

Supply Planning S&OP Using SAP APO (SCM)

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Agenda

- Learning Points
- PepsiCo Overview
- S&OP process
- Use of APO for S&OP
- Key Lessons Learned
- Question & Answer



LEARNING POINTS

- How to use SAP APO for S&OP (Sales & Operations Plan)
- Team composition, strategies and execution needed for a successful S&OP
- Practical lessons learned on how to combine business processes and systems to deliver an S&OP plan

Who We Are

PepsiCo is a global food and beverage powerhouse.

Our broad range of more than 3,000 delicious products offers consumers convenient, nutritious and affordable options in nearly every country around the world.



Global Beverages



Global Snacks



Global Nutrition

Performance



More than
\$65 billion
revenue

Brands



22
billion-dollar
brands

Scale



>200
countries
& territories

People



~280,000
employees



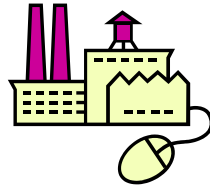
PEPSICO

S&OP journey on tools

S&OP enablers



**Manual -
Excel**



Partially in SAP



Fully in SAP



**Future – create
process
efficiency**

2006

2008

2010

2012

2014 - 16

SAP Journey



SAP project
launch



SAP ECC & SCM
4.0 Live

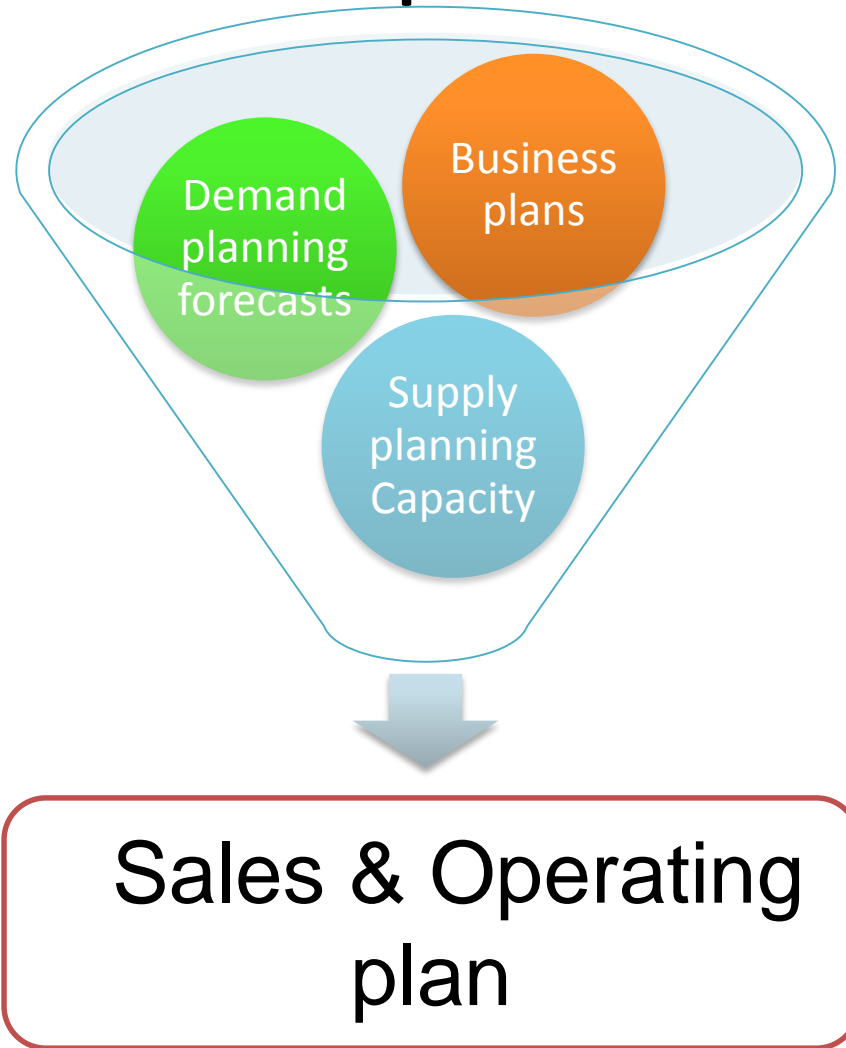


SAP ECC (6.0) & SCM (7.0)
upgrade



New future
technologies – S&OP on
demand/HANA

S&OP process



Aligning Organization to Key S&OP Assumptions

Innovation

- **Innovation (BU Finance, SC Integration, SC Finance):**
 - New material, low likelihood of launch – Ignore.
 - Set up new product – innovation typically sufficiently defined to support this at this stage.
 - Volume pass must include new innovation and resultant cannibalization of existing products, Key assumption letters

Network

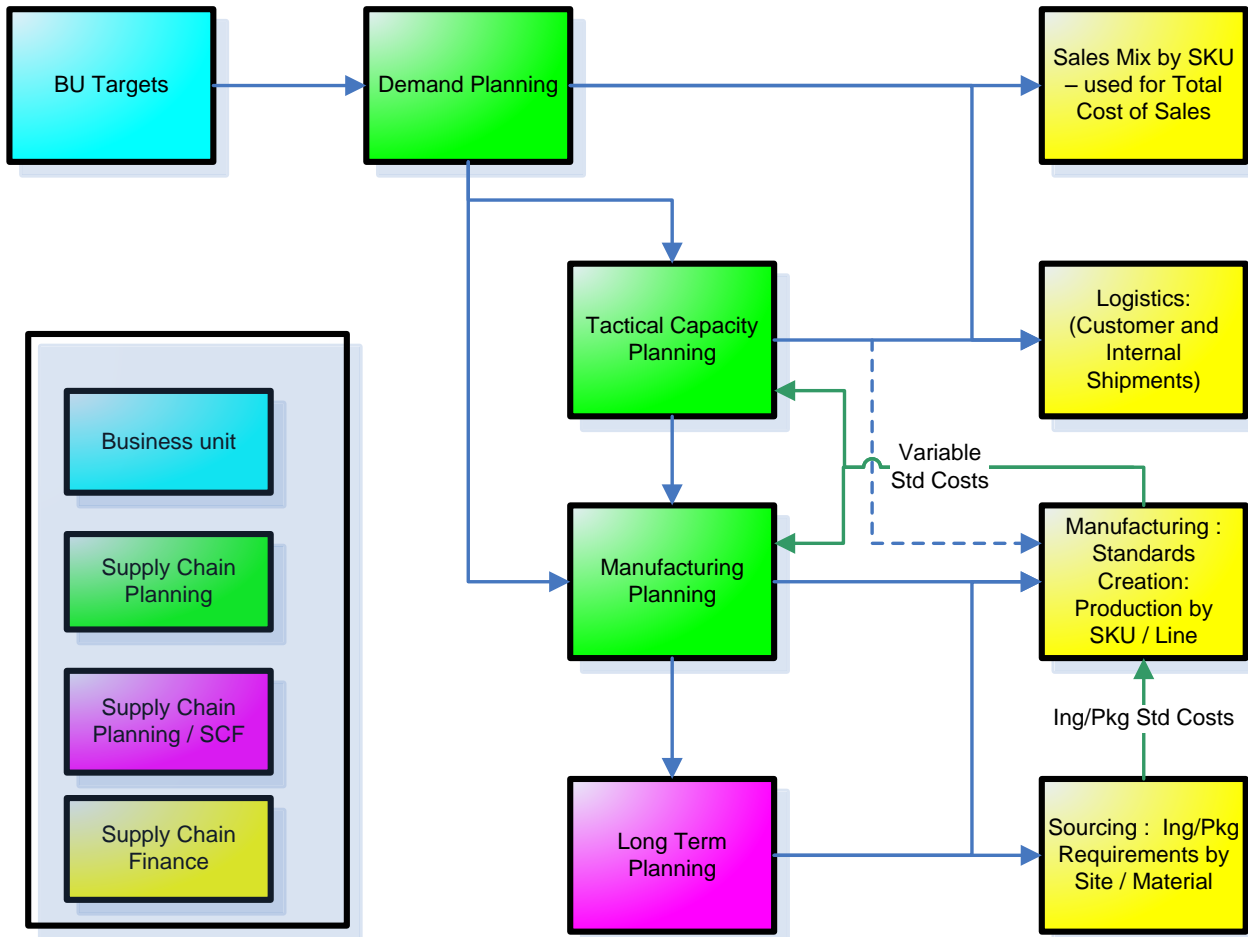
- **Supply Chain Productivity, Network Changes (SC Integration, Logistics, SC Planning):**
 - New manufacturing locations or dropped DC locations
 - New lines, Line TE, crewing (e.g. 5 day, 24/7 operation, etc.)

SAP Data

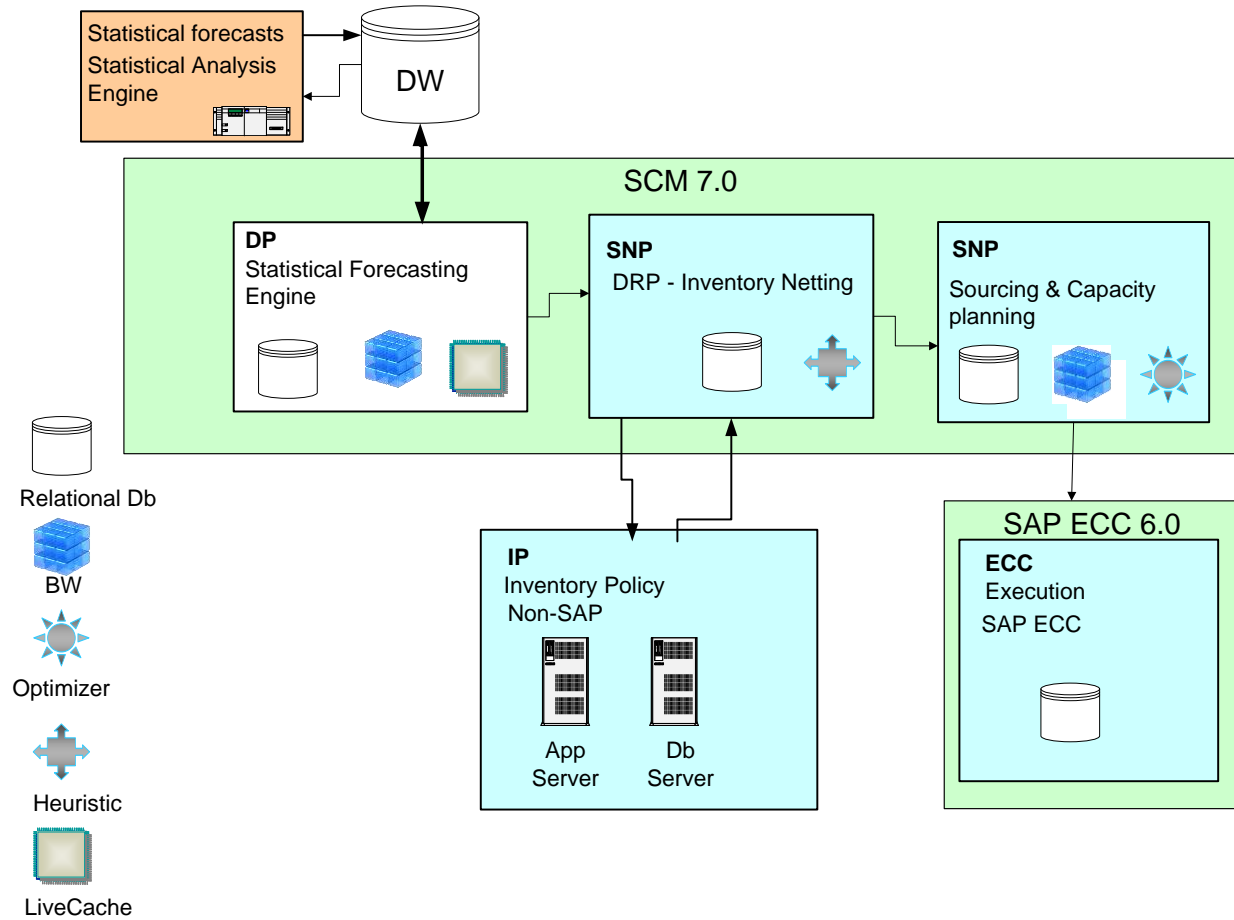
- **Data Management Organization & innovation managers**
 - Teams responsible to initiate data set-up workflows for new innovation and locations.
 - SAP data work needs to be initiated well in advance

Volume Planning for S&OP

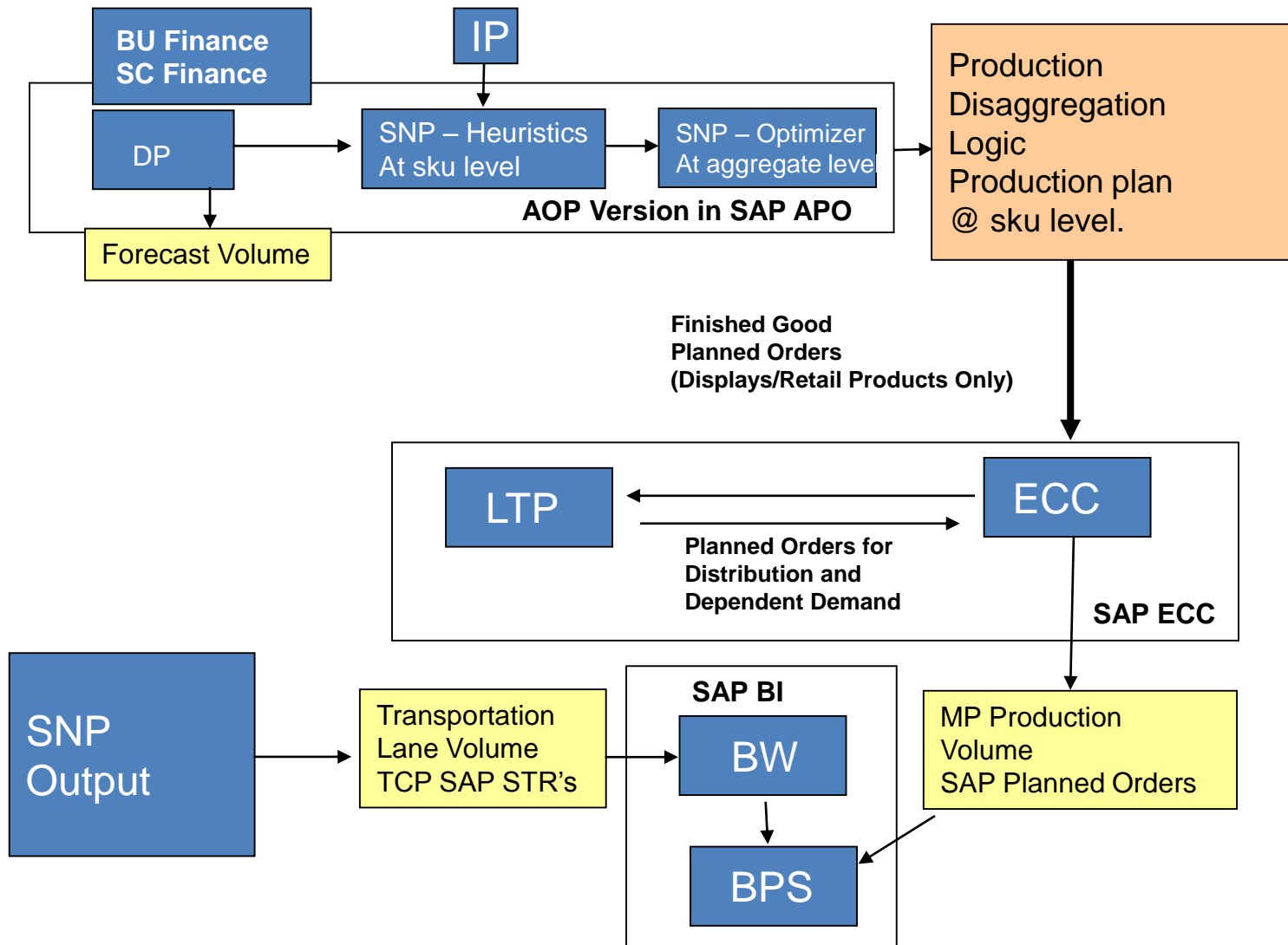
Data Flow



IT landscape to support S&OP



S&OP Process flow with tools



Multiple teams



S&OP involves coordination between multiple teams

Role of a business project manager – S&OP

- Project management
- Ownership of the S&OP calendar and integration with finance calendar
- Collaboration with Supply Chain Integration Directors, Demand Planning, Supply Planning and Logistics teams on delivery of a S&OP plan
- Coordinate with IT team, leads creation of IT task calendar to enable system outputs for S&OP
- Work with data team to ensure completion of data setup.
- SME on use of SAP APO for business planning.
- End to End ownership of all activities starting with BU volume generation to production volume generation in ECC and hand off to Supply Chain Finance team.

Manage people



Navigate hurdles



Plan & execute



Sample S&OP calendar

Sample S&OP calendar																							
Month 1				Month 2				Month 3				Month 4				Month 5				Month 6			
1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
wk1	wk2	Wk3	Wk4	wk1	wk2	Wk3	Wk4	wk1	wk2	Wk3	Wk4	wk1	wk2	Wk3	Wk4	wk1	wk2	Wk3	Wk4	wk1	wk2	Wk3	Wk4
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Volume Planning Pass# v1a								Volume Planning Pass # v1b								Volume Planning Pass # v1c							
								FG volume: Review & Adj															
								Cost Standards															
								SFG planning															
																Product Costing							
																Innovation Product Costing							
Supply Chain												Logistics Cost Planning											
OPS & FINANCE																Finalize S&OP							
FINANCE																							
<p>Key Integration Dates:</p> <p>BU Growth Targets to Demand Planning - Pass 1</p> <p>BU Growth Targets to Demand Planning - Pass 2</p> <p>BU Growth Targets to Demand Planning - Pass 3</p>																							

BEST PRACTICES

Technology

- Use of a separate version in SAP APO & ECC for S&OP
- Aggregate level planning to handle large volume of data in APO
- Account for forecast changes and innovation through multiple demand passes to APO

Process

- Leadership alignment/kick-off meeting
- Define role of business project manager
- Identification of key business resources and stakeholders from different teams

KEY LEARNINGS

- SAP APO implemented for tactical planning can be leveraged for S&OP
- Creation of a separate version in SAP APO and ECC is necessary to avoid conflicts with weekly/tactical orders
- The IT stakeholders and business stakeholders need to work together as a team to create a successful S&OP
- Start planning early and communicate key milestone dates to all stakeholders

Contact Information



contact
us

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Questions



Is there anything we can help clarify?