OLIVER WIGHT PAPER series

# Can a more modern Integrated Business Planning process actually inspire Millennials?



**Leon Dixon** – Affiliate, Oliver Wight Americas

Imagine the possibilities,
realize the potential.

## Preface and Author's Introduction:

You may be saying to yourself; "It's Oliver Wight, of course they're seeing traditional IBP as the solution!" And in that is embedded two possibly faulty assumptions:

1) It's actually the other way 'round: The idea for this paper began while I was reading articles, websites, and journals on Millennials, by such esteemed publishers as BCG, CapStrat, E&Y, the Ivey Business Journal, the Harvard Business Review, even Time Magazine, and more – and yes, even viral YouTube videos. I've also recently been working with several clients whose organizations are heavy with Millennials. I began seeing these Millennial traits and needs first-hand. I also witnessed and helped develop good IBP behaviors, held in place by the structure and mechanics of the IBP process. We noticed that these IBP processes, specifically the behaviors needed to run them, were really addressing, complementing, and leveraging these Millennial traits for mutual improvement.

2) Further, let's define a "traditional" IBP process and recognize how modern and innovative this is – even now! While the term "S&OP" is frequently used (and as frequently misused) as a supply chain term for balancing supply and demand in a forward-looking process, even true S&OP isn't all that widely adopted. Modern Integrated Business Planning behaviors are far from fully adopted in industry even today. How many companies truly have a "Class A" IBP process in place? Or even a "pretty good" IBP process?

Being clear, this paper doesn't address all stereotypical "coffee-shop hipster Millennials." We're addressing Millennials in the professional environment: educated, qualified, engaged younger people (typically considered as "born after 1990") who've passed through the job interview process, are hired as professionals, and who we need to succeed in our corporations.

Read, enjoy, and comment – I'm reachable through Oliver Wight.

Thanks for your time!

*Leon Dixon*

*Tech-savvy, connected, and well-informed? Or entitled, self-absorbed, and technology-addicted? We are bombarded with Millennial references and inevitable stereotyping. Whether we refer to the upcoming generation as Millennials, or simply our newer or younger employees, they're here; and they're better than 50 percent of the workforce in younger companies.*

## How can we leverage Millennial traits to improve our business? Can known business processes help gain, engage, and retain this mercurial workforce?

Oliver Wight asked the questions, did the research, conducted multiple informal client interviews, added our experience with our clients, and talked with Millennials themselves. What we found is interesting and, in some cases, surprising. We reinforced some stereotypes, broke a few more, and linked the known, key methodology of Integrated Business Planning (IBP) to help engage Millennials, along with the rest of our workforce.

This is a case where part of the answer was there all along, and part will require serious thought in many organizations. While Integrated Business Planning can't solve everything, there are many key areas within good IBP that specifically resonate with Millennials.




Let's avoid the stereotypes and internet videos, and explore some confirmed Millennial traits in technology, communication, and the professional arena, showing how a modernized Integrated Business Planning framework helps engage Millennials to improve our businesses – and see where other guidance may be necessary.

## Technology

Many studies use the term "tech savvy" to describe Millennials, but a better term may be "tech reliant" - or even "tech addicted." Research means Google, eating means Yelp, transportation means Lyft or Uber, and

there is an "app" for nearly everything! Millennials grew up with connected computers, smartphones and the Internet, and with their personal network in their pocket. They went to school with the assistance of Excel, Powerpoint, Access, and Word. Both Millennials and their employers have certain "techxpectations" (expectations from their technology), and these expectations don't always fare well when expectations meet reality.



## Technology - a tremendous distraction -

Let's get this out of the way quickly: Millennials and non-Millennials alike are distracted by technology. With increased capabilities in our smart devices, the potential for distraction grows. Engaging the employee in meaningful, rewarding work, and communicating well while doing so has always been the best way to address distraction. Better "engagement" is implied throughout this discussion.

## Enterprise Software and Apps that work -

Millennials, growing up with apps that "just work," are often surprised with industry's complex, less-than-pretty software solutions. Where "Commercial Grade" used to denote the best and most robust, now "Consumer Grade," at least in software, is stronger.

## Why?

The consumer market is far larger, far less tolerant of difficult-to-use apps, and generally has less complex problems to solve. Established commercial, enterprise-grade software running a modern corporation addresses a far more complex set of problems and, during software design, solving these complex problems took priority over what the software looked like. Enterprise software also tends to be less user-friendly and less "pretty," and most enterprise software involves a steep learning curve. While it is noted that this is changing – rapidly in many areas – we need to recognize that most companies simply will not afford the cost and time to quickly change all enterprise systems over to more modern-appearing, user-friendly technology.

This contrasts sharply with Millennial users' "techxpectations." Raised on technology, their Apps are pretty, easily downloaded and upgraded, and simply "work." If they don't work well, easy alternatives are an "App Store" click away. Millennials expect software to be straightforward, solve problems easily, (more on that later) and have user-friendly interfaces. The complexity and ugliness of older enterprise software systems can alienate newer, tech-dependent employees. Management needs to be aware of, and manage, the incongruency between tech-loving, tech-addicted millennials and existing business systems.

### Understanding software-driven work -

Growing up dependent on technology, the newer generation simply has more exposure to solving many types of software problems. They think in terms of how to get apps to do what they need or want. Many recently-minted professionals come equipped with spreadsheet, presentation, word-processing, publishing, editing, and other software and database skillsets that the older generation had to learn during their working years. Fresh skills make for a stronger base for learning. In our experience and during interviews, this newer generation of employees is often better versed in solving problems using technology, once they're up the corporate software learning curve. They're typically also quick in many types of corporate communication (Word, PowerPoint) and analysis (Excel, Access), since they had greater exposure to this during their education years.

*"Software doesn't make decisions, people do!*

*Software is a decision support system, not a decision-making system. The distinction is critical."*

### But there's a big caveat -

Software doesn't make decisions, people do!

Software is a decision support system, not a decision-making system. The distinction is critical.

It can be a challenge to get Milennials to think beyond the software, beyond the numbers and tempting graphics.

Heavily reliant on apps, both tech-reliant Millennials and the organizations they support must realize that even the best technology can only support decision making by providing good/better data or tools for information and communication. While better, more frequent information can lead to making better decisions, simply having more or better information isn't enough. Without context, critical thought, and experience, this tech-dependency can easily lead to poor decisions being made faster, more often, and more expensively!



A well-ingrained, modern IBP process addresses many of these concerns:

- Decision making is the norm, minimizing report-out meetings and maximizing decision-making sessions. This culture minimizes the "because the computer said so" type decision in favor of prioritized decisions, based on well-thought-out alternatives and recommendations.

- In IBP, decisions are presented, alternatives analyzed, and recommendations made by the contributors to the process(es). This fosters the appropriate use of technology for decision support, and engages all appropriate levels in the organization – please see the "Communication" section for additional reasons this is important to Millennials.

- The concurrent, interrelated process steps in IBP tend to align technology, since each step is codependent on the other. Gaps or inconsistent technology is visible, highlighted, prioritized, and addressed quickly.

- Interestingly, we've seen large, intangible benefits in the periodic cycle and known teams embedded in the IBP processes. The cycle and teams become the mortar maintaining the alignment of behavior, technology, personnel, and communications.

## Communication

### More connected, or more face-to-the-screen? More outgoing, or less likely to reach out?

Millennials do bring tremendous "communication skills" to the workplace, but many of these skills differ significantly from the previous generation's skills. This is a sword cutting both ways and, if properly managed, becomes a tremendous company asset. If unmanaged or not addressed, however, employee turnover and organizational success can be negatively affected. Let's explore a few traits and what lies in the permutations of those traits. Most importantly, let's address what can we do about it.

### Keyboards, not phones, and different time expectations -

Millennials are more attuned to nonverbally texting or snapchatting or posting their messages. Phones are reserved for near-death experiences… or parents. Science, however, shows that the act of transforming a thought into vocal expression acts as a final "quality check" on the information, and bypassing this step degrades the quality (and most often the tact) in the communication.

In a related communication trait, Millennials expect texts and some social media posts to be read in near-real time, and emails before the next mealtime. A phone call is often reserved for emergencies, if even then! This contrasts to non-Millennial generations, where the telephone call remains a normal, preferred communication

method. While shifts are noted here (texting is becoming more prevalent, even in the professional realm), these shifts still do not address the underlying differences.

### Millennials can contribute instantly, on any subject, from anywhere.

Show it on YouTube; post it on Facebook. Get it right, smileys and likes for you. Get it wrong, and it seems the Internet crashes down upon you and, as noted above, this can happen nearly instantaneously. Millennials are accustomed to freely contributing nearly anywhere, and also have expectations of near-instantaneous, frequent feedback. (Stereotypes would suggest even "hand-holding," but there are some supposedly Millennial traits which can be explained as "stage of life" rather than "Millennial," and this is one.) Most corporate culture doesn't support, expect, or even need this frequency of communication. For this reason (and many others), the annual performance review is ineffective, and is being reconsidered by most HR groups. What about the annual planning or budgeting process? Annual goal-setting? What about aligning annual processes with the continuous process of running the business, order fulfillment, and planning? What is the Millennial role in that arena?



Is there a way that this desire to freely participate, and the frequent feedback needs it entails, can be leveraged as a part of the corporate culture?

### Millennials are more apt to spend on "experiences" rather than "things."

Multiple studies have shown this, and it often seems that sharing the experience is as important as the experience itself! Simply consider the value placed on social-media postings about someone's experiences to see that this is extremely prevalent. Compare this with the "experience" your employees have at work, and you'll see a good work culture being essential for an employee who places such importance on the intangible "life experience." Balance that with…

### Millennials bring mentors and peers with them everywhere.

Today's employees are rarely out of touch with their network. While this allows fast access to information and advice, it also allows easy sharing of "the work experience." How visible is your company culture in this day of GlassDoor, Facebook, and other social media? How vulnerable are your secrets, and the "experience" your company offers? And while "corporate secrets" may be an even more obvious concern, the "gaining and retaining talent" aspect of our organizations cannot be overlooked, because…

### Millennials are more open to changing jobs.

While this can make it easier to lose talent, if you offer that attractive work experience and address the issues above, the reverse is also true: It becomes easier to recruit talent. With fewer pension and retirement plans, the financial incentive for an employee to stick around is lower than ever. In its place, a cultural incentive needs to be established.

So… Millennials communicate differently, instantly, and often without talking, and expect continuous feedback. They're in touch with the world from their pockets, aren't shy about sharing their work experiences, and place great value on these experiences. We need to find a way to adapt and coach communication styles, leverage the free give-and-take of information, provide a great work experience, and watch our employee turnover.

### How do we handle all this?

There are two more areas to consider which help guide our management teams in selecting alternatives: the alignment of behaviors, processes, and technology, and a heavy reliance on engaged managers. While these are not exclusive to Millennials, combining these with the traits above led to some insights.

### Alignment and integration of behavior, process, and technology -

When the processes, behaviors, and systems are not in synch, Millennials suffer more than Boomers. One very real reason is not Millennial-specific; it's simply "stage of life" and "stage of career," combining a relative lack of the experience, consequent lack of context, and their relative organizational positions.



What makes this worse also involves the different communication styles and "techxpectations" noted above. Millennials expect more open communication and, typically, have access to and/or even control data that can support alternate decisions! Unused to traditional corporate structures and lines of communication, and without experience, context, and the opportunity to impact decisions, frustration mounts.

### Millennials rely on engaged managers -

It's been said that, "People join companies but leave managers." So how do we turn that around and help our managers manage better? While some can be taught, many management behaviors are learned through trial and error. Today's generation has little patience for this when alternate employment (and their entire network) is literally a click or two away.

A recent HR conference we attended illustrated this point marvelously: While there were dozens of firms giving presentations about "how to train effective managers," none could tell them what to effectively manage to. What's a good business process? What does "good" look like, and how do we get there? What is "Class A"? What are the business behaviors necessary to make a

business succeed? How do I enculturate these behaviors into a sustainable, forward-looking business planning process?

These issues truly bridge the gap between HR training, behavior change, and true business processes being used to run the business.

A behavioral answer, which leads to more answers and insights...

## Integrated Business Planning

Beyond the old "S&OP," the modern IBP process is, to its core, a series of behaviors. The mortar holding those good behaviors in place is a recurring, cyclical set of continuous business planning processes that keep the management team leading and owning the results. These processes, typically run monthly, result in a continuous business plan, run by known and engaged teams, relying on continuous feedback from all supporting functions – including (some may say "especially") those execution and management processes run by Millennials!

Recall Millennials' preference for providing input, gaining consistent feedback, perhaps some "hand-holding," and their lack of experience in corporate culture: IBP helps directly here, with the consistent personal touch-bases afforded by the IBP processes. These regular, decision-making get-togethers, using consistent teams, provide a forum to address any issues quickly. The cooperative culture fostered by IBP means the Millennials not only see that they're listened to and respected (due to their contributions being noted and communicated), they're also more engaged in company success. This makes it more likely that their social media posts about work sound less like complaints and more like, "an issue that came up in my Group was brought up to senior management quickly and addressed" – if they bother to post at all. IBP, as a behavioral process, very much supports this "positive experience" concept in the workplace.



And, "Practice makes the Master." Running the IBP processes monthly ensures these behaviors, the leadership team, and the underlying technology and communication are all visible and refined over time. This also provides the structure, practice, and visibility needed to turn managers into leaders.

Points:

- Employees are connected to peers, networks, and social media, and they will communicate.
- Millennials need a mechanism to contribute appropriately, and conventional, annual feedback mechanisms have been proven to be inadequate. Management needs to provide timely, task-based communication and feedback to retain and motivate. This feedback needs to be integrated, linked, appropriate throughout the organization, and part of the "normal way of doing things." An IBP process provides the framework, and still many collaborative behaviors must be coached starting at the top and percolating throughout the organization.
- A bad manager can easily demotivate and lose change-oriented, connected Millennials - and with their connectivity, this happens at record speed. Align management behaviors to cascaded goals, continuous prioritization, and corporate guidelines. IBP provides communication, a framework for better leadership, and the means to continuously practice these behaviors monthly so "better behavior" becomes the norm.
- With heavy expectations around "the experience," an IBP process allows near-continuous management and feedback such that the organization almost universally has a more cooperative, better work experience in which achieving better business results as a bonus.

## Conclusion

What this next generation brings – brought - is sizeable: more skills and awareness of software and technology, more and better connectivity, higher expectations from both work and their work-life integration. Add to that a much greater willingness and openness in communication and broader tools to communicate with. The drawbacks, however, can be devastating: different communication styles, unmet social expectations, high turnover, lack of loyalty, distraction, lack of engagement, and a corporate reputation as an unpleasant place to work.

A modern, well-implemented Class A Integrated Business Planning (IBP) process addresses enablement, empowerment, "good managers," good business behaviors and processes, expectation management, and a good environment to work in. Well beyond S&OP, a Class A IBP process takes an organization into a behaviorally led, successful arena. This helps Millennials professionally feel the connection, communication, and engagement they expect elsewhere in their lives.

BUT... is it only Millennials? These supposedly-Millennial traits around communication, technology, and work-life integration are swiftly becoming more the norm for all employees, making running a Class A business using Integrated Business Planning that much more important. While the IBP process provides the framework, still many collaborative behaviors should be coached - starting at the top and percolating throughout the organization.

## Integrated Business Planning – IBP: A quick process example in a shark tank

A currently popular TV show in the USA features enthusiastic entrepreneurs pitching ideas in front of a team of investors. The "pitch," and questioning which follows, usually follows a logical pattern, where the entrepreneur presents and is asked about:

1. The Product: "What do you have, and why will people buy it?"
2. The Demand Plan: "How much can you sell, how much top-line money can we make, and for how long?"
3. The Supply Plan: "How are you going to get this made, and at what cost?"
4. Integrated and Financial Reconciliation: The investors huddle, integrate and reconcile what they've learned, run some financials, and ask questions to fill any gaps or inconsistencies. They decide if the investment will both provide a financial return they'd like and if it meets their strategic goals.
5. Management Business Review: The investors decide if they're "in" or "out" and invest accordingly.

The entrepreneurs then either celebrate or walk off in shame after not answering one or more of the questions!



This process outlined above is actually a fairly good, very basic, general representation of the Integrated Business Planning (IBP) process, originally developed by Oliver Wight from our MRP II and S&OP processes we introduced in the 1970s through '90s.

A key difference is in the time frame, frequency, and behavioral basis: On TV show, the process happens in an hour with the investor looking at the information once. A successful business looks at this information monthly and continuously, over at least a two-year forward-looking time horizon, engaging management and employee behaviors (noted in the whitepaper text) to drive success.

IBP can certainly be explained in more detail, and books have literally been written on the subject (https://www.oliverwight-americas.com/integrated-business-planning-resources), but it is not only IBP's positive business results which leverage the millennial, but more the characteristics and behaviors normalized by the process itself.

At it's core, IBP is a set of behaviors, reinforced by a business process. It is these behaviors that attract the millennial, and the process that sets and reinforces the cooperative, honest nature of an IBP-led organization.



## ABOUT THE AUTHOR

Leon Dixon, an Oliver Wight affiliate, is a consultant, coach, and educator providing companies with guidance on the design and implementation of integrated business processes and systems.

During his 25-year career, Leon has implemented business planning processes and software while serving in positions including Group Logistics Director, Supply Chain Manager, and Education Director, as well as several roles in the software industry.

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**Oliver Wight Americas, Inc**

PO Box 368, 292 Main Street
New London, New Hampshire 03257, USA

Telephone:
1.800.258.3862
1.603.526.5800

Facsimile:
1.603.526.5809

info@oliverwight.com
www.oliverwight-americas.com

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**Asia/Pacific**

131 Martin Street
Brighton, VIC 3186, Australia

**Europe, Africa & Middle East**

The Willows
The Steadings Business Centre
Maisemore, Gloucester GL2 8EY, UK

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