

THE IBP MATURITY ASSESSMENT 2020



February 2020

This report outlines the IBP maturity of a selection of organisations as a result of an online assessment taken in December 2019. The assessment is based on 20 questions aimed at describing the IBP process maturity in five different areas.

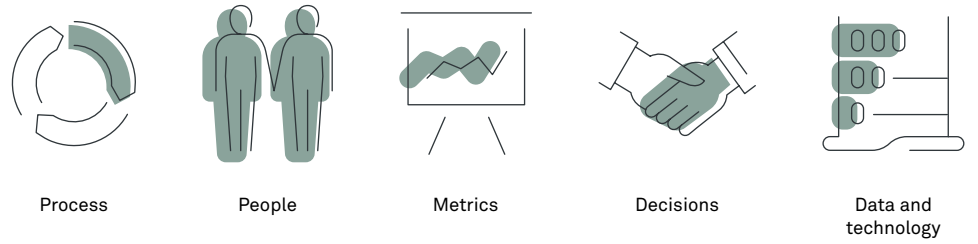
“FOR THOSE THAT HAVE NOT YET PROGRESSED TO HIGH MATURITY, THERE IS NO TIME LIKE THE PRESENT TO WORK ON GETTING THERE.

Bob Stahl, co-author of multiple books on S&OP together with Tom Wallace



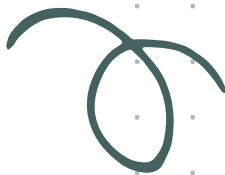
About the IBP Maturity Assessment

The assessment consisted of 20 questions aimed at determining the maturity for any Integrated Business Planning (IBP) process. The maturity is evaluated on five key dimensions:



The purpose of the assessment is to help focus efforts towards identifying and solving real problems in working with IBP (or Sales & Operations Planning). It also helps to identify barriers for increasing the maturity, regardless of the starting point of your maturity level.

With this report in your hands, we hope that you can translate knowledge into actions for proceeding with your journey towards IBP.



The distribution of respondents across industries and cost and strategic drivers

Number of respondents across **cost and strategic drivers ...**

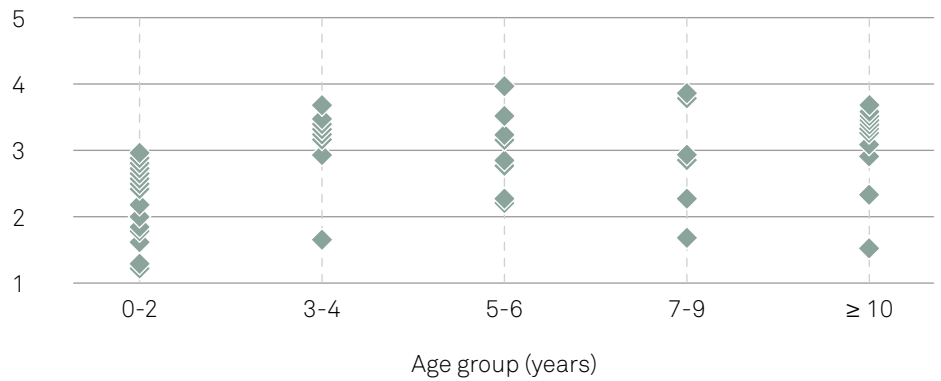
		Primary strategic driver		
		Customer-focused	Operations-focused	Total
Primary cost driver	CAPEX	6	1	7
	OPEX	17	9	26
	Both/Don't know	13	4	17
	Total	36	14	50

... and **industries**

Manufacturing (incl. heavy industry)	14
Fast Moving Consumer Goods (FMCG)	10
Building and construction	5
Energy (oil, gas renewables, utilities etc.)	4
Healthcare (medical devices, services etc.)	4
Retail	3
Pharmaceuticals	3
Life science (biotech, enzymes, ingredients etc.)	2
Automotive	2
Entertainment and leisure (gambling/betting, museums, sports etc.)	1
Telecom	1

General findings

Q: Is there a relation between process age and process maturity?



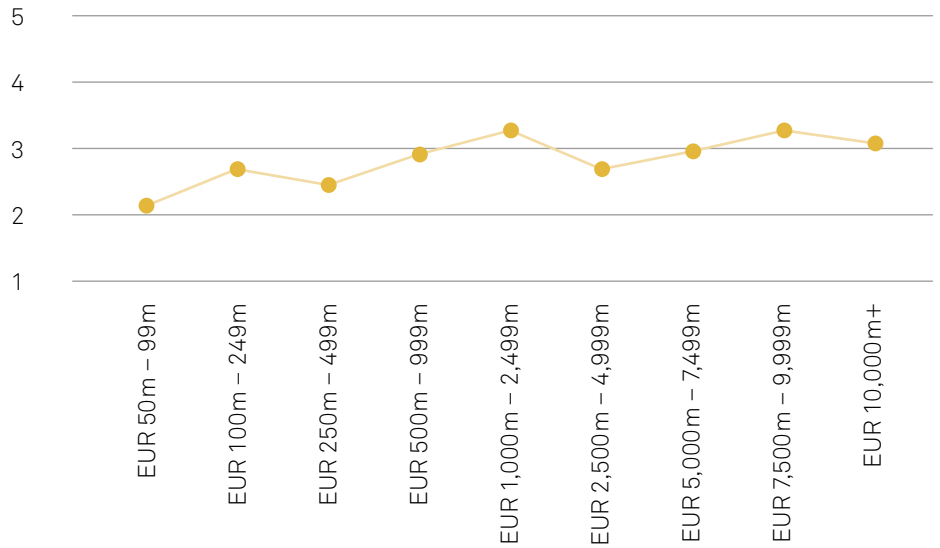
Early adoptions of S&OP/IBP struggle to reach more than 3 on the maturity scale. However, most reach a strong maturity (between 3-4) already in the third or fourth year of the process life.

It's noticeable that no respondents with a relatively old process (10 years or more) have been able to increase their maturity more than companies working with the process for 3-4 years.

Does the process exit project mode and lose attention?

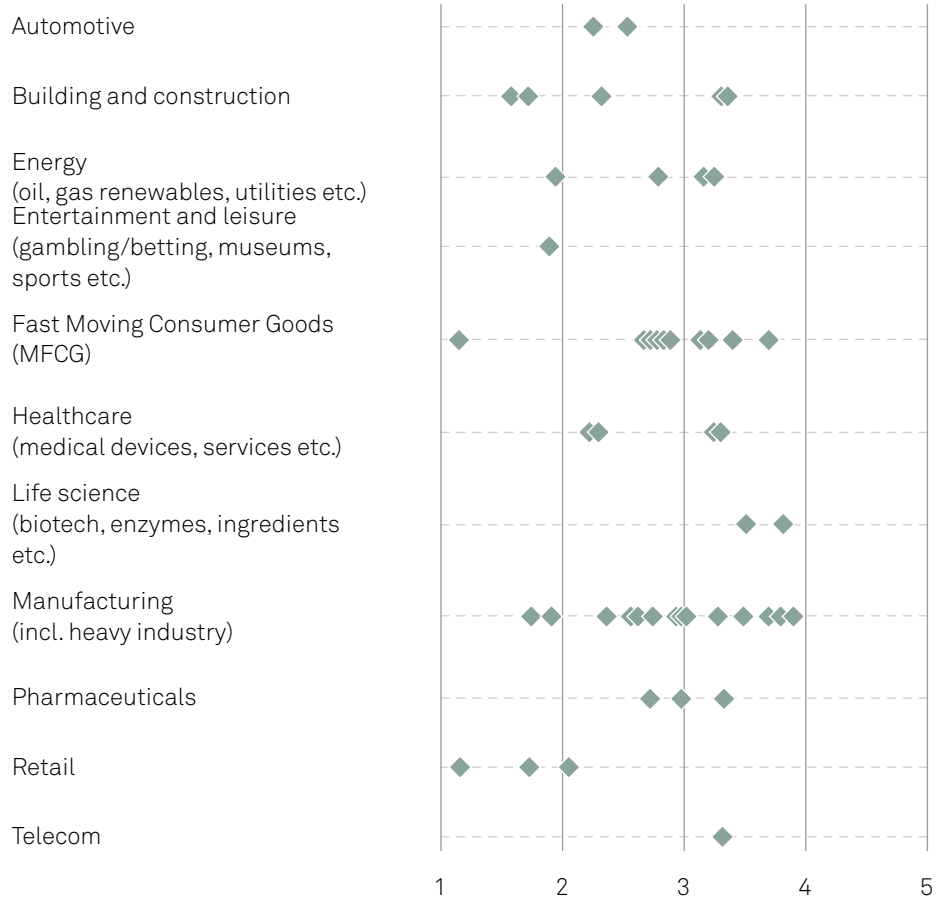


Q: Are bigger companies (on revenue) generally more mature than smaller companies?



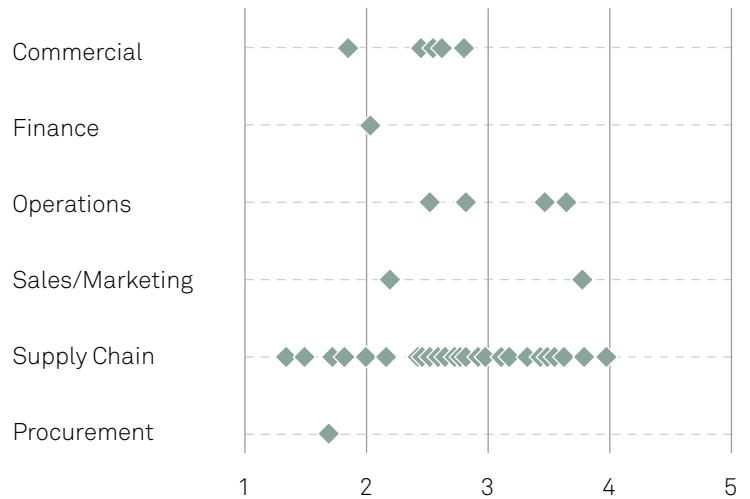
In this study, there is a small trend between company size (measured in revenue) and the process maturity. Larger companies seem to be slightly more mature in relation to S&OP/IBP than smaller companies.

Q: Are some industries generally more mature than others?



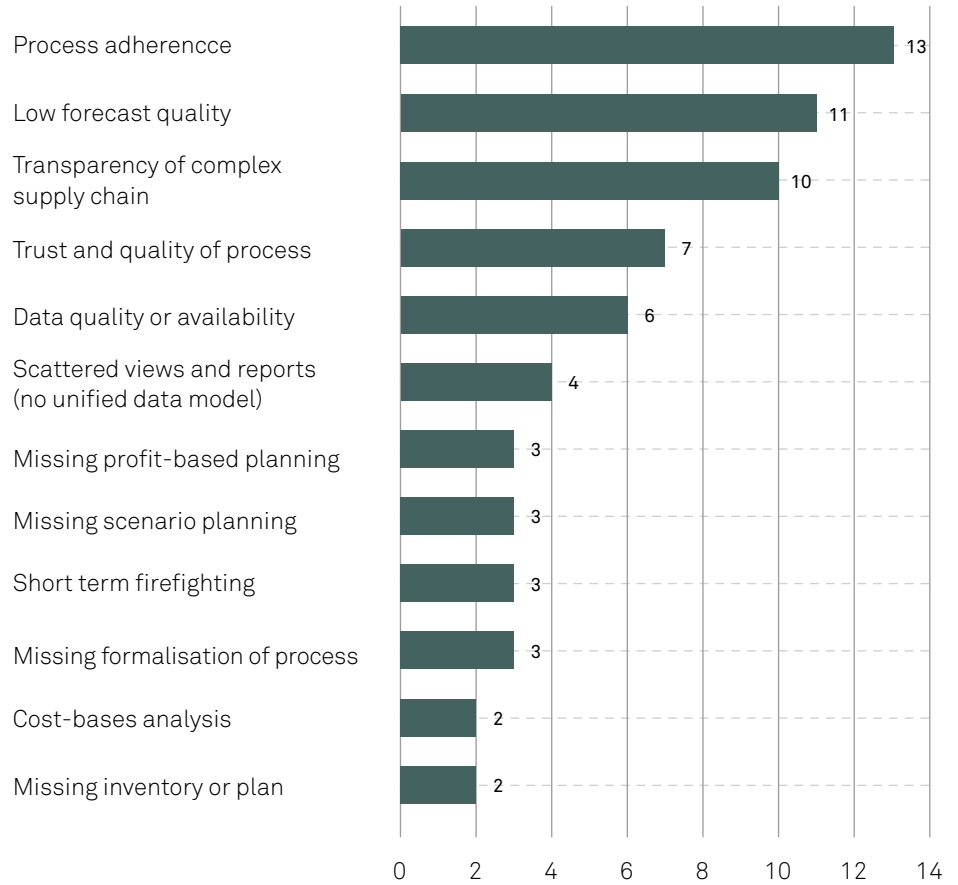
It's difficult to say with any certainty as our sample is 50 companies, but there tends to be a higher maturity score weight for some industries over others. Retail for instance is centred lower on all observations compared to FMCG and manufacturing, which we would also expect as S&OP was originally designed towards these industries and needs some interpretation to fit retail.

Q: Is maturity dependent on where the process is anchored?



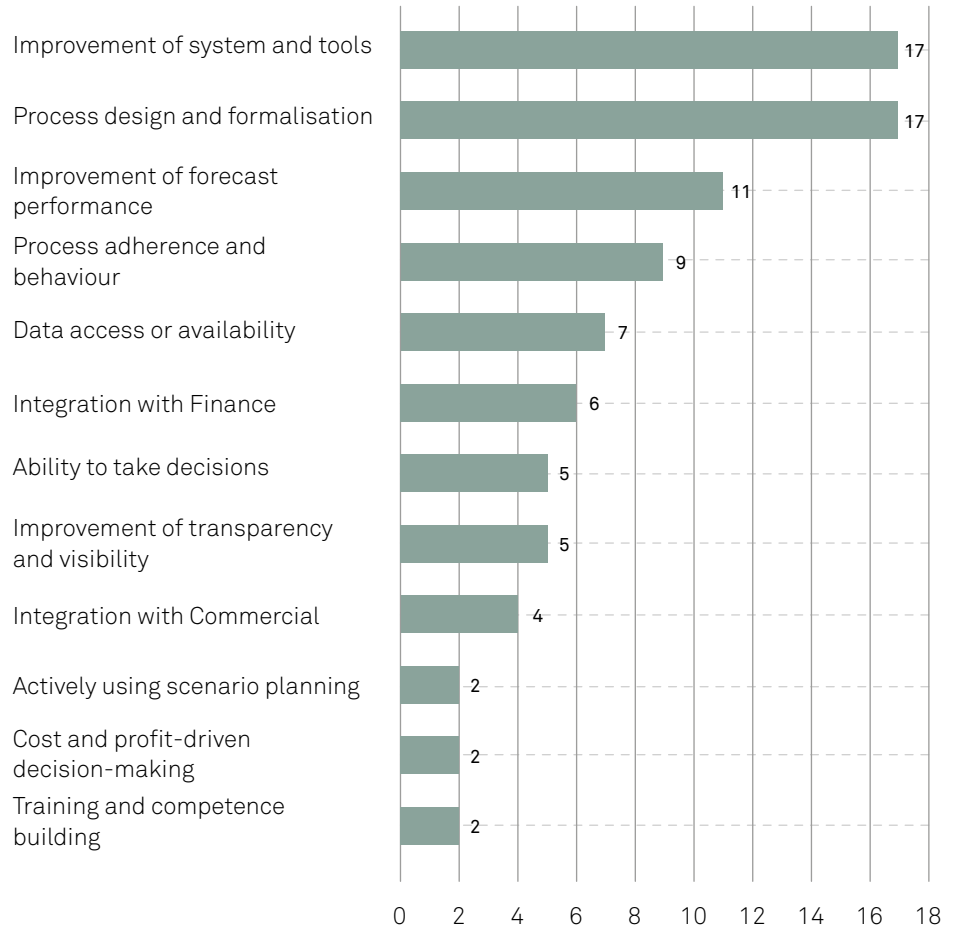
There seems to be no significant difference in maturity between the different business areas where the process is anchored. Most companies (70%) have the process anchored in Supply Chain, which could indicate a preference for keeping the process close to the people that are actively driving the process (often this is planners, analysts or sometimes managers).

Typical pains in the process (grouped)



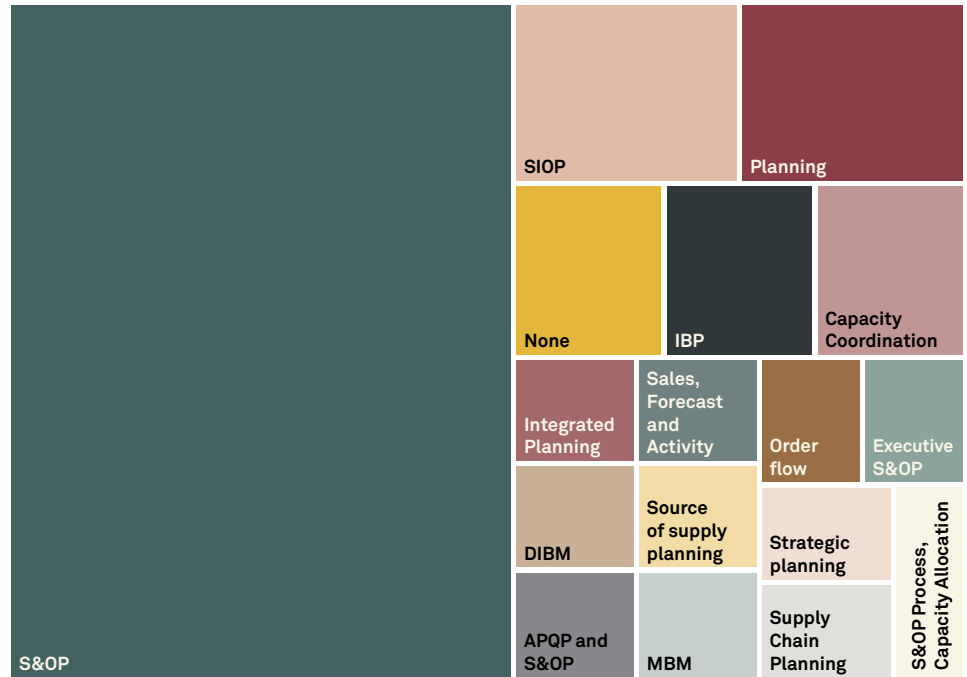
The groupings are based on interpretation of free text fields from the survey.

Typical areas of improvement for next years (grouped)



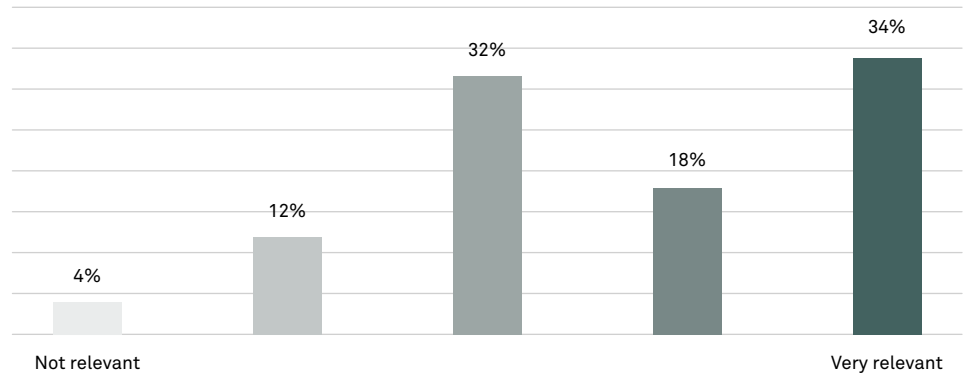
The groupings are based on interpretation of free text fields from the survey.

What is the process called?



Roughly half of the companies in this assessment call their process S&OP (Sales & Operations Planning). The other half use a completely different name.

The importance of sustainability in the decision-making process



One-third (34%) of companies claim to be sustainability-conscious in their S&OP process. The extent of the impact of sustainability on business decisions is increasing, but we are yet to see “sustainability-driven decision-making” on the same level as profit-driven decision-making.



The typical UN sustainability development goal that can be impacted on and by a S&OP/IBP planning process include:



FAST FACTS ABOUT IMPLEMENT

Founded: 1996
 Number of employees: 900
 Offices: Copenhagen, Aarhus, Stockholm, Malmo, Oslo, Zurich and Munich
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