

Integration Partners



mailchimp



Source: Scott Stern - Intelligent eXtended Planning & Analysis

Workforce Planning

Intelligently align **headcount, compensation, benefits** and financial plans in One Model.

Import existing employee information from leading HCM systems

Add new hires, transfers by title, grade and rate.

Update with expected merit increases, promotions and other compensation changes for direct labor and SG&A

Pre-built tax and benefit calculations that vary country to country

Dynamically calculate impact of key business drivers to P&L, Balance Sheet and Cash Flow Statement

Integration Partners



Source: Scott Stern - Intelligent eXtended Planning & Analysis

Conclusion

Many companies have attempted S&OP initiatives with varying degrees of success in the past. We are at the perfect point in time where the technology capability and the business imperative of S&OP can make a successful process a reality. Leveraging technology that has core financial intelligence to serve as the HUB for integrated business planning and S&OP is the future. New solutions must provide line of sight from financials into detailed views of sales, marketing, operations and human capital data and insight.

The ability to visualize patterns and conflicts with the capability to signal the organization when to analyze or take action is at the core of this new technology paradigm. We are excited to work with clients on a new journey towards optimizing business planning instead of siloed S&OP and financial planning.

About Black Diamond Advisory

BDA employs an “Experts Only” approach. The company was founded of a consortium of five of the largest, most respected One Stream partners (Andersen, MarketsSphere, Grant Thornton, Ranzal/Edgewater, and Ascend). These teams joined forces to create a powerhouse of the deepest technical & functional skills in the industry. BDA is a Diamond level OneStream partner.

There is one leader in the OneStream partner space that creates value by combining process and business innovation thinking with the power of the platform that allows you to become Best in Class. BDA has established a framework of OneStream solutions to accelerate your implementation.

We would love to have the opportunity to hear how we can help you transition to or grow your existing OneStream implementation.

Please visit our Linked In site to connect with any of our Experts.



Or directly at
blackdiamondadvisory.com

The various disciplines tend to have their own focus...



... but S&OP will provide a multidisciplinary approach in order to achieve an optimal integral plan



[S&OP Implementation | Kick Off Guide | Demand-Planning.com \(demand-planning.com\)](https://demand-planning.com)

[S&OP Step by Step | APICS Magazine](https://apicsmagazine.com)

[S&OP Process: What does it mean to Integrate with Finance? \(riverlogic.com\)](https://riverlogic.com)

[The Increasing Impact of Finance on S&OP | Nexview Consulting - S&OP Consulting](https://nexviewconsulting.com)

How can you leverage OneStream in S&OP?

Cube Flexibility & Extendible Dimensionality

- ✓ Vary Sales & Operational Cubes granularity as desired (Customer/Product)
- ✓ Extend dimensions Horizontally by Scenario or Vertically by Business Unit
- ✓ Connect & Analyze Financial Statement cubes with Sales & Operations Cubes

Analytic Blending Produces Data From a Variety of Sources

- ✓ Relational data stored outside the S&OP cube is accessible as needed
- ✓ Data Blend integrates multidimensional cube & relational data

Integrated Drill Through and Drill Back to Source & Stage Data

- ✓ Ledger: Invoice SKU Level Transactions
- ✓ CRM: Detailed Pipeline/Funnel Opportunities
- ✓ Demand Plan: Volume/Unit constraints

Unified Visualization and Dashboarding

- ✓ Integrated views of Supply Chain and Operations data
- ✓ Increases the speed of decision making

Business Unit Collaboration

- ✓ Sales, Manufacturing, Marketing, Price and Cost planning in a single planning repository hub

