Case Notes

# Chapter 17: Sales And Operations Planning

## Coordinating Sales and Operations Planning for the Next Big Thing: The Case of the Sony PS4 Launch

## Case Summary

*This case describes how Sony manages its supply chain for sales and operations planning that includes monitoring and managing customer interaction and online communication.*

Case Analysis *This case illustrates the importance of sales and operations planning to include after-sales monitoring and management of customer reviews via social media. The case relates Sony’s response to negative reviews of disgruntled users of its PlayStation 4 with an effective sales and operations planning process that supports successful launch of its next generation game systems. By carefully monitoring and managing customer reactions to its PlayStation 4, Sony was able to handle the vocal complaints of a minority of users promptly and satisfactorily, thereby increasing customer satisfaction with the new game console.*

## Sample Answers to Case Questions

1. How has social media made the S&OP process more complex?

Customers now use social media to vent their dissatisfaction with a product or service. The resulting negative publicity, if not rectified promptly, will hurt the firm’s revenue, future demand, reputation, and customer satisfaction. This makes the sales and operations planning process more complex as it requires careful monitoring and managing after-sales customer responses to stay ahead of demand expectations.

2. How can e-commerce help and hurt the coordination of sales and operations planning forecasts?

E-commerce can help the coordination of sales and operations planning by sharing sales demand figure with operations to ensure a balance of demand and supply. However, it can also hurt the coordination as online customer reviews generate negative publicity that affects future demand and makes the process of demand and supply planning more challenging.

3. Why is the challenge of managing customer relations a critical issue to integrate into the S&OP process?

Managing customer relations is a critical issue to integrate into the sales and operations planning process because customer dissatisfactions will reduce future demand that causes a mismatch between supply and demand.