



EyeOn Target Operating Model

Well-designed supply chain processes and a fit-for-purpose planning organisation are crucial to endure today's business challenges. Many companies are increasingly aware of a business context that is rapidly changing and engage in planning transformation projects. APS implementations, establishment of a center of excellence and planning harmonization projects are just a few examples of planning transformation projects initiated to achieve improved planning performance in order to respond to changing market conditions.

Starting a planning transformation program involves many questions: How should I translate my strategy into actionable principles? How should I organize my planning department? How should my end-to-end supply chain look like? These questions are often answered based on an unstructured approach of trial and error, or an industry benchmark and result in a failing operating model.

To provide direction to these planning transformation programs, the Target Operating Model (TOM) can be used as a framework. The primary purpose of a TOM is to translate a company's vision on the future desired state into operating principles, and to serve as a control model for governance.

The Target Operating Model is an exercise that should be one of the starting points of any business transformation project that requires important change management. Although it is not a standard practice yet, a TOM is the cornerstone of your transformation project and has tremendous impact on how successful the program will be.

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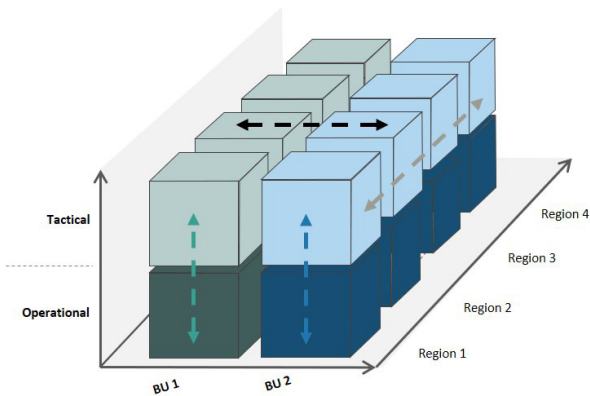
The TOM Approach explained in 4 steps

1. Scoping & Planning Principles

- Define project scope using the Stadler model
- Translate your company’s strategy to key planning principles

2. SC Control Model & Organization

- Define high level planning organization and integration model
- Review the planner scope and how it fits within the integration design



3. Supply Chain Mapping

- Visualize the value chain and supply chain planning processes (≠ planning process blueprint)
- Identify all relevant high-level planning parameters

4. Decision Mapping

- Review decisions that need to be taken within planning
- Determine per decision the horizon, level of detail, planning frequency and resources to plan
- Clearly define handovers between different planning layers

Planning Buckets		Frequency	Focus level
Years	Strategic Planning Horizon: <5 years	Yearly	Brand/product group
Quarters/ Month	Tactical Planning Horizon: <24 months	Monthly	Product Group/ Customer Group/ Capacity Group
Weeks	Operational Planning Horizon: <6 months	Weekly	SKU/Location/ Customer Group/
Days	Daily Planning Horizon: <3 weeks	Daily	SKU/Customer

EyeOn strongly believes that deep industry knowledge is essential to drive a TOM exercise and ensure an efficient and effective project.

Our industry knowledge and experience in coordinating planning transformation programs, enables us to successfully facilitate interactive workshops, advise on best practices and support TOM exercises. EyeOn’s hands-on approach guarantees that a fit-for-purpose model is created together with all relevant business stakeholders.

Interested?

Curious about how EyeOn can help you with defining your Target Operating Model as part of your planning transformation program? Contact us at mail@eyeon.nl for more information or to make an appointment.

Our promise

We implement proven innovations to raise your forecasting and planning performance. We work in the most pragmatic way possible, based on our knowledge and experience in over hundred large, international companies. We develop and implement the best fit-for-purpose improvements with real impact.