

# Strategy for an Integrated Business Planning – CSL Behring AG

Degree programme: EMBA General Management

Thesis advisor: Roland Burri

Expert: Jürg Reber

External project partner: CSL Behring AG, Bern

CSL Behring is a global leader in the plasma protein biotherapeutics industry. The company researches, develops, manufactures and markets biotherapies that are used to treat serious and rare conditions (more information: [www.cslbehring.com](http://www.cslbehring.com)). The CSL Behring's Integrated Business Planning (IBP) initiative revealed major improvement opportunities and thus recommends to closer align the Sales and Operations Planning (S&OP) process with global strategic and tactical objectives.

## Starting point

CSL Behring is seeking to develop a fully integrated, leading practice IBP capability. The research questions which are derived from the objective target are:

- What is defined as leading practice or excellence in Planning?
- What is the maturity grade of Operational Planning of CSL Behring, which gaps exist?
- How can an increase in maturity be achieved and what benefit would result?

In order to be able to provide an answer to above mentioned research questions, an approach in three steps has to be made:

- Identify, apply and draw the right conclusions out of the profound literature review
- Capture the current setting and identify business relevant gaps and opportunities (gap analysis)
- Recap the gap analysis and transfer it to a strategy and implementation plan.

## Excellence in Planning (target process analysis)

The ultimate aim of the project is to reach excellence in planning, an even increasing factor of today's companies, crucial to remain sustainably successful. In order to reach this objective we need to first take a deep look at its influencing factors. What does literature tell us about the most important aspects? Result: **In order to reach excellence in planning, focus shall be laid to a.) guarantee successful transfer of strategy into operations, b.) to empower planning by financial integration, c.) by approaching benchmark, and d.) by considering future.**

## Operational Planning at CSL Behring (current process evaluation)

After having gained knowledge about the most important aspects on how to reach excellence in planning, it is time to have a detailed look at CSL Behring's planning performance. How close is CSL Behring's planning process to the theoretical benchmark aspects, where do opportunities exist to even increase its performance and are all aspects of the benchmark applicable to the special market situation from CSL Behring (niche

market)? Result: **CSL Behring has a robust planning management based on S&OP which shall be matured to IBP by closing the 19 identified gaps and by addressing future market development by integrating the identified opportunities – establish a closer collaboration with Research & Development, Quality Management and Regulatory Affairs to capture potential influence factors ahead of time.**

## Strategy for IBP at CSL Behring (current → target)

What can and shall be improved, how can it be achieved and what benefit would result? Result: **The «improve sales forecast accuracy» process has been identified as being the most significant candidate. The resulting business case with a high Net Present Value and a short payback period shows that the benefits highly outreach the project cost.**

## IBP Implementation at CSL Behring (conclusion)

IBP is known for being the state-of-the art planning process; integration makes the difference and is what brings the truly deciding advantage. It allows aligning strategic and tactical plans, a key premise to remain competitive and thus keep global leadership. IBP is a continuous improvement process; constantly implementing IBP initiatives ensure early focus on any potential gaps, allowing CSL Behring to (re)act to changing conditions.

Sales Forecast Accuracy was identified as the candidate with the most significant improvement potential. This by implication means that the current planning process does not rely on or deviate from true value. Inaccurate forecasts often lead to higher inventory levels and thus to bound assets, increase the risk of being exposed to fire-fighting situations (right product is not in the right place at the right time) and to lower customer service levels. Therefore data accuracy is critical to IBP (as well as to any other key process). Improving accuracy is never easy and it is not for free. But nowadays supply chain complexity even increases pressure on the forecast accuracy; sales forecast accuracy is required for achieving top-line growth as well as bottom-line profitability.



Eva Streit