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**Application of the Sales and Operations  
Planning (S&OP) Process at  
Douglas Pharmaceuticals Limited**

**A thesis presented in partial fulfillment of the  
requirements for the degree of Masters in Applied Science  
in Logistics and Supply Chain Management at  
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## **Abstract**

To be successful in today's fast paced, demanding markets, companies must be poised to support changeable market demand while maintaining operational efficiencies. Recognising the need to coordinate and communicate details of supply and demand across multiple divisions, successful companies have adopted a process that has become widely known as sales and operations planning (S&OP). When implemented effectively, S&OP can provide many benefits including improved customer service, stability in production plans, improved forecast accuracy and reduced inventories.

This report analyses S&OP processes operating at three successful companies and outlines the benefits these companies are achieving with S&OP. The report identifies the critical success factors in S&OP and how S&OP can be operated effectively. The report also presents a generic executive S&OP meeting format based on the formats operating at these companies and includes key performance metrics that should be presented as part of the S&OP process.

The report analyses the S&OP process that has been operating at Douglas Pharmaceuticals Ltd since May 2000 and finds it to be lacking in several key areas. The report concludes that the main barriers to successful implementation of S&OP at Douglas were a lack of knowledge about the process at middle management level and a lack of buy-in and participation at senior management level. As a consequence, the current S&OP process at Douglas Pharmaceuticals is limited. There are major shortfalls in the reports used, the key performance metrics presented and accountability for key metrics such as forecast accuracy results. This report provides detailed recommendations on how Douglas Pharmaceuticals can substantially improve its S&OP process.

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