

EBOOK

Integrated business planning for consumer products manufacturing

Moving from a concurrent, disconnected approach to Connected Planning across your consumer products organization.



Anaplan

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The challenge for consumer products: disruption is business as usual

The priority of consumer products companies is gaining the ability to gaze into the future and preempt consumer trends, bumps in the road, supply chain blockages, and opportunities.

And yet huge challenges persist. The economic uncertainty of the last few years shows little sign of abating, with interest rates, inflation, and a cost-of-living crisis wreaking havoc with the usual cycles of supply and demand. Dealing with disruption, once an occasional thorn in the side of consumer products leaders, has become a crisis for planners.

At the same time, demand forecasting has become ever more complex as consumer products manufacturers juggle the variables at play. Factoring in an ever-evolving landscape of disruptions, shifting consumer behavior, and a complex

ecosystem of supply chain partners has left many floundering.

Now, more than ever, coordination and connecting processes, data, and decision-making across the enterprise is the difference between thriving and struggling against constant change. This guide will explain how consumer products organizations drive resiliency by shifting from siloed data to integrated business planning.

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84% of leaders lack confidence in the accuracy of their forecasts.”

Source: Data from Anaplan survey of 1,000 finance leaders across different industries in the U.S.



80% of leaders have difficulties generating organization-wide insights due to silos.

Source: Data from Anaplan survey of 1,000 finance leaders across different industries in the U.S.

The problem with legacy planning approaches

Many consumer products organizations continue to rely on legacy planning techniques, concepts, and approaches that haven't changed in decades. Organic consumer products evolution has created silos of data and concurrent, or parallel, planning approaches. The result is disjointed processes plagued by poor data, islands of information, and a lack of visibility and coordination needed to make real-time adjustments.

At the same time, inefficient consumer products planning and forecasting is costing organizations due to stock-outs and excess inventory. While McKinsey acknowledges that retailers have bought inventory to hedge against supply shortages, this surplus is also the result of overbuying and being unable to make and coordinate adjustments to consumer demand in real time.

These challenges are the catalyst for a seismic shift in the way organizations conduct consumer products planning, driven by a recognition that legacy, siloed approaches simply aren't up to the job. Integrated business planning is essential to balance shifting consumer demand with revenue and profit goals while mitigating supply chain risk.



Total retailer inventories hit \$740bn in 2022, a 12% surge on the previous year."

Source: McKinsey

Integrated business planning connects your planning processes, data, and decision-making to enable you to meet changing consumer demand, remove supply chain risk, and gain market advantage.



Organizations need to refocus their people, processes, and technology on a single platform.”

The shift from concurrent to Connected Planning

Consumer products resilience and agility hinges on visibility into the extended planning ecosystem. It also requires a shift away from concurrent, siloed data to connected, real-time decision-centric approaches.

And yet, legacy approaches to planning often rely on spreadsheets and linear forecasts based on historical data. Their limitations are huge. Spreadsheets are largely descriptive and populated by user-supplied data, influenced by the biases of previous experience, which project past experience into a future state without the inferential analytics required to identify and assess future probabilities. Moreover, this approach inherently can't scale or adapt to change. Too much of today's planning process is spent bickering over data, spreadsheets, and bias, and your organization no longer has time for this when the market is changing every day.

Instead, organizations need to refocus their people, processes, and technology on a single Connected Planning platform. In doing so, they can move from siloed, concurrent planning to a transparent integrated business planning approach.

After all, in the consumer products industry, supply chain is just one dimension of effective planning. Finance, workforce, sales, and marketing are other critical stakeholders who need to work in unison. What's needed is a systematic approach that curates both historical and external data and rigorously analyzes it through probability-based scenarios — all connected across every stakeholder function from merchandising (including product placement, pricing, and promotion) and finance to monitor performance and make adjustments in real time.



Utilizing data in integrated business planning to gain advantage

Data and expertise must be curated and coordinated so that consumer products leaders can extract relevant demand signals and model scenarios from them. Bringing this data together into a single version of the truth will ensure consumer products leaders can access the insights they need to make informed decisions and adjustments based on real-time data and events. Integrating data is essential to making integrated business planning work for consumer products organizations.

Consumer products leaders have a pivotal role to play in driving planning efficiencies; in forward-looking organizations, it is the role of leadership to oversee and align the specialist business functions across business-critical areas to ensure they work in harmony to both mitigate risks while at the same time realizing the benefits of disruption and unexpected events.

Avoiding stockouts and excess inventory requires organizations to build plans and forecasts using “what-if” scenario planning that factors in multiple cross-functional variables — not just supply or demand. Connected Planning empowers organizations with a clear line of sight into instabilities, impacts, and scenarios. Meanwhile, planners can model potential opportunities through “what-if” scenarios aligned with desired outcomes.



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Turn disruption into a competitive advantage

The complexity of demand planning is encouraging new approaches to consumer products manufacturing that better align business strategy and objectives with operations. With uncertainty and turmoil as the new normal, forward-looking consumer products organizations are turning their back on legacy, linear forecasts based on historical data. Leading companies are changing the fundamentals of their planning, drastically shortening the time from signal to sale, while turning inventory with greater efficiency to free up cash flow and working capital for growth.

Connected Planning provides you with a clear line of sight across functional areas and the ability to make real-time planning decisions. Integrating financial, inventory, sales, buyer, and merchandise data into one cohesive view, and bringing that together with data from your extended supply chain and partners — as well as real-time external market data — provides an unrivalled perspective.

More importantly, Connected Planning allows for modeling capabilities using probability-based scenarios to harness the opportunities presented by unexpected events and fickle consumer trends. Integrated business planning for your consumer products organization will drive more timely and effective problem solving and connected decision-making that turns disruption into a source of competitive advantage.

Learn more about how [Connected Planning can help your consumer products organization actualize integrated business planning.](#)



About Anaplan

Anaplan is the only scenario planning and analysis platform designed to optimize decision-making in today's complex business environment so that enterprises can outpace their competition and the market. By building connections and collaboration across organizational silos, our platform intelligently surfaces key insights — so businesses can make the right decisions, right now.

More than 2,400 of the world's best brands continually optimize their decision-making by planning with Anaplan.

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