



How to Implement SAP IBP - Best Practices and Pitfalls

Thomas Brassøe, Partner, Implement Consulting Group

SAPinsider
Las Vegas

2023

SAPinsider



In This Session

I will introduce you our methodology for implementing SAP IBP and getting it fully operational in just 90 days:

- How secure a clear purpose and flow for breaking the scope into manageable parts.
- How to run SAP IBP implementation projects in an agile manner utilizing key design decisions.
- Other best practices and pitfalls when implementing IBP.

What We'll Cover

- How to implement SAP IBP
 - Why, What, How
- Company cases
 - Case 1 - Increasing transparency in the global demand and financial planning process
 - Case 2 - Reducing bias & improving accuracy with SAP IBP
- Wrap-up
- Q/A session

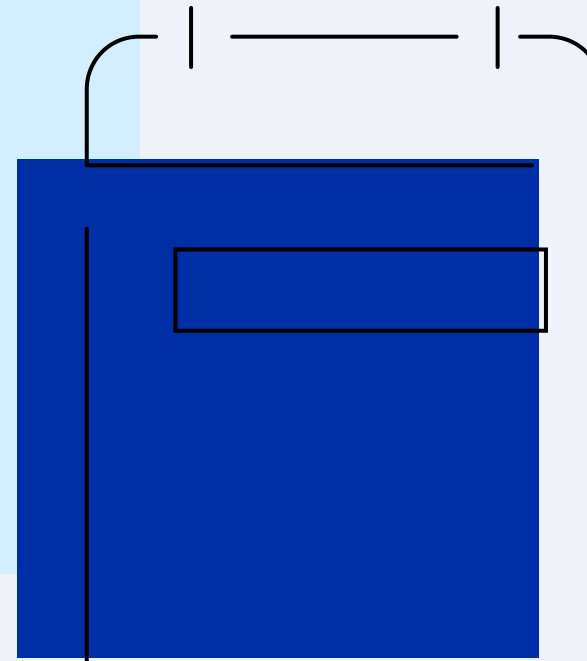


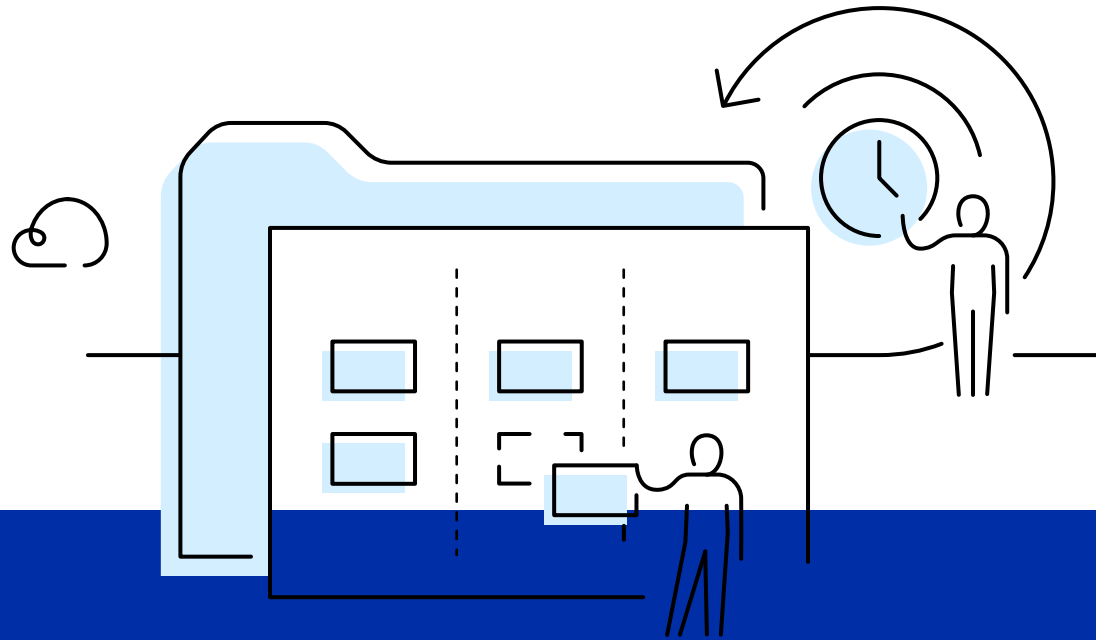
How To Implement IBP

SAP IBP in 90 days

MATCH >
SPRINT>
GO LIVE

Get fully operational on SAP IBP in just
90 days

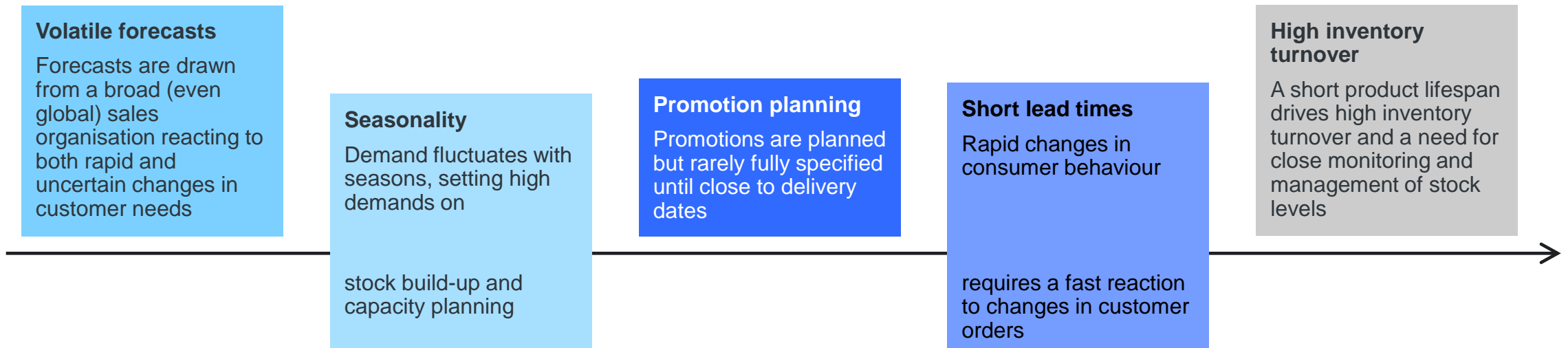




**WHY SHOULD ANYONE SPEND TIME AND
EFFORT ON IMPLEMENTING SAP IBP?**

If the success of your company depends on being responsive to market changes...

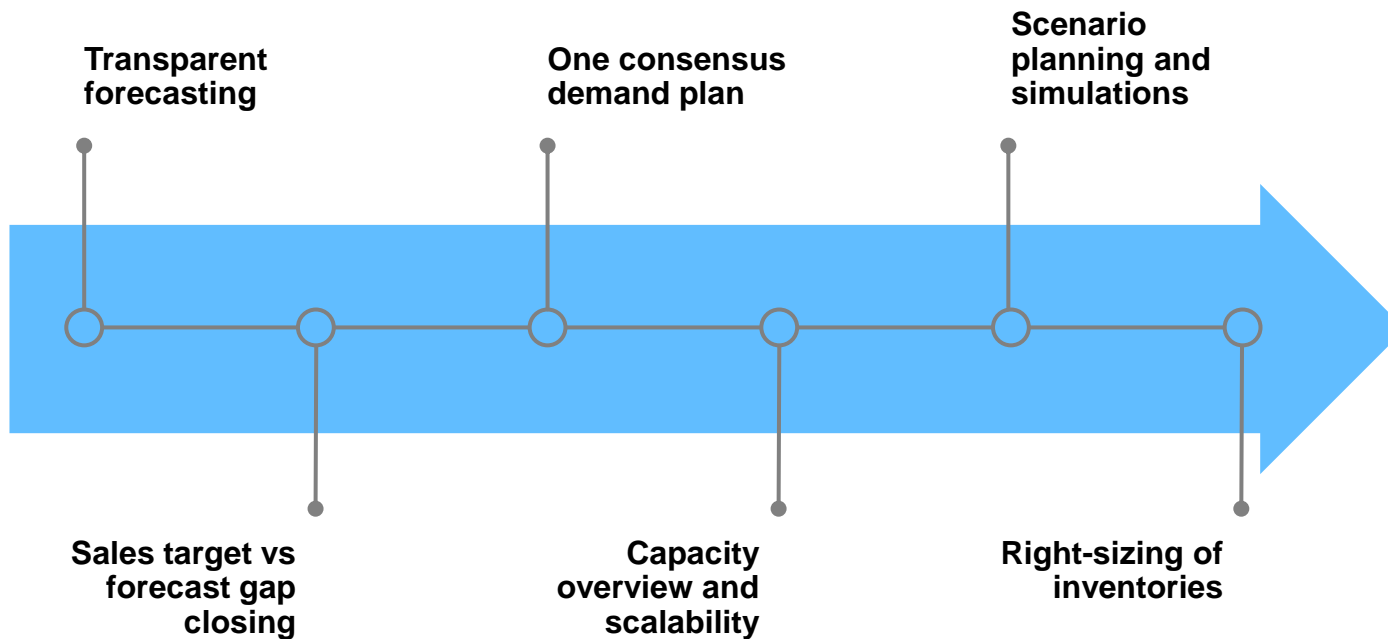
...then there is a good chance that you recognise one or more of these challenges, and the value of a strong **Sales and Operations Planning (S&OP)** process



Make timely cross functional decisions that impact your profitability

By strengthening your S&OP processes and improving your teams' ability to make **timely decisions**, an SAP IBP solution will provide you with:

...which has a strong impact on the **profitability** of your business:



Ability to deliver.

Being able to deliver the right products in the right quantity and quality when and where customers need them.

Balancing capacity.

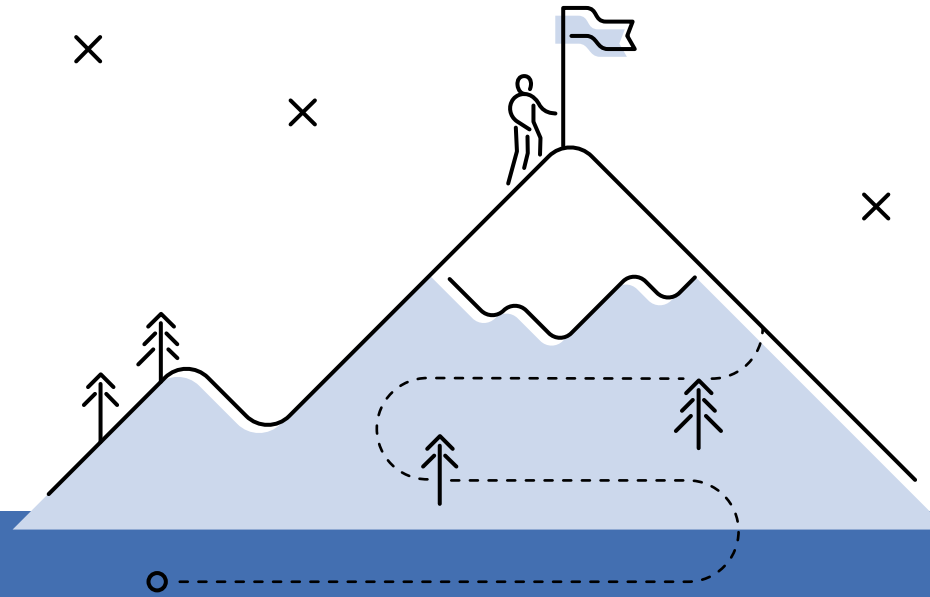
Ability to respond to fluctuations in demand and adjust capacity accordingly.

Working capital.

Making cohesive cross-functional decisions that optimise allocation of working capital.

Risk assessment.

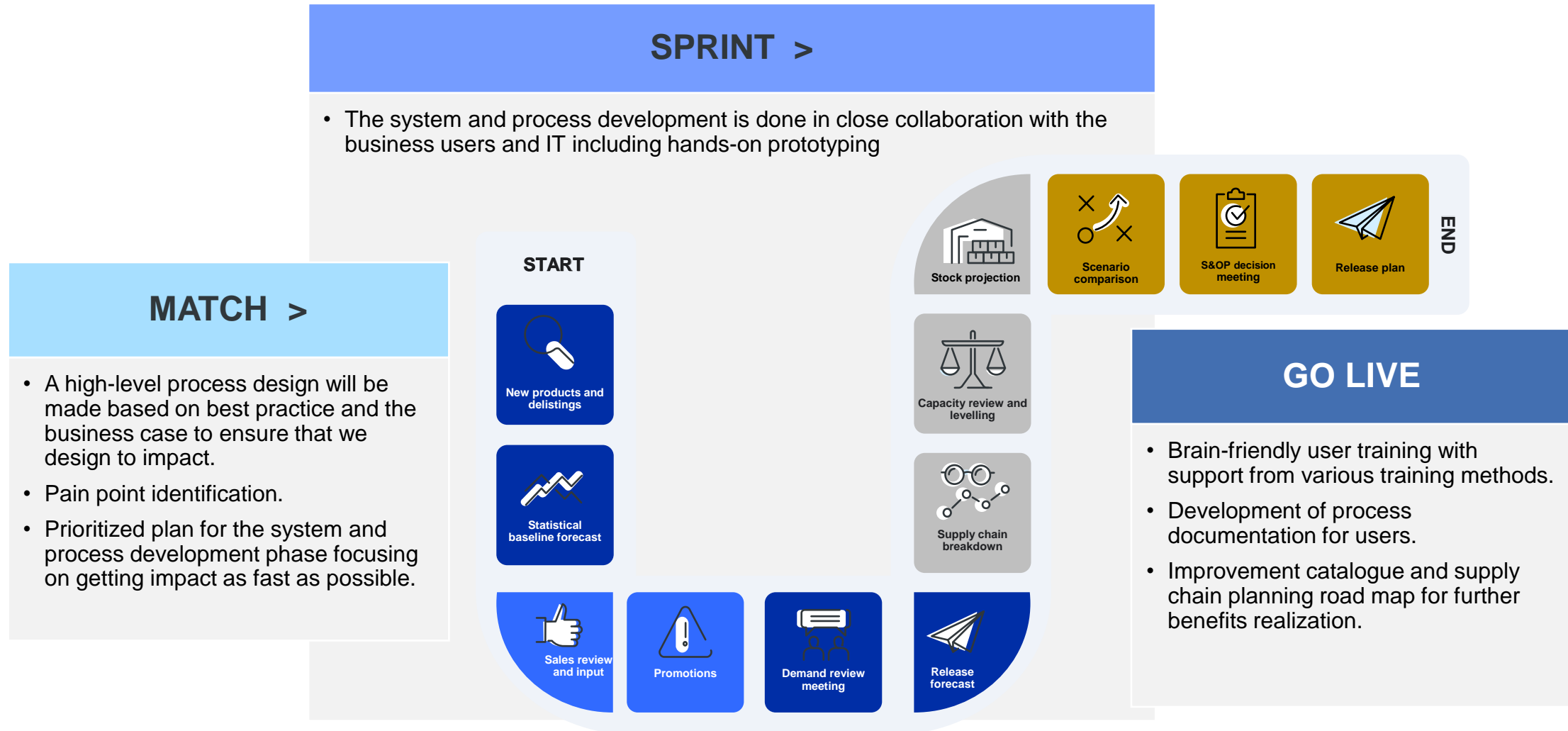
The ability to assess risk and make decisions that allow the company to seize opportunities.



Are you in need of fast-track improvements for your supply chain planning?

**WHAT IF YOU COULD GET UP AND
RUNNING WITH SAP IBP IN JUST 90 DAYS?**

Based on our best practice S&OP approach, we can go-live in 90 days



SAP IBP in 90 days starts from best practice and applies a proven method for tailoring and creating real impact, fast

MATCH >

Start from best practice

Based on many years of experience, we have a library of Key Design Decisions that help identify important decisions and choices to be made and their interdependencies with other functional areas. It is a good starting point for tailoring to your specific needs

KEY DESIGN DECISION LIBRARY (156 Standard KDDs)

Description

Description of the topic and the related business area.

Design decision

Description of the decisions taken in the first phase of the project, setting the overall solution frame.

Project decisions

Description of the more detailed and specific decisions that are to be made during the project

KEY DESIGN DECISIONS

SPRINT >

Get to impact, fast

When we have an overview of your impact and context, we can define the sprints designed for reaching impact fast. This means that after the first sprint, we are live with the first part of the solution

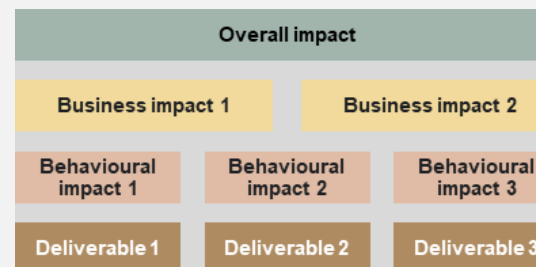
ID#	KDD decision	Sprint 1	Sprint N	Status
1.1	Product definition: Lowest level for data storage and supply calculation	✓		●
1.2	Product: Required attributes, including product hierarchy	✓		●
1.3	Customer definition: Use of e.g. planning customer (lowest level definition)		✓	●
1.4	Customer: Required attributes, including customer hierarchy		✓	●
1.5	Location definition: Lowest level (use of planning locations or not)		✓	●

AGILE DELIVERY

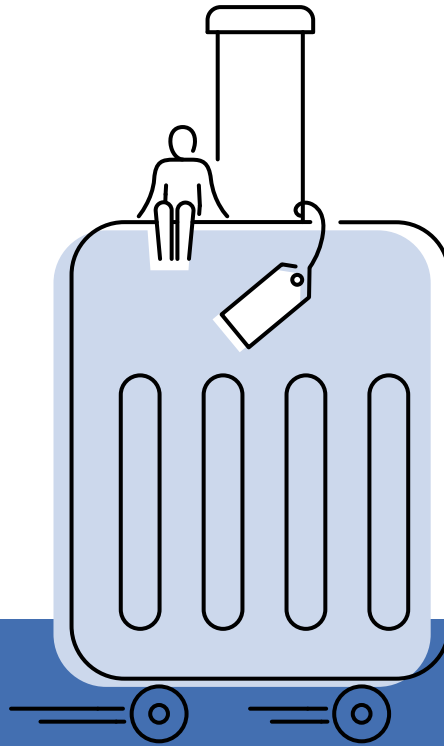
GO LIVE

Everything starts and ends with the impact case

To ensure that we have a common understanding of where we are headed and what success looks like on the other side, we start out by defining the impact case and the related deliverables



IMPACT CASE

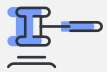


Are you not sure how we can do it together?

**HOW DO WE ENSURE THAT YOU CAN GO LIVE
IN JUST 90 DAYS?**

We use an accelerated project approach to minimize the time to impact by delivering several minimum viable solutions

The recommended project approach:



Define the impact case for the IBP process at the start of the project and define behavioural KPIs.



Use the resulting impact case to plan where to focus the efforts for early impact realisation from IBP.



Build the IBP project plan for deliverables and implementation according to impact prioritisation.



Focus on creating quick learning and scale fast when a working IBP prototype is in place.



*Define key design decisions from the beginning to agree on scope and control potential change requests.



Biweekly on-site workshops to ensure fast progress & adequate time in-between for preparations & reflections

Agile sprint-based project



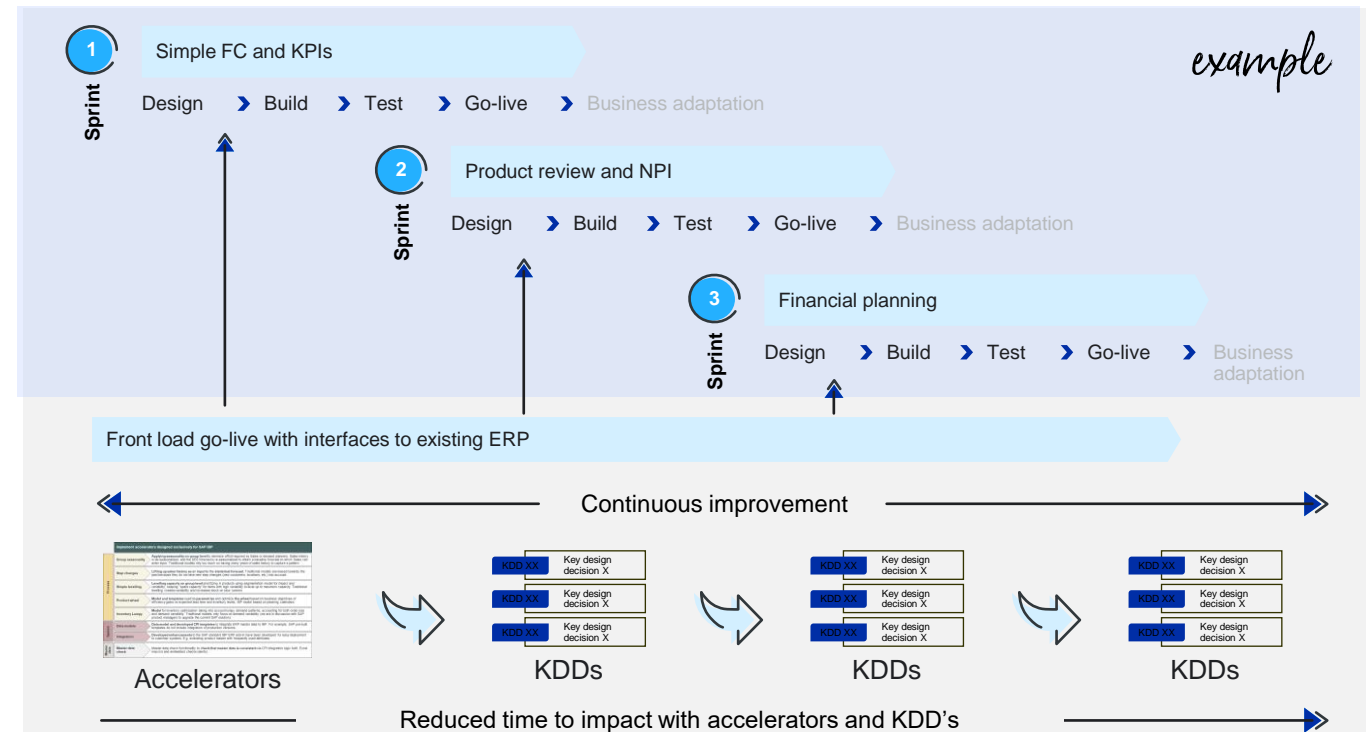
First, build a **minimum viable product**.



Adjusted solution **based on learnings** from MVP.



Final solution meeting **updated requirements**.



SAP IBP in 90 days can be delivered on-site, virtually, or as a combination of the two

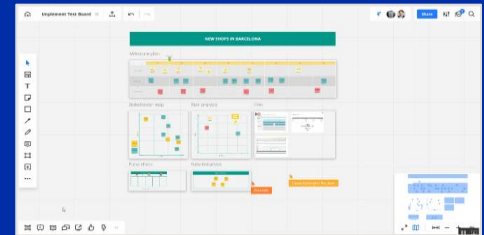


We can be **on site** every week ...

... but we also have great experiences delivering **projects virtually**.

Four key success factors for virtual collaboration

- 01 Keep meetings and workshops shorter and more frequent.
- 02 The purpose and scope of the project must be very clear for all project participants.
- 03 Have daily touchpoints with the project team to ensure that the project is on track.
- 04 Agree and monitor expectations with the participants.



We propose a project rhythm with monthly sprints consisting of both on-site and remote weeks.

SPRINT RHYTHM



Core Team

Week 1

- Sprint planning
 - Weekly project management meeting
 - 2 core team workshops
- Remote or on-site

Week 2

- Working days
 - Daily team status calls
 - Weekly project management meeting
- Remote

Week 3

- 2 core team workshops
 - Weekly project management meeting
- Remote or on-site

Week 4

- Working days
 - Weekly project management meeting
 - Daily team status calls
 - Sprint review
- Remote

Four key success factors for remote weeks



Keep meetings and workshops shorter and more frequent



Have daily touchpoints with project team to ensure project is on track



Purpose and scope of project must be very clear for all project participants



Agree and monitor expectations with the participants



WE BELIEVE...

that almost all forms of meetings and interactions can be proceeded on virtual platforms if trust and good relationships are established.



CASE

Using SAP IBP to increase transparency in the global demand and financial planning process

THE PROJECT

The project was a greenfield implementation of planning processes and system for a leading company in the industry of heavy machinery for construction and road work.

A key challenge in the company's existing processes was misalignment between local sales and central supply planning. This had led to large inventories and inefficient processes.

The ambition was to create one global sales and demand planning process, linked to financial planning and supply planning. This was the first step for a future best practice S&OP process.

A key element of the project was implementation of SAP IBP to support the new processes. Processes and modules in scope was Demand Planning, S&OP, Financial Planning, Supply Planning, SAP JAM.

THE IMPACT

PoC was used to establish the overall solution design in one month.

The Global Go-live was realised just 6 months after the project start with roll-out to the global sales and finance organisation:

- 250+ users
- 50 Sales Organisations
- 40 Countries

The solution resulted in increased transparency by aligning demand input with supply from the 6 manufacturing sites. More efficient planning processes was also achieved.

One set of planning numbers was implemented for sales, finance and supply chain.



CASE

Reducing bias with 50% and improving accuracy with 30% in IBP for FMCG client

THE PROJECT

The organisation had a desire to create an improved foundation for their demand planning process. The goal was to create an optimised and less time-consuming process with improved forecast accuracy. The solution had to handle both baseline and promotion demand as well as statistical forecasting.

The new process was built on simple forecasting concepts. A segmentation model helped define how different products should be forecasted and on which products planners should focus their time. A number of demand planning key figures, both for baseline and promotion demand, were incorporated into the demand planning solution, all of it resulting in a markedly improved consensus forecast.

The number of manually forecasted products was significantly reduced – instead these products were now handled through statistical forecasting.

THE IMPACT

The new process and demand planning solution resulted in:

- Reduction of forecast bias by 50%.
- Reducing the forecast error from with 22%
- Reduction of manually forecasted products from 60% to 25%, leading to less time spent on manual activities.
- Significant reduction in manual data loads and data preparation in Excel, equivalent to 3 workdays per month in the supply chain planning team.
- Improved data and process transparency through one set of numbers: shared data model between sales, demand planning and S&OP.

Where to Find More Information

Links:

https://help.sap.com/viewer/p/SAP_INTEGRATED_BUSINESS_PLANNING

- SAP Integrated Business Planning on the SAP Help Portal
 - Configuration guides and Documentation

<https://implementconsultinggroup.com/article/7-viewpoints-on-sop-implementation/>

- “7 Viewpoints on S&OP Implementation” (Implement Consulting Group).

<https://implementconsultinggroup.com/communities-of-passion/integrated-business-planning/>

- “Our take on Integrated Business Planning” (Implement Consulting Group)

<https://implementconsultinggroup.com/article/align-your-decision-making-with-sap-ibp/>

- “Align your decision making with SAP IBP” (Implement Consulting Group)

<https://implementconsultinggroup.com/article/new-features-of-sap-ibp-2211/>

- “Blog: New features of SAP IBP 2211”

Book:

Sandy Markin and Amit Sinha, SAP Integrated Business Planning, Functionality and Implementation (SAP PRESS, 2017).

Key Points to Take Home

- **Our Match > Sprint > Go Live concept is designed to ensure the entire implementation process can be executed within a fixed timeframe**
- **By strengthening your S&OP processes and improving your teams' ability to make accurate forecasts, plan scenarios and build resilience into your supply chain, an SAP IBP solution will provide your organization with:**
 - Transparent forecasting
 - Sales target vs forecast gap closing
 - One consensus demand plan
 - Capacity overview and scalability
 - Scenario Planning and simulations
 - Right-sizing of inventory
- **SAP IBP in 90 days can be delivered on-site, virtually, or as a combination of the two**
- **We propose a project rhythm with monthly sprints consisting of both on-site and remote weeks**

Thank you! Any Questions?

Thomas Brassøe

thb@implement.dk

www.linkedin.com/in/thomas-brass%C3%B8e-54941a/

<https://twitter.com/implcg>

Please remember to complete
your session evaluation.

SAPinsider



SAPinsider.org

PO Box 982Hampstead, NH 03841
Copyright © 2023 Wellesley Information Services.
All rights reserved.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies. Wellesley Information Services is neither owned nor controlled by SAP SE.

SAPinsider comprises the largest and fastest growing SAP membership group worldwide, with more than 600,000 members across 205 countries.
