BACKGROUND: As described in the <u>Business Performance Management application</u> <u>discussion</u>, the distinguishing feature of S&OP applications when compared with those of BPM is the language S&OP applications speak; specifically, units (i.e., operations) This contrasts with BPM where the language spoken is dollars (i.e., finance). Thus, they are complimentary; both are essential in support of the enterprise's planning and execution activities.

Lora Cecere has published what, for for this author, is the best, most current S&OP application schema in her article, "<u>Time to Paint Outside the Lines,"</u> published July 7, 2012. In it, she defined the <u>previous S&OP application schema</u> and then proposed a replacement or <u>"new lines S&OP application schema</u>.

The author, then, suggested the following two changes to to make it, in his opinion, <u>even more</u> <u>accurate and relevant to today's S&OP application environment.</u>

1. Move Revenue Management to the left most cell under S&OP and appending it to Pricing to read Revenue Management and Pricing. RM&P has a lot of practitioners in the marketplace today attesting to the relevance of combination of the two..

2. Detail Promotions to include its two elements: sales (viz, sales resource optimization (SRO) and marketing (viz, marketing mix modeling.) This nicely reflects all of the marketing P's save place (with contact management reflecting product). The "new lines" are shown below:

Complimenting this operations-based S&OP application schema is a financialbased <u>application schema for Business Process Management</u> developed by Craig Schiff, President of BPM partners.

These two suites of planning applications, FP&A and S&OP, are shown in the <u>Planning</u> <u>Function Comparison</u>, along with activity-based costing planning. As shown, there are **serious planning functional deficiencies** with all three applications

INTRODUCING EMP: There is a simple solution to these traditional planning deficiencies, however; add an enterprise master plan to the existing suite of of enterprise planning applications. As illustrated in the <u>EMP Planning Function Comparison</u>, an enterprise master plan fixes ALL the serious planning deficiencies for both FP&A And S&OP.

The functional synergy between EMP and other enterprise planning applications including FP&A and S&OP is clear. Further, this synergy, indeed, creates <u>next generation enterprise</u> planning functionality!

In addition to the **Planning Functional Comparison**, there are three additional ways of understanding this next generation planning functionality for both FP&A and S&OP are important to grasp. Specifically,

2) APPLICATION SCHEMA COMPARISON

3) PRACTITIONER APPLICATION SCHEMA

4) DATA FLOWS BETWEEN THE THREE APPLICATIONS.