

FINANCE



PROJECT MANAGEMENT



SALES



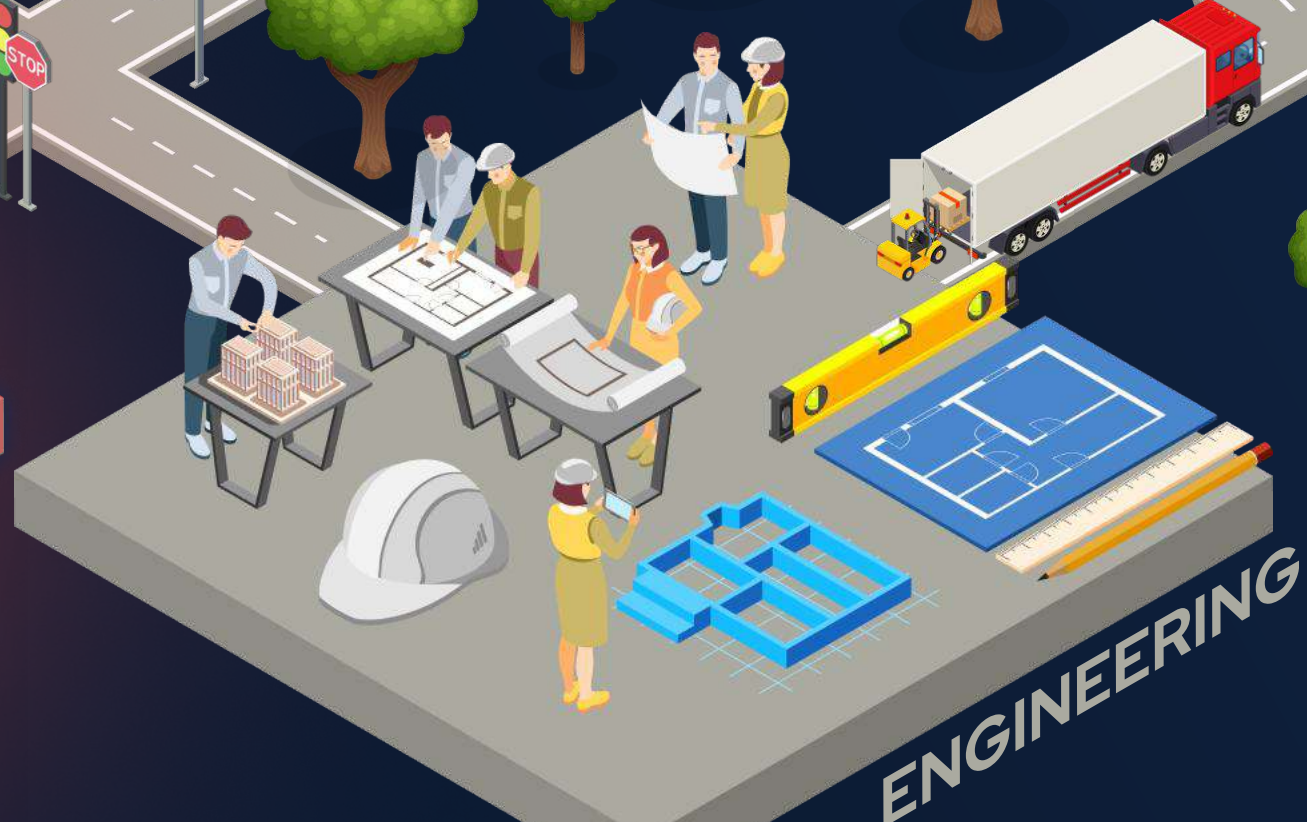
S&OP



WAREHOUSE



ENGINEERING



PRODUCTION



PROCUREMENT



📦 Project delivery

📅 Long Leadtimes

⚡ Capacity constraints

📊 Overstocking

🔄 Cash conversion





# Project Delivery Issue - S&OP



## Challenges

### 👤 People

Focus is on operational horizon instead of tactical; hard to make long term decisions.

### ⚙️ Processes

S&OP board is undermined by agreements outside of the S&OP meeting.

### 📁 Data

Data is harder to trust as workload shifts after each postponement and data entry is under pressure.

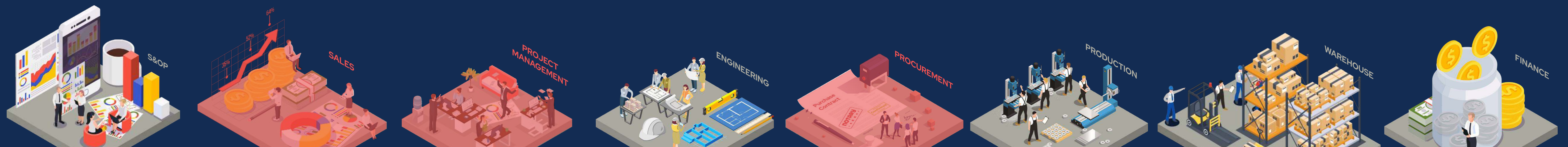
### 🔧 Tools

Need for scenario planning and flexibility is key to handle requests from all stakeholders.

## Next Step

S&OP is not tasked with delivering projects in time, accept the status quo and address it at the start of the meeting.

- Continue the meeting on shared assumptions.
- work out several scenarios to answer stakeholder questions
- Make clear agreements on what can be decided outside of S&OP board





# Project Delivery Issue - Procurement



## Challenges

### People

Procurement can feel left out when asked to deliver within impossible timelines.

### Processes

Procurement is only involved after the project is sold.

### Data

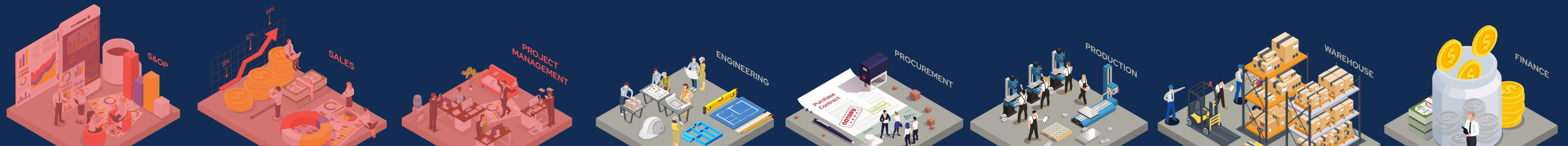
Proper lead times on key components are missing.  
Requirements on key components are only known after engineering is ready.

### Tools

Procurement and S&OP are working in disconnected tools.

## Next Step

Involve procurement in the S&OP process and communicate the expected pipeline. Use machine learning technologies to estimate which key components will likely be required. Making 'soft' commitments to suppliers can significantly reduce lead times and thus avoid delays in delivery.







# Project Delivery Issue - Project Management



## Challenges

### 👤 People

Planners can be optimistic (or influenced) to underestimate the delay.

### ⚙️ Processes

Sometimes communication can get lost when projects are under pressure.

### 📁 Data

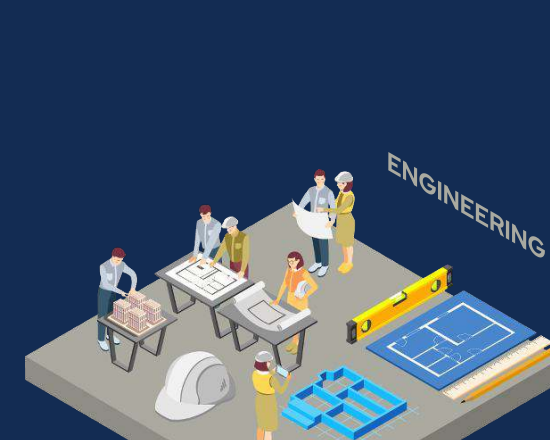
Data entry can be time consuming in a time constraint environment.

### 🔧 Tools

Tools do not give clarity on assumptions behind the values.

## Next Step

Ask only for the essentials from the project planners and let them communicate the assumptions behind those numbers. Start simple and expand slowly, however difficult it might be. Integrating data like milestones and workload directly out of your project planning tool (e.g. primavera) into your S&OP tool is a must have.







# Project Delivery Issue - Sales



## Challenges

### 👤 People

Frustration at sales managers grows as they feel uneasy making new promises.

### ⚙️ Processes

Long term processes lose focus as operational issues take priority.

### 📁 Data

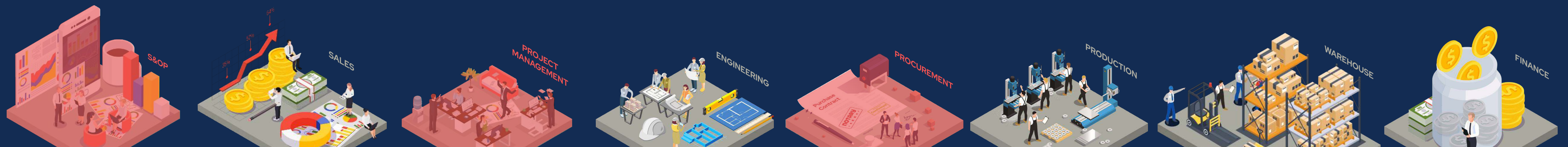
Data is harder to trust as workload shifts after each postponement.

### 🔧 Tools

Tools do not keep up with the latest status.

## Next Step

Consider creating scenarios and aligning on them with the sales director in the S&OP meeting. Committing to a scenario and communicating their assumptions can change the mindset! Reach out to learn more about how EyeOn approaches scenario management.





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WAREHOUSE



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# Long Leadtimes Issue - S&OP



## Challenges

### 👤 People

Without the right lead time calculations, the S&OP team can only say 'not now' to the question 'when can we deliver'.

### ⚙️ Processes

Ad-hoc calculations are done for each capacity question, without considering all constraints.

### 📁 Data

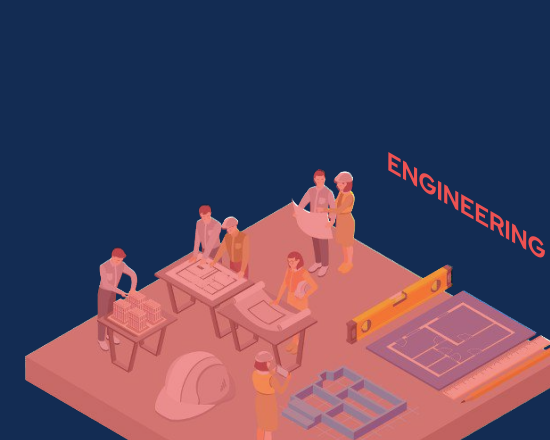
Data can hardly be connected between sources (different project, product and team names).

### 🔧 Tools

Without integration between sales, planning and procurement, the right information cannot be shared.

## Next Step

Create a master data cleanliness sheet to be reported on in S&OP meetings. This can include lead times of items, but also opportunity & project completeness. Set targets to achieve higher levels of data quality.







# Long Leadtimes Issue - Procurement



## Challenges

### People

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### Processes

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### Data

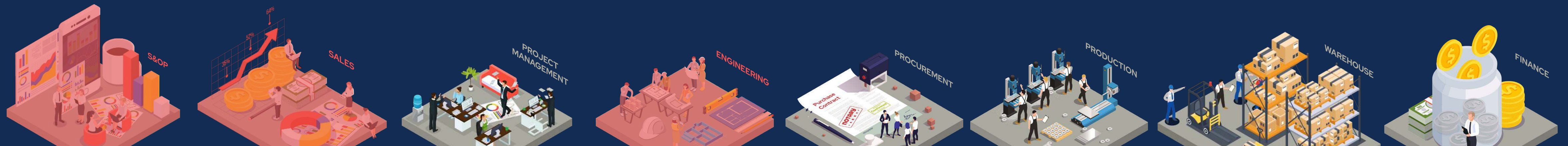
Proper lead times on key components are missing.  
Requirements on key components are only known after engineering is ready.

### Tools

Procurement and S&OP are working in disconnected tools.

## Next Step

Involve procurement in the S&OP process and communicate the expected pipeline. Use machine learning technologies to estimate which key components will likely be required. Making 'soft' commitments to suppliers can significantly reduce lead times.







# Long Leadtimes Issue - Engineering



## Challenges

### 👤 People

Engineers want the best for the product and ignore challenges with new custom builds.

### ⚙️ Processes

Engineering is disconnected from the S&OP process.

### 📁 Data

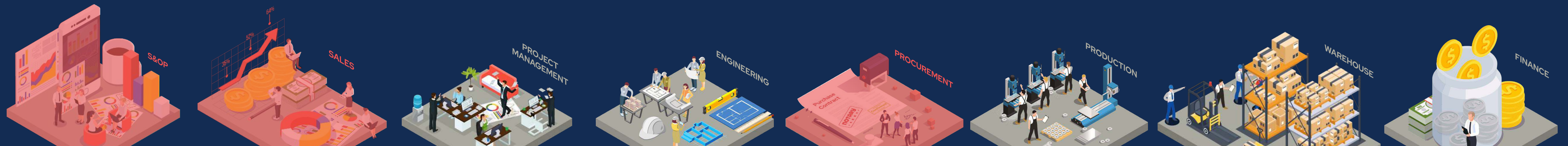
Engineering designs are only released at the very end of the engineering process.

### 🔧 Tools

Engineering tools do not stimulate the engineers to use inventory and product standards.

## Next Step

Let the bid team review a set of long leadtime items and already communicate the most likely items they will need.







# Long Leadtimes Issue - Sales



## Challenges

### 👤 People

Sales can easily overpromise to win customers (and sales targets), because there is no clear available to promise.

### ⚙️ Processes

Sales is leading in the business; supply chain follows to whatever commitment sales makes.

### 📁 Data

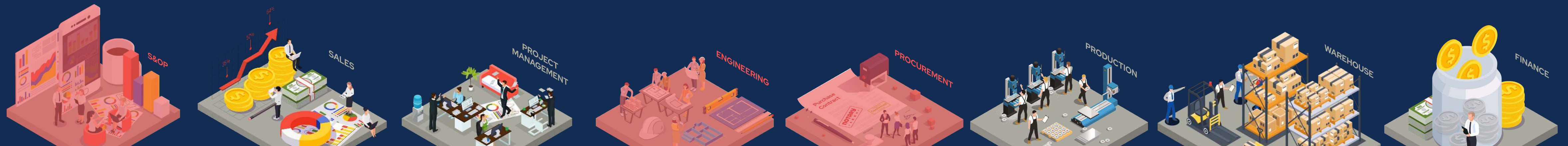
Pipeline data is heavily biased and is lacking completeness.

### 🔧 Tools

Sales tool is disconnected from the S&OP tool.

## Next Step

Consider integrating the sales pipeline into the S&OP tool and use EyeOn's advanced sales funnel forecasting to decide which projects (and when) should be in scope for supply planning to anticipate the right workload.





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# Capacity Constraints Issue - S&OP



## Challenges

### 👤 People

People treat capacity as a given and are only reporting an overrun instead of bringing solutions.

### ⚙️ Processes

The process is not decision driven and is focused on consensus instead of action.

### 📁 Data

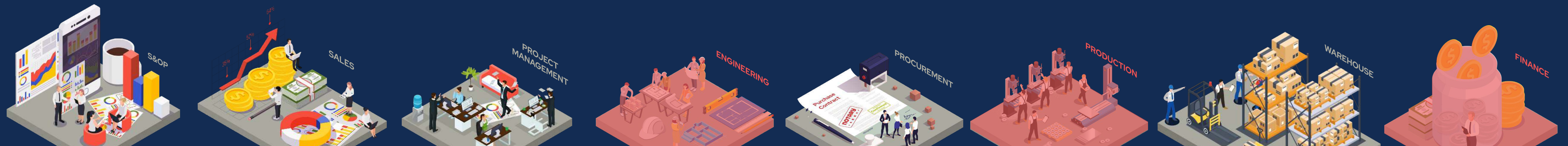
Data is often mistrusted due to incorrect forecasts or unexpected supply chain disruptions.

### 🔧 Tools

The tool is not able to suggest alternatives and/or able to visualize alternatives.

## Next Step

Upgrade your tool to visualize capacity across your supply chain and allow you to simulate different options to deal with the capacity constraints. Financializing your assumptions can go a long way to convince your counterparts to take a different route.







# Capacity Constraints Issue - Production



## Challenges

### 👤 People

Production focuses on whatever project is screaming the loudest, instead of sticking to the S&OP plan.

### ⚙️ Processes

Production is reactive instead of based on a predetermined slot plan.

### 📁 Data

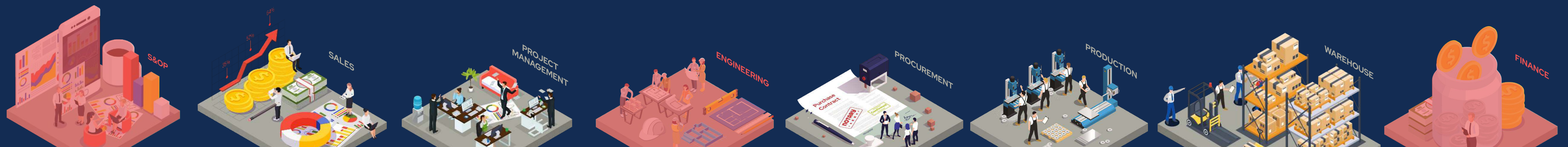
Production effectiveness is hard to measure; hours are poorly maintained and disruptions are not logged.

### 🔧 Tools

Operational production is disconnected from planning making steering the supply chain extremely difficult.

## Next Step

EyeOn has developed slot planning with a reservation system for orders, opportunities and forecast that can link your strategic supply chain targets with the operational planning. It will create the insight needed to push your supply chain!







# Capacity Constraints Issue - Engineering



## Challenges

### 👤 People

Engineers are working on 'small' islands with little awareness of challenges / opportunities in other areas.

### ⚙️ Processes

Engineering is managing their own capacity per project.

### 📁 Data

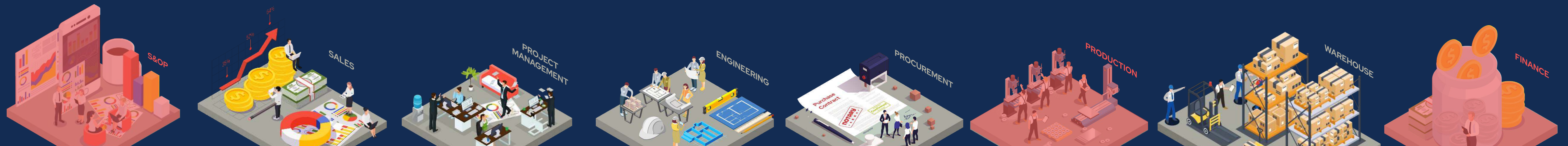
Capabilities of engineers are not logged and in transparent.

### 🔧 Tools

Engineering planning is happening in a isolated environment.

## Next Step

Connecting HR data like trainings and roles of engineers can greatly enhance the S&OP cycle to find solutions to current engineering capacity challenges.







# Capacity Constraints Issue - Finance



## Challenges

### People

Finance is hesitant to make investments decisions based on S&OP decisions.

### Processes

Finance is not connected to the S&OP process; have their own forecasts and assumptions.

### Data

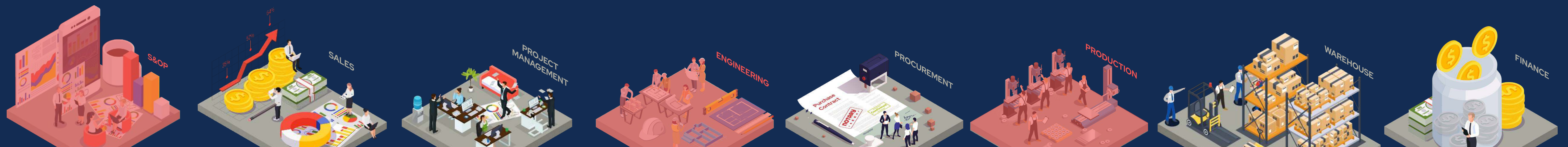
Data is not being shared (e.g. prices).

### Tools

Finance has their own financial forecast tools and is completely disconnected.

## Next Step

Connect finance into your S&OP process by showing their financial forecasts in your S&OP graphs and show discrepancies.





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Long Leadtimes

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# Overstocking Issue - S&OP



## Challenges

### 👤 People

Inventory is often seen project related (or customer related for spareparts).

### ⚙️ Processes

Inventory is not a standard topic on the S&OP board and no KPI's are set / have targets on them.

### 📁 Data

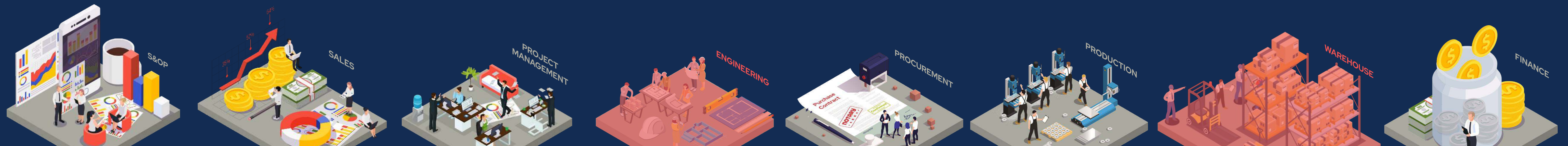
Data on inventory is questionable at best, not knowing which stock is still useable or required on contract.

### 🔧 Tools

Inventory reports are done in excel and disconnected from other tools/processes.

## Next Step

Start with an EyeOn inventory analysis to see what the potential is of better inventory management. The analysis can then be the basis of a standard report in the S&OP board to track progress.







# Overstocking Issue - Warehouse



## Challenges

### People

Warehouse management is only connected to production & procurement and is project/customer driven.

### Processes

Product is only checked when coming in and going out, regular inventory assessments are rarely done.

### Data

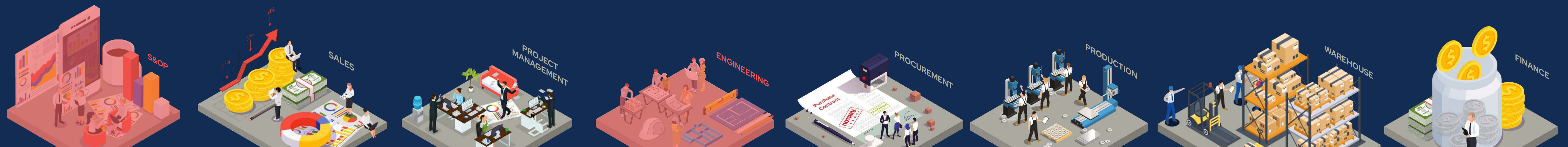
Only visible what is on stock, not why it is there.

### Tools

Tools only provide detailed information, no aggregations or visualizations possible.

## Next Step

Spare part forecasting can show the likelihood of inventory being required in the coming periods. Based on the number of projects with the spare part, the likelihood and the purchasing lead time, one can make a data driven choice on the level of stock required per spare part.







# Overstocking Issue - Engineering



## Challenges

### 👤 People

Engineers want the best for the product and ignore challenges with potential obsolete stock.

### ⚙️ Processes

Engineering is disconnected from the S&OP process.

### 📁 Data

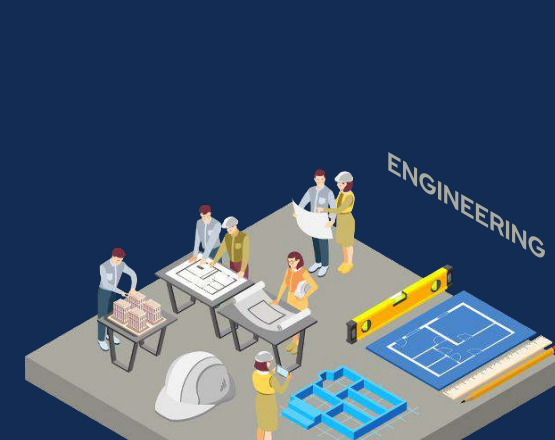
Engineering does not have access to readily available stock.

### 🔧 Tools

Engineering tools do not stimulate the engineers to use inventory and product standards.

## Next Step

Create an inventory value dashboard and stimulate engineering to use the obsolete stock into their designs.





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Long Leadtimes

Capacity constraints

Overstocking

Cash conversion







# Cash Conversion Issue - Finance



## Challenges

### People

Finance is working in a silo to estimate cash income and outflow.

### Processes

Financial results and especially cash flow is not integrated in the S&OP board.

### Data

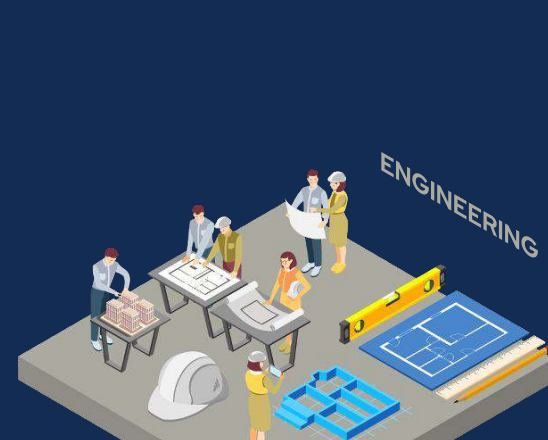
Data on cash inflow and outflow connected to milestones are unavailable.

### Tools

Usually handmade excels are created to estimate cash flows.

## Next Step

Integrate financial cashflows into the S&OP cycle, making sure that milestone changes are also captured in financial outlook.







# Cash Conversion Issue - Project Management



## Challenges

### 👤 People

Project milestones are created for delivery, not finance.

### ⚙️ Processes

Project management is not linked to the finance teams.

### 📁 Data

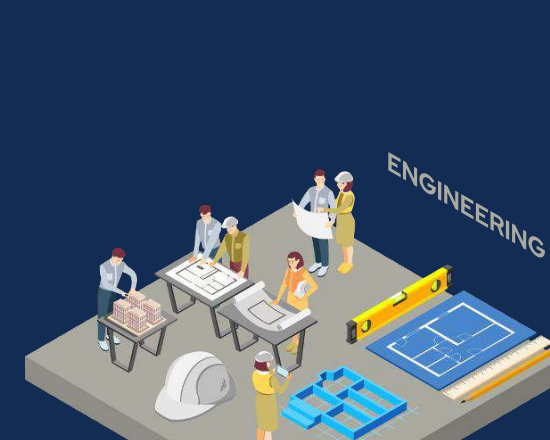
Milestones are not properly updated over time, leading to incorrect cash estimations.

### 🔧 Tools

Tools are not visualizing the impact of shifting deadlines on cash position.

## Next Step

Connect your planning tool (e.g. primavera) to the S&OP environment and visualize the cash inflow based on the set milestones.







# Cash Conversion Issue - Sales



## Challenges

### 👤 People

Sales is not focused on cash, only on revenue.

### ⚙️ Processes

Sales is not involved on whether a project makes a margin [and when].

### 📁 Data

No data showing potential margin on projects and cash positions.

### 🔧 Tools

Tools are incapable of showing margin result in different contract types.

## Next Step

Use EyeOn's Sales Funnel Forecasting to see based on the project pipeline data when cash is likely to come in.

