

VRM

Value
Reference
Model



Oliver Wight

OLIVER WIGHT

**Business Process
Transformation Framework
- Process Template Listing -**

Process Design Template Listing

IBP - Integrated Business Planning

IBP1 - Product Review

- IBP1.1 - Monthly Status Update
- IBP1.2 - PRM Analysis & Preparation
- IBP1.3 - Conduct Product Review

IBP2 - Demand Review

- IBP2.1 - Demand Data Collection & Analysis
- IBP2.2 - Develop Demand Plan
- IBP2.3 - Conduct Demand Review

IBP3 - Supply Review

- IBP3.1 - Supply Data Collection & Analysis
- IBP3.2 - Develop Supply Plan
- IBP3.3 - Conduct Supply Review

IBP4 - Financial Appraisal

- IBP4.1 - Financial Data Collection & Analysis
- IBP4.2 - Analyze Past Performance
- IBP4.3 - Analyze Current Performance
- IBP4.4 - Cost / Benefit Issue Resolution
- IBP4.5 - Budgeting & Business Planning

IBP5 - Integrated Reconciliation

- IBP5.1 - Assumption Validation
- IBP5.2 - Resolve Planning Conflicts
- IBP5.3 - Manage Corrective Actions
- IBP5.4 - Resolve Gaps & Issues

IBP6 - Management Biz Review

- IBP6.1 - Holistic IBP Process Design
- IBP6.2 - Conduct MBR

Integrated Planning & Control

IPC1 - Demand Management

- IPC1.1 - Demand Planning
- IPC1.2 - Influence Demand
- IPC1.3 - Prioritize Demand

IPC2 - Distribution Resource Planning

- IPC2.1 - Distribution Inventory Planning
- IPC2.2 - Distribution Inventory Ordering
- IPC2.3 - Distribution Center Capacity Planning
- IPC2.4 - Distribution Transportation Planning

IPC3 - Master Scheduling

- IPC3.1 - Plan Master Schedule
- IPC3.2 - Release Master Schedule
- IPC3.3 - Daily Master Schedule Management

IPC4 - Material Planning

- IPC4.1 - Plan Material Supply
- IPC4.2 - Release Production Order
- IPC4.3 - Daily Supply Order Management

IPC5 - Capacity Planning

- IPC5.1 - Rough Cut Capacity - Supply
- IPC5.2 - Rough Cut Capacity - Scheduling
- IPC5.3 - Detailed Capacity Planning
- IPC5.4 - Capacity IO Control

IPC6 - Production Scheduling

- IPC6.1 - Operation Scheduling

IPC7 - Supplier Scheduling

- IPC7.1 - Structured Supplier Schedule
- IPC7.2 - Buyer Assisted Purchase Order
- IPC7.3 - Self Procurement
- IPC7.4 - Non Purchase Order

IPC8 - Metric Management

- IPC8.1 - Define Metrics
- IPC8.2 - Measure & Analyze Performance
- IPC8.3 - Implement Change
- IPC8.4 - Sustain Continuous Improvement

Planning Master Data Mangement

PMDM1 - Financial Transactions

- PMDM1.1 - Cost / Performance Accounting
- PMDM1.2 - Financial Accounting

PMDM2 - Item Master Data

- PMDM2.1 - Create Item Master
- PMDM2.2 - Change Item Master
- PMDM2.3 - Audit Item Master

PMDM3 - Bills of Material

- PMDM3.1 - Bills of Material Creation
- PMDM3.2 - Bills of Material Maintenance
- PMDM3.3 - Bills of Material Audit

PMDM4 - Routing & Work Centers

- PMDM4.1 - Work Center Record Creation
- PMDM4.2 - Work Center Record Maintenance
- PMDM4.3 - Work Center Record Audit

PMDM5 - Inventory Transactions

- PMDM5.01 - Inventory Adjustment
- PMDM5.02 - Inventory Backflush
- PMDM5.03 - Inventory Issue
- PMDM5.04 - Inventory Put Away
- PMDM5.05 - Inventory Receipt
- PMDM5.06 - Inventory Return
- PMDM5.07 - Inventory Scrape
- PMDM5.08 - Inventory Shipment
- PMDM5.09 - Inventory Transfer
- PMDM5.10 - Inventory Withdraw

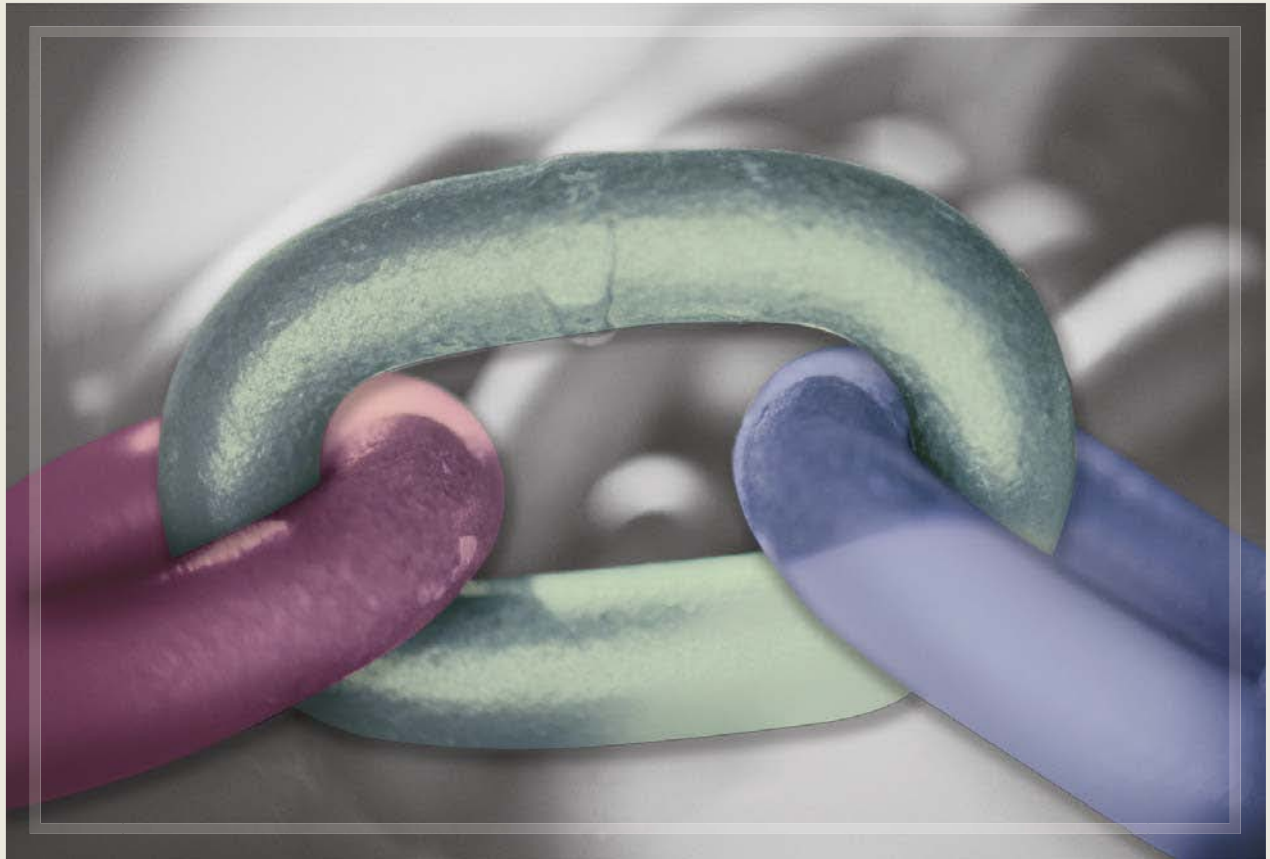
PMDM6 - Cycle Counting

- PMDM6.1 - Adjust Record Quantities
- PMDM6.2 - On Hand Count
- PMDM6.3 - Sample Selection
- PMDM6.4 - Sleuth Error Causes



VRM

Value
Reference
Model



Process Design Summary

**Integrated Business
Planning**

Integrated Business Planning

IBP₁ - Product Review

Process Owner: Donald McNaughton

Description The Product Management Review (PMR) is the first step in the Integrated Business Planning (IBP) process. The PMR is owned by the head of product management and facilitated by a product coordinator. The purpose of the PMR is to reach consensus on the status of the projects in the product pipeline, address issues that affect their status, develop action plans to get projects that are shown with a yellow or red status back to green, review key performance metrics (KPI's), and reprioritize projects as required. The updated project plans, with associated volume, revenue, margins, and resource requirements, are compared to the strategic and business plans. Gaps to the strategic and business plans are identified, closure plans are reviewed, consensus is reached on corrective action plans, and an updated product plan with assumptions is published.

Sub-processes are grouped into four categories:

- 1) Monthly Project Status Update
- 2) PMR Analysis and Preparation
- 3) Conducting the Product Management Review Meeting

Goals Achieve the product management plans directed by the Strategic and Business Plans of the corporation.

Ensure that all the departments (technical, marketing, sales, supply chain, purchasing, and project management) are aligned to deliver the product plans and accountability for actions to achieve the product plans are clear and executed.

Objectives Keep projects in the product pipeline on schedule within the design parameters, and within budget.

Effectively utilize the resources available to work on product pipeline projects.

Manage product pipeline project priorities to attain the Business and Strategic Plans of the corporation.



IBP_{1.1} - Monthly Status Update

Description: On a monthly basis Project Managers provide the IBP Product Coordinator with an updated Project Status Summary for each project they manage.

Project Teams ensure that all their project plans are updated.

The updated project plans are used to drive Rough Cut Capacity Plans for key resources.

Project Managers update the Project Status Templates with input from their respective Project Team members.

Product Managers are required to provide updated volume, average selling price (ASP) and average cost (AC) forecasts for projects in the product pipeline.

Objectives: A Project Status Update for each project in the product pipeline.

Updated rough-cut-capacity plan (RCCP) for key resources.

An updated volume, average selling price (ASP) and average cost (AC) forecast for each project in the product pipeline.

Areas of Responsibility

Product Management

Program Management

Program Teams



IBP_{1.2} - PMR Analysis & Preparation

Description: The IBP Product Coordinator consolidates and analyzes the inputs from the Project Managers.

The focus is on projects coded yellow or red, overloaded key resources and significant changes in forecasted volume, revenue and margin.

The IBP Product Coordinator works with the Project Managers to understand the details behind the identified issues and significant changes from the previous IBP cycle.

Where resource constraints exist the IBP Product Coordinator works with the Project Managers to ensure that the project plans are achievable by adjusting the available resources or project timelines.

The IBP Product Coordinator prepares the presentation materials for the Product Management Review (PMR).

The IBP Product Coordinator briefs the PMR Owner on the identified issues and significant changes from the previous IBP cycle.

The IBP Product Coordinator publishes the PMR presentation materials.

Objectives: Identify issues and significant changes from the previous IBP cycle.

Address issues identified.

Brief the IBP PMR Owner.

Publish the PMR presentation materials.

Areas of Responsibility

Management Business Review

Product Review

Program Management



IBP_{1.3} - Conduct Product Review

Description: The Product Management Review (PMR) is conducted, the output includes consensus on the status of projects in the product pipeline, the associated volume, revenue and margin forecasts and the allocation of resources.

In addition, consensus is reached on the decisions made, action items assigned and issues to be escalated to the other IBP Process steps i.e. Demand Review, Supply Review, Financial Appraisal or Integrated Reconciliation.

The IBP Product Coordinator documents the issues to be escalated to the other IBP Process steps and ensures that the appropriate IBP Coordinator is aware of the issue being escalated.

The IBP Product Coordinator works with the other IBP Coordinators to resolve the escalated issues. Issues that cannot be resolved by the coordinators or through the Integrated Reconciliation process are escalated by the IBP Coordinator to the Management Business Review (MBR) as an issue to discuss or decision required.

Prior to the MBR the IBP Product Coordinator briefs the PMR Owner on the PMR escalated issues that were resolved and on any PMR issues being escalated to the MBR.

Objectives: Document the PMR issues to be escalated to the other IBP Process steps.

Resolve escalated PMR issues.

Escalate unresolved PMR issues to the MBR.

Brief the PMR Owner prior to the MBR.

Areas of Responsibility

Integrated Reconciliation

Management Business Review

Product Review

