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Integration of Planning Processes

Linking Business Planning and Sales Forecasting in a Case Company

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Abstract

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This thesis focused on improving the alignment between the strategic business plan and the operational sales forecast. Through proper alignment, a company can ensure the strategic plan is being linked to the execution. Therefore, the objective of this thesis was to propose improvements for linking business planning and sales forecasting in the case company.

This study used action research to solve a practical problem by progressing in a cyclical manner by diagnosing, planning, acting, and evaluating the action on each of the research steps. The key steps in the research process were the current state analysis, exploration of existing knowledge, building of the proposal and validation of the proposal. The data within these steps was collected by utilizing qualitative research methods such as interviews, document analysis, workshops, and discussions. The proposal was co-created with the company stakeholders.

The current state analysis revealed several strengths and weaknesses in the existing way of linking business planning and sales forecasting, as well as their implications for the sales & operations planning process. The two main weaknesses were selected as focus areas for further study. The first one was a lack of alignment between the sales plan and the sales forecast and, the second, limited visibility to reasoning and knowledge behind the plans. Existing knowledge and best practices were explored for the integration of business planning processes and sharing of knowledge in organizations. Consequently, the proposal consisted of two elements. First, for integrating sales planning and sales forecasting, 11 actions with guidelines for the implementation were defined. Second, for sharing the knowledge behind the plans, six crucial knowledge areas were mapped and a plan for sharing the available knowledge was created. Sharing of knowledge was trialled where applicable to ensure the proposal works in practice.

By implementing the improvement proposal as described in this thesis, the case company can enhance the integration and the transparency between the functions and, thus, improve the linkage between business planning and sales forecasting. By doing so, the company will be in better position to anticipate and react to changes in performance or business environment and to operationalize the strategy of the company.

Keywords: Integration, sharing of knowledge, cross-functional collaboration

Contents

Glossary

IBP	Integrated business planning. A holistic planning approach that covers strategic, tactical, and operational planning perspectives in decision making.
DSI	Demand/Supply Integration. A process to integrate all the planning processes in a company and to make decisions to achieve organizational targets.
S&OP	Sales and operations planning. A management process to balance demand and supply with optimized profitability for the short and mid-term horizon.
SKU	Stock keeping unit. A distinct unit that can be sold, purchased, or tracked in inventory. Can be a product or a group of products for example a display.
KAM	Key account manager. A sales representative responsible for customer management.

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1 Introduction

Companies manage multiple planning processes that look over short-, mid- and long-term horizon. These processes can be referred as operational, tactical, and strategic planning processes. Depending on the industry short term can translate up to one to six months, mid-term up to one to three years and long-term up to five to ten years. All these planning processes support on the strategy execution and enable the company to achieve the targets set.

However, many companies struggle to integrate these planning processes and manage them holistically. One reason being that each planning process has different kind of characteristics for example in terms of objective, impact, granularity, and stakeholders' decision power. As processes remain disconnected companies face issues in operationalizing their strategies i.e. not being able to connect all the planning processes to execution. Implications of missing integration can be seen in company's ability to anticipate and react on changes in performance or business environment. Better awareness of business risks and opportunities can be achieved as well through integration. Eventually by integrating planning processes a company is in a better position to do needed investments in processes, people, and technology to maximize the profit of the company. (Kepczynski, 2019: 7.)

The focus of this thesis is on process development on one of the crucial junction points of the planning processes, at the interface of strategic business planning and operational sales forecasting. Integration of these planning processes is important for the strategic ambition to be the basis for the tactical and operational planning in the company.

1.1 Business Context

The case company operates in the field of manufacturing and marketing of consumer packed goods in tens of countries with net sales of more than 1 billion euros annually. The company is organized around several business areas and global functions.

The supply network of the company consists of own manufacturing and sourcing from external suppliers around the globe. This global distribution network determines the time frame in which decisions concerning purchases and production are needed to be made.

And thus, calls for accurate sales planning and sales forecasting in respective time frame.

1.2 Business Challenge, Objective and Outcome

In the case company, operational and tactical planning in supply chain such as supply, capacity, and resource planning is made mainly based on the sales forecast provided by the sales function. In case the sales forecast differs significantly from the business plan it can lead to inadequate or exaggerated input to the supply chain operations. Business challenge is that sales forecasting is not currently fully linked to business planning in the case company.

Without proper alignment between the sales forecast and the business plan, the company takes risks on revenue and profitability through excess inventories or insufficient availability of the products. Hence the linkage of these planning processes is important to provide sufficient visibility to all stakeholders and enable efficient decision making within sales and operations planning (S&OP) process. S&OP process aims to balance demand and supply with optimized profitability for the short and mid-term horizon.

The objective of this study is to propose improvements for linking business planning and sales forecasting. This will help company to have shared visibility on the expected demand and assign resources efficiently to support on strategy and business plan execution in the supply chain operations.

The outcome of the study is an improvement proposal for linking business planning and sales forecasting.

1.3 Thesis Outline

Scope of this thesis is limited to one business category within a business area. By doing so the study has clear frames in business planning perspective and enable to have the focus on the process integration between business management, sales management, sales operations, and supply chain operations.

Research is done by using qualitative methods such as interviews, document analysis, workshops, and discussions. As the S&OP process has been run in the case company

for decades already, qualitative research methods enable to investigate the reasons that have been holding company back in implementing further process integration and to identify the needs and expectations for the integration across organization.

First, the current state analysis is carried out within the case company. Analysis is done by going through the current state of business planning, sales forecasting, and related processes. Data is accessed through internal documents and interviews. Stakeholders at this stage are representatives from supply chain operations, sales management, sales operations, and business management teams.

Second, the conceptual framework for the study is formulated through existing knowledge and best practices on the key development areas identified during the current state analysis. Data is accessed through books, journals, articles, and blogs.

Third, the proposal is co-created through internal discussions and workshops with the stakeholders from the case company. Eventually the proposal is finalized through discussions and a trial with the key stakeholders from business management, sales management, sales operations, and supply chain operations.

2 Method and Material

This section describes the research approach, research design, and data collection and analysis methods used in the study. Furthermore, research quality of the thesis will be discussed.

2.1 Research Approach

Research approach defines how the research at hand will be conducted and which methodologies and methods are to be used. Selection of appropriate research family, research strategy and methods are dependent on the goals set for the research (Adams et al., 2014: 6) and the kind of knowledge intended to be produced through the research (Blaxter et al., 2010: 60).

Research family sets the philosophical framework how knowledge will be created though research. According to Adams et al (2014: 6) main domains of research are quantitative research and qualitative research. Quantitative research aims to increase knowledge through numbers and statistics whereas qualitative research focuses on exploring relations and experiences of participants involved in the research. In another aspect, research can be divided into theoretical research and applied research. Applied research aims to improve understanding or solve a particular real-life problem whereas theoretical research aims to expand knowledge or to develop completely new knowledge about society in general. (Adams et al., 2014: 5-7; Saunders et al., 2019: 10.)

Research strategy defines a practical action plan to access or generate the knowledge needed in reaching the objectives of the research. Most common strategies used in business research are action research and case study. Case study utilizes multiple data sources to explore a phenomenon within its context (Yin, 2018: 15). A specific phenomenon can be investigated through one or multiple cases. Action research is, as defined by Coughlan and Coghlan (2002: 220), “an approach to research that aims both at taking action and creating knowledge or theory about that action.” Saunders et al. (2019: 220) highlights the purpose of action research in organizations to solve practical problems through diagnosing, planning, acting, and evaluating the action. These steps should be repeated iteratively at each stage of the research.

Research methods describe the techniques that enable discovery of relevant data and information for the research. Most typical techniques used in action research and case study are document analysis and interviews. Document analysis refers for example to analysis of existing company documents. These documents usually are used as secondary data in research as they have been compiled prior the research. Interviews are seen as source of primary data as data is being collected from the interviewees for the purposes of the research. As illustrated by Saunders et al. (2019: 437) interviews can be divided into structured, semi-structured and unstructured interviews. They differentiate from each other by the level of standardisation in the formulation of questions and the way the interview is carried out. For semi-structured interviews it is common to have predefined themes and key questions for each theme. However, interviewer can ask further questions that arise from the conversation and change the order of themes when needed. (Saunders et al., 2019: 437.)

Research quality is to be assessed throughout the research process. In qualitative research commonly used criteria for quality are credibility, dependability, transferability, and authenticity (Saunders et al., 2019: 217). First, credibility ensures that findings made within the research represents the reality as defined by participants. Credibility can be strengthened by involving most knowledgeable stakeholders to contribute and to review the findings made within the research. Second, dependability investigates the reliability of explanations given on research focus and results. Dependability can be strengthened by describing research process and derived interpretations explicitly. Third, transferability considers how repeatable research is in another setting. Transferability can be strengthened by providing as detailed descriptions as possible on each stage of the research such as research design, context, and findings. Fourth, authenticity relates to fairness meaning all relevant parties are presented and involved in the research. Authenticity can be strengthened by promoting learning and impetus to change on both organizational and individual level. (Saunders et al., 2019: 217.)

In this study, applied and qualitative research methodologies are being selected. As defined by the objective, this study aims to solve a particular real-life problem and improve understanding of the specific phenomenon in a case company context. The phenomenon studied is highly related to interactions and perceptions of people within the organization. Hence qualitative methods are selected as most appropriate for this study. Interviews are the primary data source for the research in the current state analysis. Interviews are conducted as semi-structured with a pre-defined themes and

key questions while leaving space for interviewees to bring up any other topics relevant to the study. Documents from the case company such as process descriptions are used as secondary data in the study. Both in the proposal building and proposal validation phase workshops and discussions are arranged with the key stakeholders to enable, first, the co-creation of the initial proposal and, second, the validation of the final proposal.

The research strategy of this study is action research. Study progresses in cyclical manner on each of the research step from current state analysis to validation of the proposal: from diagnosing, to planning, taking action and finally evaluating the action taken. Study aims to find solutions to specific problems in an organization and to promote both theoretical understanding of the phenomenon under study and to change practice.

2.2 Research Design

The research design consists of five steps with three data collection rounds and expected outcomes for the steps two to five. Figure 1 below shows the research design of this study.

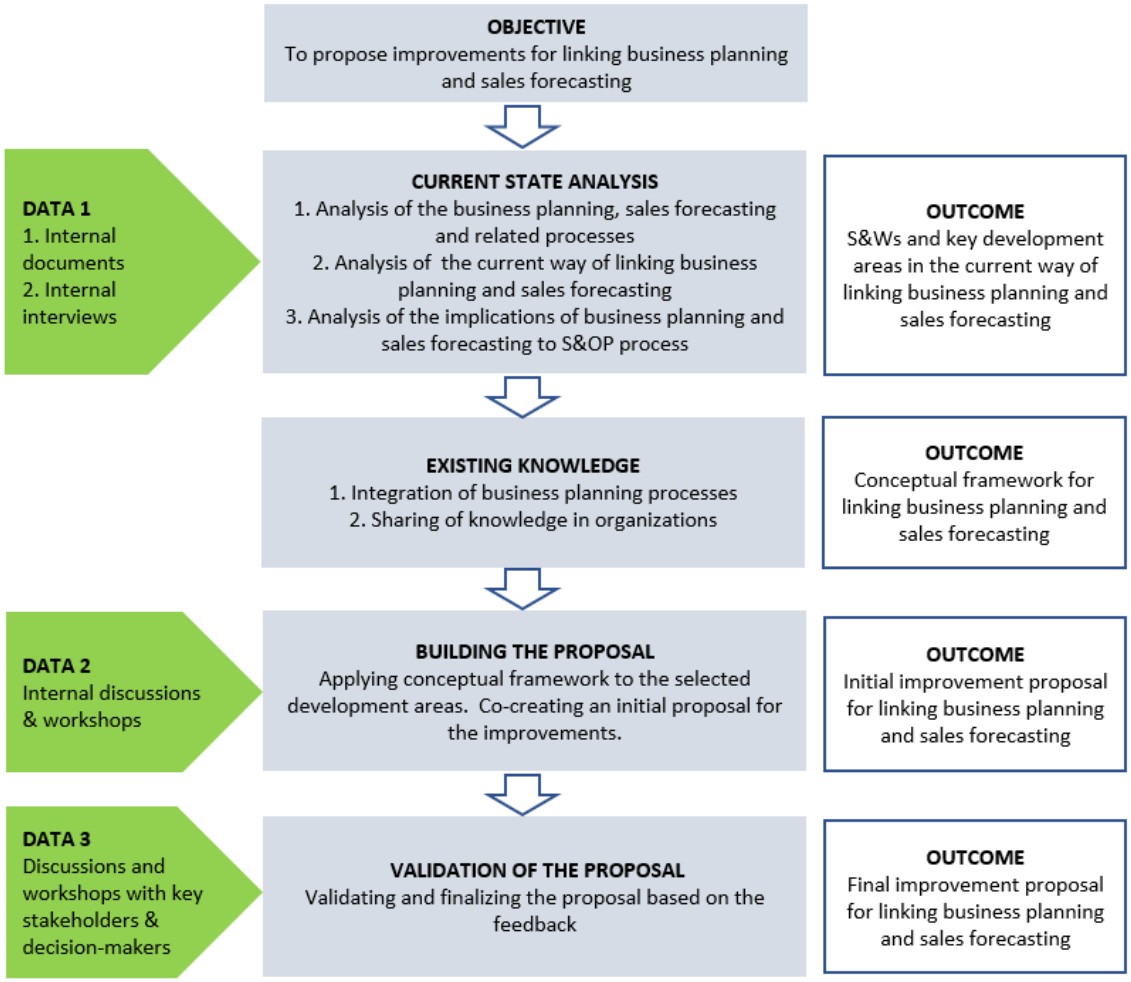

Figure 1. Research design of the study

As shown in the Figure 1 first step in the thesis sets the objective for the study. Consequently, second step is the current state analysis that is carried out within the case company. Step starts with data collection round one which includes collecting data from internal documents and through interviews. Document analysis includes review on existing process descriptions of business planning, sales forecasting, and related processes. Interviews focus on identifying the current way of working in linking business planning and sales forecasting and outlining implications from these processes further to S&OP process. Stakeholders for the interviews are representatives from business management, sales management, sales operations, and S&OP teams. Interviewees represent middle or upper management roles from each of the function. Interviewees are selected from various functions of the organization to ensure vast insight on the interdependencies and implications of the planning processes under study. As an outcome of this step the strengths & weaknesses and key development areas are being documented for the current way of linking business planning and sales forecasting.

As a third step, the conceptual framework is formulated through existing knowledge and best practices focusing on the key development areas identified during the current state analysis. Integration of business planning processes takes a view on how to support the proposal building by providing a framework to align strategic plans to operational plans, and tools and methods to further improve the integration between the different functions of the organization. Sharing of knowledge in organizations considers an approach to knowledge management, and methods and tools for enabling transparency between the functions. Existing knowledge and best practices are accessed through books, journals, articles, and blogs.

The fourth step focuses on building the initial proposal to meet the objective set for the thesis. Data collection round two is carried out through discussions and workshops with the key stakeholders from the case company. Within this step conceptual framework is applied to the key development areas identified during the current state analysis. Initial proposal is co-created with the key stakeholders. Outcome of this step is an initial proposal for the improvements for linking business planning and sales forecasting.

Fifth and last step is to validate the initial proposal and finalize it through feedback from data collection round three. Feedback and approval are received through in-depth discussions and workshops with key stakeholders and decision-makers. For this step representatives are selected from business management, sales management, sales operations, and supply chain operations. As an outcome, the proposal for the improvements, which meet the objective of the study, is finalized.

2.3 Data Collection and Analysis

This study draws from a variety of data sources, and the data is collected in several data collection rounds. Table 1 shows the details of data collection rounds 1 to 3 used in this study.

Table 1. Details of data collection rounds 1-3 used in this study

	Participants / data source	Purpose	Data type	Date and duration	Documented as
Data 1, Current state analysis					
1	Respondent - Supply chain operations	Implications to S&OP process	Online interview	Feb 2022	Recording and field notes
2	Respondent - Supply chain operations	Implications to S&OP process	Online interview	Feb 2022	Recording and field notes
3	Respondent - Business management	Business planning and implications to sales planning	Online interview	Feb 2022	Recording and field notes
4	Respondent - Business management	Business planning and implications to sales planning	Online interview	Feb 2022	Recording and field notes
5	Respondent - Sales management	Sales planning and implications from business planning	Online interview	March 2022	Recording and field notes
6	Respondent - Sales management	Sales planning and implications from business planning	Online interview	March 2022	Recording and field notes
7	Respondent - Sales operations	Implications of business planning and sales planning to sales forecasting	Online interview	March 2022	Recording and field notes
8	Respondent - Sales operations	Implications of business planning and sales planning to sales forecasting	Online interview	March 2022	Recording and field notes
9	Existing process descriptions	Document analysis of process desciprions and process integration	Document analysis	May/Sept 2022	Field notes
Data 2 for Proposal building					
10	Participants (2) - Sales management Participants (3) - Sales operations Participant - Supply chain operations	Co-creation of initial proposal (Integration)	Online workshop	Sept 2022	Field notes
11	Participant - Business management Participant - Sales management Participant - Sales operations	Co-creation of initial proposal (Sharing of knowledge)	Online workshop	Sept 2022	Field notes
Data 3 from Validation					
12	Respondent - Sales operations	Validation and finalization of the proposal (Integration)	Online discussion	Sept 2022	Field notes
13	Respondent - Sales operations	Validation and finalization of the proposal (Integration)	Online discussion	Sept 2022	Field notes
14	Respondent - Supply chain operations	Validation and finalization of the proposal (Integration)	Online discussion	Sept 2022	Field notes
15	Respondent - Sales finance	Implications of new financial planning process to the proposal	Online interview	Sept 2022	Field notes
16	Respondent - Sales finance	Implications of new financial planning process to the proposal	Online interview	Oct 2022	Field notes
17	Participants (2) - Sales operations Participant - Sales finance Participant - Sales management	Validation and finalization of the proposal (Sharing of knowledge)	Online workshop	Oct 2022	Field notes
18	Participants (2) - Sales operations Participant - Sales finance Participant - Sales management	Validation and finalization of the proposal (Sharing of knowledge)	Online workshop	Oct 2022	Field notes
19	Respondent - Supply chain operations	Validation and finalization of the proposal (Sharing of knowledge)	Online discussion	Oct 2022	Field notes

As seen in Table 1, data for this thesis was collected in three rounds. In this study, the interviews and workshops were the primary method for data collection. Document analysis was used as the secondary method for data collection. All textual data was analyzed by using thematic / content analysis.

The first round, collecting Data 1, was conducted for the current state analysis. Collected data originated from internal documents and interviews. Internal documents were analyzed with document analysis method. Interviews were conducted online as semi-structured with a pre-defined themes and key questions. Interviews were recorded and field notes made for each session.

In the next round, Data 2 was collected in a co-creational manner from the case company to develop the initial proposal. This data included input from the key stakeholders and was collected through online workshops. Field notes were made from the workshops.

In the third round, Data 3 was collected through one-to-one discussions and workshops while conducting the validation of the initial proposal. Data 3 included feedback for the proposal from the key stakeholders and upper management. Field notes were made from each of the session.

Internal documents were analyzed in data collection round 1. Table 2 shows the details of internal documents used in this study.

Table 2. Internal documents used in the current state analysis, Data 1

	Name of the document	**Number of pages/other content**	**Description**
A	S&OP process	21 slides	S&OP process description
B	Sales planning and forecasting project materials	9 slides	Sales planning and sales forecasting process description
C	Business planning process introduction	4 slides	Business planning process description
D	Rolling forecast Info package Finance	11 slides	Introduction to rolling forecasting process for finance

As seen from Table 2, this study included analysis of internal documents for the key processes. The documents consisted of process descriptions. The documents A, B, and C were analyzed for Data collection 1 round, the current state analysis, to determine how the processes and the integration of the processes have been documented in the case company. Document D was analyzed in the proposal building stage as there was a new process created after the current state analysis was carried out.

The biggest part of the data was analyzed for the current state analysis, to establish the current state of linking business planning and sales forecasting in the case company. The findings from the current state analysis are discussed in Section 3 below.

3 Current State Analysis of Linking Business Planning and Sales Forecasting

This section discusses the results from the current state analysis (CSA) in linking business planning and sales forecasting and its implications to supply chain operations in the case company. First, it describes the scene for the current state analysis i.e. which functions of the company are involved in and impacted by the alignment of business plan and sales forecast. Second, it examines the key findings from the current state analysis and summarizes the strengths and weaknesses identified. Last, the selected focus areas for the study will be introduced.

3.1 Overview of the Current State Analysis

The current state analysis had a threefold goal. First, it aimed to examine the current way of working in business planning and sales forecasting in the case company. Second, it aimed to identify how business planning and sales forecasting are being linked to each other. And, third, it aimed to describe implications of these two processes for the S&OP process. The current state analysis included four steps: gathering the information, organizing the data, analyzing the data, and summarizing the findings by establishing the key strengths and weaknesses.

The first step in the current state analysis was to identify the key functions, processes, and stakeholders in the case company to gather information for the analysis. Through initial discussions with representatives from business management and supply chain operations and based on researcher's own experience it was decided that four functions from the case company were to be included in the information gathering phase: business management, sales management, sales operations, and supply chain operations. Business management was included as they are accountable for business planning. Sales management was included as they are accountable for budgeting and sales planning and thus act as a link between business planning and sales forecasting. Sales operations as they are accountable for sales forecasting. Supply chain operations as they are accountable for demand planning and supply planning and thus are highly dependent on the inputs from sales forecasting. Within these functions, the most knowledgeable stakeholders were selected and interviewed. Interviews focused on hearing the stakeholders' voices on the current way of working, the level of collaboration between the functions, the level of integration between business planning and sales forecasting, and what is working well and what are the pain points in their perspective.

In addition to interviews, existing company documents on process descriptions were reviewed to validate how documented descriptions correlated with the descriptions made by the interviewees. These documents covered business planning, sales planning, sales forecasting, demand planning, and supply planning processes. During the research company was transitioning from annual budgeting process to rolling forecasting in financial planning, hence the documentation for rolling forecasting was made available and reviewed during the proposal building stage.

The second step was to organize the gathered information in a meaningful way. Field notes, which were made from each of the interviews, created the database of comments on what was working and what not in the perspective of each of the functions. Direct quotes or summarized statements were extracted from the field notes and were grouped under the function the interviewee was representing.

The third step was to analyze the comments into key findings. Out of 106 recorded comments from the interviews there were 28 key findings formed. Comments were first sorted out by identifying common meanings. Second, the comments were grouped based on similarity. Third, the group of comments were categorized into key findings per function. Each of these findings draw a picture of the current state on what was working and what not and where did these issues originate from according to interviewees. This step as well included the document analysis on the process descriptions on linkage between business planning and sales forecasting and comparison of the documentation to the description made by the interviewees. Purpose of this comparison was to identify any gaps in the documentation or in the execution of the process.

The fourth and final step of the current state analysis was to summarize the findings by establishing key strengths and weaknesses. To make a comprehensive view across the four functions and the six processes under study, the key findings were collated under four descriptive themes. The key findings were then summarized as an overarching strength and weakness per each theme. Creation of these four themes enabled and clarified the selection of focus areas to proceed further with within this research.

3.2 Description of the Planning Processes

As stated in the business challenge, insufficient alignment of business planning and sales forecasting can lead to inadequate input to supply chain operations. Thus, it is

important to understand which processes are related to business planning and sales forecasting and how the information flow between these processes is organized in the case company. Also, it is crucial to understand the impact of business planning and sales forecasting on these related processes. These two aspects set the scene to investigate the context of the issue at hand in the current state analysis. Figure 2 below has been drawn based on the input from the interviews to describe the four functions, six processes and the information flow relevant to the issue investigated in this thesis.

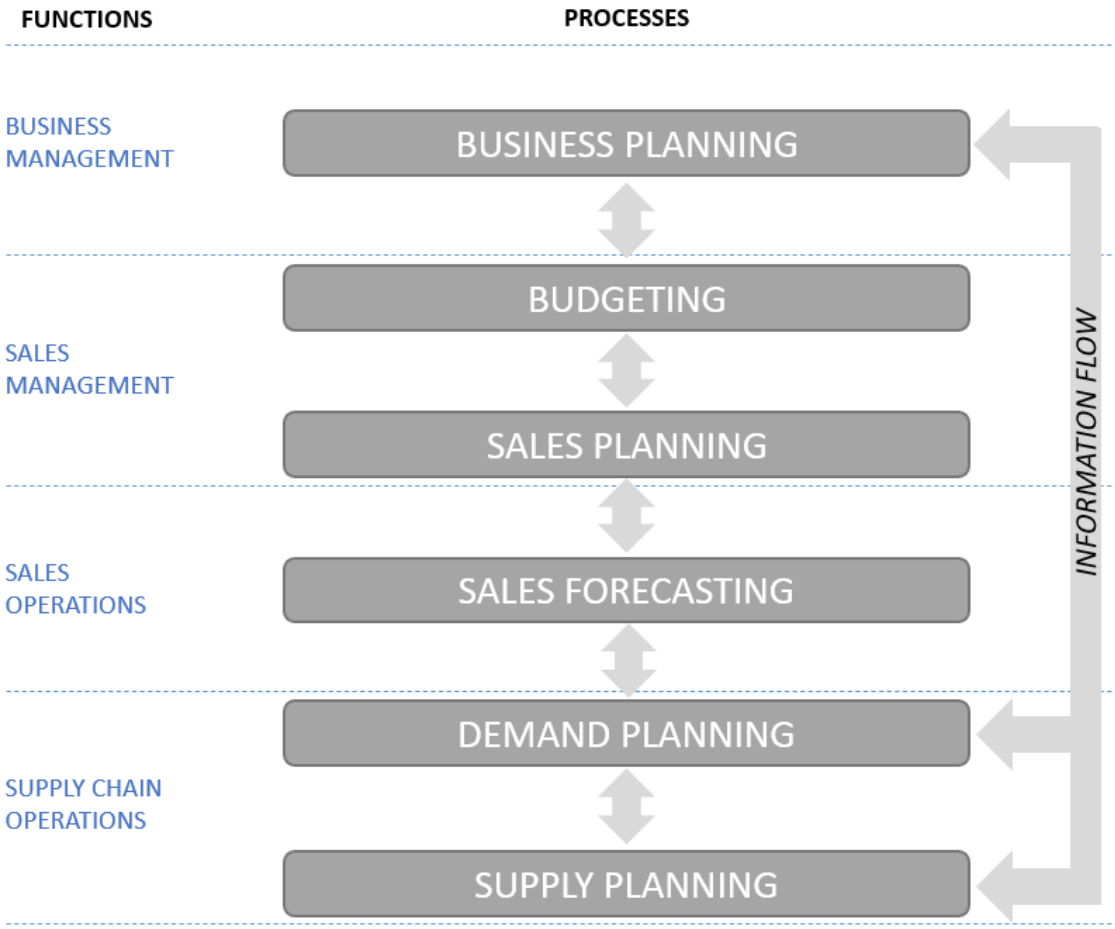

Figure 2. Functions and processes included in the current state analysis

As shown in Figure 2 there was no direct link between business planning and sales forecasting, hence the intermediate steps needed to be included in the current state analysis. Figure 2 also describes, with grey arrows, between which functions there was information flow established. The following sub-sections describe in more detail the processes relevant to the research at hand. Process descriptions are written based on the input from interviews and internal documents.

3.2.1 Business Planning

Business plan is a long-term plan where the business unit fulfills the company's strategy. The plan is made for next three to five years ahead on a global level. In the plan, targets are set for each category within the business unit and per sales unit or sales channel.

Purpose of business planning process is to make the company's strategy concrete with priorities and needed actions. Business plan is used as a basis for building internal capabilities and deciding on needed investments to be made. Business plan is the basis for common target setting like annual planning, i.e. budgeting, where business plan is translated into business guidance which will steer the activities for the following year. Guidance will also consider the changes occurring in the market situation and reflect that back to business plan and overall business management when needed.

Business plan is made in collaboration with other functions of the company such as sales, supply chain, HR, and marketing to align with function specific plans. Based on the business plan, business management defines market specific growth ambitions and roadmaps together with the sales.

3.2.2 Budgeting and Sales Planning

Within the budgeting process, business management defines the business guidance per market with expected sales growth, and the product offering to support the plan. At the same time, sales management creates a customer level plan on their expectations for sales for the upcoming year. During the budgeting round, business guidance and customer level plans get validated and targets are being set for each market for the expected revenue. Budgeting is done on an annual basis. Even though company was transitioning from annual budgeting to rolling forecasting in financial planning the process steps, as described above, remained the same. Only the frequency of the activity was changed to occur more often.

Sales planning is made based on the customer plans created during the budgeting process. Sales planning is a continuous process i.e. plan is being maintained monthly once created. Plans are mainly done on customer level or customer group level for one fiscal year at a time. The level in which planning is made varies between the sales units.

Sales plans are made on SKU, product line, product hierarchy or on a total level depending on the sales unit.

3.2.3 Sales Forecasting

Purpose of sales forecasting is to update sales forecast for each of the sales unit and provide input to supply chain operations for planning and execution. Sales forecast is maintained in volumes per a stock keeping unit (SKU) for rolling 13 months.

Sales forecasting is mainly done based on the input from sales planning. It is a continuous process where sales forecast is being maintained through the inputs on campaigns and promotions, changes in the offering, listings or trends, or target setting. Sales forecast is per default released to demand planning and supply planning once a month, but release can happen during the month if changes are needed to be shown in supply planning immediately.

3.2.4 Demand Planning and Supply Planning

Demand planning and supply planning are the main sub-processes of S&OP process. Purpose of the demand planning is to review and validate the sales forecasts provided by the sales units and propose adjustments to the sales forecast to gain cross-functional consensus over the demand plan. Demand plan is the sum of sales forecasts including the adjustments. Purpose of supply planning is to plan and optimize the inventories, production and sourcing needs to meet the demand. Supply planning includes the purchases from external suppliers as well as the production at company's own factories.

Demand planning and supply planning are driven by the sales forecast; hence the quality of sales forecast has great importance on the outcome of these processes.

3.3 Key Findings from the Current State Analysis

The results of the current state analysis indicated that there were already some activities existing that promoted the linkage of business planning and sales forecasting, but there were many pain points that hindered the development of further integration. Key findings

on what was and was not working were categorized under four main themes and other findings, as listed below.

1. Availability and transparency of the plans
2. Alignment of the plans
3. Way of working for sales forecasting
4. Accountability for sales forecast
5. Other findings

Each of the themes will be described more in detail in the following sub-sections. In line with the objective of this study key findings covered the four processes: business planning, budgeting, sales planning, and sales forecasting. Input from demand planning and supply planning processes were considered in the way they were impacted by these above mentioned four processes.

3.3.1 Availability and Transparency of the Plans

Most of the comments from the interviews were related to the availability and transparency of the plans. Plans, here, refer to business plan, budget, sales plan, and sales forecast. Availability of the plans was judged based on the fact whether a stakeholder was able to see and have access to overall figures of any of the plans made by other functions. The transparency of the plans described how much of the knowledge and reasoning behind the figures the stakeholders were able to see for any of the plans made by other functions.

With regard overall availability of the plans, representatives from business management, sales management and supply chain operations saw that they had access to the overall figures of the business plan, the budget, the sales plan, and the sales forecast. So, the processes governed in these functions, i.e. business planning, budgeting, sales planning, demand planning, and supply planning were supported with the overall level view of the plans made by other functions. Sales operations on the other hand felt that business plan was not available for them, as well as that they had little or no access to budgeting process to receive the information in time to support sales forecasting.

Even though most functions had access to overall figures of the plans made by other functions they were lacking visibility to the knowledge and reasoning behind the figures.

The lack of transparency was highlighted by all the stakeholders except the ones from sales management. Sales management had rather neutral view on the transparency and did not see any major issues related. Business management, sales operations, and supply chain operations on the other hand highlighted multiple issues. The most common topics that arose from the interviews related to transparency were:

- Low visibility to the status of sales activities, assumptions, risks, and opportunities within sales forecast
- Low visibility to probability of the sales forecast being realized
- Challenging to get clear reasoning on biggest changes in the sales forecast
- Low visibility to building blocks and key sales drivers used in the budgeting process
- Low visibility to opportunities outside the sales forecast

Low visibility to the status of sales activities, assumptions, risks, and opportunities within sales forecast was highlighted both by business management and supply chain operations. Status of sales activities define whether for example a campaign has been confirmed or whether it is still in planning phase. Assumptions can be made for example for the sales growth based on initial indications on trends. Risks and opportunities are planned or confirmed activities that include certain level of uncertainty. Risks are seen as negative variance whereas opportunities indicate positive variance. Low visibility to these elements made it difficult to make business decisions based on the sales forecast and to compare the sales forecast with other plans, such as business plan or sales plan.

Probability of the sales forecast being realized refers to the degree of certainty for the sales forecast to realize as actual sales. The importance of evaluating the probability of the sales forecast was highlighted by business management, sales operations, and supply chain operations.

> If we could identify better demand with high probability from activities like campaigns or new operations that have more uncertainties, I think, it would help us a lot forward.

Said respondent 3 from business management and continued:

> By understanding the point of time where uncertainties increase, we maybe can pro-actively steer the sales and enable efficient operations by securing certain activities -- and manage certain costs by not committing to costs in too early stage before we get more confirmation on the realization of the demand.

Supply chain operations agreed on the added value that information on probability of sales forecast could bring into the process:

> Instead of trying to forecast a specific number we could do range planning i.e. estimate the range within demand will happen in the future. Then supply could make sure that we can operate within these limits. This would lead to discussion on the flexibility on supply side; within what limits we can operate normally and where our capacity will run out. Would be beneficial to understand the uncertainty and range of variation. (Respondent 2)

Both respondent 5 and 6 from sales operations saw as well that the evaluation of the probability of sales forecast would be beneficial, but they had no means to do so as it would be fully manual task to document and too complex to maintain.

Supply chain operations felt that the biggest problem in transparency was that it was challenging to get clear reasoning from sales operations on biggest changes in the sales forecast. As the respondent 2 from supply chain operations stated:

> It seems difficult to get the view on what were the figures last round, this is how we have changed them, for these reasons and now figures are like this. Sales planning seems to be a bit of a black box.

Respondent 1 from supply chain operation on the other hand saw that changes have been documented in the S&OP process to some extent, but development would be needed to better define what kind of changes in sales forecast are needed to be explained and on what granularity level.

Low visibility to building blocks and key sales drivers used in budgeting was reported by supply chain operations and sales operations. Building blocks are the components to explain the plans behind the numbers. Respondent 1 reported that it was difficult to get answers from sales management and business management on these topics instead of having clear documentation to show the building blocks for the budget or systematic documentation to sales drivers. A representative from sales operations commented as well on the need for the information used in the budgeting process:

> Yes, it would be really crucial for our team. And what I find is that often we are receiving the budget so late in the year or beginning of the new year that our S&OP forecast has been already created. (Respondent 8)

A representative from supply chain operations saw as well that there was low visibility to opportunities outside the sales forecast:

> Discussion revolves a lot on the current demand plan, but we do not communicate opportunities or risk around the existing demand plan. This should be improved. And the intention would be to get the information in advance before they get inserted into sales forecast. Biggest cases would be sufficient to be reported. (Respondent 2)

Tracking and reporting on the opportunities outside the sales forecast would help supply planning to get prepared for any upcoming changes in the level of expected demand.

The process descriptions in the company internal documents did not take a stand on how plans should be made available to different stakeholders. The connection between business planning and sales forecasting was indicated but the description did not include any specification for the content to be shared (Internal document B).

To summarize, it can be stated that business plan, budget, sales plan, and sales forecast did exist in the company, but the access over them or the documentation related was restricted depending on the business role of a person. However, these people felt that it would be a great benefit for their work. In addition to the lack of availability of the plans there was a lack of transparency for the knowledge and reasoning behind the figures such as building blocks, risks, and opportunities related to the plans. The lack of transparency was seen as a common issue among the stakeholders.

3.3.2 Alignment of the Plans

All the plans that the four functions produced were connected linearly, as was shown in Figure 2 in chapter 3.2. Description of planning processes. But all of them were impacted by another. Even though the connection was acknowledged by the stakeholders, they saw lack of alignment between the plans. As it was stated by respondent 8: “Plan is not integrated, it is completely silo streamed.”

The phase where alignment was most visible was between business planning and budgeting. Both business management and sales management saw that there was a shared understanding of the business targets, and the communication was working well. As it was stated by a representative from sales management:

> “We are clear which channel should deliver which result in the end. This is clearly aligned with my sales team. What is doable, what is possible, what is strategy conform.” (Respondent 6)

If there were discrepancies between the customer level plans and business guidance, they would be aligned during the budgeting process. According to a representative from sales management they will argue for the growth plan made through the customer level plan and if higher growth is expected through business guidance, they will need to find a way to meet the targets. As it was stated by respondent 5: “I am not deciding [on the budget] but I know what is doable”.

Internal document on business planning covered clearly process flow, description of the process and interface to the annual planning i.e. budgeting. Additionally, the accountability on the business guidance to markets was clearly defined. (Internal document C.) Based on the current state analysis it could be stated that business planning and budgeting were linked to each other.

As sales planning was made based on the customer level plans, which in turn were made already during the budgeting process, the sales plans were aligned with the budget to start with. As time went on some of the plans did not get realized. “There are multiple reasons for those plans not to realize and we need to do gap-closing to meet the targets”, said respondent 5. So, sales plans were updated continuously depending on the results of the planned and realized sales activities. Based on the current state analysis it could be stated that budgeting or in this case target setting and sales planning were linked to each other.

Next step of refining strategic plans into operational plans was to create the sales forecast based on the sales plan. Both sales management and sales operations saw that in general there was a good level of collaboration and communication between the functions. However, the biggest misalignments were occurring between the sales plan and the sales forecast. So, in the junction point where plans made on an aggregated level were brought down on to a product level as sales forecast that would be the basis for the actual production and purchases done in the supply chain. As respondent 8 commented on the alignment between sales plan and sales forecast: “There are huge differences, and they are not very aligned”. Issue was acknowledged both on sales operations and sales management side. Respondent 5 from sales management described the situation as follows:

> I think we are having too much goods on stock because the plans for buying in are so high because key accounts on sale side are so afraid that they won’t get

> anything. Since it is like this the gap between [financial forecast and sales forecast] is really unnecessarily high.

The fear of unavailability of the products was driving the key account managers to increase the sales forecast to secure the availability for the planned activities. Due to such behaviour the gap between the sales plan and the sales forecast kept on increasing.

Internal documents on process descriptions of sales forecasting stated that sales forecast need to be approved by head of a sales unit prior releasing the forecast further into supply chain operations (Internal document B). This however was not fully in place. Representatives from sales operations commented that approval was done for some markets but not for all. Respondent 8 commented on the approval process as follows: “I would not say it is approved it is more that we are discussing.” Interviewee commented that often sales planners are making many changes in the sales forecast on the last days prior the release and not really having a chance to validate the changes. Also, it was stated that for some of the stakeholders the process was difficult to understand, and the accountability of sales management for the sales forecast was lacking. (Respondent 8.)

When the sales forecast got released unaligned, unvalidated, and/or unapproved further into demand planning and supply planning it caused further issues in the supply chain operations. Instead of building understanding of the sales forecast in the S&OP process, the focus was on trying to find reasons for the differences between the plans. In S&OP process a sales forecast was compared with a financial forecast of a sales unit. Financial forecast was made based on the sales plan. Interviewees saw that sales forecast and financial forecast were produced separately which was causing the misalignment. The situation was described from sales operations’ perspective as follows:

> The weakness is misalignment, going back to budgeting and how we do the financial forecasting. It shows as different streams. So instead of working in one stream and really aligning that whole process there, we are spending a lot of time in different streams. And after creating those streams we try to align them. But we are not having any discussions in between. So, it creates a lot of time spend on different streams and then a lot of time to align them instead of understanding where are our opportunities and risks when it just comes in general to our financials and sales forecasts and therefore the sales plans. (Respondent 8)

Issue on misalignment was well recognized in the supply chain operations side as well, as the following comment indicate.

> As of now figures are inputted in two different streams and hence, we end up with two different kind of figures and then we guess where the differences come from. (Respondent 1)

Both sales operations and supply chain operations saw that the reason for misalignment was political. As financial forecast was connected to the incentives of the sales management, whereas sales forecast was not, the approaches and the accountability to create these forecasts differentiated significantly. Accountability for the sales forecast will be discussed more in details in the chapter 3.3.4 Accountability for Sales Forecast.

Sales operations and supply chain operations both agreed on the fact that the alignment of the plans need to happen in an earlier stage than currently, well before the sales forecast is being released for demand planning and supply planning. According to respondent 8 this would require closer collaboration between sales management, sales finance, and sales operations. Respondents from sales operations and supply chain operations believed that by having further integration between the functions at an earlier stage, plans would be more aligned and less politized. These views were indicated through following comments:

> If we start having each other more involved right from the beginning, I think, it will ultimately create something better at the end. (Respondent 8)

> Integrated business model in some form is clearly needed for S&OP process if we want to avoid multiple set of numbers and take a stand on what is entered into S&OP forecast. (Respondent 1)

To summarize, based on the current state analysis the alignment of the plans was working between business planning, budgeting, and sales planning. However, the alignment of sales plan and sales forecast was seen vague and undisciplined in many cases.

3.3.3 Way of Working for Sales Forecasting

Based on the current state analysis it was evident that there are similarities and differences between the sales units in the way they create their sales forecast. The main strength for the way of working, which was as well as the main similarity between the sales units, was that the organizational structure and communication forums were well established for sales forecasting process. The main weakness on the other hand was

related to the differences between the sales units on their approaches to create the actual sales forecast.

The sales planners, who are responsible for sales forecasting, were organized in two teams and the teams interacted with each other frequently. This was seen as a great advantage to share experiences and learn from each other. As respondent 7 from sales operations commented that prior the teams were established everyone was working on their own. Now they worked closely with each other and had more of a back-up from their colleagues. Additionally, it was seen that the process for sales forecasting was in place within sales unit and most of the people in the organization were aware of the process (Respondent 8). This view was supported by the sales management as both respondents 5 and 6 highlighted that there were regular monthly meetings between sales representatives and sales planners to review the sales forecast. They also acknowledged that communication between sales management and sales operations was working well (Respondent 5 and 6).

The main challenge for the way of working for sales forecasting was related to the various approaches the sales units had adopted to create the sales forecast. Various approaches were taken on for example how risks and opportunities were considered in the sales forecast and what kind of input was used in forecasting the new product launches. As it was noted by a stakeholder from sales operations:

> For every one of us we knew what to do [in the planning system] and we knew what the end result needed to be. But how to get there, there was no process or tool or whatever so everyone created their own way of working around this. (Respondent 5)

At the same, respondent acknowledged that that there was a need for harmonization on the way of working for sales forecasting across the sales planners (Respondent 5). Both representatives from sales operations agreed that there were common principles and guidelines existing and available on how to create the sales forecast but there were variating views and levels of adoption of these guidelines within each sales unit. Reason for these deviations was seen in the onboarding process taken in different times as well as in the need to adjust sales forecasting to the way the local sales representatives and management worked. (Respondent 5 and 6.)

Supply chain operations acknowledged the differences in the way of working for sales forecasting between the sales units and saw it was related to the maturity of the market

for the selected business category (Respondent 1). Various approaches to create the sales forecast was noted as well by the stakeholders from business management. Respondent 3 highlighted that there are differences in the working cultures on how plans are being made. These different approaches created one of the key weaknesses in the process in business management perspective i.e. the sales forecasts from different markets were not comparable with each other, concluded respondent 4 and clarified on the point as follows:

> So that we would not need to ask every time, if confirmed campaigns are included, or what are the assumptions, or what are the risks. For example, until [period X] there is only confirmed activities and [period Y] is the one with risks. We would know the base principles through which forecast has been maintained and how far ahead in horizon forecast can be seen as realistic. And the principles would be the same across the markets. (Respondent 4)

To summarize, the organizational structure and communication forums were well established for sales forecasting which supported the common way of working. However, there were still various approaches between the sales units on how to create the sales forecast. Though representatives from sales operations agreed on the different adaptations of common principles between the sales units, these various approaches complicated the evaluation of the sales forecast in business management perspective.

3.3.4 Accountability for the Sales Forecast

Accountability describes the ownership of the sales forecast in different hierarchical levels and process steps included in this study. Main strength for the accountability for the sales forecast was on how the roles and responsibilities were defined in the internal documents. However, there was a lack of accountability for the sales forecast from sales management and key account managers side which created the biggest challenge.

The roles and responsibilities for the sales forecast were clearly defined in the internal document which stated that the sales management was the owner of the sales unit level sales forecast and business management was the owner of the business category level demand plan i.e. the aggregated level view of the sales forecast from all of the sales units including adjustments (Internal document B). The accountability of the business management for the sales forecast was acknowledged by the supply chain operations representative as Respondent 1 commented that business management had recently taken on a stronger view in cases where the sales forecast differed significantly from the

business plan. “They have asked or demanded to revise the forecast downwards as forecast is not on the realistic level anymore”, said Respondent 1. The other functions did not make any remarks for the accountability of the business management for the sales forecast during the interviews. This can be explained by the fact that they did not have direct touchpoints on the topic as the supply chain operations was responsible for coordinating the inputs from the business management towards the other functions.

The lack of accountability for the sales forecast from sales management and key account managers side was noted by sales operations and supply chain operations. It was seen that the incentives set for the sales management and key account managers and the fact they were not measured by the forecast accuracy was diminishing their accountability for the sales forecast they provided. As it was described by the respondent 5 from sales operations:

> But in general, I am feeling with all the KAMs and sales management is that they been judged by the budget figures that they give. But there is nothing judging them on the forecast they are giving to us. They understand we need to have a sales forecast, but they do not feel much accountable for it. So, if you go and ask to take it down, they say it is not mine, my sales planning is looking good, I need it all. So, no one is willing to take it down. That is quite an issue I would say. (Respondent 5)

Another respondent from the sales operations supported the view by saying: “as key accounts don’t have forecast accuracy as their target we are not being prioritized” and continued to illustrate the current situation: “sales might give an input to finance for their forecast and then could give us completely different input” (Respondent 6). After receiving the input from the key account managers for sales forecast sales planner was expected to validate the input based on the historical data or based on any knowledge planner possessed. According to the interviewees input was entered into the sales forecast as is in most of the cases. In the cases sales planner questioned the input and requested changes to the forecast the key account managers or sales management needed to approve these changes first. Both sales operations and supply chain operations agreed that the input from key account managers and sales management should be challenged more prior updating input into the sales forecast. Respondent 5 and 6 from sales management acknowledged this situation and commented that the key account managers were afraid of not having the products available and hence overestimated the expected demand. As it was described by respondent 5: “It is just the reaction that they are artificially increasing, as some kind of safety buffer, their volumes.” Both stakeholders from the sales management saw the over forecasting as a mean to

secure the availability of the products for the activities they had planned and to reach the sales target.

Business management's view on the lack of accountability from sales management and key account managers was related to how agreed activities were eventually implemented into sales forecast. Respondent 4 stated that even though the views of business management and sales management were just aligned in a common session the sales forecast did not get updated accordingly. Respondent assumed that sales management was not aware of the time schedule when the input should be provided to the sales forecasting process.

To summarize, the roles and responsibilities for sales forecasting were clearly defined in the internal documents and the accountability of business management for the sales forecast was in place. Biggest weakness was related to the lack of accountability for the sales forecast from sales management and the key account managers. Even though they were accountable for the sales forecast they provided they were not incentivized nor measured against the accuracy of the forecast. Thus, they tended to overestimate the expected demand to secure the availability of the products.

3.3.5 Other findings

In addition to the findings categorized under the four themes above there were occasional other findings made during the current state analysis. These findings were mainly raised within one function and were less common when compared to the findings discussed earlier in this chapter.

Business management felt that in general communication with sales management and supply chain operations was working well (Respondent 3 and 4). They also saw the existence of common platform for reporting and analysis as a strength in the current way of working (Respondent 4). However, they faced challenges in comparing the business plan and sales forecast as the view needed to be built and maintained manually (Respondent 4).

Sales management agreed that there was a good and transparent dialogue with the business management (Respondent 6). Their biggest concern was related to product availability and how to ensure which customer gets the products in case there is more

demand than products available in stock (Respondent 5 and 6). Respondent 6 also considered that the planning process was very manual, and sales planner needed to do a lot of manual work to get all the inputs from key account managers into sales forecast.

Sales operations saw that the communication with sales management and key account managers could be better. There was a lot of variation in the level of communication depending on the person in question. Also, they noted that in some cases roles and responsibilities of a sales planner was not clear to the sales team. So, managing the expectations on what the sales planner does and is responsible for was seen needed. (Respondent 7 and 8).

Supply chain operations considered it as a positive finding in a current way of working that sales forecast was not being forced to a certain position or direction (Respondent 1). Respondent 2 on the other had considered it as a challenge to get actions done within sales forecasting once gaps between the sales forecast and the business plan were identified.

Despite the fact these findings were more occasional in nature, the stakeholders considered them to be valid to consider while linking business planning and sales forecasting. For the next steps of the current state analysis research will focus on the first four themes presented in this chapter.

3.4 Summary of the Current State Analysis Results

As stated in the previous chapter the main key findings of the current state analysis were categorized under four themes. The results indicated that both success and development areas were identified under all themes. In the following sub-sections, the main strengths and weaknesses under each four themes will be discussed and selected focus areas will be introduced.

3.4.1 Strengths and Weaknesses of Linking Business Planning and Sales Forecasting

For the first theme, the availability and transparency of the plans, main strength was related to the availability of the total figures of the plans. Business plan and sales forecast existed in the case company and most of the stakeholders were able to get access to

the overall view of them. Meaning that they were able to see the business plan and sales forecast figures on a total level. The main weakness however was the limited visibility to reasoning and knowledge behind the plans. So even though a stakeholder was able to receive the total figure he or she was not able to gain any of the documentation related to that plan. The transparency was seen low for the business plan, budget, sales plan, and sales forecast depending on the business role of a stakeholder. There was a need to gain further transparency and more clear documentation on the main building blocks, key sales drivers, assumptions, risks, and opportunities within the plans.

Within second theme, the alignment of the plans, the main strength and weakness were identified in the distinct phases of the information flow between the functions. The main strength in the alignment of the plans was seen during the budgeting. At this phase the discussion between functions was related to target setting and key drivers to achieve the planned growth. The communication was transparent and there was a shared understanding of the business plan between business management and sales management. Eventually business plans and sales plans were aligned. The weakness in the alignment of the plans was seen in a later phase when sales plan was expected to be turned into sales forecast. Little or no alignment was visible at this stage. The reasons for misalignment were related to sales' fear on lack of availability that drove key account managers to do over forecasting whereas their financial forecast remained more on a conservative level. The accuracy of the latter was the one, they were being measured on. Additionally, the validation and the approval of the sales forecast was insufficiently carried out in many sales units, which eventually lead the sales forecast to be misaligned with the sales plan.

The third theme, the way of working for sales forecasting, initiated most of the positive comments by the interviewees. The main strength was that organization and communication forums were well established for the sales forecasting. The team of sales planners was in place and there was an active collaboration between the peers. The sales forecasting process was an essential part of the sales planners' responsibilities and most of the people in the organization were aware of the process. There were monthly meetings established within sales organization and with other functions. The level of communication between the functions was seen to be working well. Even though the sales forecasting process was in place there was no harmonization for the way sales forecast was being created and to which extend risks and opportunities were included in the sales forecast. Due to this fact it was difficult for the stakeholders from other functions

to make decisions based on the sales forecast provided and to do reliable comparison to the business plan. The main weakness hence was the various approaches to create the sales forecast. Even though common principles and guidelines were existing, the views and levels of adoption of these common principles and guidelines were variating among the sales planners.

For the fourth theme, accountability for the sales forecast, the main strength was that the roles and responsibilities were documented in the internal documents. Additionally, it was seen that the business management had recently taken a stronger view on the sales forecast in case it was differentiating from the business plan. The main weakness, however, was the lack of accountability on sales forecast from sales management and key account managers. As they were not incentivized nor measured against the accuracy of their forecast, they tended to do over forecasting to secure the availability of the products.

The main strengths and weaknesses of linking business planning and sales forecasting are summarized in the table below.

Table 3. Summary of the main strengths and weaknesses

	Theme	Strength	Weakness
1	**Availability and transparency of the plans**	Business plan and sales forecast exist in the case company	Limited visibility to reasoning and knowledge behind the plans
2	**Alignment of the plans**	Business plan and sales plan aligned during budgeting	Little or no alignment between sales plan and sales forecast
3	**Way of working for sales forecasting**	Organization and communication forums well established for sales forecasting	Various approaches to create sales forecast
4	**Accountability for sales forecast**	Roles and responsibilities defined in the internal documents	Lack of accountability on sales forecast from sales management and key account managers

As shown in Table 3 there were four main strengths and weaknesses identified based on the current state analysis. Out of these four weaknesses, focus areas for further study were selected.

3.4.2 Selected Focus Areas

To select the most relevant development areas for the study, the four weaknesses identified in the current state analysis were evaluated by their importance to fulfill the objective of this thesis and by the feasibility to build a proposal within the context of this thesis. Evaluation of the identified weaknesses is shown in Figure 3 below, with each weakness evaluated based on their importance and feasibility. Importance and the feasibility were evaluated based on the data from the interviews, researcher's own observations and through a discussion with a thesis' supervisor from the case company.

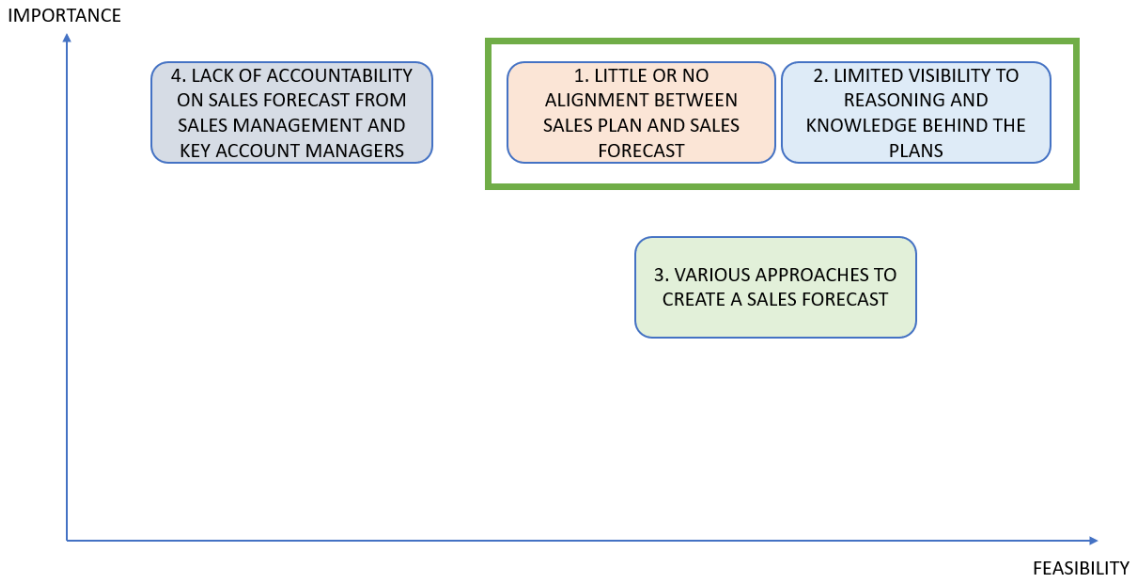

Figure 3. Evaluation of identified weaknesses

As Figure 3 above shows the importance of the main weaknesses to the objective of this thesis were evaluated to be either high or medium. The feasibility to provide a proposal within this thesis was ranging from low to high depending on the topic. Based on the evaluation, two of the development areas were selected as focus areas and two were removed from the scope of this study. The out-scoped ones were considered to have low feasibility or to be less critical in reaching the objective of this thesis.

Two development areas that had high importance in regard to reaching the objective of the thesis and had medium to high feasibility were selected as focus areas for the study hereafter. These weaknesses were:

1. Limited visibility to reasoning and knowledge behind the plans

2. Little or no alignment between the sales plan and the sales forecast

The selected weaknesses were converted then to questions to steer the selection of the most appropriate existing knowledge and best practices for building up the conceptual framework. The questions in the same order were:

1. How to share existing knowledge between the functions within the case company?
2. How to integrate sales planning and sales forecasting within the case company?

These two questions will be explored in the light of existing knowledge and best practices in Section 4.

4 Existing Knowledge and Best Practice on Linking Business Planning and Sales Forecasting

This section discusses the findings from existing knowledge and best practice on integration of business planning processes and sharing of knowledge in organizations. Themes were selected based on the main weaknesses identified in the current state analysis and thus will be the main elements for the proposal building to meet the objective of this thesis.

4.1 Integration of Business Planning Processes

Commonly companies are organized based on different functions such as business management, sales, marketing, supply chain, human relations, and finance. Each of the functions have their own goals and targets and thus may operate as separate entities. In some cases, these goals and targets might be even conflicting between the functions. The aim of integrating business planning processes is to connect these separate functional entities to act as one entity. Or as Moon (2018: 4) defines 'integration' in the business context: "true integration occurs when multiple organizational entities behave as if they were a single entity, in order to achieve broad organizational goals." Swink & Schoenherr (2015: 69) define internal integration to be a key capability for companies to process the information available. Internal integration enables people working in different functions to gather information, build shared understanding, distribute it within a company, and thus create value for the company (Swink & Schoenherr 2015: 69.)

This sub-section will first take a general overview on the existing frameworks for integrating business planning processes and then focus more in detail on cross-functional integration, and culture and integration factors as key enablers for the integration.

4.1.1 Existing Frameworks for Integrating Business Planning Processes

The most common framework for integrating business planning processes is called Integrated Business Planning (IBP). Integrated Business Planning has been defined in multiple ways and it does not have a one official definition. For the purposes of this study the definition given by Kepczynski (2019: 14) is being used in this thesis:

> Integrated Business Planning is a business management process which aims to connect strategic, tactical, and operational planning on local (markets, sites), regional (incl. production sites), and global level, to assess risk and opportunities, to verify assumptions, and to generate with cross-functional collaboration a feasible integrated business plan in volume and value.

As the definition outlines, the purpose of IBP is to connect different planning levels in a cross-functional collaboration and enable efficient decision making. Toor & Dhir (2011: 275) adds to the definition that IBP refers to technologies, applications and processes which connect the planning processes as described above.

According to Kepczynski (2019: 111) one of the key value drivers for IBP can be achieved through high-level integration of financial planning. If finance planning is carried out separately and parallel to S&OP process, the outcome will be two set of numbers. Multiple sets of numbers will confuse the organization and lead to misalignment between the stakeholders. (Kepczynski, 2019: 111.) Through integrated planning, companies are positioned to improve both their organizational alignment and financial performance (Toor & Dhir, 2011: 275).

PricewaterhouseCooper (2012) considers Integrated Business Planning across two primary dimensions: process integration and functional integration. Process integration emphasizes end-to-end processes that take strategy into execution. The purpose of the approach is to ensure that strategic ambitions are being embedded into the planning and forecasting processes. Functional integration stands for cross-functional collaboration between different functions in a company. The purpose of collaboration is to promote cross-functional alignment and thus consistency throughout the company. Additionally functional integration enables companies to better evaluate companywide impacts of the decisions made. (PricewaterhouseCooper, 2012: 7-8.)

Another recognized framework for integrating business planning processes is called Demand/Supply Integration (DSI). Moon (2018: 17) defines DSI to be: “a single process to engage all functions in creating aligned, forward-looking plans and to make decisions that will optimize resources and achieve a balanced set of organizational goals.” The idea of DSI is to integrate demand planning, inventory planning, supply planning, and financial planning to achieve a company’s or a business unit’s overall business plan (Moon, 2018: 17). Figure below represents the ideal view of Demand/Supply Integration.

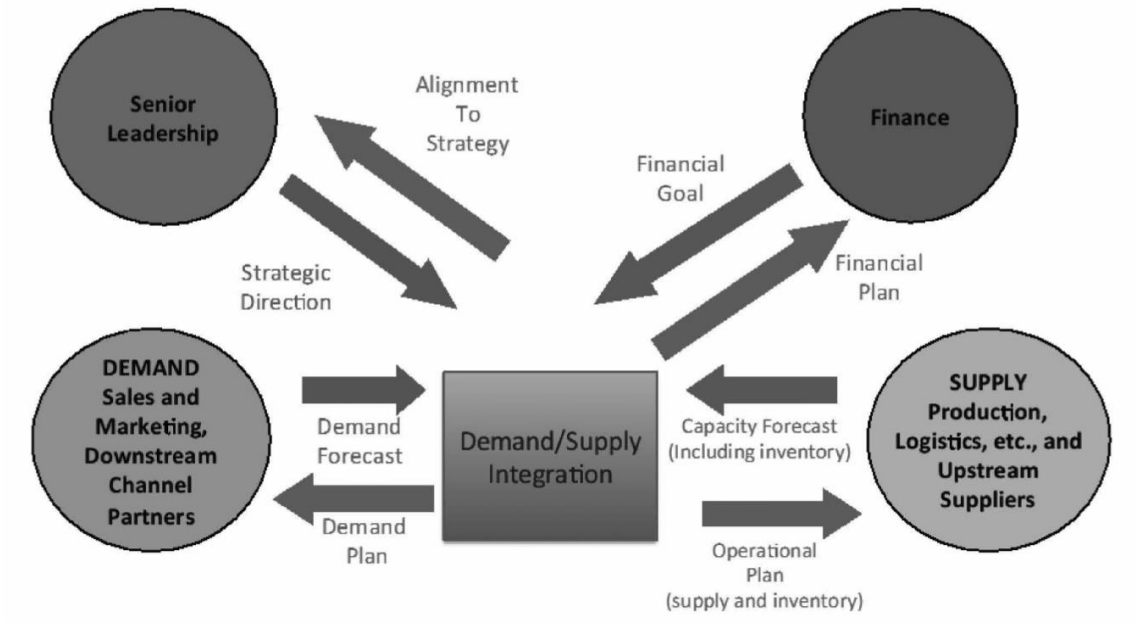

Figure 4. Ideal state of DSI (Moon, 2018: 20).

In Figure 4, different functions of the company that DSI aims to integrate are shown in circles, the integration process in the middle, and the arrows show the inputs to and outputs from the process. The DSI process starts with gathering information for the expected demand from the marketplace and information for the supply capabilities from the factories and external suppliers. These inputs, demand forecast and capacity forecast, are not usually alike so they need to be balanced. The company can undertake various actions either on the demand or supply side to find the best possible alternatives for the balancing act that will fit the financial goal and the strategic direction of the company. The DSI process consists of meetings where these alternatives are reviewed and decisions on the needed actions are made. Based on these decisions various outputs will emerge from the process. The actions to balance either demand or supply will be respectively implemented in the demand plan or/and in the operational plan. Finance plan will be as well reflected based on the expected implications to the revenue and costs as agreed in the DSI process. The final output of the process is to ensure the decisions made conform with the strategy of a company. (Moon, 2018: 20-24.)

The various frameworks for integrating business planning processes, such as IBP and DSI, enable companies to examine their processes, organizational structure, and culture to identify the areas of improvement when linking the different planning processes together. A cross-functional integration is a key step on this journey, and it will be further discussed next.

4.1.2 Cross-functional Integration

As described earlier Integrated Business Planning aims for integrated plan through cross-functional collaboration and Demand/Supply Integration aims to have the functions working as one entity towards companywide goals. Hence it is important to understand how cross-functional integration can be characterized and what are the key drivers to enhance integration in a company.

Pimenta et al. (2016: 574) summarizes from existing literature five tenets though which the cross-functional integration processes can be characterized. These tenets are boundary spanning activities, integration factors, formality/informality, level of integration and impacts of integration. Boundary spanning activities refer to interactions and processes that occur between internal functions to achieve organizational objectives. Integration factors describe the mechanisms that are used in these cross-functional activities to advance integration. The way integration factors are being used can be characterized based on their formality or informality. Integration level describes to which extend integration factors advance the integration and hence the relationships between the people from different functions. Eventually the benefits and outcomes of the activities can be represented as impacts of integration. These impacts can be evaluated both on a department and on a company level. (Pimenta et al., 2016: 574.)

PricewaterhouseCooper (2012: 9) states that key enablers to increase level of integration between functions are data and technology. Common data model is seen crucial for the consistency across hierarchies and definitions used in strategic planning, budgeting, and forecasting. Technology is needed to ensure accurate sharing, transferring, and using of data and information to support decision making. (PricewaterhouseCooper, 2012: 9.)

Moon (2018: 8) on the other hand states that there are three mechanisms to drive internal integration in a company: organizational structure, process, and culture. With organizational structure Moon (2018: 50) refers to the reporting structure and organizational oversight. Both aspects have an impact on how people interact with each other, and on the actual content of the work assigned to each employee (Moon, 2018: 50). Processes describe all the scheduled activities that a company performs to deliver value to its customers. Organizational culture identifies how people behave and what kind of attitudes and values they promote in a company. Moon (2018) emphasizes the importance of organizational culture, being the most difficult and most important factor, to drive internal integration. PricewaterhouseCooper (2012: 10) notes as well that the

behaviours and cultures of each function create the biggest challenge to implement integrated way of working in a company.

For a company to promote collaboration between the functions, and thus improve the alignment between the plans, the most appropriate integration factors need to be selected. The organizational culture has a significant impact on how people perceive and react on the attempts to advance cross-functional integration. These two approaches can be considered as key enablers to integrate business planning processes and they will be further explored in the next sub-section.

4.1.3 Organizational Culture and Integration Factors as Key Enablers

As described earlier in this section existing knowledge implies that level of integration can remain low due to the nature of existing organizational culture or integration factors used. So even well mastered processes executed in an effective organizational structure will most likely fail if the organizational culture does not support integration (Moon 2018: 56) and without application of any integration factors, like establishing cross-functional teams, integration will not get generated between the functions (Pimenta et al. 2016: 574).

According to Merriam-Webster Dictionary (n.d.) ‘culture’ is defined as “the set of shared attitudes, values, goals, and practices that characterizes an institution or organization.“ Moon (2018: 11) states that organizational culture is defined through the behaviours and attitudes presented and promoted in a company. These behaviours and attitudes can be either supportive or resistant of integration. Whether the culture in an organization is friendly or unfriendly towards integration, it can be witnessed in the way different functional groups talk and act towards other groups in the company. Resistance can be shown in distrustfulness towards the people of other functions or towards the output they produce. In a supportive culture people from different functions work together towards the common goals. Organizational culture can and must be addressed in two perspectives: top-down and bottom-up. (Moon 2018: 11-14.)

Top-down approach refers to how the company and the people within are being led. Top management from all the functional areas including sales, marketing, finance, supply chain, and senior leaders of the company need to be fully promoting the integrative behaviour in all that they do. The way the culture is being conveyed by the top

management to the members of each functional area influences on how the culture of each functional area develops and eventually how the integration between the functional areas develops. Hence the influence of top-down approach is critical for the cross-functional integration. (Moon 2018: 59.) Bottom-up approach means that, in addition to the leaders of the company, all the employees as well need to be on board with the integrative behaviour. For this bottom-up approach Moon (2018: 13) highlights two key enablers: incentive and measurement strategies, and education and training. When company can measure and reward integrative actions it will have an impact on the decisions made by an individual employee and thus will promote cultural change. Education and training can enhance integrative behaviour when people from separate functions get together, hear, and learn from each other and understand the impacts their behaviour have on the work of other organizations and on the performance of the company overall. (Moon 2018: 11-14.)

Pimenta et al. (2016: 580) define integration factors as “management tools or states of inter-personal collaboration that stimulate the existence of integration.” They are the mechanisms used to generate integration in cross-functional activities. Pimenta et al. (2016: 580) lists the integration factors (in random order) based on existing knowledge as follows:

- Joint planning
- Mutual understanding of each other’s activities
- Longevity of relationships
- Cross-functional meetings
- Information sharing
- Mutual evaluation and reward
- Support from senior management
- Consideration of the informal work groups
- Trust
- Hierarchical dependence among functions
- Cross-functional training and education
- Adequate communication
- Cross-functional teams
- Willingness and teamwork to resolve conflicts
- Physical proximity of workplaces
- Job rotation

- Group spirit
- Non-conflicting objectives among functions
- Congruence between functional goals and organizational strategy
- Recognition of functional interdependence (Pimenta et al., 2016: 580.)

All the above-mentioned mechanisms can be applied formally and most of them as well informally, for example cross-functional training can be carried out through formal training with a specific content and through informal discussions during the coffee-breaks. Either way promotes sharing of inter-functional knowledge and helps to develop inter-functional competencies. (Pimenta et al., 2016: 580-582.)

To summarize, integration of business planning processes will improve the operational and financial performance of a company. In addition to having processes and organizational structure in place the organizational culture will play a crucial role in implementing and maintaining internal integration. Here, commitment from all the representatives across organizations from senior leaders to the lowest level of the organizations is needed. Using integration factors in all the cross-functional activities will improve the integration between the people from different functions. The cross-functional activities will be based on the information and knowledge each of the function have created. Sharing of knowledge in organizations will be covered in the next sub-section.

4.2 Sharing of Knowledge in Organizations

A company can hold an extensive amount of knowledge and information saved in various forms, ranging from structured databases to individual experiences. When properly managed and shared, knowledge can help organization to make better decisions and improve the overall performance of the company. By identifying both the needs for the knowledge and the existing knowledge resources and sharing them across the organization enables further transparency between the functions. Increased transparency will enable the alignment throughout the organization and thus ensure coherent approach towards the common company goals. This sub-section will first take a general overview of knowledge management, second, focus on knowledge sharing between individuals in the organization and, third, present a practical approach to implement knowledge management and sharing of knowledge in an organization.

4.2.1 Knowledge Management

According to Merriam-Webster Dictionary (n.d.) ‘knowledge’ is defined as “the fact or condition of knowing something with familiarity gained through experience or association.” Knowledge can be considered as a phase in the continuum of building understanding based on available data and information. North & Kumta (2014: 32) extends this view in the context of knowledge in organizations into knowledge ladder (Figure 5), ranging from symbols to competitiveness.

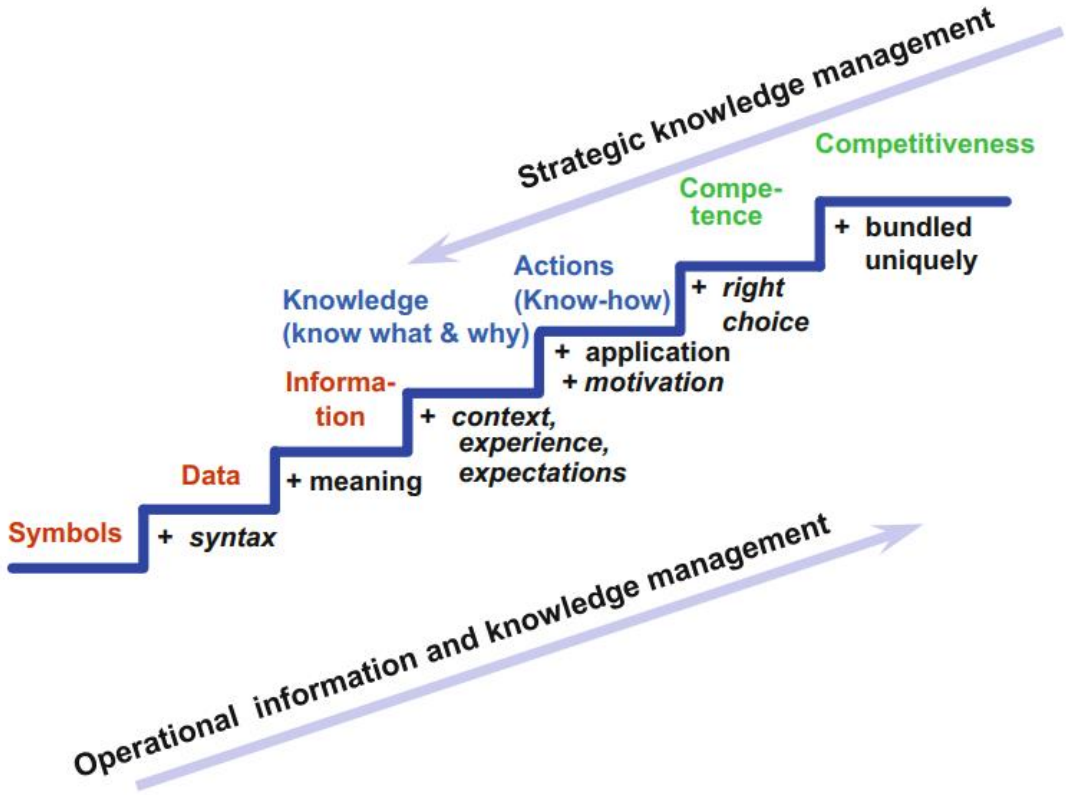

Figure 5. Knowledge ladder (North & Kumta, 2014: 32)

As shown in Figure 5 development of knowledge starts from symbols: letters, numbers, or signs e.g. 1000. When added with a syntax €, 1000 € is considered as data. Then when a meaning is being added, e.g. 1000 € net sales in February 2022 data is transformed to be information. This piece of information is used to gain knowledge. The interpretation of knowledge can however happen in various ways depending on the individual’s experience, expectations on the information received and the context within information was presented. (North & Kumta, 2014: 32.)

North & Kumta (2014: 33) continues the knowledge ladder by separating the levels of “know-what” and “know-how”. The first one describes the process of interiorising information, which is referred as knowledge, and the latter describes the process of applying this information, which is referred as actions. North & Kumta (2014: 35) claim that motivation plays significant role for people in an organization to develop, share, and apply knowledge, which is referred to as (“know-why”) in the knowledge ladder. When appropriate actions are taken at the right time value gets created in a form of people’s improved competencies. Eventually competitiveness of an organization can be created by uniquely combining these competencies. (North & Kumta, 2014: 35.)

Knowledge can be divided into two different types: tacit knowledge and explicit knowledge. Tacit knowledge can be described to reside in the heads of the people (Dalkir, 2012: 8) and explicit knowledge in a concrete media outside the brain (North & Kumta, 2014: 45). Tacit knowledge is subjective. It is based on experience, education, and values of an individual. It is shown through the opinions and behaviour of the individual and hence tend to be hard to formulate and disseminate to others. (North & Kumta, 2014: 45.) Tacit knowledge becomes valuable when individuals understand and utilize the knowledge by acting upon it (Dalkir, 2012: 8.) Explicit knowledge is more tangible, systematically articulated and documented. It can be stored and transferred through information and communication tools or solutions and thus be easily shared with many people. (North & Kumta, 2014: 45-46.)

Knowledge management can be seen as a process, a discipline, or a set of methods to manage knowledge. North & Kumta (2014: 6) defines knowledge management in a following way:

> Knowledge management enables individuals, teams and entire organisations to collectively and systematically create, share and apply knowledge to achieve their strategic and operational objectives.

As definition outlines knowledge is managed on multiple levels ranging from single individual to the whole organization. Dalkir (2011: 3) adds to the definition that knowledge management covers not only people but also technology, processes, and organizational structure that are being systematically coordinated. Liebowitz (2011: 1) supports Dalkir’s extended view by stating that knowledge management can be viewed from three perspectives: people, process, and technology. The people part refers to the knowledge-sharing culture in an organization. The process side aims to embed knowledge

management processes into every day working life of the people. And technology component looks at enabling the sharing of the knowledge. (Liebowitz, 2011: 1.)

Knowledge management is commonly perceived to focus on converting tacit knowledge into explicit knowledge and sharing the valuable knowledge of individuals to be utilized by a large group of people. Dalkir (2012: 9) however states that the approach of knowledge management is more holistic in building organizational knowledge and know-how. It starts with a needs analysis to determine organization's requirements for the knowledge, as well as the benefits knowledge sharing can bring on all levels, to individuals, groups, and to the organizations. (Dalkir, 2012: 9.) North & Kumta (2014: 50) note that knowledge management should also remove any structural or motivational obstacles in the organization that prevent the flow of information and communication.

During the history of knowledge management there has been various ways to describe the steps taken during knowledge management cycle. Both North & Kumta (2014: 6) and Dalkir (2011: 3) recognize the creation, sharing and applying of knowledge as relevant steps in knowledge management. Liebowitz (2011: 1) on the other hand considers that relevant steps are the capturing, sharing, applying, and leveraging knowledge. The aim of the knowledge management is however identified unambiguously: to gain competitive advantage (Dalkir, 2011: 26; North & Kumta, 2014: 3; Liebowitz, 2011: 1).

First step of knowledge management starts with capturing the already existing internal knowledge (tacit or explicit) or creating completely new knowledge for example through an innovation process. Prior second step of sharing or disseminating the knowledge in the organization the content of knowledge gets validated for the value it holds in reaching the organizational goals. For the last step, application of knowledge, the content needs to be conceptualized i.e. making it traceable to the author or original source and adding key attributes for the end users to find the knowledge that is relevant for their purposes. (Dalkir, 2011: 43-44.)

Knowledge management is crucial for a company to ensure each of its processes are being carried out with the best knowledge available. In many cases the needed knowledge can be found within the organization. Sharing of the knowledge in organization will be explored next.

4.2.2 Knowledge Sharing Between Individuals in Organizations

Knowledge sharing refers to a process where knowledge hold by an individual is made available to others in an organization. For this, knowledge needs to be in a form that can be understood and used by others. The ownership of knowledge will not however be released, as sharing will create a joint ownership between the individuals involved in transaction. Sharing of knowledge will enable building on the intellectual capital of an individual and an organization and thus contribute to organizational learning. (Ipe, 2003: 341-343.)

Based on the existing knowledge Ipe (2003: 343) conceptualizes four factors that have the most impact on the "knowledge sharing between individuals in organizations: the nature of knowledge, motivation to share, opportunities to share, and the culture of the work environment". Ipe's (2003) model of the four factors is presented in Figure 6.

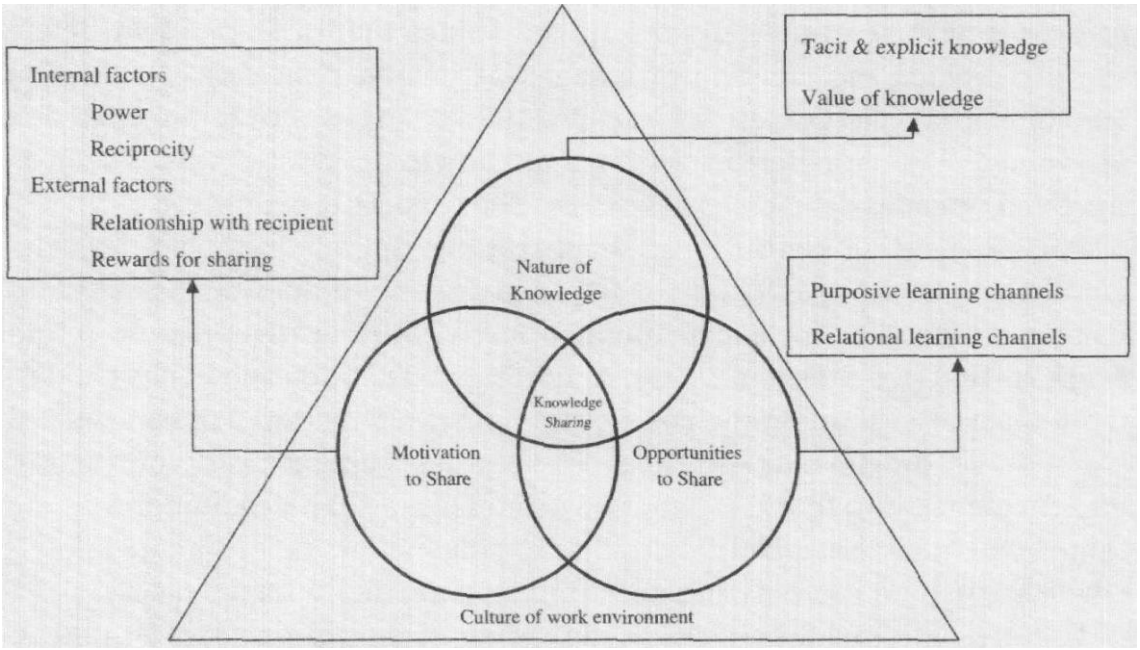

Figure 6. Factors that influence knowledge sharing between individuals in organizations (Ipe, 2003: 352)

As shown on Figure 6 all four factors are interconnected and have an impact on each other. First, nature of knowledge defines the type and the value of the knowledge. There are two dominant types of knowledge, tacit and explicit, as described in the previous sub-section. Knowledge can have value to the individual or/and to the organization. North &

Kumta (2014: 53) state that the value can be defined based on the scarcity and the value-adding potential of the knowledge.

Second, motivation to share can be triggered through internal and external factors. Internal factors consider the perceived power status of knowledge and the reciprocity of the transaction. External factors consider the relationship between knowledge provider and receiver, and the rewards received from sharing. (Ipe, 2003: 345-346.)

Third, opportunities to share knowledge can be enabled through formal and informal channels, or also known as purposive and relational learning channels. Formal opportunities are being supported by official trainings and meetings, or any structured virtual or physical environment that facilitate sharing of knowledge. Informal channels, like coffee breaks or talks at the corridor, facilitate face-to-face interaction between individuals and enable building of trust, which is a key enabler to knowledge sharing. (Ipe, 2003: 349.)

Fourth, culture of the work environment, being it the culture of a unit or the one of a whole organization, has not only impact to the sharing of knowledge itself but also to factors mentioned above (Ipe, 2003: 350). Organizational culture has a significant role in promoting or hindering knowledge sharing between people. To build a receptive knowledge-sharing culture, a collaborative way of working needs to be established. Collective work which is rewarded and supported by the top management will enable building of trust between the individuals across organizations and thus increase the willingness to share knowledge. (Dalkir, 2011: 133.)

Furthermore, nature of knowledge, motivation to share and opportunities to share are seen as part of the culture of work environment. The latter has the most impact on other three factors as the organizational culture sets the scene for what kind of knowledge is valued and how it is being valued, how knowledge sharing is being rewarded, and what kind of learning channels is made accessible for the individuals in the organization. Each of the factor alone support knowledge sharing as such, but together they form an ideal scene for knowledge sharing between individuals in an organization. (Ipe, 2003: 351-353.)

All the four factors, as described above, need to be considered when planning for the implementation of knowledge sharing. Next sub-section will explore on the practical

approach to implement knowledge management and sharing of knowledge in an organization.

4.2.3 Knowledge Mapping and Implementation of Knowledge Sharing

To implement knowledge management and sharing of knowledge, the needs of an organization need to be clarified. So, questions like, “What kind of knowledge is seen to be valuable?” and “What does the organization aim to achieve with the knowledge?” need to be answered first. Second, the sources of knowledge are to be located. These sources can be individuals or documents that possess the latest information or knowledge, being it tacit or explicit. Third, the methods for gathering, validating, organizing, and storing the information and knowledge are to be selected. The methods need to fit the organization’s needs, culture, and technological capabilities. As a fourth step, knowledge will be gathered, stored, and distributed to subject matter experts for validation that the content is valid and up to date. After confirmation, knowledge can be made available to be used and applied by anyone in the organization. As a last step, the knowledge system needs to be maintained. Easy updating needs to be enabled in the system as knowledge is constantly revised. Hence, clear ownership for the system and maintenance plan for the content within is crucial. (Atwood, 2009.)

Knowledge mapping is an activity that helps organizations to carry out the first three steps described above. It presents visually organization’s knowledge resources. Knowledge map seeks answers to questions like “What knowledge is needed and by whom?” and “Where this knowledge resides?”. Through knowledge maps organizations can gain insights on the discrepancies between how knowledge currently flows and how it should flow. By defining these knowledge flows, improvement actions can be determined to ensure effective knowledge sharing in the organization. (APQC, 2022.)

In summary, to create transparency between the functions, the needs for the knowledge are to be clarified, the knowledge possessed by different functions need to be mapped and the methods for knowledge sharing are to be agreed. Knowledge mapping and the 5-step model for implementation described in this chapter define a practical approach to implementing knowledge management and sharing of knowledge between the functions in an organization. At the same time, it is crucial that the organizational culture supports the knowledge sharing. This can be done by creating an environment and channels, physical or virtual, that support the sharing of knowledge. The motivation of individuals

to share knowledge can be influenced by rewarding collaborative behaviour. All these actions will build trust between individuals which is a key criterion for ensuring effective knowledge sharing in the organization.

4.3 Conceptual Framework of This Thesis

The conceptual framework of this thesis is built upon the key findings from existing knowledge that will hereafter support the proposal building. The conceptual framework is presented in Figure 7.

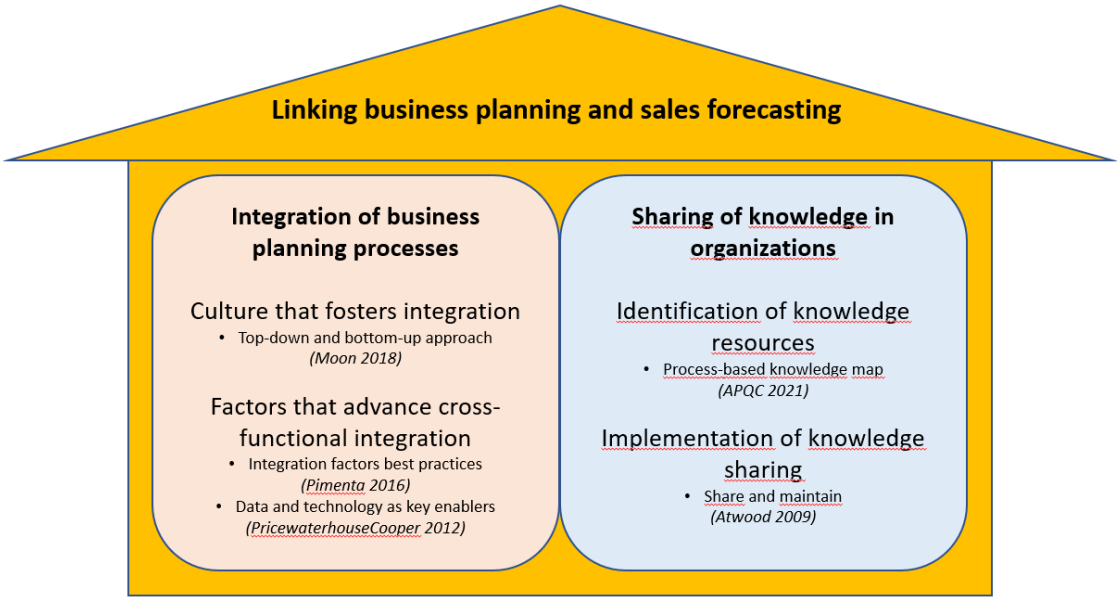

Figure 7. Conceptual framework of this thesis.

The conceptual framework consists of two themes: integration of business planning processes and sharing of knowledge in organizations. Both themes include two elements, appropriate approaches and tools that are utilized in the proposal building of this thesis.

The elements selected for the first theme, integration of business planning processes, aim to diminish the silo mentality and enhance the collaboration between the functions in an organization. The first element is a culture that fosters integration. As described earlier in this section without an integration-friendly culture in place, any process improvement or organizational structure changes to advance integration in the organization will most likely fail. The method to approach culture in this study is done through top-down and bottom-up approach as described by Moon (2018). This selected

approach ensures that cultural change is being executed by supporting behavioural change on an individual level as well as on a functional area level. The second element covers the integration factors that advance integration between the functions. These factors include various types of tools or mechanisms that can be used in cross-functional activities to stimulate integration. Pimenta (2016) introduced, based on the existing knowledge, 20 different kinds of integration factors which are complemented with data and technology as recommended by PricewaterhouseCooper (2012) for the proposal building.

The elements selected for the second theme, sharing of knowledge in organizations, aim to improve the transparency between the functions in an organization. The first element is the identification of knowledge resources. For an organization to know what it knows and act upon it, the need for the knowledge, the characteristics related to the knowledge, and the location of this knowledge needs to be mapped first. Process-based knowledge map provided by APQC (2021) is a tool used in such an activity. The second element is the implementation of knowledge sharing. Here, the last two steps of 5-step implementation model described by Atwood (2009), are combined into the process-based knowledge map to ensure that the ways to share and maintain the knowledge are documented and roles and responsibilities assigned appropriately.

The elements with tools and approaches selected for the conceptual framework will be used for building the proposal of this thesis, which will be reviewed in the next section.

5 Building Proposal for Linking Business Planning and Sales Forecasting in the Case Company

This section merges the results of the current state analysis (based on Data 1) and the conceptual framework (based on existing knowledge and best practices) towards the building of the proposal based on internal co-creation and discussions (which make Data collection 2). First, the overview of the steps taken in the building of the initial proposal is presented. Second, the inputs and the findings from the co-creation are discussed for each element of the initial proposal. Third, the initial proposal is presented.

5.1 Overview of the Proposal Building Stage

This section presents the steps taken in the proposal building for this study. The focus in the proposal building phase was to find ways to develop the selected key weaknesses from the current state analysis, which were (1) little or no alignment between sales plan and sales forecast and (2) limited visibility to reasoning and knowledge behind the plans. These focus areas informed the selection of the main themes for the conceptual framework, which were respectively (1) integration of business planning processes and (2) sharing of knowledge in organizations. Conceptual framework was created based on the relevant existing knowledge and best practices. Proposal building was consequently carried out in two separate streams and thus created the main elements of the proposal for this thesis.

The proposal building was conducted in three steps. First, the key findings from the selected focus areas of the current state analysis were reviewed and matched against the insights from the existing knowledge. This gave an initial framing to the issues that needed to be addressed together with the company stakeholders for the proposal building. Second, the most appropriate stakeholders for the proposal building were selected together with a company representative.

Third, as the proposal consisted of two separate elements, two separate workshops were arranged to have the most acknowledgeable stakeholders per a workshop. Workshops were arranged online to involve representatives from different geographical areas and functions. For the first workshop, which related to integration of sales planning and sales forecasting, participants were representatives from sales management and sales operations. A follow up on the action planning was done via e-mail after the workshop. For the second workshop, which related to sharing of knowledge behind the plans,

participants were representatives from business management, sales management, sales operations, and supply chain operations. Participants were first introduced to the key findings made during the current state analysis and literature review phases. The stakeholders were then involved in the proposal building through co-creation of the initial proposal. Methods such as brainstorming, and group discussions were used. The suggestions they came up for the proposal were documented by the researcher who acted as a facilitator for the workshops. The inputs from the stakeholders for the initial proposal will be reviewed in the next chapter.

5.2 Findings from the Co-creation for the Proposal Building

Data collection 2 was carried out through workshops and discussions where inputs from the key stakeholders were gathered for the proposal building. These inputs consisted of suggestions from the stakeholders on how to develop the issues identified during the current state analysis in relation to the inputs from existing knowledge and best practices. Since there were two focus areas from the current state analysis and two corresponding themes in the conceptual framework, the suggestions were as well divided into two elements: (1) integrating sales planning and sales forecasting and (2) sharing the knowledge behind the plans.

5.2.1 Integrating Sales Planning and Sales Forecasting

Stakeholders created altogether 24 ideas on how to improve the integration between sales planning and sales forecasting. These ideas were then turned into 11 actions that addressed this specific development area. Table 4 below summarizes these inputs for the initial proposal.

Table 4. Key stakeholder suggestions (Data 2) for proposal building in relation to findings from the CSA (Data 1) and the conceptual framework for integrating sales planning and sales forecasting

	*Key focus area from **CSA** (from **Data 1**)*	*Input from literature (**CF**)*	*Suggestions from stakeholders for the Proposal, summary (from **Data 2**)*	*Description of their suggestion (in detail)*
1	Little or no alignment between	Cross-functional training and	a) Arrange knowledge sharing sessions	The target of the knowledge sharing is to increase the understanding of the impacts

	sales plan and sales forecast	education (Pimenta 2016) Bottom-up drivers of culture (Moon 2018)	between functions as well as with the customers	that the activities of one function has on another and to clarify who need what, when & why to ensure alignment between the plans. Following functions are needed to be involved internally: sales management, sales finance, marketing, and sales operations
		Cross-functional meetings (Pimenta 2016) Top-down drivers of culture (Moon 2018)	b) Schedule regular monthly cross-functional meetings within a sales unit	One common meeting where the business is discussed, each function has a part of the agenda including deadlines for forecasting and alignment between sales forecast and financial plan. Following functions are needed to be involved: sales management, sales finance, marketing, and sales operations
		Non-conflicting objectives among functions (Pimenta 2016) Bottom-up drivers of culture (Moon 2018)	c) Set common targets to all functions within a sales unit	All the functions within a sales unit need to have common target setting to ensure everyone is working towards the same goal. Following functions are needed to be involved: sales management, sales finance, and sales operations
			d) Set non-conflicting KPIs across a sales unit	KPIs used can be different between the functions but they need to be in line towards the common goal. Following functions are needed to be involved: sales management, sales finance, and sales operations
		Recognition of functional interdependence (Pimenta 2016)	e) Standardize campaign planning process (both external and internal) to consider supply lead times and SKUs to focus on	Campaign planning process needs to be more structured to ensure campaign plans are available in time and, when needed, preferred SKUs are being used in campaigns. Standardization of the process is needed between the sales units to have unified way of working and to enable post-evaluation of the campaigns run. Following functions are needed to be involved: sales management, sales operations, marketing, and supply chain operations.
			f) Align NPD process timeline	The schedule on introducing new products to the customers

			with customers' schedule on new listings	need to be aligned with the customers' schedule for new listings to ensure product is available at launch without missing a season. Following functions are needed to be involved: sales management, business management, sales operations, marketing, and supply chain operations.
		Data and technology (PricewaterhouseCooper 2012)	g) Implement a common tool for KAMs to do sales planning	Key account managers need to be more involved and responsible for their contribution to the sales forecast. Common way of working is needed to improve the way sales plan and sales forecast are being compared. Following functions are needed to be involved: IT, sales management, and sales operations.
			h) Implement a common tool for sales forecasting	Common tool is needed to standardize the way of working and to have a better ability to analyze differences between sales plan & sales forecast. Following functions are needed to be involved: IT, sales management, sales operations, and supply chain operations.
			i) Align and automate forecast pricing for sales forecasting and sales planning	This action is needed to reduce nonvalue added work and enable better visibility of differences between sales plan and sales forecast by minimizing the gaps caused by pricing differences. Following functions are needed to be involved: IT, sales management, sales operations, and sales finance.
		-	j) Agree on the priority SKUs to be under focus in sales forecasting	By focusing on a pre-defined set of priority SKUs will enable better forecast accuracy on the SKUs which have the biggest impact on the company targets. Following functions are needed to be involved: Sales operations, sales management, and supply chain operations.
			k) Define the scope of SKUs where input from KAMs is expected	Some KAMs do sales forecasting for all SKUs in their assortment. This action is needed to reduce nonvalue added work and enable better

			for sales forecasting	alignment between sales plan and sales forecast. Following functions are needed to be involved: sales management and sales operations

As seen from Table 4, the suggestions from the stakeholders covered actions to drive the integrative way of working in the organization further both internally as well as externally. Stakeholders identified six themes behind these actions:

1. Knowledge on the impacts
2. Common goals and objectives
3. Better campaign planning
4. Customer centricity
5. System improvement
6. Scope of sales forecasting.

Knowledge on the impacts included two actions. First one was to arrange a knowledge sharing sessions between the functions as well as with the customers. The aim of the knowledge sharing was to increase the understanding of who need what, when and why to enable better alignment between the sales plan and the sales forecast. Knowledge sharing was expected to improve the shared understanding of the impacts one function has on another and eventually to the whole company. Second action was to schedule a monthly cross-functional meeting within a sales unit. Purpose of the common meeting was to review the business situation in the perspective of each function and to ensure alignment of the sales forecast and the financial plan. Additionally, the deadlines for forecasting are to be reviewed. As one of the participants in the workshop stated: “[We] need to be more involved in each other’s processes. By involving each other we can understand why and how we do things” (Participant 4.)

Common goals and objectives had two actions. First, to set common targets to all functions within a sales unit. Second, to set non-conflicting key performance indicators (KPI) across a sales unit. Both were needed to align actions between the functions. It was mentioned by participant 1 that objectives should be aligned between the functions but KPIs should be made relevant to each individual area i.e. sales management should not have the forecast accuracy as KPI as sales operations did. There were no specific suggestions from the participants what the actual goals and KPIs should be but there was a consensus that they need to be aligned. As participant 2 summarized the topic:

“Everyone needs to be invested in the impacts of over/under forecasting to reduce excess stock and improve service level” (Participant 3.)

Campaign planning was seen as one of the key process development areas that would enable better alignment between the sales plan and the sales forecast. To start with, it was commented by participant 5 that the description of a campaign at the case company needed to be clarified first to increase the understanding of what is needed, who needs it, in what form, and when. The action that was emphasized by the stakeholders was to standardize the campaign planning process, both within the company and with the customers, to consider the supply lead times and SKUs to focus on. This action was needed to ensure the campaigns were planned well in advance with the customers and in a unified manner between the sales units. Participant 1 highlighted as well that the distribution centers needed to be involved more in the process and noted that better campaign planning is needed to: “improve customer experience, improve workflows [in logistics] and ultimately increase profitability.”

Customer centricity was reflected in many of the suggestions, but it got really emphasized while stakeholders talked about the new product introduction, which was seen as another key process development area. Hence the stakeholders suggested that the timeline for new product development (NPD) process needed to be aligned with the customers' schedule on new listings. “The customer should be at the heart of everything we do”, said participant 1 and continued: “understanding how they work and what is required from us as a business ensures a good working relationship, increased growth and profitability.” Participant 5 saw a need to simplify the way the new product introductions were currently carried out. A better alignment between the schedules of the company and the customers would “help to ensure product is available at launch for key customer accounts without missing a season”, concluded participant 3.

The need for system improvements were highlighted mainly by the representatives from the sales operations as they raised three actions related. First, to implement a common tool for the key account managers to do sales planning and provide input to sales forecasting. Participant 4 highlighted that sales needed to be more involved and responsible for their contribution to sales forecasting. A common sales planning tool would enable the standardization of the way of working for sales planning. Second, a similar need was seen on the sales forecasting side i.e. to implement a common tool for sales planners. Like with previous action a common tool was seen as an enabler to

standardize the way of working. Common tools together were seen important to enable effective comparison of the sales plan and the sales forecast. Third action was to align and automate forecast pricing for sales forecasting and sales planning. The need was to turn this manual activity of forecast price calculation and maintenance into an automated process and to use same forecast prices for sales forecasting and sales planning processes. Alignment of forecast pricing would minimize the gaps caused by pricing differences and hence improve the ability to analyze the actual differences between the sales forecast and the sales plan.

The final theme for the actions needed to further integrate sales planning and sales forecasting was related to the scope of sales forecasting. In other words, the suggestions made here were related to how the work is being divided between the functions. The existing knowledge however did not provide any applicable counterpart for such a view, but the stakeholders reckoned it to be important for the proposal building. The stakeholders agreed on the fact that more focus is needed in prioritizing the SKUs where both the sales planners and the key account managers provide input. First action was to agree on the priority SKUs for sales forecasting. By focusing on the SKUs with biggest impact to the company's targets would enable to improve the sales forecast accuracy on these priority SKUs. Second action was to define the scope of SKUs where input from the key account managers was expected for sales forecasting. Sales forecast was to be created on more aggregated level and hence reduce the need for a key account manager to do sales forecasting on large number of SKUs. As there were differences between the sales units in the number of SKUs key account managers forecasted, a harmonization in the way of working was needed. This way company can create transparency on how the sales forecast is being created across the sales units and ensure input to relevant SKUs.

To summarize, altogether 11 concrete actions were suggested by the stakeholders to improve the integration between the sales planning and the sales forecasting. Each of the action could be assigned to as a separate project, some of them small and some more extensive in scope. All of them were used in creating the initial proposal.

5.2.2 Sharing the Knowledge Behind the Plans

For this second element of the proposal building the key findings from the current state analysis were utilized. There were five knowledge areas that needed to be improved

according to the stakeholders interviewed during the CSA. These initial suggestions were sent to participants prior the workshop for a validation, and new suggestions were encouraged to be raised.

During the workshop initial suggestions were adjusted and made more complete to fit the purpose. New suggestions were revised accordingly. Stakeholders suggested altogether 10 knowledge areas that needed to be managed to improve the sharing of the knowledge behind the plans. Three of the suggestions were out scoped from this thesis as they were not applicable to the business category under study. Remaining seven knowledge areas, which needed to be improved, were summarized into five suggestions. Table 4 below shows these inputs for the initial proposal.

Table 5. Key stakeholder suggestions (Data 2) for proposal building in relation to findings from the CSA (Data 1) and the conceptual framework for sharing the knowledge behind the plans

	*Key focus area from **CSA** (from **Data 1**)*	*Input from literature (**CF**)*	*Suggestions from stakeholders for the Proposal, summary (from **Data 2**)*	*Description of their suggestion (in detail)*
2	Limited visibility to reasoning and knowledge behind the plans	Identification of knowledge resources (APQC 2021) Implementation of knowledge sharing (Atwood 2009)	a) Share rolling business plans to the sales planners	Country specific business plans, that are made based on business guidance, are to be shared to the sales planners by sales finance. This is to keep sales planners aware of the expectations for the revenue from business management perspective and to enable comparison of business plan and sales forecast. Following functions are needed to be involved: sales finance and sales operations.
			b) Provide sales planners an access to financial updates	Sales planners to have visibility over the documentation made by finance on risks and opportunities. This is to keep sales planners aware of the unit specific risks and opportunities flagged by sales management. And to reflect those against the sales forecast. Following functions are needed to be involved: sales finance and sales operations.

			c) Risks within sales forecast and opportunities outside the sales forecast to be reported into demand planning process	Sales planners to provide knowledge on risks and opportunities in demand reviews during S&OP monthly process. This action is dependent on the execution of previous suggestions. Following functions are needed to be involved: sales operations and supply chain operations.
			d) Share the budget documentation to sales planners	Documentation regards budget figures including building blocks and other elements behind the figures to be shared to sales planners.
			e) Probability of the sales forecast being realized to be evaluated and reported into demand planning process	Probability to be evaluated separately on baseline, campaigns, and new distribution. Documentation of the probability should be accompanied with the assumptions used in creating the sales forecast.

As seen from Table 5, the suggestions from the stakeholders indicated that many of the needed knowledge resources were linked to the financial planning of the company. It was evident that finance function hold information and knowledge that were seen beneficial for sales forecasting and demand planning processes.

First suggestion from the stakeholders was to share rolling business plan to the sales planners. Rolling business plan included high level net sales expectation for the specific market area and the main building blocks to achieve the target. Business plan was owned by the sales director and the planning was facilitated by the finance function. Stakeholders indicated that sharing this plan with the sales planners would enable the comparison of the business plan and sales forecast and hence the identification of possible gaps between the plans in an earlier stage than currently. The business plan was already existing in the company and the stakeholders did not see any obstacles to share this knowledge to the sales planners. The knowledge was proposed to be shared through a Teams site maintained by a finance manager of a unit.

Second suggestion was related to how risks and opportunities were documented in the sales unit. Stakeholders noted that risks and opportunities regard the financial plan of a unit were documented on a regular basis by the finance function. They suggested that

this knowledge would be shared with the sales planners. This way sales planners would be aware of the risks and opportunities flagged by the sales management and validate how they were being acknowledged in the sales forecast. The documentation on risks and opportunities was already existing in the company and the stakeholders did not see any obstacles to share this knowledge to the sales planners. As it was stated during the workshop by the participant 7 from sales management: “I just wrote to our finance manager to share this information.” The knowledge was proposed to be shared through a Teams site maintained by a sales director of a unit.

To ensure that the knowledge on risks and opportunities were being distributed further in the value chain stakeholders suggested that sales planners would share this knowledge through the demand planning process. The sales forecast would be evaluated for the risks incorporated in the figures and opportunities would be considered as additions to the existing sales forecast. The outcome would be reported in the monthly demand review meeting to the supply chain operations and further to the business management. This activity was seen dependable on the execution of the activity described in the previous suggestion.

Fourth suggestion was to share documentation on the budgets to the sales planners. Documentation described the building blocks and other key sales drivers for building up the budget figures. It was acknowledged by the participant 6 that the documentation is a lengthy PowerPoint presentation and hence needed to be modified for the usage of the sales planners. It was as well commented by the stakeholders that as the company was transitioning from annual budgeting to rolling forecasting in financial planning, the new process should be reviewed first in regards the documentation used. Otherwise, representatives from sales management and business management did not see any obstacles to share this knowledge to the sales planners. The knowledge was proposed to be shared through a Teams site maintained by a sales director of a unit.

The last suggestion on sharing the knowledge behind the plans was related to the probability of the sales forecast being realized and the assumptions used in creating the sales forecast. This knowledge was requested by a stakeholder from the business management. Probability of the sales forecast being realized describe which part of the sales forecast is expected to realize with high probability and for which part there was uncertainty seen for the actual sales to realize as forecasted. Probability was suggested to be reported separately on baseline sales, campaigns, and new distribution. A

stakeholder from sales operations highlighted that currently there is no tool to measure the probability and the feasibility of this action depends on the granularity level the reporting is needed to be done. All participants agreed that the granularity level would first need to be defined that the information created would be beneficial for the stakeholders and the action would be feasible to execute. As this knowledge needed to be further managed, the steps to share and maintain it were not defined at this stage.

To summarize, altogether 7 relevant knowledge areas, as suggested by the stakeholders, were mapped during the workshop to improve the sharing of knowledge behind the plans. For the feasible knowledge areas, the plan to implement the knowledge sharing was as well defined. All knowledge areas were used in creating the initial proposal.

5.3 Initial Proposal

In this chapter the initial improvement proposals for integrating sales planning and sales forecasting, as well as for sharing the knowledge behind the plans are presented. The initial proposal is build based on the selected focus areas in the current state analysis, the main themes selected for the conceptual framework and the key findings made during the co-creation of the proposal with the company stakeholders.

5.3.1 Initial Proposal for Integrating Sales Planning and Sales Forecasting

As identified in the current state analysis, one of the key development areas to reach the objective of this thesis was the misalignment between the sales plan and the sales forecast. Through the input from best practices in existing knowledge and the input from the stakeholders of the case company the initial proposal was created. The initial proposal describes the immediate actions that need to be taken to improve the integration between sales planning and sales forecasting and hence the alignment between the sales plan and the sales forecast. The actions were categorized in six themes by the stakeholders. The proposal as well describes who needs to be involved in implementing these actions and the rational why the action is needed. The initial improvement proposal is presented in the Table 6 below.

Table 6. Initial proposal for integrating sales planning and sales forecasting

Item	Description of the action needed	Theme	Who needs to be involved?	Why is this action needed?
1	Arrange knowledge sharing sessions between the functions as well as with the customers	Knowledge on the impacts	Sales management, Sales finance, Marketing, Sales operations	To increase the understanding of who need what, when & why
2	Schedule a monthly cross-functional meeting within a sales unit	Knowledge on the impacts	Sales management, Sales finance, Marketing, Sales operations	One common meeting where the business is discussed, each department has a part of the agenda including deadlines for forecasting and alignment between the sales forecast and the financial plan
3	Set common targets to all functions within a sales unit	Common goals and objectives	Sales management, Sales finance, Sales operations	To ensure alignment between the functions
4	Set non-conflicting KPIs across a sales unit	Common goals and objectives	Sales management, Sales finance, Sales operations	To ensure alignment between the functions
5	Standardize campaign planning process (both external and internal) to consider the supply lead times and SKUs to focus on	Better campaign planning	Sales management, Marketing, Sales operations, Supply chain operations	To ensure campaigns are planned well in advance with the customers and in unified manner between the sales units
6	Align NPD process timeline with customers' schedule on new listings	Customer centricity	Business management, Sales management, Marketing, Sales operations, Supply chain operations	Help to ensure product is available at launch for key customer accounts without missing a season
7	Implement a common tool for KAMs to do sales planning	System improvement	IT, Sales management, Sales operations	Sales need to be more involved and responsible for their contribution to the sales forecast. To improve the way sales plan and sales forecast are being compared.
8	Implement a common tool for sales forecasting	System improvement	IT, Sales management, Sales operations, Supply chain operations	To standardize the way of working and to have a better ability to analyze differences between sales plan & sales forecast
9	Align and automate forecast pricing for sales forecasting and sales planning	System improvement	IT, Sales management, Sales operations, Sales finance	Reduce nonvalue added work and enable better visibility to differences between sales plan and sales forecast
10	Agree on the priority SKUs to be under focus in sales forecasting	Scope of sales planning	Sales management, Sales operations, Supply chain operations	Increase the sales forecast accuracy by focusing on the SKUs that have the biggest impact on the company targets
11	Define the scope of SKUs where input from KAMs is expected for sales forecasting	Scope of sales planning	Sales management, Sales operations	Reduce nonvalue added activity and ensure better alignment between sales plan and sales forecast

As seen from Table 6, there are 11 actions defined in the initial improvement proposal as suggested by the stakeholders during the data collection 2. Despite the fact improvements were focused on to the collaboration between sales management and sales operations, the involvement of other functions was seen necessarily. The functions listed in the proposal were expected to have an impact on the activity in question or to support the execution of it. Each of the actions are described more in details in chapter 5.2.1 Integrating Sales planning and Sales Forecasting.

5.3.2 Initial Proposal for Sharing the Knowledge Behind the Plans

Another key development area, which was identified during the current state analysis, was the sharing of knowledge behind the plans. Through the input from existing knowledge and the input from the stakeholders of the case company the initial proposal was created. The initial proposal describes the key knowledge areas, raised by the stakeholders, that need to be shared between the functions to improve the alignment between business planning and sales forecasting. The initial improvement proposal is presented in the Table 7 below.

Table 7. Initial proposal for sharing the knowledge behind the plans

KNOWLEDGE RESOURCES											SHARING & MAINTENANCE		
#	Process	Activity	What knowledge is needed?	Who needs this knowledge?	Who owns this knowledge?	Tacit or explicit?	Where is this knowledge?	Who can validate this knowledge?	Are there any barriers to share this knowledge?	How big is the knowledge gap?	Additional details / Interventions to close the gaps	How this knowledge will be shared?	How often this knowledge needs to be updated and revised?	Who can maintain the content of this knowledge?
Item number	List the process for which knowledge is being mapped	List the specific activities within the process	List the types of knowledge required to perform this activity	List people who need the knowledge	List the sources of record or experts who own this knowledge	Mark as T, E, or T/E	List repositories or people who have the knowledge	List individuals or systems who can verify	List any restrictions to share the knowledge	Rate as 1, 3, or 5 (1 = small, 3 = medium, 5 = large)	Provide any notes or further context	Name the media through which this knowledge will be shared	Define the maintenance frequency for this knowledge	List individuals who will maintain the repository
1	Sales forecasting	Sales forecasting	Rolling business plan	COMPANY CONFIDENTIAL					-	1	Country specific business plans that have been made based on the business guidance.	Teams site	COMPANY CONFIDENTIAL	Finance Manager
2	Sales forecasting	Risk & Opportunity management	Risks within the sales forecast						-	2	Sales planners to be provided with an access to financial update.	Teams site		Sales Director
3	Sales forecasting	Risk & Opportunity management	Opportunities outside the sales forecast						-	2	Sales planners to be provided with an access to financial update.	Teams site		Sales Director
4	Sales forecasting	Sales forecasting	Building blocks used in budgeting						-	3	Lengthy powerpoint presentation, modified presentation needed.	Teams site		Sales Director
5	Demand planning	Risk & Opportunity management	Risks within the sales forecast						Dependent on item 2	3	Sales planners to provide the input to demand planning process	Demand review - meeting		Sales Planner
6	Demand planning	Risk & Opportunity management	Opportunities outside the sales forecast						Dependent on item 3	3	Sales planners to provide the input to demand planning process	Demand review - meeting		Sales Planner
7	Demand planning	Demand review	Probability of the sales forecast being realized. Assumptions used in sales forecast						Feasibility depends on the granularity level to be reported. Currently no existing tool to measure the probability	4	Probability to be evaluated separately on baseline, campaigns and new distribution. Granularity level to be defined			

As seen from Table 7, the most relevant knowledge areas were mapped and supplemented with the specifications on how the knowledge is shared and who is responsible for maintaining the content.

First part of the proposal includes the identification of the knowledge resources, also referred as the knowledge map. It includes 11 columns (excluding the item numbering on the far left) under which each knowledge area is described. Starting from the left-hand side, the process for which the knowledge is being mapped is stated first. Second, the specific activity within the process for which the knowledge is needed is listed. Third, the actual knowledge required to perform this activity is defined. Fourth, the people who need this knowledge are listed. Fifth, the sources of record or experts who own this knowledge are listed. Sixth, the type of knowledge is marked whether it is tacit or explicit. Seventh, the repositories or people who have this knowledge are listed. Eighth, individuals or systems who can verify this knowledge are defined. Ninth, any restrictions to share this knowledge are listed. 10th, the knowledge gap is rated between 1 and 5, where 1 equal to small, 3 to medium, and 5 to large gap. Knowledge gap is defined by comparing the knowledge needed to complete the process (as defined in column three) to the currently available knowledge (as defined in columns five to nine). If gap is three or higher further actions are needed to manage this knowledge prior utilizing it more widely or sharing it to others in the company. Last column in the knowledge map provides additional details related to the specific knowledge or interventions to close the gap.

Second part of the proposal include the specifications for sharing and maintaining the knowledge. First, the media through which this knowledge will be shared is named, whether it is an intranet site, folder on a shared drive, or a meeting. Second, the maintenance frequency for this knowledge is defined. And last the individuals who are responsible for maintaining the repository for this knowledge are listed.

5.4 Summary of the Initial Proposal

As described earlier the initial proposal was built in two separate streams, one focusing on integrating sales planning and sales forecasting, and another on sharing the knowledge behind the plans. Both elements contributed to the main objective of this thesis: to propose improvements for linking business planning and sales forecasting.

Figure 8 below aims to illustrate the relevance and the connection of these elements in the process and information flow context relevant for this study.

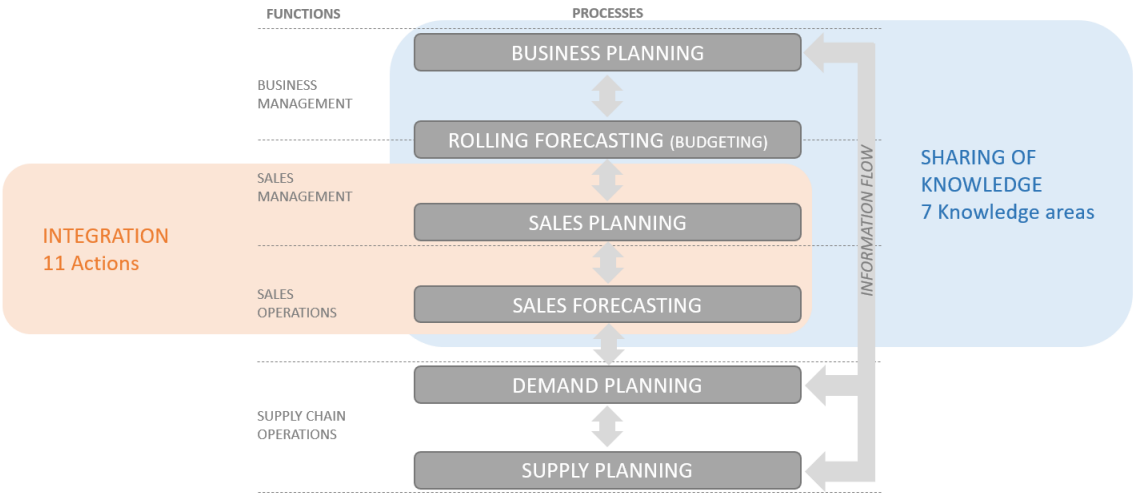

Figure 8. Summary of the initial proposal

As seen in the Figure 8, the integration part focused merely on the intersection of two processes: sales planning and sales forecasting. This was the area where many of the weaknesses originated, and which had a significant impact on the subsequent processes as well. The Initial proposal for this stream included 11 actions to improve the integration of sales planning and sales forecasting. Despite the fact the creation of initial proposal focused on the collaboration between the two functions, the involvement of other functions as well were seen necessarily.

Sharing the knowledge behind the plans covered all the processes relevant for reaching the objective of this thesis: business planning, rolling forecasting, sales planning, and sales forecasting. (As company transitioned from annual budgeting to rolling forecasting in financial planning during the proposal building stage, the process naming was updated accordingly.) The initial proposal for this stream included 7 knowledge areas that were needed to be shared between the functions to improve the overall alignment between the business plan and the sales forecast. Based on the suggestions made, finance function was identified as a key connector for some of the knowledge resources as they facilitated the rolling forecasting process. In addition to mapping the knowledge areas the plan to implement the knowledge sharing was defined.

Next, the initial proposal was validated by the key stakeholders in the company. Validation of the proposal will be covered in the next section.

6 Validation of the Proposal

This section presents the results of the validation stage and points to further developments to the initial proposal. First, the overview of the validation phase is presented. Second, the development ideas for each element of the proposal are discussed based on the data collection round 3. At the end of this section the final proposal and recommendations for implementing the proposed improvements are presented.

6.1 Overview of the Validation Stage

This section reports on the steps taken during the validation stage and the validation results of the proposal developed in Section 5. The purpose of the validation was to evaluate whether the proposed improvements would add value and work in practice in the case company, and to gain approval for the proposal from the key stakeholders.

Like proposal building the validation was done separately for both elements of the proposal. For the first element, integrating sales planning and sales forecasting, the details of the proposed improvements were gone through point by point with key stakeholders from sales operations and supply chain operations. These functions were selected for the validation as they were impacted most by the weaknesses related to the misalignment between the sales plan and the sales forecast. Respondents were selected amongst the leading experts and upper management to ensure that the proposal was reviewed in detail and aligned with the strategic ambitions of the functions.

For the second element, sharing the knowledge behind the plans, the validation of the proposal was partially included in the proposal building stage. As there was either a leading expert or an upper management representative from each of the four functions involved in the co-creation of the initial proposal, the proposal was built based on their input and constructive feedback to ensure the feasibility of the proposed improvements in practice. To improve the level of validation for the knowledge areas that required contribution from finance the data collection was extended. First, two representatives with senior management roles from sales finance were interviewed regards the new rolling forecasting process. Second, the relevant knowledge areas from the proposal were trialled through workshops with key stakeholders from sales operations, sales

finance, and sales management for two sales units. Two units were selected to identify any differences in the way of working between the units. Participants represented the parties accountable, responsible, and the ones to be informed for each of the selected knowledge area.

The initial proposal was adjusted based on the feedback from these key stakeholders and decision-makers. The inputs from the stakeholders for the final proposal are reviewed in the next chapter.

6.2 Developments to the Proposal

Development of the initial proposal is based on the data collection round 3. This data collection round was done separately for both elements in the proposal, and it concentrated on identifying improvements proposed by the validation experts to the initial proposal. Based on the expert feedback the proposal was finalized.

6.2.1 Developments to the Initial Proposal for Integrating Sales Planning and Sales Forecasting

The initial proposal for integrating sales planning and sales forecasting was validated through in-depth discussions with the key stakeholders. One of the validation experts was a stakeholder already during the proposal building stage. For the other validation experts, the initial proposal was gone through in details during the validation stage. Table 8 below summarizes the inputs and development ideas from validation.

Table 8. Expert suggestions (findings of Data 3) for the initial proposal for integrating sales planning and sales forecasting.

	Element 1 of the Initial proposal	*Parts commented in Validation*	*Description of the comment/ feedback by experts (in detail)*	*Development to the Initial proposal*
1	Integrating sales planning and sales forecasting	Arrange knowledge sharing sessions between the functions as well as with the customers	Knowledge sharing to cover whole end-to-end process. The focus topics per department to be defined.	Business management added as a participant for the action. Additional information added regards planning for the implementation of this action.
		Schedule a monthly cross-functional	a) Corresponding activity is carried out in	The rational for the action updated and

		meeting within a sales unit	another region, to be used as a benchmark. b) Meeting to focus on deciding on the corrective actions for the gaps between financial forecast and sales forecast, and how to implement decisions from the S&OP process. c) Monthly meeting structure to be reviewed to consider the overlapping with Sales PreS&OP meeting.	additional information added regards planning for the implementation of this action.
		Set common targets to all functions within a sales unit Set non-conflicting KPIs across a sales unit	Accuracy of finance forecast or sales forecast bias to be used	Additional information added regards planning for the implementation of this action.
		Standardize campaign planning process (both external and internal) to consider the supply lead times and SKUs to focus on	a) Post-evaluation of the campaigns needs to be enabled. b) Campaign planning needs to be connected to KAM's sales planning tool.	Additional information added regards planning for the implementation of this action.
		Align NPD process timeline with customers' schedule on new listings	Differences between regions and customers to be noted	Additional information added regards planning for the implementation of this action.
		Implement a common tool for KAMs to do sales planning	a) To be linked to rolling forecasting process in tooling and process perspective. b) Power BI to be considered as a quick win.	Additional information added regards planning for the implementation of this action.
		Implement a common tool for sales forecasting	There are differences in the capabilities of the systems used currently	Additional information added regards planning for the implementation of this action.
		Align and automate forecast pricing for	Consideration of the price changes is difficult, hence the	Additional information added regards planning

		sales forecasting and sales planning	solution to consider price changes need to be carefully evaluated	for the implementation of this action.
		Agree on the priority SKUs to be under focus in sales forecasting	a) ABC classification that is common with all business areas is needed. b) Focus on A-items and campaigns.	Additional information added regards planning for the implementation of this action.
		Define the scope of SKUs where input from KAMs is expected for sales forecasting	a) Focus on campaigns, novelties, and new listings. b) Minimize SKU forecasting to TOP 30-50 items per business area	Additional information added regards planning for the implementation of this action.

As seen from Table 8, all 11 actions in the initial proposal were commented in the validation. The input was mainly related to planning for the implementation of the proposal. No new actions were suggested to be added nor any of the existing ones were suggested to be removed. All the actions represented in the initial proposal were seen necessarily and approved by the validation experts. As it was commented by a key stakeholder from sales operations:

> "The new rolling forecasting process needs to be noted while planning for the implementation of these actions but otherwise this is a complete list of the actions needed". (Respondent 10)

The first development idea was related to arranging knowledge sharing sessions between the functions as well as with the customers. The stakeholders suggested that knowledge sharing is to be extended to cover stakeholders for the whole end-to-end process and the focus topics need to be clarified, i.e. what knowledge each of the function is expected to share.

Second, action to schedule a monthly cross-functional meeting within a sales unit got multiple comments from the stakeholders. Respondent 10 noted that similar activity is carried out in another region, which can be used as benchmark while planning for the implementation of the actions. Respondent 9 from sales operations commented that this monthly cross-functional meeting needs to be a decision-making meeting to agree on the actions needed to close the gap between the sales forecast and the financial plan. Respondent 11 from supply chain operations commented that meeting needs to focus

as well on how to implement the decisions from the S&OP process and added that the monthly meeting structure should be revised not to create a meeting that is overlapping with the existing Sales PreS&OP meeting. Stakeholders saw that third and fourth action, the common target setting and non-conflicting KPIs, are to be treated together and they proposed that the accuracy of financial forecast or sales forecast bias of a sales unit to be used in the target setting and as a common KPI.

Fifth action that was developed further was the standardization of the campaign planning process. Respondent 9 emphasized that it is important that in the campaign planning process the post-evaluation of the campaigns is enabled. Also, it was suggested by the respondent 10 that campaign planning needs to be linked with another action that aims to create a sales planning tool for the key account managers. Campaign planning needs to be connected to the sales planning tool. For the sixth action, aligning new product development timeline with customer's schedule on new listings, respondent 11 noted that there are differences between the regions and customers in their schedule for listing new products and suggested they should be acknowledged in planning for the implementation of this action.

For the seventh action, implementing a common tool for KAMs to do sales planning, respondent 10 suggested that the tool and the sales planning process itself needs to be linked to the rolling forecasting process on the financial planning side to ensure holistic approach and close integration between the functions. Respondent 9 commented that Power BI could be considered here as a quick win to proceed with the topic. Eighth action was related to implementing a common tool for sales forecasting. It was noted by the respondent 9 that there are differences in the capabilities of the systems used hence the capabilities of the current systems need to be validated first. The ninth action that was commented was the alignment and automation of forecast pricing used in sales forecasting and in sales planning. Respondent 10 highlighted that the automation of the forecast pricing is essential and a key enabler to proceed with any of the other alignment activities. Respondent 9 acknowledged that the consideration of the price changes is difficult, so the to-be solution needs to be carefully evaluated to cover this aspect.

The 10th action, agree on the priority SKUs to be under focus in sales forecasting, was commented by respondents 10 and 11. First it was suggested by respondent 10 that to agree on the priority SKUs for sales forecasting an ABC classification for the whole assortment is needed to be done first in a similar manner for all the business areas.

Second, respondent 11 suggested that the priority SKUs should cover the A-items from the ABC classification and the SKUs sold through campaigns. The 11th and the last action that was commented by the validation experts was on defining the scope of SKUs where input from KAMs is expected for sales forecasting. Both respondents 9 and 11 proposed that the number of SKUs is to be limited to top 30 to 50 items per business area. Respondent 11 added that the input should focus furthermore on campaigns, novelties, and new listings.

In addition to providing development ideas for the proposal the key stakeholders were requested to prioritize the proposed actions accordingly. As an outcome of the prioritization two actions were lifted from the list. First being the standardization of the campaign planning process and second the implementation of common sales planning tool for the key account managers. According to the stakeholders, campaign planning was crucial for the performance of the business and hence needed to be improved. A common tool for sales planning on the other hand would enable better visibility to sales plans and hence improve the capabilities to align the sales forecast and the sales plan.

To summarize, all the actions in the initial proposal were approved by the validation experts. The details of the actions were further developed especially regards the planning for the implementation of the proposed actions.

6.2.2 Developments to the Initial Proposal for Sharing the Knowledge Behind the Plans

As described earlier in this section the validation of the second element of the proposal, the sharing of knowledge behind the plans, was already validated partially during the proposal building stage. To strengthen the validation for the parts of the proposal where contribution from finance function was needed, the feasible knowledge areas were trialled with relevant stakeholders. Half of the validation experts, representing sales operations, were stakeholders already during the proposal building stage. For the second half, representing sales management and sales finance, the initial proposal was gone through in detail during the validation stage. Table 9 below summarizes the inputs and development ideas from validation.

Table 9. Expert suggestions (findings of Data 3) for the initial proposal for sharing the knowledge behind the plans.

	Element 2 of the Initial proposal	*Parts commented in Validation*	*Description of the comment/ feedback by experts (in detail)*	*Development to the Initial proposal*
2	Sharing the knowledge behind the plans	Share rolling business plans to the sales planners	a) The business plan can be found on a Teams site maintained by local finance manager or controller, including the net sales target and growth components. Sales planner to be provided with an access to the files. b) Business plan is maintained on a customer level, this can be shared to sales planner c) Sales director is owning the plan so he/she can validate and maintain the content.	Details on the knowledge map and the plan for sharing the knowledge to be specified.
		Provide sales planners an access to financial updates	a) List of risk and opportunities can be found on a Teams site maintained by local finance manager or controller. Sales planner to be provided with an access to the files. b) A monthly catch-up meeting between a sales planner and a controller to be arranged to align on the plans and share the knowledge behind plans.	Details on the knowledge map and the plan for sharing the knowledge to be specified.
		Risks within sales forecast and opportunities outside the sales forecast to be reported into demand planning process	Reporting to happen through monthly demand review meeting by the sales planner.	Details on the knowledge map and the plan for sharing the knowledge to be specified.

		Share the budget documentation to sales planners	This to be combined with sharing of business plan, as they are currently the same thing.	Knowledge map to be updated.

As seen from table 9, the development ideas were mainly related to making the proposal more precise in details to enable efficient implementation. Two knowledge areas were combined, as due to new financial planning process the budget related knowledge request became obsolete. All the validation experts agreed on the importance of sharing the knowledge as described in the proposal and approved the sharing of each knowledge area on their behalf.

For the first knowledge area, share rolling business plans to sales planners, the participants from sales management and sales finance confirmed that the business plan and the documentation related were available on a Teams site maintained by the finance representative and this knowledge can be shared to the sales planners. It was noted by the stakeholders that there were differences between the sales units on the way the documentation was structured, one had net sales target set on customer level and another on sales unit level. Participant 12 from sales management confirmed that it is a sales director of a unit who owns the plan, so he or she can validate and maintain the content of the business plan.

Like rolling business plans, documentation on risks and opportunities was available on a Teams site maintained by the finance representative and the stakeholders confirmed that this knowledge can be shared to the sales planners. Participant 17 from sales finance suggested that a monthly catch-up meeting between a sales planner and a controller could be arranged to align on the plans and share the knowledge behind the plans.

To ensure the flow of knowledge on the risks and opportunities further to the demand planning process, the implementation of knowledge sharing needed to be defined. A stakeholder from supply chain operations confirmed that the sales planner should report on the risks and opportunities through monthly demand review meeting.

The last item under validation was related to sharing of budget documentation to sales planners. It was highlighted and agreed by the stakeholders that as the case company transitioned from annual budgeting to rolling forecasting in financial planning this

knowledge request is to be combined with the sharing of business plan, which will fulfill the same need.

To summarize, all the validation experts agreed on the importance of sharing the knowledge as described in the proposal and approved the sharing of each knowledge area on their behalf. The details on the knowledge map and the plan for sharing the knowledge were further specified according to the feedback from the stakeholders.

6.3 Final Proposal

In this chapter the final improvement proposals for integrating sales planning and sales forecasting, as well as for sharing the knowledge behind the plans are presented. The final proposal is build based on the selected focus areas in the current state analysis, the main themes selected for the conceptual framework and the development suggestions made by the company stakeholders for the initial proposal during the validation stage.

First, the final proposal for the integration of sales planning and sales forecasting is presented in Table 10 below.

Table 10. Final proposal for integrating sales planning and sales forecasting

Priority	Description of the action needed	Who needs to be involved?	Why is this action needed?	What needs to be considered when planning for the implementation?
1 (Case Company)	Standardize campaign planning process (both external and internal) to consider the supply lead times and SKUs to focus on.	Business management, Sales management, Marketing, Sales operations, Supply chain operations	Ensure campaigns are planned well in advance with the customers and in unified manner between the sales units.	Post-evaluation of the campaigns needs to be enabled. Campaign planning needs to be connected to KAM's sales planning tool.
2 (Case Company)	Implement a common tool for KAMs to do sales planning	IT, Sales management, Sales operations	Sales need to be more involved and responsible for their contribution to sales forecast. To improve the way sales plan and sales forecast are being compared.	To be linked to rolling forecasting process in tooling and process perspective. Power BI to be considered as a quick win.
1 (Best practice)	Arrange knowledge sharing sessions between the functions as well as with the customers	Sales management, Sales finance, Marketing, Sales operations	To increase the understanding of who need what, when & why	Knowledge sharing to cover whole end-to-end process. The focus topics per department to be defined.
2 (Best practice)	Schedule a monthly cross-functional meeting within a sales unit	Sales management, Sales finance, Marketing, Sales operations	One common decision making forum for agreeing on the corrective actions for the gaps between financial forecast and sales forecast, and how to implement decisions from the S&OP process. Agenda to include as well the deadlines for sales forecasting.	Corresponding activity is carried out in another region, to be used as a benchmark. Monthly meeting structure to be reviewed to consider the overlapping with Sales PreS&OP meeting.
	Align and automate forecast pricing for sales forecasting and sales planning	IT, Sales management, Sales operations, Sales finance	Reduce nonvalue added work and enable better visibility of differences between the sales plan and the sales forecast	The solution to consider price changes to be carefully evaluated
	Set common targets to all functions within a sales unit	Sales management, Sales finance, Sales operations	To ensure alignment between functions	Accuracy of financial forecast or sales forecast bias to be used
	Set non-conflicting KPIs across a sales unit	Sales management, Sales finance, Sales operations	To ensure alignment between functions	Accuracy of financial forecast or sales forecast bias to be used
	Agree on the priority SKUs to be under focus in sales forecasting	Sales management, Sales operations, Supply chain operations	Increase the accuracy of sales forecasting by focusing on the SKUs with biggest impact to company's targets.	ABC classification that is common with all the business areas is needed. Focus on A-items and campaigns.
	Define the scope of SKUs where input from KAMs is expected for sales forecasting	Sales management, Sales operations	Reduce nonvalue added activity and ensure better alignment between the sales plan and the sales forecast	First, focus on campaigns, novelties and new listings. Second, minimize SKU forecasting to TOP 30-50 items per business area
	Align NPD process timeline with customers' schedule on new listings	Business management, Sales management, Marketing, Sales operations, Supply chain operations	Help to ensure product is available at launch for the key customer accounts without missing a season	Differences between regions and customers to be noted
	Implement a common tool for sales forecasting	IT, Sales management, Sales operations, Supply chain operations	To standardize the way of working and to have a better ability to analyze differences between the sales plan and the sales forecast	Capabilities of the current systems need to be validated

As seen from table 10, the final proposal includes the same 11 actions that were identified during the proposal building stage. During the validation stage three main developments were made into the proposal. First, the rational for some of the actions were made more precise i.e. the documentation in column “Why is this action needed?”. Second, a new column was added with a title “What needs to be considered when planning for the implementation?”. Documentation here serves as a guideline in planning for the implementation of the actions. Third, actions were given priority based on the views of the validation experts from the company as well as in the perspective of best practices found from the existing knowledge. These views together define the four most critical and most impactful actions for integrating sales planning and sales forecasting.

Next, the final proposal for sharing the knowledge behind the plans is presented in Table 11 below.

Table 11. Final proposal for sharing the knowledge behind the plans

KNOWLEDGE RESOURCES												SHARING & MAINTENANCE		
#	Process	Activity	What knowledge is needed?	Who needs this knowledge?	Who owns this knowledge?	Tacit or explicit?	Where is this knowledge?	Who can validate this knowledge?	Are there any barriers to share this knowledge?	How big is the knowledge gap?	Additional details / Interventions to close the gaps	How this knowledge will be shared?	How often this knowledge needs to be updated and revised?	Who can maintain the content of this knowledge?
Item number	List the process for which knowledge is being mapped	List the specific activities within the process	List the types of knowledge required to perform this activity	List people who need the knowledge	List the sources of record or experts who own this knowledge	Mark as T, E, or T/E	List repositories or people who have the knowledge	List individuals or systems who can verify	List any restrictions to share the knowledge	Rate as 1, 3, or 5 (1 = small, 3 = medium, 5 = large)	Provide any notes or further context	Name the media through which this knowledge will be shared	Define the maintenance frequency for this knowledge	List individuals who will maintain the repository
1	Sales forecasting	Sales forecasting	Country specific business plans that have been made based on the business guidance	COMPANY CONFIDENTIAL					-	1	Including net sales target, growth components	Teams site	COMPANY CONFIDENTIAL	Sales Director
2	Sales forecasting	Risk & Opportunity management	Risks within the sales forecast						-	2	Sales planners to be provided with an access to financial updates	Teams site		Sales Director
3	Sales forecasting	Risk & Opportunity management	Opportunities outside the sales forecast						-	2	Sales planners to be provided with an access to financial updates	Teams site		Sales Director
4	Demand planning	Risk & Opportunity management	Risks within the sales forecast						Dependent on item 2	3	Sales planners to provide the input to demand planning process	Demand review - meeting		Sales Planner
5	Demand planning	Risk & Opportunity management	Opportunities outside the sales forecast						Dependent on item 3	3	Sales planners to provide the input to demand planning process	Demand review - meeting		Sales Planner
6	Demand planning	Demand review	Probability of the sales forecast being realized. Assumptions used in sales forecast						Feasibility depends on the granularity level to be reported. Currently no existing tool to measure the probability.	4	Probability to be evaluated separately on baseline, campaigns and new distribution. Granularity level to be defined.			

As seen from table 11, the final proposal includes the same knowledge areas with a distinction that the knowledge area regarding the budget documentation was merged into knowledge area on business plans, item number 1. During the validation stage main developments into the proposal were on updating the details on the knowledge map and the plan for sharing the knowledge. Knowledge areas 1, 2 and 3 were trialled in a workshop and verified by the stakeholders to work in practice. As the request for these knowledge areas came from sales operations, the sales planners were asked after the trial for the benefits this knowledge will bring them. A stakeholder from the team stated that “it will enable to have a bigger picture view on the business” and continued: “and to ensure we are on the same page” (Participant 14.) By having this bigger picture on the business sales planners are equipped to pursue for a better alignment between the plans.

Finally, the improvement proposals on both streams were summarized in the final proposal as presented in Figure 9.

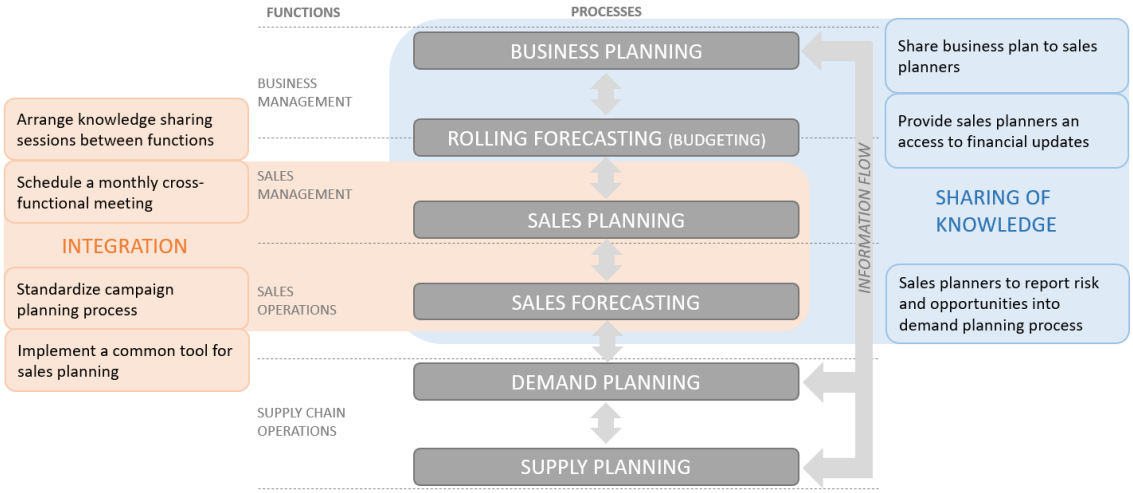

Figure 9. Summary of the final proposal

As seen in the figure 9, the final proposal for linking business planning and sales forecasting is presented in the process and information flow context. Proposal has been supplemented with the prioritized actions for improving the integration between sales planning and sales forecasting, and immediate actions to ensure the sharing of knowledge behind the plans across the organization.

6.4 Next Steps and Recommendations

The implementation of the improvement proposal presented in this thesis calls for cross-functional collaboration and integrative way of working in the organization. To put this proposal into action there are few points that need to be taken into consideration. The thesis researcher recommends that the following three steps will be taken by the company to ensure successful and long-lasting integration of the planning process.

First, the culture that fosters integration is the key. Reinforcing the culture that supports integrative way of working is to be addressed both top-down and bottom-up in the organization. Top-down approach means that the senior leaders promote fully the integrative behaviour in all that they do and are engaged in the cross-functional activities. The bottom-up approach means that the employees as well are on board with the integrative way of working. This can be achieved for example through training and education. The workshops arranged during the research showed that when people from different functions and various hierarchical levels were enabled to gather around the same table, they were eager to help each other out and thus found solutions to improve the current state.

Second, the resources assigned to promote the integration between the functions need to be sufficient. The number of resources needed to implement each improvement action vary significantly. Some of the actions can be considered as continuous improvement activities and are quite straight-forward to implement but many of them require project management. The efforts needed by each action should be considered when planning for the implementation. In most of the cases the implementation concerns many stakeholders across the functions and geographical areas. Here, it is suggested by the thesis researcher to roll out the implementation one sales unit a time. The trial made in the validation for the second element of the proposal, sharing the knowledge behind the plans, showed that even though the way of working varied between the sales units the proposal was confirmed to be feasible to implement in each of the cases.

Third, the progress of implementing the proposal need be monitored and the outcomes measured. By the time of finalizing this thesis three items from the improvement proposal are under implementation in the case company. Once the implementation progresses the implications to linking business planning and sales forecasting are to be evaluated

and shared with other stakeholders. By sharing the experiences and outcomes for the integrative way of working reinforces the culture that fosters integration even further.

Overall, the benefits for integrating the planning processes and for a cross-functional collaboration were widely recognized in the case company. The implementation of the proposal presented in this thesis will enable to harvest on those benefits.

7 Conclusion

This section presents the conclusions of this thesis. First, the executive summary will be covered, followed by the thesis evaluation, and ending up with the closing words.

7.1 Executive Summary

Companies manage multiple planning processes that have strategic, tactical, or operational approaches. All these processes support on the strategy execution and enable the company to achieve the targets set. The challenge is to connect these planning processes together and manage them holistically. The case company had a need to improve the alignment between the strategic business plan and the operational sales forecast. Without proper alignment between the sales forecast and the business plan, the company risks the revenue and the profitability by not fully linking the strategic plan to the execution. Therefore, the objective of this thesis was to propose improvements for linking business planning and sales forecasting in the case company.

Applied and qualitative research methodologies were used in the research process of this thesis as the research aimed to solve a real-life problem and the phenomenon under study was highly related to the interactions of people. Furthermore, action research was used as the research strategy to progress in cyclical manner on each of the research steps. The key steps in the research process were the current state analysis, exploration of the existing knowledge and best practices, building of the proposal and validation of the proposal. The data within these steps was collected by utilizing multiple qualitative research methods such as interviews, document analysis, workshops, and discussions.

The current state analysis focused on describing the processes under study, the current way of linking business planning and sales forecasting, as well as their implications to the S&OP process. Based on the analysis both strengths and weaknesses were found. The main two weaknesses were selected as focus areas for further study, which were (1) little or no alignment between the sales plan and the sales forecast and (2) limited visibility to reasoning and knowledge behind the plans. Respectively existing knowledge and best practices were explored for (1) integration of business planning processes and (2) sharing of knowledge in organizations. Within these themes the most appropriate approaches and tools were selected to be utilized in the proposal building.

The improvement proposal for linking business planning and sales forecasting was co-created with the company stakeholders in two streams to address the key weaknesses identified in the current state analysis. The proposal consisted of the needed actions to improve (1) the integration between sales planning and sales forecasting and (2) the sharing of knowledge behind the plans. For the integration of sales planning and sales forecasting 11 actions were proposed by the stakeholders. These actions were related to process development, system improvements, target setting, and development of the cross-functional collaboration. For the sharing of knowledge behind the plans seven knowledge areas were identified to improve the alignment between the business plan and the sales forecast. These knowledge areas were related to country specific business plans, to risks and opportunities reported for the financial plan and the sales forecast, and to the probability of the sales forecast being realized. In addition to mapping the needed knowledge areas, the plan for knowledge sharing was defined for the feasible knowledge areas.

The proposal was further developed during the validation stage through the feedback from the key stakeholders. The actions to integrate sales planning and sales forecasting were made more precise, two knowledge areas were merged, and guidelines for planning the implementation of the actions were added. Finally, the actions were prioritized by defining the four most critical and most impactful actions for integrating sales planning and sales forecasting. The proposal on sharing the knowledge behind the plans was, first, polished with more precise descriptions on the knowledge areas and, second, feasible knowledge areas were trialled with the key stakeholders to ensure the proposal will work in practice. For both streams the proposal was approved for implementation by the validation experts.

Overall, by implementing the improvement proposal as described in this thesis will enable the case company to link the planning processes across the organization, from strategic level to tactical and all the way to operational level. The enhanced integration and the transparency between the functions will enable better alignment of the plans and ensure everyone is working towards the same goal. Thus, the case company will be in better position to anticipate and react on changes in performance or business environment and to maximize the profit of the company.

7.2 Thesis Evaluation

The objective of this thesis was to propose improvements for linking business planning and sales forecasting. The current state analysis exposed the process and information flow context relevant for the study and revealed the underlying issues that prevented the case company to promote the alignment and transparency between the functions. Based on the key weaknesses identified and the exploration of existing knowledge the study proceeded to the building of the proposal in co-operation with the key stakeholders from the company. The proposal described in this thesis elaborate on the actions needed to integrate sales planning and sales forecasting, which was identified as most crucial junction point to address, and to share the knowledge between the plans covering all the process steps between business planning and sales forecasting. These tangible actions made the improvement proposal, which was the outcome of this thesis. In conclusion, the outcome can be considered to meet the initial objective.

Credibility of this study was ensured by involving key stakeholders from all relevant functions and different hierarchical levels in each step of the research process. Additionally, the differences between the geographical areas were considered during the research by involving stakeholders from various countries. The most knowledgeable stakeholders were selected together with a company representative. The data used in this research was collected through interviews, discussions, workshops, and analyzing internal documents. The findings were reviewed together with the key stakeholders on each step of the process. In the beginning of the research, it was decided that finance function was not considered as one of the stakeholders during the current state analysis as they were not accountable for any of the processes under study. However, as the research proceeded it was evident that finance function had a crucial role in facilitating a process that was seen important in the initial proposal. Hence finance was involved at that stage. In hindsight, finance function could have been involved already earlier in the research.

Dependability of this study was ensured by describing research process and derived interpretations explicitly. The focus and the results of each step were explained in sufficient details and using as common language as possible. The proposal was derived from the combination of current state analysis, existing knowledge, and input from the key stakeholders. This helped to maintain consistency throughout the research process.

Transferability of this study was ensured by providing as much as possible details on the business context and business challenge to describe the setting in which study was carried out. Despite the fact business context was described only briefly, this study can be transferred into various contexts where similar business challenge is faced. Transferability was enforced by providing elaborate research design with main inputs, outputs, and the key content for each of the research step. The findings from each step were described as detailed as feasible. Naturally each company has their own features due to differences in working culture and organizational structure and hence these features need to be considered when planning to repeat this research in another setting.

Authenticity of this study was ensured by involving people across the organization from different functions and hierarchical levels. The focus of data collection through interviews, workshops, and discussions was to hear what they have to say. Especially in workshops when people from different functions exchanged their views, they promoted learning among the participants and ignited the impetus to change the current state on an individual or on a team level. To strengthen the authenticity, learning and impetus to change need to be addressed on an organizational level as well. For this, senior leaders of the company need to be involved as described in the next steps and recommendations of this thesis.

7.3 Closing Words

A company can have untapped potential within the organization that could, once released, help the company to navigate in an everchanging market situation and impact positively on the performance of the company. This potential lies within the people of the organization and can take a form of an unshared piece of knowledge or an unaligned action. To release the potential, this thesis proposes to integrate the planning processes and enable sharing of knowledge between the functions across the organization. In practical terms, a list of actions was produced to help the case company to proceed in this important journey. Though the scope of this research was limited the insights made within this study can be used in the wider company perspective to develop organizational culture that supports integrative behaviour.

For me as the researcher, it was fascinating to see how each step of the research process build on top of each other to form the final proposal. One of the highlight

moments was when people from different functions and hierarchical levels were brought together during the proposal building stage. The issues, which had been holding the company back for further integration, were welcomed to the discussion and proposals to improve the current state were made. It was a moment where a culture that fosters integration was shared.

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