

# Back to Basics: A Review of the Top-Down Planning Hierarchy



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# Agenda

- Vision/Mission Statement
- Corporate Strategy
- Business Planning
- Sales & Operations Planning
- Master Scheduling
- Material Requirements Planning



# Vision/Mission Statement

- Vision - a future state of being
- Mission - the path to get there



# Corporate Strategy

- SWOT Analysis
- Competitive Distinction



# Business Planning

- Converts strategy into actionable plans
- Long range, broad in scope, not depth
- Financially or market oriented
- Focus on Independent Business Units



# Sales & Operations Planning

- Plans product families
- Considers forecasts, inventory and/or backlog projections, and operations strategies
- 1-2 year planning horizon
- Typically uses monthly buckets
- Constrained by resource planning



# Master Scheduling

- Specific end items
- Saleable products and options
- Independent demand
- Based on forecast and/or orders
- Cumulative lead time (CLT) horizon
- Typically uses weekly buckets
- Constrained by RCCP



# Material Requirements Planning

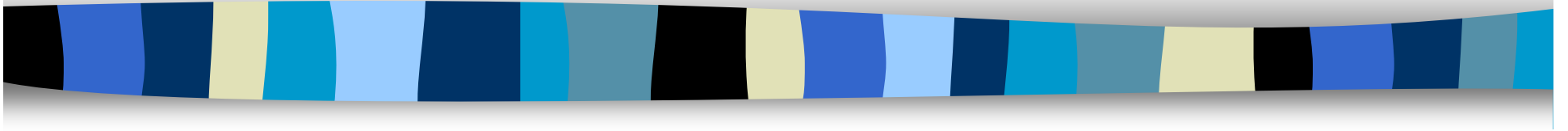
- Detailed planning
- BOM items
- Dependent demand
- Make and buy items
- CLT horizon
- Typically weekly or daily buckets
- Constrained by CRP



# Summary

- Vision/Mission Statement
- Corporate Strategy
- Business Planning
- Sales & Operations Planning
- Master Scheduling
- Material Requirements Planning

Any questions?



Thank you for your participation!

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