



Andy Dawkins

Supply Chain Director



Growing the S&OP process

Faccenda Group is a privately owned UK business that supplies fresh poultry products. It is the second-biggest chicken processing company in Britain. Established in 1962 by Robin Faccenda, the business employs approximately 1,500 people across hatcheries, farms, mills, processing plants and delivery systems. The Faccenda Group products are solely private labels.

In 2006, Faccenda embarked on a journey to create and evolve their Sales & Operations Planning process, with the regular support of Hughenden. In this interview, Andy Dawkins tell us how the business went about growing its own process.

As Supply Chain Director, you are a key driver behind this new way of working. Can you describe what prompted you to embark on this journey?

“Faccenda operates in a commodity market where trading conditions can be difficult. We started with some Supply Chain reviews and education, such as getting the sales guys up to speed with Demand Management. Then, in 2006, we formally set out to go down the Sales & Operations Planning route.

We had recognised that the plans set at a senior level were not really understood by the various operational teams. We certainly did not have a joined-up Sales and Operations community. We suffered from distrust and second-guessing. Some tasks were being done in more than one place and decisions took longer to reach. We realised that we needed S&OP to do exactly *what it says on the tin!*

We had this underlying sense that the organisation was becoming more and more political. For me, if the pressure in the business means that you become less trusting of your colleagues, then you must do something about it. The first objective was to get all the people to talk the same language when they are around the table.”

What were the initial steps that you followed?

“We started working with the Operations Director, Sales Director, and Managing Director. We then ran a workshop to get the Senior Management on board. This is when the new process was officially launched. We worked our way down from there.

S&OP is not about distributing plans. At Faccenda, it was not that people did not communicate already. It was that decisions that were taken were not always agreed with the *internal* customer further down the chain.

We first focussed on the need for more trust, which had to start at a senior level. This was quickly followed by a roles & responsibilities workshop to define how we wanted to work together from now on. It was important to take the working groups to one side and show them how it will be. They kept working on it so it eventually became their heart and soul.”

What did this mean in practice for people?

“It used to make me smile when people would come to me and ask “*can we bring this up at S&OP?*” Unfortunately the S&OP meeting had become the process! I guess the meeting had become disproportionately important.

I was not unhappy at first, because it got people communicating, with greater trust and buy-in before they talked to the customer. It also meant that there were fewer people involved in the overall decisions. But most importantly, it got everybody to agree that S&OP was “*the place to be*” because they realised what was in it for them.”

S&OP is a process that eventually becomes very personal to each business. What would you say is *the Faccenda way*?

“While I injected some best practice into our process, we were also prepared not to stick too strictly to the rules. You see, if we had confined the S&OP reviews to include only the things that were supposed to be included in S&OP, then there would have been no other talks and decisions for the rest. There was no other forum so some discussions would just not have happened. Customer Strategy or Technology are good examples of such subjects that have ended up being covered by our S&OP.

Our focus is definitely on evolution and internal collaboration. It is part of the Faccenda culture, and our S&OP process is evolving in that way. I am conscious that other businesses’ S&OP meetings can have strict agendas, with strict decisions being taken. Occasionally I wish we would be a bit more like that...”

In your own vision, where will this journey take you next?

“Our internal disciplines still leave a lot of room for improvement. We are currently looking into lengthening the planning horizon. While we need to keep the finger on the pulse, S&OP is no longer dominated by the ‘*now*’, as it was in year 1. Instead, we focus on 3-6 months and even discuss plans that are 12 months out. Some people around the table still need to do the mental shift to think further ahead. Frankly, I don’t think our customers are good at that either!

Looking ahead, I can also see that S&OP is the management process that is helping us make better, more joined-up decisions. And over time, you can see how the organisation might work better. That said, how do you make it work? You need to feed the process with better and clearer information. So we are now working on our physical planning processes, Supply Chain Planning processes and systems. For the first time, I feel that we will soon be mature enough to talk about systems. But my advice has always been: *never start with a system*. You’ll know when you are ready; when you want to turn the handle quicker...

Also, I want the business to talk more about gross margin, comparing it to the budget. We are moving toward Integrated Business Planning. We are bringing our roles and

responsibilities closer together. I have always believed that planning and finance are two sides of the same coin!”

Do you have one last piece of advice for companies that are still hesitating to go down the S&OP route?

“It is not a project and therefore it is not a cost. You must not see it as a cost! Use the talent that you have and do some thinking up-front. You will quickly realise that this is more important than other things that you were doing. You see, even in our little world of chickens, the pace is increasing, and the time-gap between us and the consumer is getting smaller. This means that we have to get even more responsive. And the only way to do that is by tying Operations with Sales together. So if you want to meet your customer demand, S&OP is a fantastic tool!”

Hughenden would like to **thank** Andy Dawkins
for sharing his experience and advice
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