

# *Use Sales and Operations Planning to Integrate and Perfect Your Business*

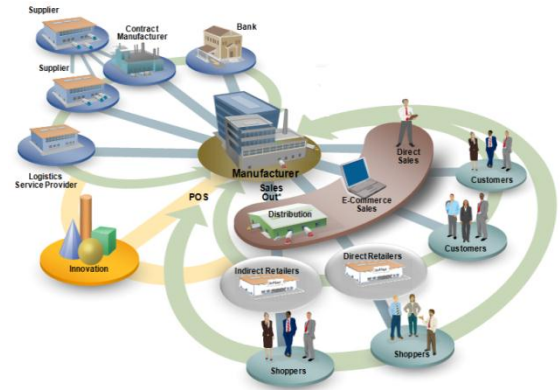
John Buckley

Director of Integrated Business Planning

Kraft Foods – Beverage Business Unit



# Who is this guy in front of you...



# Kraft at a Glance



- Our products are found in 98% of U.S. households, 99% in Canada
- 10 brands with more than \$500MM in 2011 annual sales
- Another 17 brands over \$100MM
- \$19B net revenue
- More than 25,000 people

Source: Kraft Foods Group, Nielsen

# What are we going to discuss today?

- 1 Challenges facing the consumer products industry
- 2 S&OP evolution
- 3 How Kraft views IBP
- 4 Questions and discussion

**S&OP has been and still is a process that can help organizations overcome these challenges and be successful**

# S&OP

~~Strenuous and Often Painful~~

Sales and Operations Planning



Kraft Foods Group, Inc.



# Demand and supply volatility is causing companies to investigate if their S&OP process is working

## ***Channel complexity*** –

Explosion of channels and store formats, including direct-to-consumer and hybrid models (e.g. buy online, fulfill in store)

***Global sourcing*** – Sourcing from a complex global network of suppliers, along with associated lead time, visibility, compliance and regulatory challenges



## ***The connected consumer*** –

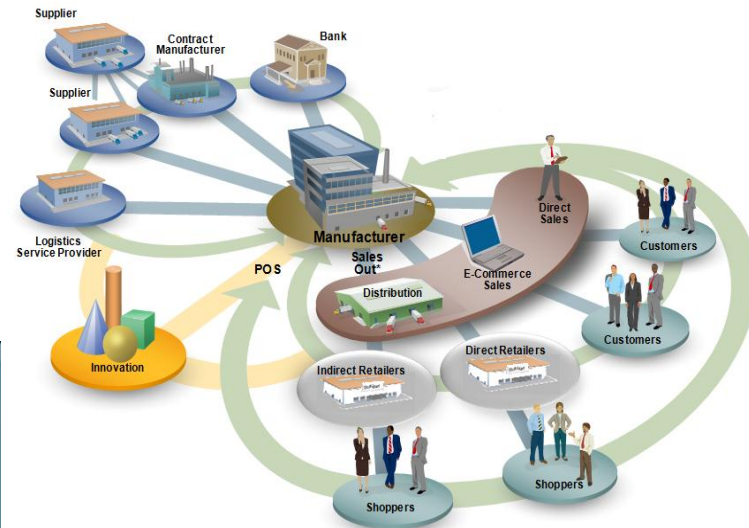
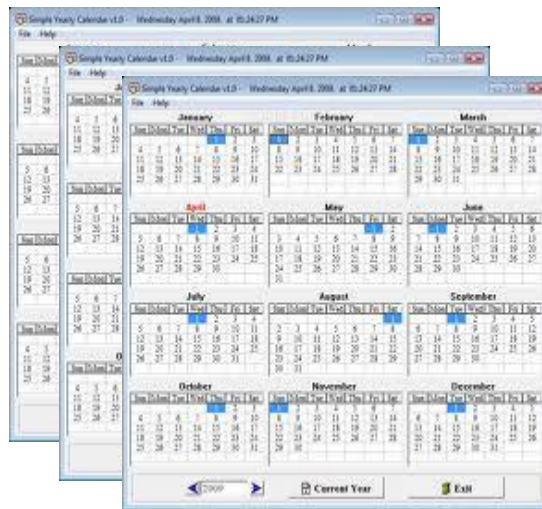
always on, and connected with one another, using a new path to purchase

***Commodity availability / price volatility*** – Availability and pricing of manufacturing inputs is much more variable and volatile

Price and margin management  
– No longer “one size fits all” pricing and offers



# S&OP is evolving to... Some may even say IBP



# What is Kraft expecting to get from their IBP efforts?

Less stock-outs at  
retailers shelves

Improved forecasting  
accuracy

Organizational  
Alignment

Improved Annual and  
Long-term Planning  
Processes

Faster and improved  
decision making with  
“BIG DATA”

Better visibility into  
KPIs that are driving  
our business

Improved customer  
service metrics

Improved  
Collaboration –  
internally and  
externally

Reduced inventory  
and improved cash  
flow



# Ultimately, we want to have the ability to make faster and more effective business decisions



**Forecast  
Demand**

**Create multiple  
demand  
scenarios**

**Check  
Inventory**

**Understand impact  
on inventory  
levels instantly**

**Adjust  
Capacity**

**Explore what-ifs  
to confidently  
commit**

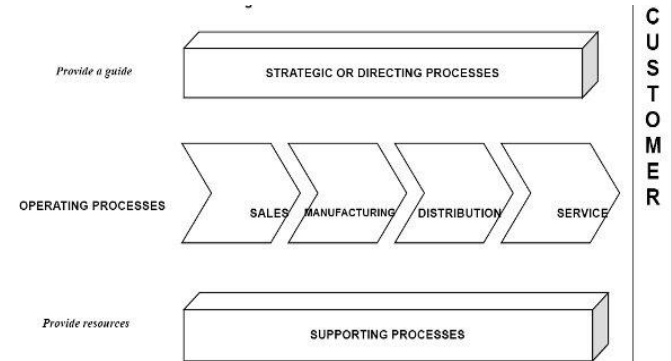
**Measure  
Financial  
Impact**

**Make decisions  
with a full view of  
the impact across  
your organization**

# Kraft needed to look at their processes in a different way



**The way we think...**



**Rethink our processes...**



**And our use of technology...**



**The way we behave...**

# Today's technology is allowing Kraft to rethink how we meet our requirements

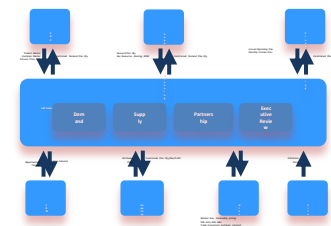
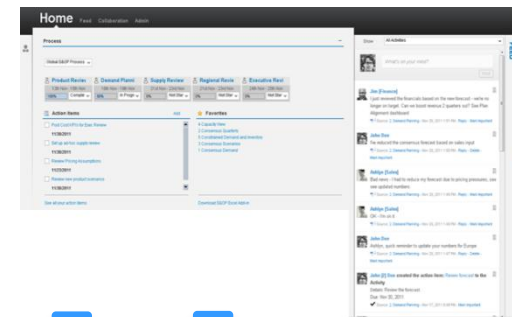
Highly scalable and flexible technology deployment with low-cost, low-risk deployment options

Real-time access to broad categories of highly granular internal and external data for cross-functional analytics, modeling and forecasting

Embedded analytics for real-time process and decision support tightly integrated with corresponding, complementary business processes

Highly connected environment supported by commonly available social collaboration tools available across business stakeholder functions

Totally integrated solution; exchanging and passing details in and out of solutions creating an aligned and transparent organization.



# *Transforming Sales & Operations Planning into a Competitive Advantage*

## Questions

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