

TABLE 17.1: Objectives of Sales and Operations Planning

- Arrive at a consensus for managing the mismatch between supply and demand.
- Establish greater accountability for the individual plans (sales plan, operations plan, financial plan) developed by the various functional groups.
- Determine the total resource capacity needed for the planning time frame (6 weeks to 18 months).
- Develop a minimum cost strategy for effectively meeting demand.
- Establish a company-wide game plan to allocate resources efficiently to meet the aggregate demand for product groups or families over the medium-term time horizon.
- Develop a supply plan that balances the conflicting needs and constraints of the supply chain partners.
- Coordinate supply chain partners.
- Establish communication among various stakeholders, including finance, marketing, production, and suppliers.