

EMP Planning Function Comparison

	Enterprise Master Plan	Financial Planning	Sales and Operations Planning
Definition	<p>1) Optimize the forecast for maximum profit by maximizing ROI of total sales and marketing spend</p> <p>2) Optimize the supply chain to guarantee it can make and fulfill the new forecast</p>	<p>Wikipedia: In business, a financial plan can refer to the three primary financial statements (balance sheet, income statement, and cash flow statement) created within a business plan. Financial forecast or financial plan can also refer to an annual projection of income and expenses</p>	<p>APICS defines S&OP as the "function of setting the overall level of manufacturing output (production plan) and other activities to best satisfy the current planned levels of sales (sales plan and/or forecasts), while meeting general business objectives of profitability, productivity, competitive customer lead times, etc., as expressed in the overall business plan</p>
Applications' unit of measure (lingua franca)	Dollars and Units	Dollars	Units
Model's time horizon	Next Year in months	Next year in days, and months	Next year in days and months
How plans are "optimized"	Prescriptively (i.e., what is best X?)	Descriptively (i.e., what happens if we do X?)	Descriptively (i.e., what happens if we do X?)
Plans are, thus, necessarily suboptimal	No; plan is necessarily optimal	Yes	Yes
Plans, also, further compromised	No; plan is necessarily maximally profitable and optimally operationally feasible	May be operationally unfeasible	Necessarily financially incomplete
Ease of building an optimized planning proof of concept model	Same as S&OP and FP&A	Same as S&OP	Same as FP&A
Number of applications	2; a annual and a strategic plan	About 20 (See Lora Cecere's "Outside the Lines" blog,	About 20 (See Craig Schiff's webinar)