Strategnos

Monthly IBP Structure

Introduction

1) An efficient & effective IBP process follows a structured monthly cadence in which information is progressively discussed, then refined, challenged, and approved. The cycle typically begins with your new product development and renovation pipeline and your latest commercial agreement and assumptions, which then converts into a consensus demand plan. The consensus demand plan is an unconstraint view of the current demand. The Supply chain then ascertains the operations ability to supply that demand. Finance then reconciles the operational plan with financial expectations against budgets, whereby senior leaders give guidance in an executive decision forum. This ensures that leadership approves one plan based on a common set of assumptions, risks, opportunities, operational and financial outcomes.

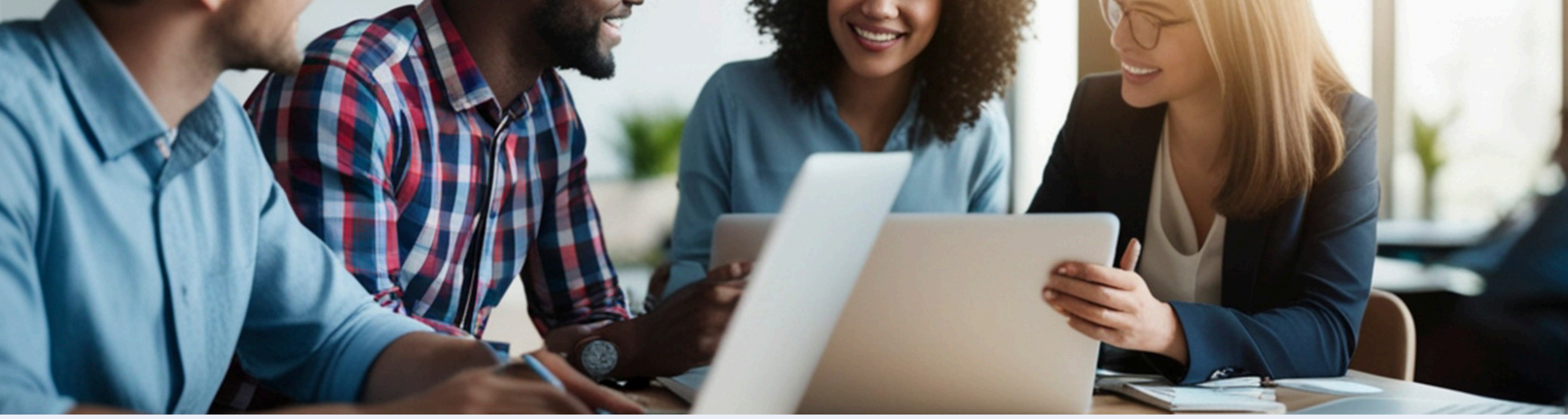
2) Integrated Business Planning should ideally operate via a structured monthly cycle that progressively aligns the overall product review, commercial feasibility, demand, supply, and financial plans before they are submitted to executive leadership for approval.

The main goal of the cycle plan is to transition the organization from separate functional plans to a single, integrated business plan aligned with financial validation.

Mining Forecasts That Work - Powered by Strategnos

Each stage has a clear purpose, inputs, decision points, and outputs. Information moves in sequence through the cycle, with each review refining the plan by department and addressing issues before the final stage, the Executive Business Review.

The purpose of the monthly IBP cycle is not to create seven additional meetings, but rather to create a structured decision making process through which business & departmental ambition is aligned, ensure operational capability, and financial expectations are converted into one executable business plan. it is equally important to the process to have action plans documented and pinned to each department and respective owner so that there is accountability.



01 Product Review

The Product Review aligns the organisation on changes to the product or category portfolio that may influence future demand, supply requirements, revenue, cost, and profitability. The product review needs to consider the innovation pipeline, the product renovation plans and the discontinuation timelines.

The review considers input mainly from Marketing and or the innovation team. on new product introductions, product phase outs, range changes or updates, product substitutions, and significant changes to product positioning or lifecycle strategy.

The objective is to ensure that product related decisions and timelines are transparently communicated to the Demand Planning, Supply Chain/Operations, Finance & EXCO teams prior to their integration into the business plan.

Possible Inputs

(timelines of new and phase out - Gantt view)

- New product development pipeline
- Planned product launches
- Product discontinuations
- Product lifecycle status
- Range and assortment changes
- Product profitability (and how? Linked to old product?)
- Customer and market requirements (research)

Launch readiness and supply constraints

Outputs

A consolidated product portfolio
Encompasses the planned launches, discontinuations , product renovations, risks, GP, landed costs, etc.

02 Demand Building Blocks

The Demand Building Blocks phase is the consistent collaboration between the relevant departments.

The core purpose is to create and expand upon the forecast from the defined assumptions, rather than relying solely on historical data and statistical forecasting. This baseline forecast is reviewed and adjusted using approved commercial activity, market intelligence, customer plans, promotions, product changes, and other measurable demand drivers.Every significant update should be supported by clearly documented assumptions or strategies and recorded for future reference/explanations.

Possible Reasons / Inputs

- Customer growth strategies
- Promos
- Distribution challenges
- Campaigns
- Pricing strategies
- New products
- changes in market demand
- Competitor activity (or lack thereof)
- Ad hoc risks or opportunities.

Output

A proposed consensus forecast between ALL depts, supported by documented assumptions, changes, risks, and opportunities to be held accountable against. This forecast is then submitted to the relevant HODs for formal challenge and explanations ahead of final approval & sign off.

03 Demand Review

The Demand Review phase converts the proposed forecast into a single, balanced, time phased demand plan.

This meeting is intended to critique the assumptions that were identified at the Demand Building Blocks process, and assess whether the proposed demand accurately reflects the business's best estimate of customer demand. Forecast accuracy should be closely looked at during this review to ensure that major anomalies are accounted for in the explanation.

This review should not only compare the forecast with the budget to ensure alignment, it should also establish the most realistic demand while separately highlighting the gap between the forecast and financial targets.

Possible Inputs

- Forecast accuracy
- Major changes from the previous cycle (increased or decreased FC and WHY)
- Customer performance
- Market demand shifts (intelligence)
- Promo effectiveness
- Current product performance
- Risks or opportunities due to unforeseen circumstances
- Current gaps to budget
- External economic factors

Output

An approved demand plan detailing the volume and value AT PRODUCT LEVEL.

This plan becomes the core adjusted plan that feeds into the Supply Review & Fin Reconciliation.

04 Supply Review

The Supply Review essentially determines whether the organisation can realistically support the approved demand plan.

This entails looking at the current stock situation in the business, lead times, manufacturing requirements (labour, materials, machine productivity), current incoming stock orders, logistical issues/opportunities, external factors and other operational constraints.
If the demand cannot be supported or met, the team should create or propose alternative solutions to close the gaps where possible. It is also vital to communicate supply delays as early as possible to the relevant depts so that they can inform the customer of potential delays that may affect promos etc.

The purpose is not merely to report constraints, but to determine the most feasible and commercially appropriate supply response to ensure demand is met on time. Failing to secure stock will likely result in an amendment to the demand plan to ensure forecast accuracy.

Possible Reasons / Inputs

- Current inventory position and projections
- Production capacity
- Labour and resource availability
- Supplier capability & lead times
- Logistics issues & capacity
- Maintenance plans/shutdowns
- Economic conditions (strikes)
- Material availability.

Output

A detailed supply plan which includes constraints, mitigation actions, inventory impacts, risks and opportunities.

Any unresolved issues are escalated to Financial Reconciliation and the Executive Business Review for detailed input and a way forward.

05 Financial Reconciliation

Financial Reconciliation translates the product demand and supply plans into an integrated financial view which is used against the budget.

The objective is to determine the financial effect of the latest operational plan and compare it with the budget, latest forecast plan, strategic targets, and business commitments.

Finance should not simply validate the numbers at the end of the cycle. It should assess the implications of the plan on revenue, gross margin, profit, working capital, inventory, cash flow, operating expenditure, and capital requirements.

Finance should be expected to deep dive beyond validating the proposed numbers, it should aim to evaluate the plans impact on key metrics such as projected revenue, gross margin per SKU, profit, working capital, inventory cash flow (and what may be tied up), operating expenses and capital requirements (if required).

Key Recon Areas / Inputs

- Revenue projections
- Margin
- GP
- Cost to serve analysis
- Inventory investment
- Capital
- Cash flow
- Operating expenses
- Budget tracking
- Financial risks

Output

A financially reconciled business plan, supported by an updated P&L view, risk and opportunity assessment, and a set of recommendations for executiv decision that may override the demand plan.

06 Executive Business Review

The Executive Business Review is the final decision making forum in the monthly IBP cycle. At this phase, EXCO reviews the entire business projections, resolves cross departmental concerns or issues, approves key decisions or strategies and ultimately confirms the plan against the organizations strategic and financial objectives/target.

The meeting should prioritize addressing the most significant disputes and making key decisions, rather than revisiting the detailed discussions that were covered in the previous phases.

This phase focuses on strategic direction from the organizations head.

Executive Actions / Inputs

- Approving the integrated business plan
- Resolve department debates based on facts
- Approve investment or additional capacity requirements
- Consider customer priorities & key products
- Approve inventory (or be aware of) budgets
- Be aware of mitigating risks
- Advise on ways to close gaps of revenue to budget
- Assigning executive actions and owners.

Output

One approved Integrated Business Plan covering product, demand, supply, finance, risks, opportunities, actions, and executive decisions.

07 How These Steps Work Together

The monthly IBP cycle is designed as an interconnected, collaborative decision making process across key departments in the organization that all rely on each other.

	Phase	Core Purpose	Who	Timeframe
1	Product Reveiw	Confirms what the organisation intends to offer	Marketing / Innovation Team	Week 1
2	Topline Review	Confirms which commercial activities are credible and commercially justified	Marketing & Sales	Week 1
3	Demand Build Blocks	Convert these activities into forecast assumptions & formal plan	Demand Planning, Marketing, Sales	Week 1
4	Demand Review	Approves the best estimate of future demand	Demand Planning, Marketing, Sales, Finance	Week 2
5	Supply Review	Determines how that demand can be fulfilled	Supply Planning, Procurement, Finance	Week 3
6	Financial Reconciliation	Translates the plan into value and financial outcomes against budget	Finance	Week 3
7	Executive Business Review	Approves the final integrated plan and resolves outstanding disagreements	EXCO	Week 4

The value of this framework does not necessarily lie in the meetings themselves, but in the actual disciplined flow of information (promos, strats, stock issues, supply issues, capital constraints, assumptions, upper level decisions) and accountability between them.

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