

10 questions about the right mindset for effective S&OP

Mental toughness in business planning

Some companies run their Sales & Operations Planning (S&OP) process with great effectiveness. However, too often S&OP maturity and performance stalls, even when the S&OP processes and supporting systems are properly implemented. Niels van Hove, consultant with 20 years of experience in supply chain and business planning in Australia, and Supply Chain Movement have put together this checklist to assess the right mindset for an effective S&OP process.

A S&OP decision making process should result in balanced demand, supply and inventory, periodic visibility in the gaps to budget, and the review of strategic projects and resources across the enterprise. Participating teams solve issues pro-actively across functions, they are agile, accepting for change and committed to goals. But to prevent this process from stalling organizational mindset and behaviours are required to sustain effective S&OP.

Mental Toughness

Mental Toughness is called ‘the mindset of the winner’ by Jim Loehr, a sport psychologist who first coined the term. Mentally tough individuals and teams have the mindset to perform at the best of their abilities, regardless the circumstances. Through his research, professor Peter Clough found four attributes that make up Mental Toughness; Commitment (“I promise to do it”), Control (“I really believe I can do it”), Challenge (“I’m driven to do it”) and Confidence (“I believe I have the ability to do it”), also called the 4 C’s.

S&OP is an enterprise wide business planning process that can only be effective and sustainable when it is supported by the right mindset and behaviours. Individuals and teams with a superior mindset will increase S&OP effectiveness and are proven to perform better and show increased well-being. However, it is unlikely that there is a critical mass of these behaviours in every company that implements S&OP. The following 10 questions which are related to the 4 C’s, provide insight if your S&OP process is supported by an effective organizational mindset.



Checklist for an S&OP mindset

	Yes	No
1. Team members openly challenge each other and put critical topics on the table.	<input type="checkbox"/>	<input type="checkbox"/>
2. Team members pro-actively engage across all business functions to solve issues.	<input type="checkbox"/>	<input type="checkbox"/>
3. Even with major disagreements in S&OP meetings, we always keep our emotions in check.	<input type="checkbox"/>	<input type="checkbox"/>
4. Our leadership team is instantly willing to change directions when circumstances change.	<input type="checkbox"/>	<input type="checkbox"/>
5. S&OP stakeholders are time-wise committed to this process, planning rules and agreed priorities.	<input type="checkbox"/>	<input type="checkbox"/>
6. We admit our own weaknesses and mistakes publicly and try to learn from them.	<input type="checkbox"/>	<input type="checkbox"/>
7. We expect high performance and hold each other personally accountable to meet objectives.	<input type="checkbox"/>	<input type="checkbox"/>
8. We have a relentless focus on only what is important for long term business objectives.	<input type="checkbox"/>	<input type="checkbox"/>
9. Even in challenging situations or during setbacks, we always keep a positive outlook.	<input type="checkbox"/>	<input type="checkbox"/>
10. Our leadership team strongly believes and shows that employees are capable of growing the business.	<input type="checkbox"/>	<input type="checkbox"/>

OUTCOMES CHECKLIST

0-3 questions answered with “No”

Your organizational mindset strongly supports effective S&OP. If S&OP is not effective, check out other supporting S&OP design elements like roles & responsibilities, processes and systems.

4-6 questions answered with “No”

Your organizational mindset has elements that supports effective S&OP and there is further potential. It is worth investing in improving mindset and behaviours to increase S&OP effectiveness and make it sustainable over time.

7-10 questions answered with “No”

Your organizational mindset does not support effective S&OP. Without addressing this mindset and underlying behaviours, your organization will not be able to develop effective and sustainable S&OP.