When preparing for an S&OP transformation, understanding the current state is a vital first step for supply chain leaders. Supply chain leaders responsible for improving their planning process maturity can use this guide as a starting point for taking Gartner's S&OP maturity assessment.

Key Challenges

- Supply chain leaders and supply chain planning teams don’t often know what functions and roles should be invited to participate in S&OP assessments.
- S&OP assessments that are conducted too hastily, just to get to the maturity score, fail to deliver the benefits of change management and communication tools for the planning transformation.
- The value of understanding the current state of S&OP is often overlooked. Without knowing where the S&OP process currently stands, it is very difficult to build an action plan to address gaps and advance planning capabilities.
- Many supply chain leaders have questions about what happens after the assessment, and how best to use the results.

Recommendations

Supply chain leaders, responsible for sales and operations planning (S&OP), that are preparing to utilize Gartner’s S&OP maturity assessment as part of their journey to advance supply chain planning maturity and capabilities should:
- Develop a plan for the maturity assessment by defining the key stakeholders, appropriate cross-functional participants and timing for the assessment.

- Use the maturity assessment process as a communication and education vehicle, not just a data collection tool. Start the assessment process by conducting a kickoff session to describe the need for S&OP improvement and the vision of the future stage.

- Refine the S&OP vision and strategy by using the assessment results to set the starting point for the journey. Define the S&OP initiative scope, timing and deliverables in a charter document.

- Begin the journey by holding a workshop, or a series of workshops, to communicate the assessment and to capture additional current-state insights from the participants. The assessment results should be used as a guide for the discussion.

Table of Contents

Introduction ............................................................................................................................................ 3
Analysis..................................................................................................................................................4
Develop a Plan for Your Maturity Assessment................................................................................... 4
  Define a Strategy and a Plan for the Overall S&OP Transformation.................................................. 4
  Select the Participants for the Maturity Assessment........................................................................ 5
  Work With Your Gartner Service Delivery Team to Initiate the Assessment Process..................... 6
Take the Online Maturity Assessment............................................................................................... 7
  Maturity Assessment Team Kickoff.............................................................................................. 7
Assessment Results Analysis............................................................................................................ 8
Refine the S&OP Vision and Develop a Roadmap for the Advancement Journey.............................. 9
Begin the Work With a Post-Assessment Workshop.......................................................................10
Gartner Recommended Reading.......................................................................................................... 12

List of Tables

Table 1. Selecting Participants for the S&OP Self-Assessment.............................................................5

List of Figures

Figure 1. S&OP Maturity Assessment Process....................................................................................3
Figure 2. East-West/North-South Participation Selection................................................................... 6
Figure 3. S&OP Maturity Advancement Roadmap............................................................................. 9
Figure 4. Idea Prioritization Matrix................................................................................................... 11
Introduction

The Gartner S&OP maturity model provides a consistent measuring system for the sales and operations planning (S&OP) process across different organizations and industries. The standard is based on interviews and interactions with hundreds of companies. From these engagements, we have identified common characteristics for the S&OP process at different stages and capabilities. The Gartner maturity model covers five stages of maturity. Stage 1 represents the least mature capabilities, and Stage 5 represents the most mature. (See "Introducing the Five-Stage Sales and Operations Planning Maturity Model for Supply Chain Leaders.")

The S&OP maturity assessment is more than merely a survey. (See “Gartner's Supply Chain Maturity Assessment Tool.”) When administered according to the best-practice process, it provides effective means to:

- Gain an understanding of the current state of the S&OP's capabilities across the business.
- Keep the cross-functional stakeholders informed of the S&OP transformation.
- Provide the reasons why the change is necessary.
- Share what the future state of the S&OP looks like.

Using the following five-part approach, this research guides supply chain leaders responsible for advancing the S&OP maturity through the maturity assessment process (see Figure 1):

- Planning
- Assessing
- Analyzing
- Developing — Initial Strategy Roadmap
- Executing the Transformation

Figure 1. S&OP Maturity Assessment Process
The maturity assessment is an important part of a company’s S&OP transformation journey. The assessment helps identify the starting point and set the major milestones along the way. Part of the power of this assessment is in uncovering different viewpoints and expectations among cross-functional participants for S&OP. The outcome from the assessment will lead to identification of the gaps between the current state and the end-state vision, and help form a roadmap to close those gaps. The assessment process has also been shown to reveal gaps in overall levels of understanding of what the S&OP process is. This insight helps supply chain planning teams provide training and education to stakeholders, as needed.

Gartner’s S&OP maturity assessment is conducted online. It is designed to be quick and simple to take, yet powerful enough to provide insights into the current state of your business’s S&OP capabilities. With good upfront planning and preparation, the assessment produces results that are definitely good enough to reveal the “You Are Here” point on the roadmap of improving S&OP maturity.

Analysis

Develop a Plan for Your Maturity Assessment

The S&OP maturity assessment process is designed to be more than just a survey. It guides in developing a vision and strategy for the S&OP transformation, provides a forum to communicate the case for change and offers the opportunity to include key stakeholders in the organization on the journey.

Define a Strategy and a Plan for the Overall S&OP Transformation

Successful establishment of an S&OP process, or advancement of existing capabilities is done by following the best practices in supply chain transformation (see “Supply Chain Transformation Guide”). For the organization to fully adopt an initiative, executive-level sponsor is a must-have for that initiative, and there has to be a reason for the change. As the planning begins for the S&OP journey, think of a trigger or catalyst that explains why the status quo must be challenged. The S&OP future-state vision should be firmly grounded in a viable, well-known business reason for overall transformation. This will help participants and stakeholders understand that the assessment is part of something bigger than just addressing issue "X" or fixing issue "Y."

In preparing for the S&OP maturity assessment, work with supply chain and planning leaders and key stakeholders to develop a high-level, future-state vision for the S&OP process. Gartner’s research on the S&OP maturity model can offer advice on the initial drafts of the future state.

Planning and business leaders will have to develop a communications plan (see "Effective Communications for Supply Chain Leaders: How to Develop a Communications Plan"). This plan will help the rest of the organization align the benefits of improved S&OP maturity to the stated business objectives.
Select the Participants for the Maturity Assessment

The selection of participants for the assessment depends on the initial scope chosen for the S&OP implementation. The scope varies from company to company depending on the size, complexity and the bandwidth of the supply chain, and other functions involved in the initiative. Two common approaches are:

- **Corporatewide**: Companies that assess the entire corporation at once are usually aiming to find pockets of best practices, and identifying the business units or product lines that should get the first attention. This can be done by including many individual contributors within a single assessment or by conducting multiple assessments simultaneously (e.g., by region and business unit) and comparing the results.

- **Phased**: Companies that plan a phased approach for the assessment and transformation are usually mindful of the risks that come with the scale of taking on the entire company all at once. The phased approach involves conducting the assessments in sequence of implementation (e.g., by region or business unit) as the starting point of each phase.

Table 1 shows pros and cons for corporatewide and phased approaches.

**Table 1. Selecting Participants for the S&OP Self-Assessment**

<table>
<thead>
<tr>
<th>Approach</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporatewide</td>
<td>The assessment will reveal where current internal best practices can be found.</td>
<td>Administration of the assessment is more complicated.</td>
</tr>
<tr>
<td></td>
<td>The assessment will reveal the parts of the business that are less and more mature.</td>
<td>A risk that some valuable insights may end up getting deprioritized or overlooked.</td>
</tr>
<tr>
<td></td>
<td>The results provide a good overall baseline for the S&amp;OP maturity journey for the company.</td>
<td>The S&amp;OP initiative will immediately have high visibility everywhere. The overall initiative may lose steam if some parts of the business have to wait to get moving on the journey.</td>
</tr>
<tr>
<td>Phased</td>
<td>The S&amp;OP coordinator can give the chosen part of the business a lot of attention and gain deeper insights about the current-state capabilities.</td>
<td>A chance exists that internal best practices may be missed in the initial stages of the S&amp;OP transformation.</td>
</tr>
<tr>
<td></td>
<td>Typically focused on a business unit or product line that is a willing participant to the process. This reduces the change management work the coordinator will have to deal with.</td>
<td>The phased approach usually takes longer than the companywide approach.</td>
</tr>
<tr>
<td></td>
<td>Builds experience and capabilities that can be transferred to the next assessment. With each phase, the process becomes better as the “kinks” are worked out.</td>
<td>Selecting the initial pilot business unit, product line, etc. may be difficult. There must be clearly defined criteria for the basis of selecting the implementation order.</td>
</tr>
</tbody>
</table>

Source: Gartner (January 2018)
When selecting participants for the assessment, think about the phrase "East-West/North-South" (see Figure 2).

**Figure 2. East-West/North-South Participation Selection**

S&OP is designed to be a cross-functional, business decision-making process that covers the end-to-end supply chain. Therefore, it is important to invite participants from all parts of the business. Typically, in the North-South direction, companies invite participants from the planning staff and line management level and up. Having C-level participation is not common. Scheduling their time is usually very difficult. Regardless, their lack of time to participate should not hold back the process. In the East-West direction, include the plan, source, make and deliver functions, along with business and support stakeholders.

**Work With Your Gartner Service Delivery Team to Initiate the Assessment Process**

Your Gartner service delivery partner has to be involved because they are the only ones that have access to the assessment setup functionality. Before the assessment itself takes place, the client partner helps you identify a lead for the assessment. A preassessment inquiry is strongly recommended with the assessment lead and a Gartner research analyst. The service delivery partner will help get the inquiry set up.
After the preassessment session, the assessment lead sends the Gartner partner the names and email addresses of the chosen assessment participants. The Gartner partner will set them up in the online assessment tool, triggering email invitations to your team.

Take the Online Maturity Assessment

**Maturity Assessment Team Kickoff**

The maturity assessment process is usually started with a kickoff session for the team participating in the assessment. The kickoff session serves these two main purposes:

- To explain the purpose of the self-assessment
- To explain how to navigate through the assessment

The assessment lead schedules the kickoff session and the S&OP initiative sponsor explains the objective of the assessment. It should be mentioned that it is the business senior leadership that is supporting the overall improvement initiative. Ideally the sponsor delivers the high-level vision for the company’s future planning process, and the reasons why the transformation is required.

The S&OP assessment lead provides an overview of Gartner’s Five-Stage S&OP maturity model, giving the team a point of reference of what’s to come. This team kickoff session can be supported by a Gartner analyst if so desired.

Two important points to note about the assessment are:

- The response options within the assessment tool are displayed in a random order. "A" is not necessarily Stage 1 and "B" Stage 2 and so forth.
- The Gartner S&OP maturity model is structured around six dimensions that are not the same as the monthly S&OP process cycle steps. These six dimensions are: Outcome, Process Focus, Organization, Metrics, Time Horizon and Technology.

The maturity assessment sheds light on the foundational capabilities and characteristics of the S&OP process. The six dimensions are the building blocks of the company's ability to effectively drive value from the specific steps required in a monthly S&OP cycle.

The online assessment is accessed from the invitation email that each of the participants receive. Before getting to the assessment questions, each of the participants are asked to provide some information that will be used later in the results analysis. The initial pages in the assessment collects the following demographics:

- Participant’s industry subsegment (fixed, pull-down list)
- Title (fixed, pull-down list)
- Function (fixed, pull-down list)
Name of the participant’s business unit (free form, text entry field). To help the analysis later, it would be helpful to define and agree on a common naming convention for the business units, and communicate them to the assessment participants.

Business unit size in terms of number of employees (fixed, pull-down list)

Business unit location (free form, text entry field)

The assessment questions follow the participant information pages. There is a question page for each of the six dimensions of the S&OP process. The questions are presented in a form of five descriptions of current-state capabilities. The participant selects one that they think is the best description of their view of the current process. Each of the question pages is followed by a comments page. The participants should be encouraged to provide commentary, describing their reasoning for their selection. If the person taking the assessment finds two or more options having applicable parts to them, they should pick the closest one. In the comments section, they should describe which ones were the suitable options and why they ended up choosing the one that they did.

Assessment Results Analysis

Once the individual assessments have been submitted, the assessment participant can download a report that is built from their entries. The report shows the maturity scores for each selection in the six questions. The report provides common characteristics of the S&OP processes, at the assessed level of maturity.

The Gartner service delivery partner makes the detailed assessment data available to a research analyst. The analyst will then provide additional analysis on the scores as well as the participants’ comments.

The analyst reviews the responses by the different demographic groupings drawing insights from participants’ assessment selections by business unit, function and even titles. The segmented results provide valuable information on current state of the process. For example, there have been cases where senior leaders rate the process significantly lower than their teams do. This indicates that the process is providing value to the operational aspects of supply chain planning, but it has not yet matured to a level where it is effectively being used for business decision making. If there were no visibility into the organization and functional details, this insight could easily be lost.

When results are being analyzed, the analyst looks for the dimensions with lowest average scores as areas of priority for improvement actions. The range analysis for each dimension is a specific area of interest. A wide range can indicate that cross-functional participants are experiencing the process very differently or that pockets of internal good practices already exist even on low-average dimensions. The participant comments are very helpful in providing additional insight to the assessment scores. The team results are compiled into a report. The Gartner service delivery partner schedules an assessment results readout session with the Gartner analyst. In the readout session, the analyst reviews the findings and follows up with a discussion and recommendations for next steps.
Refine the S&OP Vision and Develop a Roadmap for the Advancement Journey

The results of the assessment set the current-state level for the S&OP maturity. Supply chain leaders can take this starting point and refine the vision for the future state and how to get there (see Figure 3).

Figure 3. S&OP Maturity Advancement Roadmap

The initial, high-level S&OP vision that was developed earlier in the process can now be developed into a short-term strategy and longer-term vision for supply chain planning. The Gartner S&OP maturity model describes the type of planning capabilities the company is yet to acquire, and lists gap-closing actions in the roadmap. (See "2018 Strategic Roadmap for Sales and Operations Planning Maturity Advancement From Stage 1 to Stage 2" and "2018 Strategic Roadmap for Sales and Operations Planning Maturity Advancement From Stage 2 to Stage 3.")
Begin the Work With a Post-Assessment Workshop

The work toward higher S&OP maturity begins with a post-assessment workshop with all, or as many as possible, assessment participants in attendance. Depending on the size of the participant group, and their locations, a series of workshops may be required. These will be sessions where the leadership sponsors for the S&OP process and the assessment lead shares the results and initial findings with the stakeholders. The initial findings will be evaluated, discussed and finalized during these sessions.

Although the assessment results will certainly be of interest to the participants, the biggest value from these sessions will come from candid conversations about the current process versus the short-term strategy and long-term vision. These will reveal:

- What the participants think is working well
- What is not working
- Where gaps exist between current and future states

This is a great opportunity for the cross-functional team to come together and share their firsthand experiences of where they see improvement opportunities. Participants who may have already resolved some issues in their functions, regions or business units can offer their solutions as options for action items on the roadmap. If no one has a solution to a problem, then an action item for the roadmap will be to investigate and develop a solution. With candor and firsthand experiences, these sessions have been extremely valuable for many companies in getting started with their transformation.

One potential problem, in such sessions, is that discussion of the maturity assessment results may lead to a lengthy list of improvement ideas spanning all six dimensions of the assessment. While this is a good problem to have, it is still a problem that needs to be resolved in order to develop an efficient plan. A useful technique is to organize the ideas using the following two criteria:

- **Criticality:** How critical is the proposed action to the business?
- **Effort:** How much effort is required to take the action?

Facilitate this discussion by drawing a matrix on a whiteboard or large piece of paper. Post each idea as the discussions occur and consensus is reached. Use colors or symbols to further distinguish actions as desired (e.g., by assessment dimension, function or business unit). Encourage participants to state opinions, ask questions and move ideas around, as new ones are added and so forth. This will generate an output like the one shown in Figure 4.
Once the group is comfortable with the matrix, the S&OP initiative leader can use it to formulate an action plan. The first actions taken should be highly critical and require little effort. Actions that are critical, but require a lot of effort, may need dedicated subteams. Ideas that are not critical and require a lot of effort should be further examined to decide whether they are worth implementing at all. In this way, the participants all have a voice and can provide input into the action plan. The S&OP process owner can then proceed with the initiative with stakeholder support.

Initiatives will need a team for the work effort. It will be up to the supply chain leaders to build that team. Use stakeholders in the post-assessment workshop as a pool of potential implementation team members. Consider team members who have already created and implemented best practices, and also those who show a great deal of enthusiasm.

Once the team has been formed and work begins, it is important to build a formal accountability system for the team. A monthly or quarterly, executive-level steering team update on the progress
will help keep the momentum going. It will also provide the opportunity for the team to showcase its accomplishments.

Gartner Recommended Reading

_Some documents may not be available as part of your current Gartner subscription._

"Supply Chain Transformation Guide"

"Introducing the Five-Stage Sales and Operations Planning Maturity Model for Supply Chain Leaders"

"Implementing S&OP Basics: Building the Right Foundation"

"Communicate the Why, What and How of Supply Chain Change With an Explainer Document"

"Effective Communications for Supply Chain Leaders: How to Develop a Communications Plan"

"Effective Communications for Supply Chain Leaders: Use a Stakeholder Analysis to Improve Message Delivery"

"2018 Strategic Roadmap for Sales and Operations Planning Maturity Advancement From Stage 1 to Stage 2"

"2018 Strategic Roadmap for Sales and Operations Planning Maturity Advancement From Stage 2 to Stage 3"

Evidence

This planning guide has been developed on the foundation laid out by Gartner research on supply chain transformation (see "Supply Chain Transformation Guide"). The process outlined in this document has been further developed with insights that have been captured from client inquiries conducted during 2014 through 2017 related to preparing for an effective S&OP maturity assessment.

More on This Topic

This is part of an in-depth collection of research. See the collection:

GARTNER HEADQUARTERS

Corporate Headquarters
56 Top Gallant Road
Stamford, CT 06902-7700
USA
+1 203 964 0096

Regional Headquarters
AUSTRALIA
BRAZIL
JAPAN
UNITED KINGDOM

For a complete list of worldwide locations,
visit http://www.gartner.com/technology/about.jsp