

Comparison of Planning Models' Optimality

Planning Model	Financial Planning & Analysis	Sales & Operations Planning	Marketing-Mix Modeling	Optimized Income Statement (OIS)
Solver technique	Scenario analysis (i.e., what will happen if we do X)	Scenario analysis (i.e., what will happen if we do X)	Prescriptive (i.e., What is the best X?)	Prescriptive (i.e., What is the best X?)
Objective function	Profit	Profit	Contribution margin	Profit
Entire income statement modeled	Yes	Yes	No	Yes
Solution operationally feasible	Not necessarily	Yes	Not necessarily	Yes
Solution optimally feasible	No	No	No	Yes
Enterprise forecast optimized	No	No	No	Yes
Enterprise supply chain optimized	No	No	No	Yes
Sales & marketing ROI maximized	No	No	No	Yes
RESULT	Plan necessarily sub-optimal	Plan necessarily sub-optimal	Plan necessarily sub-optimal	Plan optimality assured