

SCE Limited
Supply Chain Excellence

SCOR® Level 4 Processes:

**Where the Implementation Rubber Hits
the Road**

September 27, 2006
Supply Chain Council Users Seminar
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Agenda

- What is a SCOR® Level 4 Process?
- How do I construct a SCOR® Level 4 Process?
- Sales and Operations Planning (S&OP) with SAP example
- How do Companies use SCOR® Level 4 Processes?
- Questions – Discussion

SCOR Quick Reference

SCOR Contains Three Levels of Process Detail

Supply-Chain Operations Reference-model



	Level		
	#	Description	Schematic
Supply-Chain Operations Reference-model	1	Top Level (Process Types)	
	2	Configuration Level (Process Categories)	
	3	Process Element Level (Decompose Processes)	
	4	Implementation Level (Decompose Process Elements)	
Not in Scope			

SCOR®
Supply-Chain Council

Version
8.0

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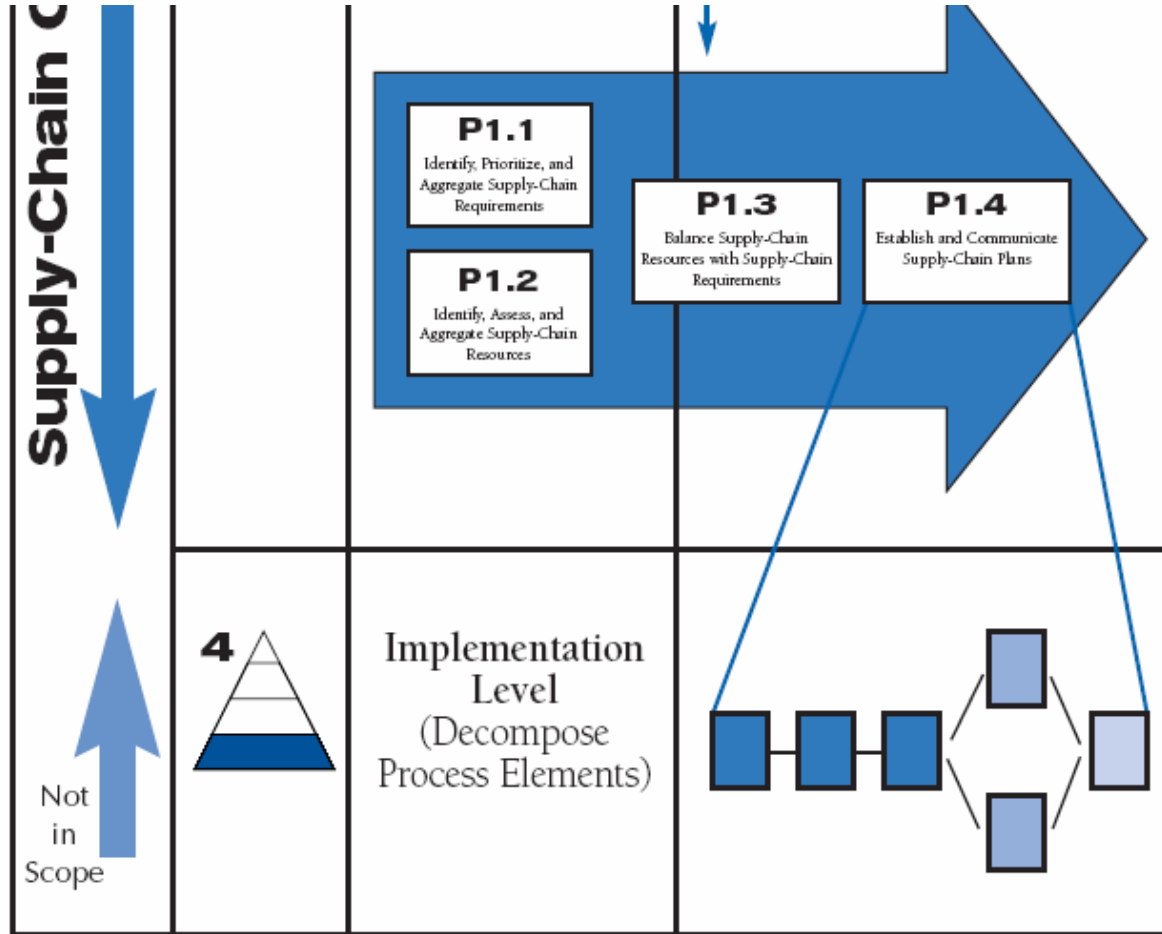
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SCOR® Level 4 Process Detail



RETURN



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SCOR Level 4 Decomposition

The screenshot shows the ProcessWizard software interface. The main window is titled 'P1 - Plan Supply Chain in Headquarters'. A process flow is visible with several process elements represented by red arrows. Element P1.1 is highlighted, and a pop-up window titled 'Process Element: P1.1 - Identify, Prioritize and Aggregate Supply Chain Requirements in Headquarters' is open. This pop-up window contains an 'Element Diagram' showing a flow of sub-processes:

- P1.1.1: Run Period End System Update
- P1.1.2: Validate Period End Forecast Data Integrity
- P1.1.3: Assess Forecast Performance
- P1.1.8: Analyze Promotional Performance
- P1.1.9: Maintain Promotional Calendar

The diagram shows arrows indicating the flow from P1.1.1 to P1.1.2 to P1.1.3, and from P1.1.8 to P1.1.9. There is also a vertical arrow pointing from P1.1.9 up to P1.1.1. The interface includes various toolbars and a sidebar with options like 'Process Element Diagram'.



Constructing SCOR® Level 4 Processes

1. Find an appropriate leading practice book that can guide you through best in class characteristics for the process targeted for redesign
2. Map the processes detailed in the book to appropriate SCOR® Level 3 processes
3. Identify the main system modules to be utilized and map the transactions to the appropriate SCOR® Level 3 process
4. Leverage the experience of users in creating and refining your Level 4 process
5. Test and refine your Level 4 process in a “sandbox” environment

S&OP Example

- Leading practices as defined by *Sales & Operations Planning: The How To Handbook 2nd Edition*, Thomas F. Wallace, T. F. Wallace & Company, 2004.
- System functionality defined within SAP
- Process examples
 - P1.1 – Demand Planning
 - P1.2 – Supply Planning
 - P1.3 – Reconciliation
 - P1.4 – Senior Leadership Review

Chapter 4

Inputs to S&OP

Demand Input: Sales Forecasting

The Supply View: Capacity

The Interaction of Lean Manufacturing and S&OP

Demand/Supply Strategies

Time Zones

Chapter 5

The Monthly S&OP Process

Step 1 — Data Gathering

Step 2 — The Demand Planning Phase

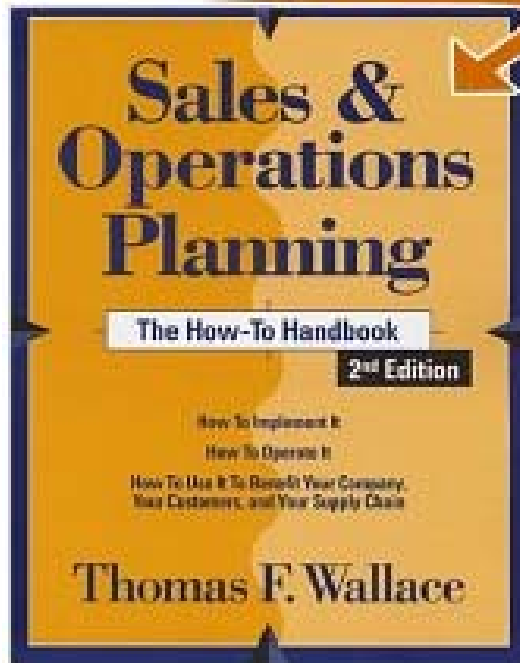
Step 3 — The Supply (Capacity) Planning Phase

Step 4 — The Pre-SOP Meeting

Step 5 — The Executive S&OP Meeting

Tips for Effective Executive hS&OP Meetings

SEARCH INSIDE!TM



Part Two — How to Make It Work

1. The S&OP Implementation Path — Overview

SAP Functionality

Planning Edit Goto Extras Views Settings System Help
 [Icons: Save, Undo, Redo, Print, Copy, Paste, Find, Help, etc.]

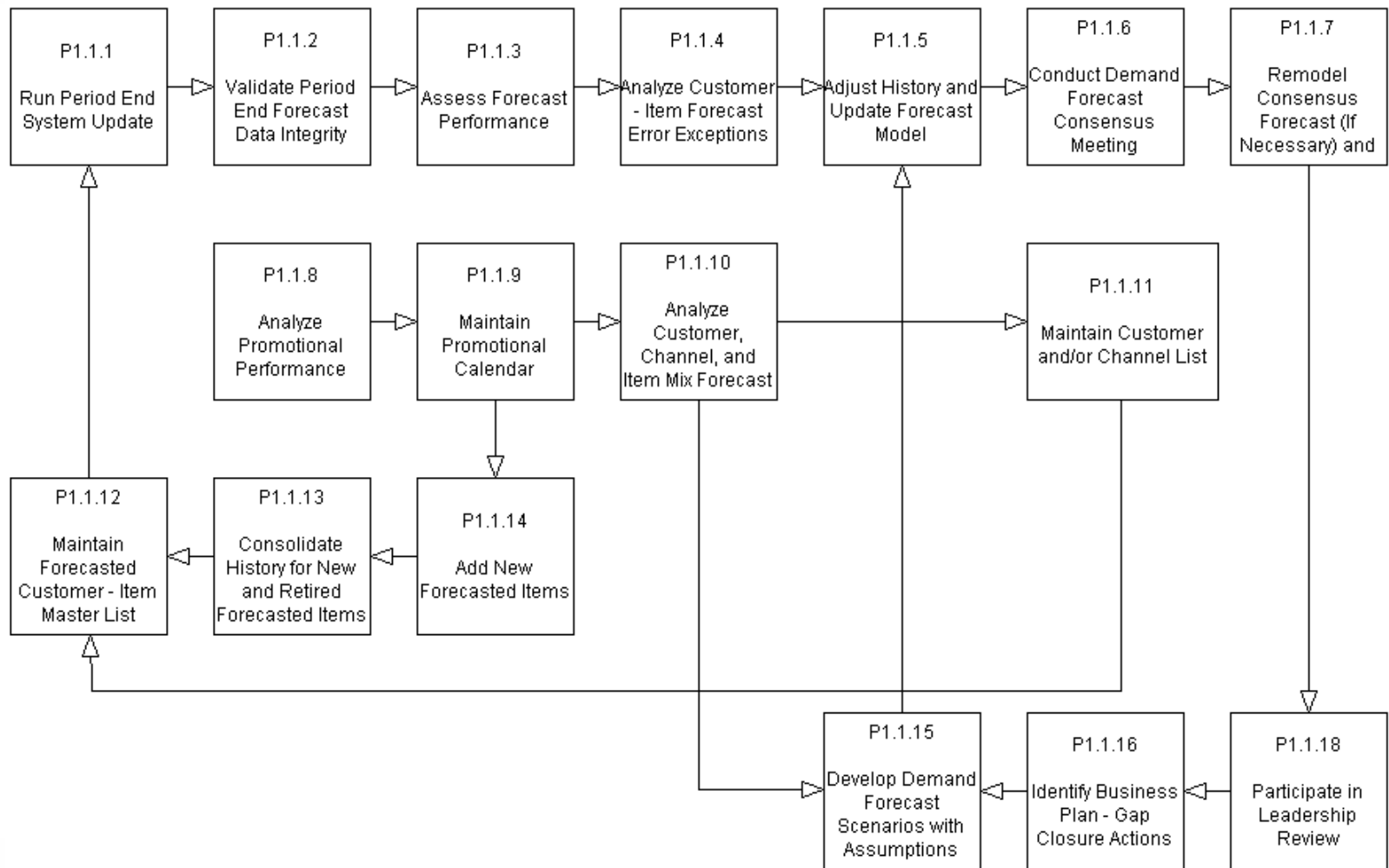
Change Plan (Consistent Planning)

[Icons: Characteristic, Disaggregate row, 0 column...]

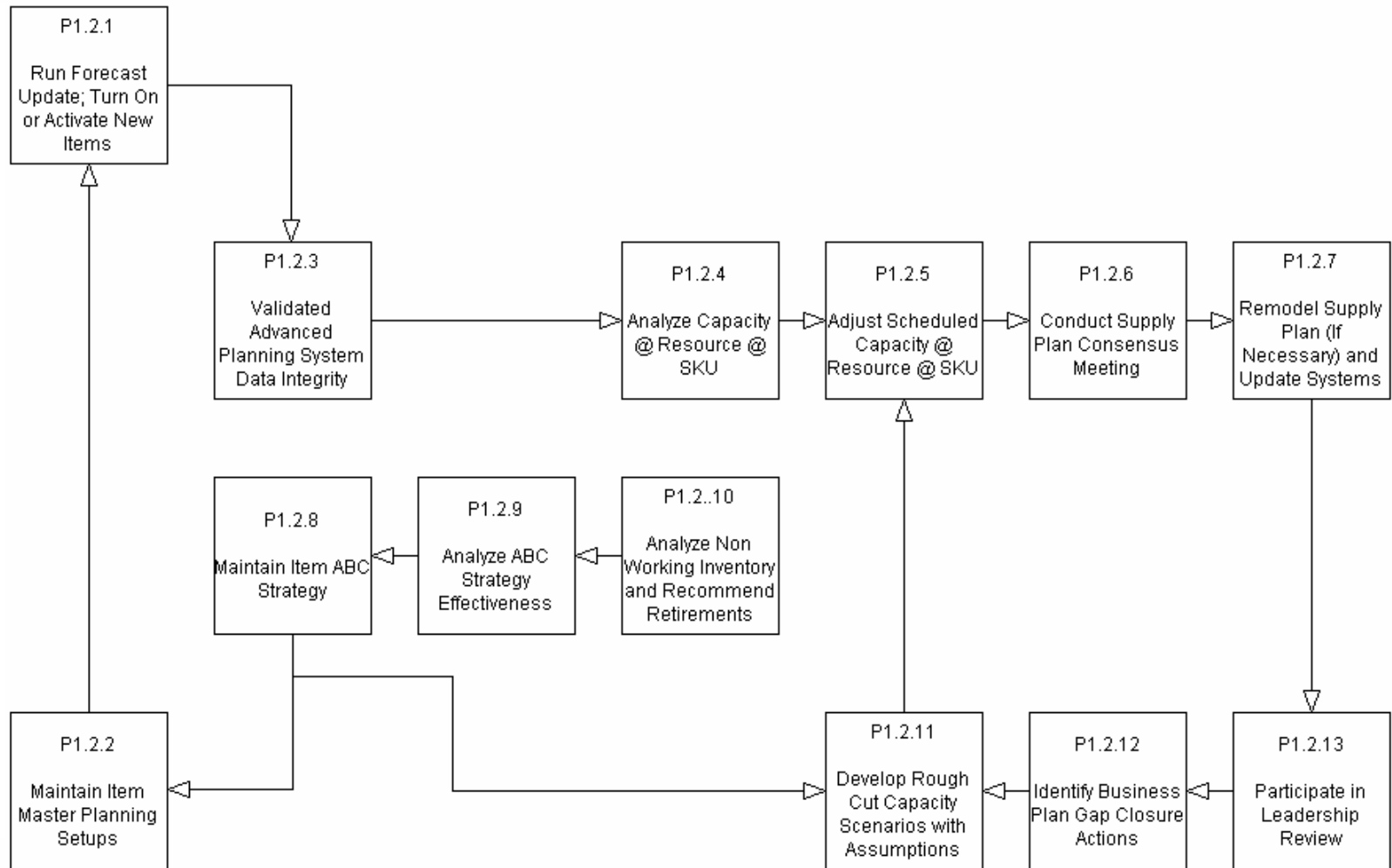
SOP Team: PSD Product Category: BD01
 Product Line: Plan plate #:
 Material: Plant: SK
 Version: 001 Feb 2003 Inactive

Aggregate information	Un	M 12/2005	M 01/2006	M 02/2006	M 03/2006	M 04/2006	M 05/2006	M 06/2006
PSD BD01 SK	***							
Order Forecast	EA	1562	1540	1535	1538	1635	1437	156
Mrktg Adj %	EA							
Mrktg/Sales Events	EA	168	168	168	168	168	168	168
Mrktg Adjustment	EA							
Order Plan	EA	1730	1708	1703	1706	1803	1605	1730
Curr Yr: incoming Ord	EA							
Requirements Plan	EA	333	333	333	333	333	333	333
Shipment Plan	EA							
TEMP: MRKT ADJ DEC	***							

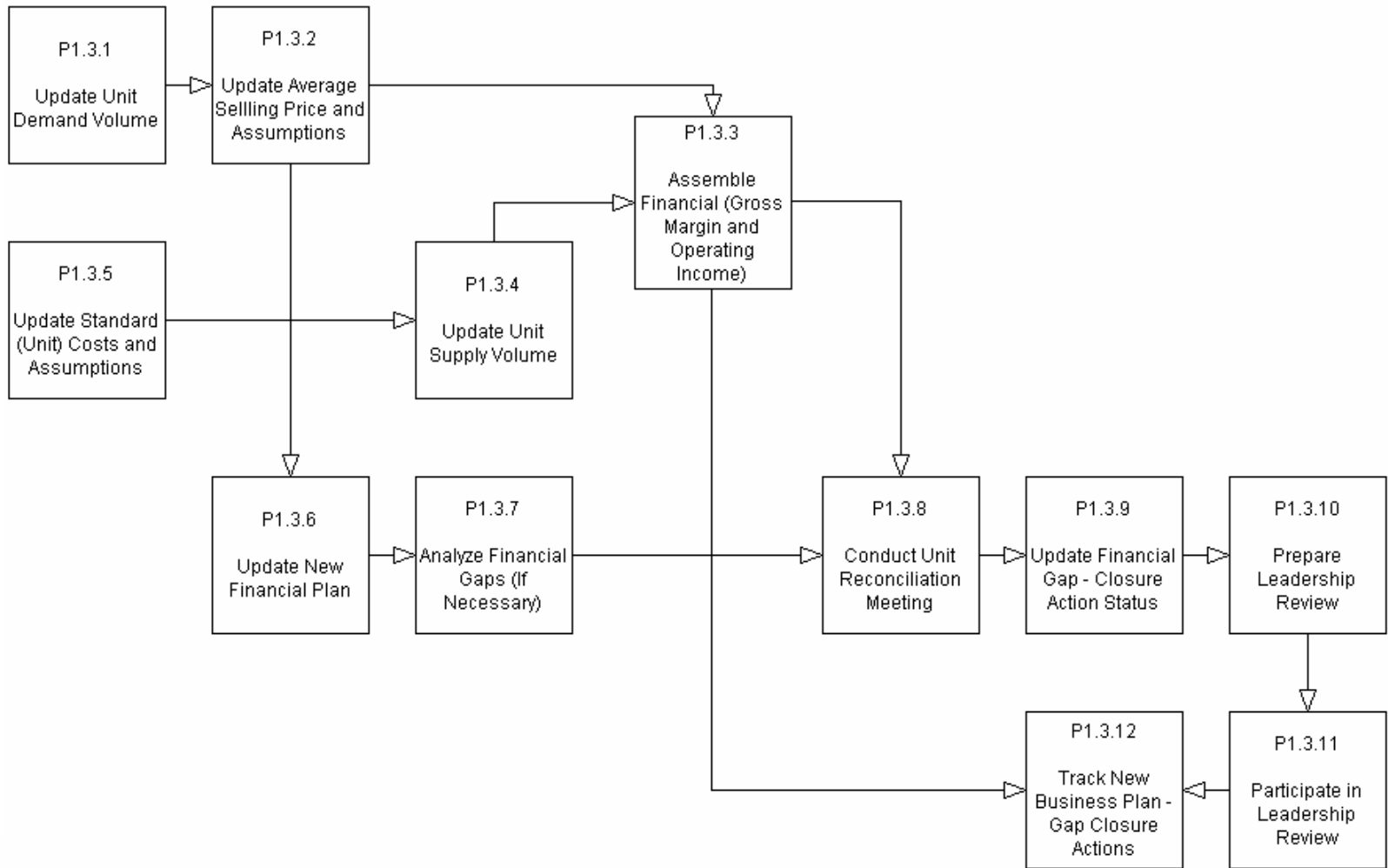
Level 4 Process Detail – Demand Planning



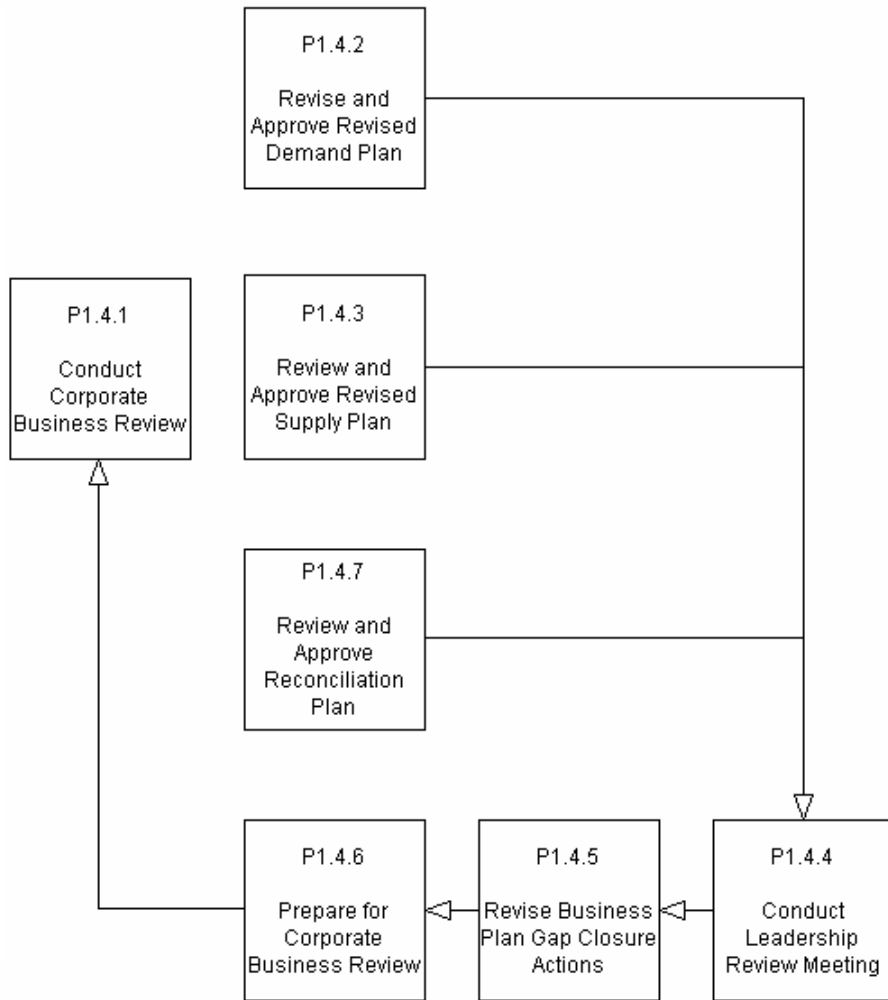
Level 4 Process Detail – Supply Planning



Level 4 Process Detail – Reconciliation



Level 4 Process Detail – Senior Leadership Review



How do Companies use SCOR® Level 4 Processes?

- For those who are using Lean Six Sigma to implement supply chain process improvements
 - Input to DMAIC
- For those who are some phase in the software implementation process
 - Provides the consistent requirements guideline for software demonstrations in selection
 - Define detail business requirements prior to configuration
 - Organizes sandbox configuration test scripts
- For those who are using the Supply Chain Excellence approach to implement a project portfolio
 - Provides a foundation for Process Management
 - Audit
 - Change management
 - Process improvement



More Information

- The Supply Chain Council – www.supply-chain.org
- www.scelimited.com – the SCOR® Users Resource Center
 - *Supply Chain Excellence: A Handbook for Dramatic Improvement Using the SCOR® Model* – www.amazon.com
 - Project Support **Services**
 - **Resources** for the Do-It-Yourself organization
 - Implementation **Partners**
 - St. Onge, www.stonge.com, featuring Strategic Network Analysis and Design with LogicTools
 - Xelocity, www.xelocity.com featuring the ProcessWizard® Tool – the work flow management tool for Supply Chain Excellence
 - SCOR® **Metrics**
 - SCOR® **Training**

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