

## 11 questions about IBP

# Delivering tangible business results

The ultimate objective of Integrated Business Planning (IBP) is to deliver tangible business results – things like increased revenues and margins, and greater market share. For many organizations, however, the initial motivation for implementing IBP is merely to improve processes – forecast accuracy or controlling reducing inventory for example. This seriously underestimates the power and value of IBP. Consultancy firm Oliver Wight and Supply Chain Media have put together this checklist to help you get the best out of IBP.

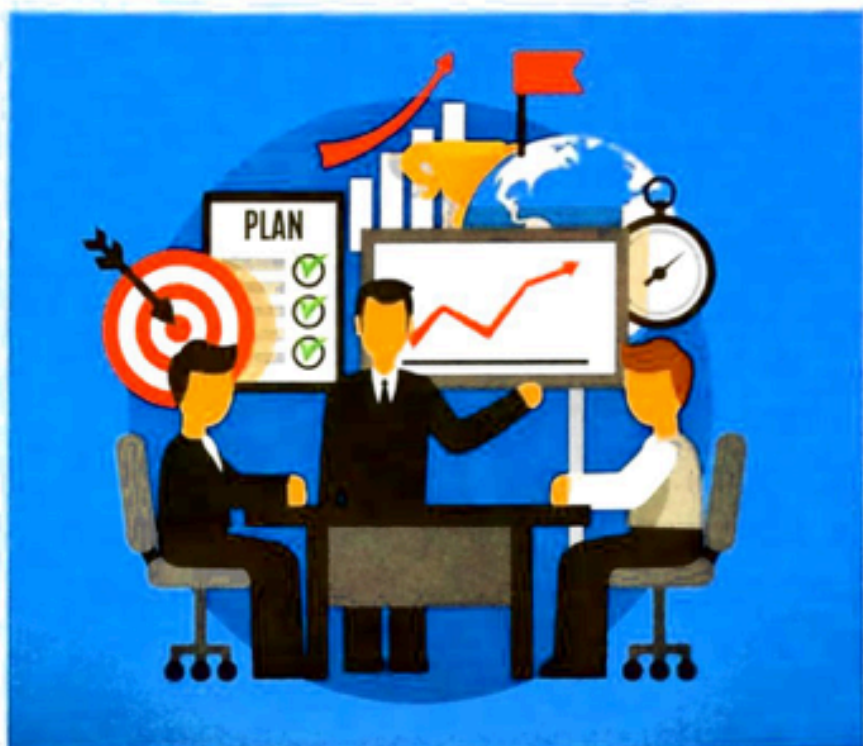
It is typically supply chain rather than the leadership team that specifies the required benefits of IBP. The challenge is to excite business leaders about what can be achieved. If they can be persuaded that IBP can truly transform the performance of the business, they will not only buy into IBP but they will also become the passionate owners of it.

The real purpose of IBP is to deploy the business strategy: planning for the future today, and managing events rather than waiting for things to happen. This means early identification of gaps in performance and dealing with them in plenty of time.

Fundamental to success is the commitment of people, especially the leadership team. A high calibre of leadership understands that, to move forward, it has to focus on what is required for future success rather than falling into the trap of daily fire-fighting.

Only an IBP process that is fully integrated across the entire organization will produce the consistent and reliable data that is essential for effective decision-making at the top level. Without integration, inconsistency and uncertainty will prevail.

Answer these 11 questions to see if you're getting the best from your IBP process.



### Checklist for Integrated Business Planning

	Yes	No
1. Do you have an Integrated Business Planning (IBP) process that fully integrates sales, marketing, operations, supply chain, innovation and finance?	<input type="checkbox"/>	<input type="checkbox"/>
2. Is your IBP process owned by the leadership team (the Board)?	<input type="checkbox"/>	<input type="checkbox"/>
3. Does your IBP process drive strategy deployment?	<input type="checkbox"/>	<input type="checkbox"/>
4. Are your new recruits fully educated on your IBP process at an early stage of joining?	<input type="checkbox"/>	<input type="checkbox"/>
5. Has your IBP process given measurable business improvement, such as enhanced decision-making and increased margin?	<input type="checkbox"/>	<input type="checkbox"/>
6. Does your IBP process have a balanced and integrated set of KPIs?	<input type="checkbox"/>	<input type="checkbox"/>
7. Does your IBP process have a minimum 24-month rolling forward view/planning horizon?	<input type="checkbox"/>	<input type="checkbox"/>
8. Does your IBP process drive financial plan gap-closing actions over that planning horizon?	<input type="checkbox"/>	<input type="checkbox"/>
9. Does your IBP process have one set of numbers used by all functions in the business?	<input type="checkbox"/>	<input type="checkbox"/>
10. Is your annual business plan (budget) effectively a snapshot of the outcomes from the IBP process with little adjustment?	<input type="checkbox"/>	<input type="checkbox"/>
11. Does your IBP process have bias in its product, demand or supply plans?	<input type="checkbox"/>	<input type="checkbox"/>

## RESULTS

### 0-3 questions answered with 'No'

Your IBP process provides the framework required by the leadership team to deploy the business strategy. A closer understanding of the key process capabilities will identify further opportunities for improvement to ensure you achieve the maximum value from the process. The focus should now be on achieving overall business benefits, not just process improvements.

### 4-6 questions answered with 'No'

Your IBP process is performing well in basic areas but there is a great deal of room for improvement in others. The specific areas to target are known to you based on your answers above. However, it may be that you have had difficulty with these areas for some time! It is worth noting that one function cannot do this alone.

### 7-11 questions answered with 'No'

Your IBP process is fragmented and poorly deployed throughout the organization. Becoming good at IBP is not a technical issue but a 'hearts and minds' one. The senior leadership of the business must understand the process – which is something they won't get from briefings – and it is they who must believe in the benefits and drive IBP implementation. One function can never do this alone.