

Value chain management: the paradigm shift

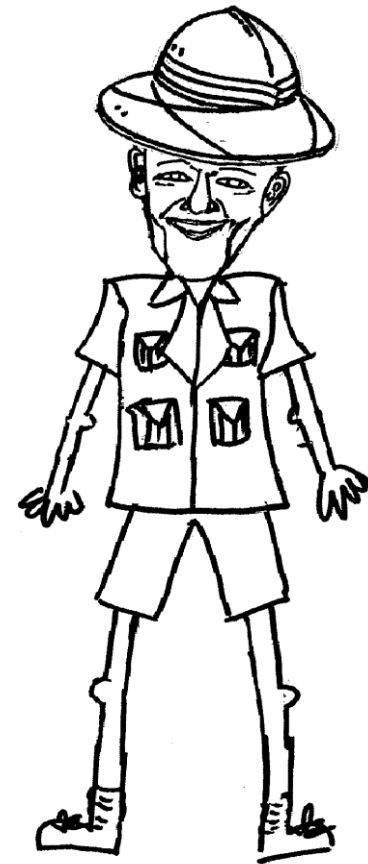
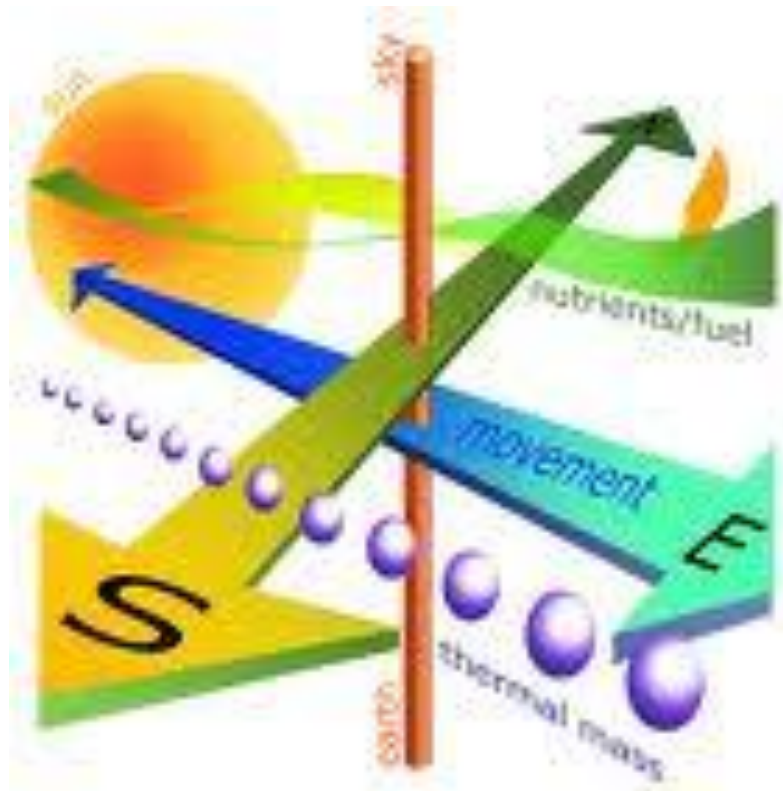


Outline

- The **Challenge**
- Value Chain **Thinking**
- Value Chain **Management**
- Key **Success** Factors
- Conclusions



Orientation

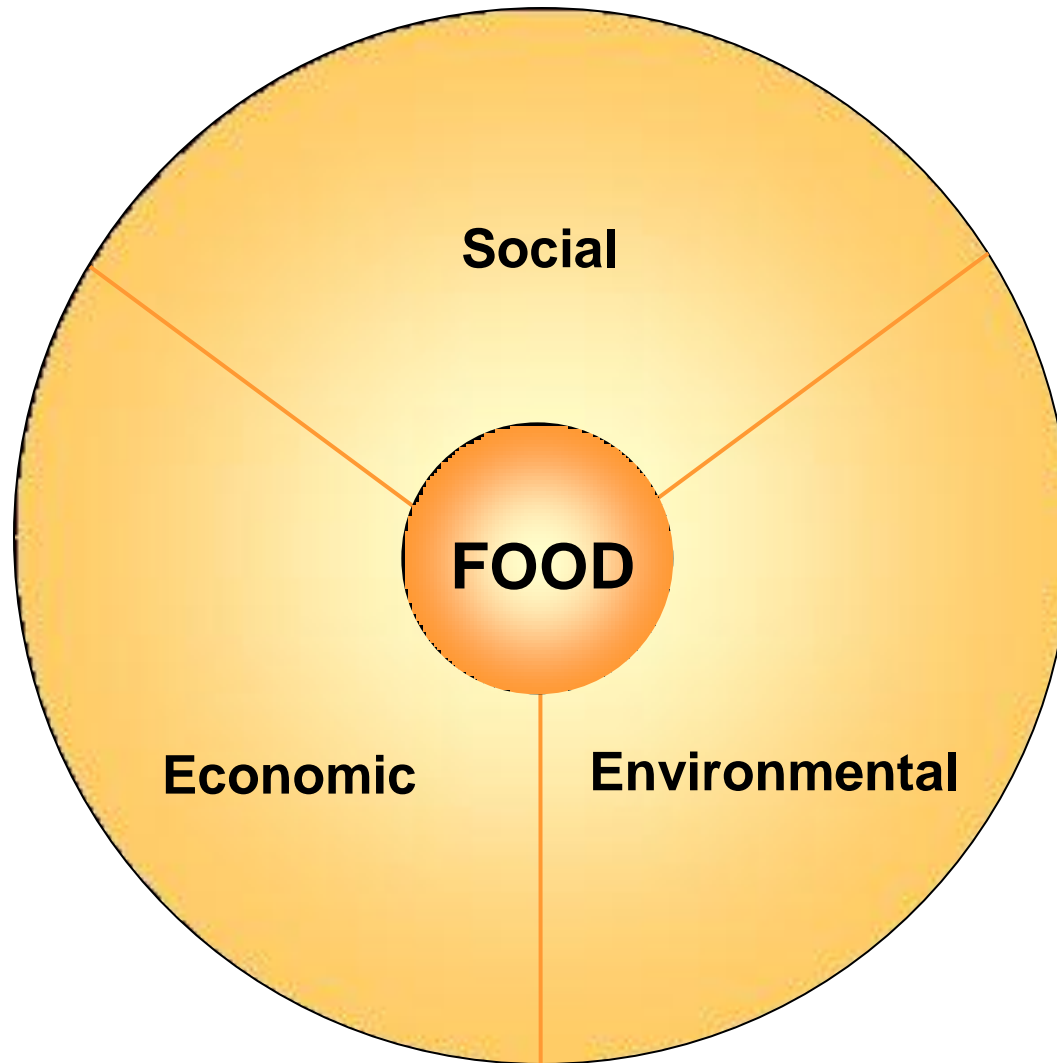


Centre for Value Chain Research

- Focus on applied research with strong industry links and multiple stakeholder engagement
- **Demand Management**
 - Innovation and New Product Development (NPD)
 - Promotions
 - Sustainable Consumption
- **Value Chain Management**
 - Value chain analysis
 - Co-innovation
 - Corporate Social Sustainability
 - Supply Chain Relationships



1. The Challenge



1. The Challenge

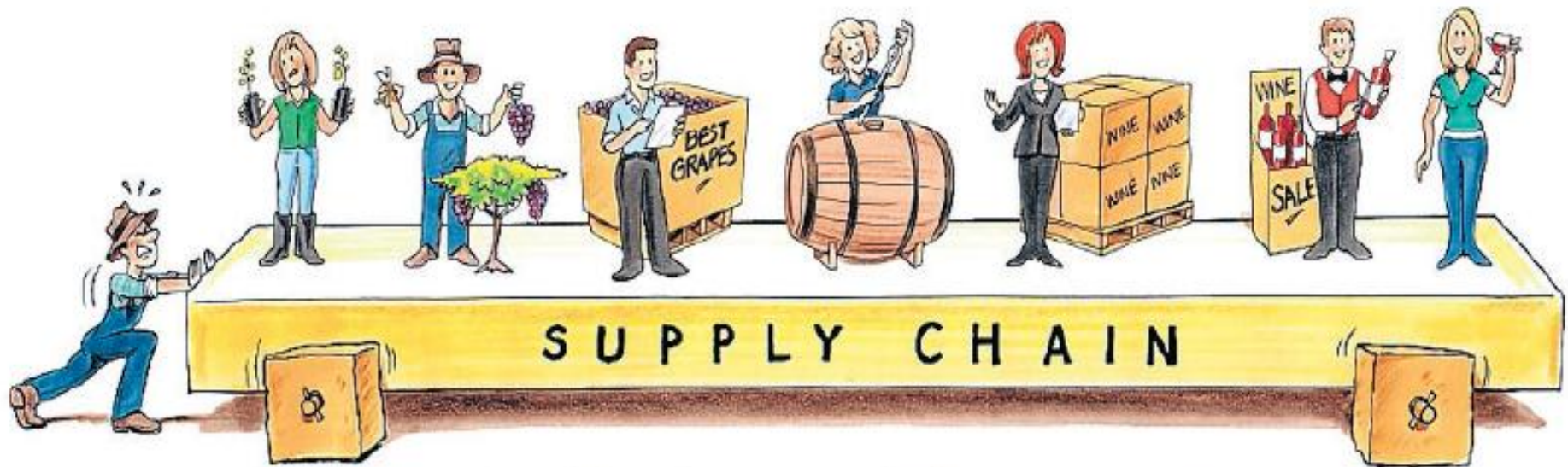


2. Value Chain Thinking

- **Holistic**
 - Extending the line of sight
- **Process orientated**
 - Cross-functional
 - Multi-disciplinary

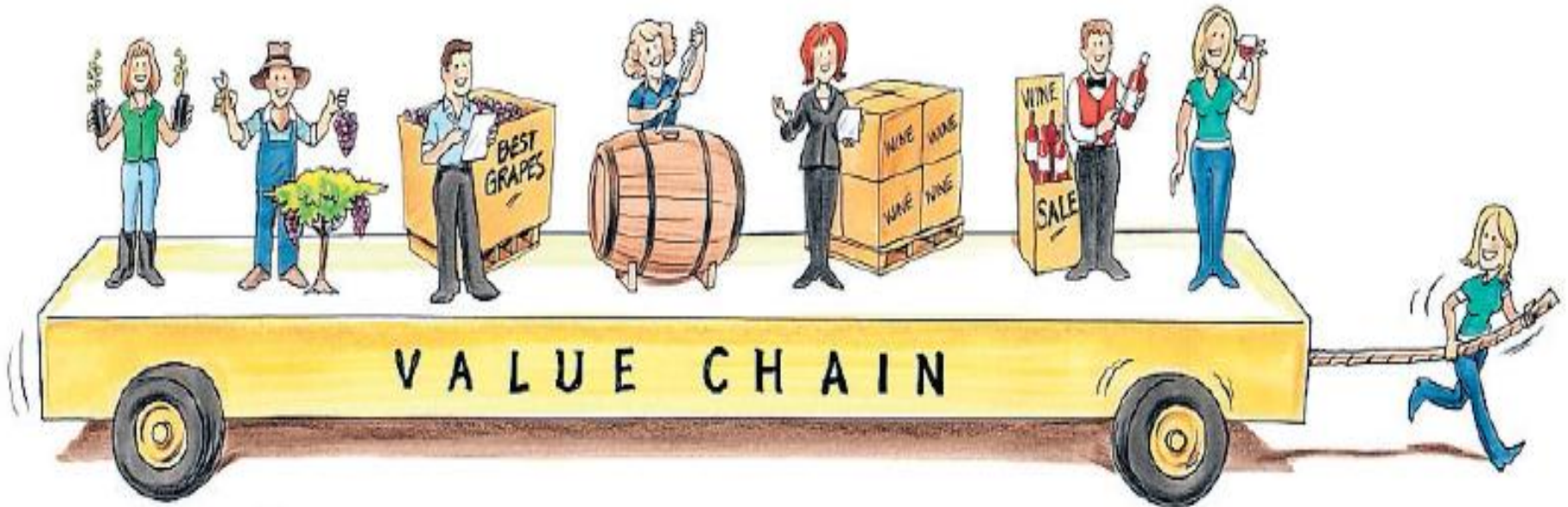


Paradigm Shift



Traditional supply chain - supply push

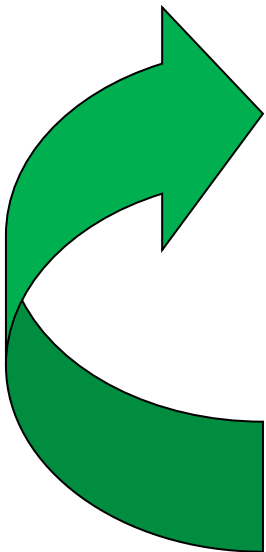
Paradigm Shift



Sustainable value chain - consumer demand pull

3. Value Chain Management

- **Collaborative** resource allocation that increases the sustainability of the **chain** as a whole



- Add more value – **effectiveness**
- At lower cost – **efficiency**
- Faster than the competition – **agility**
- **Responsibly**



4. Key Success Factors

- Strategic Alignment
- Information flow
- Collaborative relationships
- Consumer Insight



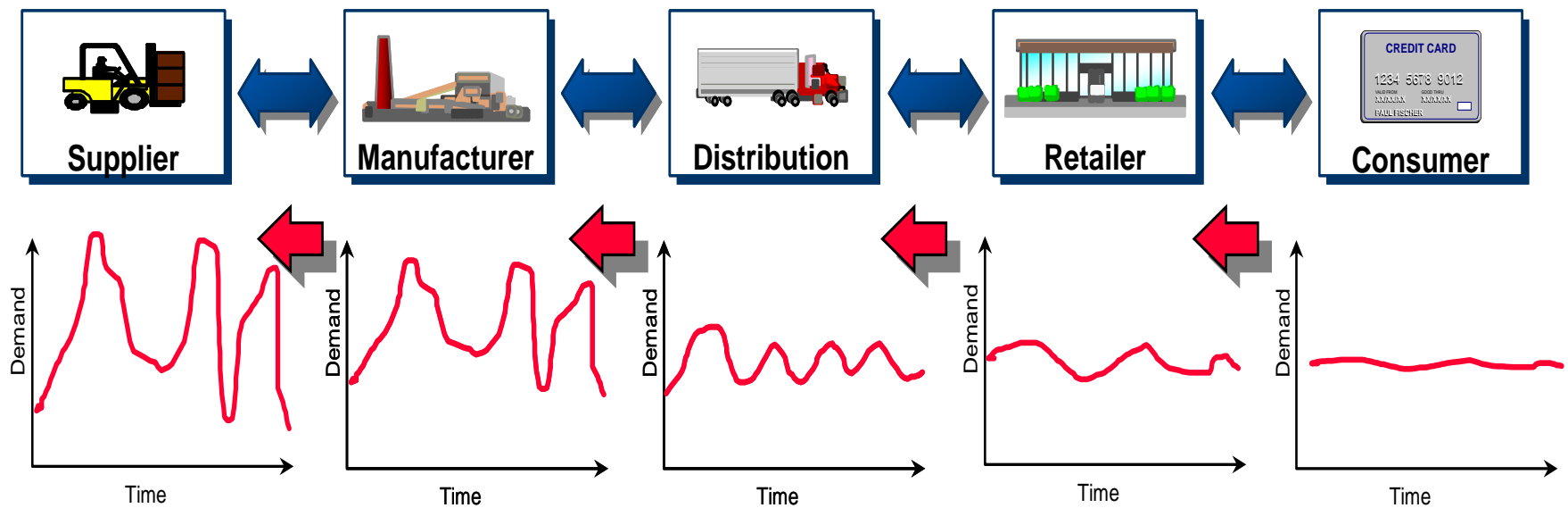
Strategic Alignment

- Drives resource allocation



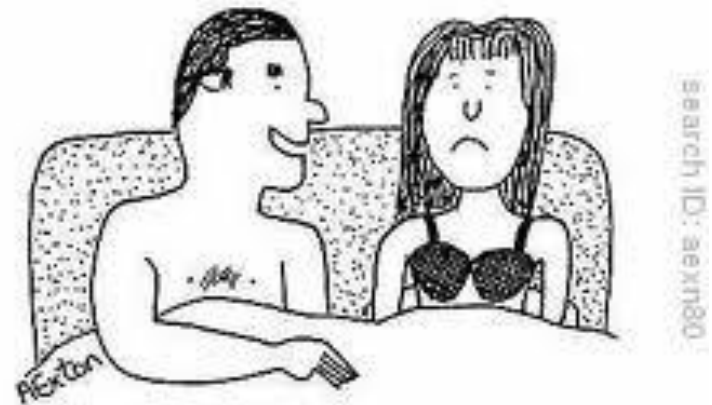
Information Flow

- Reduces uncertainty



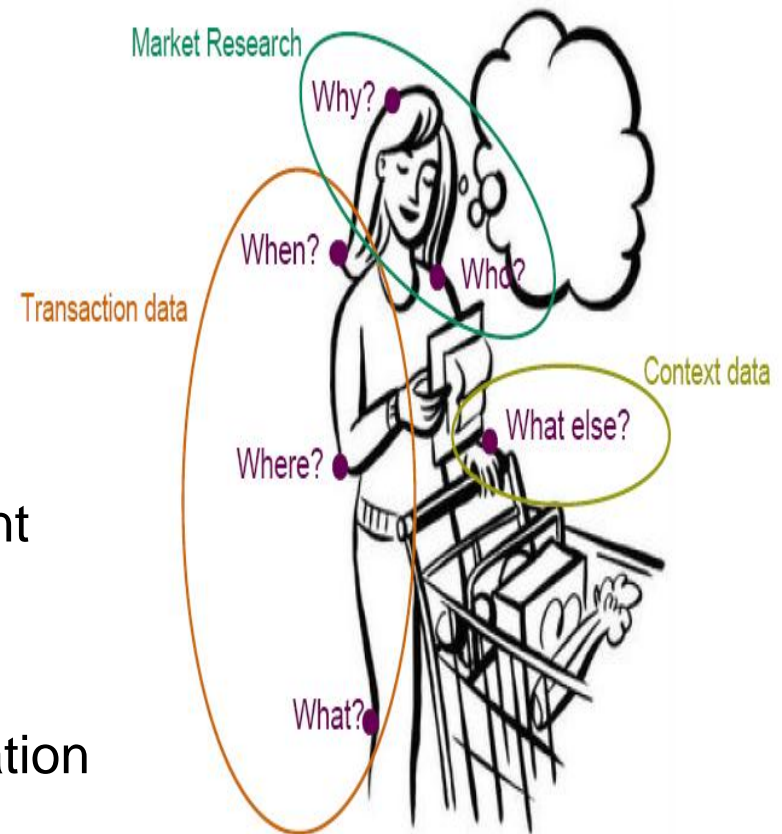
Collaborative Relationships

- Commitment
- Inter-dependence
- Trust



Consumer Insight

- Informs
 - Strategic planning
 - Supply chain design
 - Marketing planning
 - NPD
- Supports
 - Account management
 - Relationship development
- Enables
 - Consumer segmentation
 - Targeted resource allocation



5. Conclusions

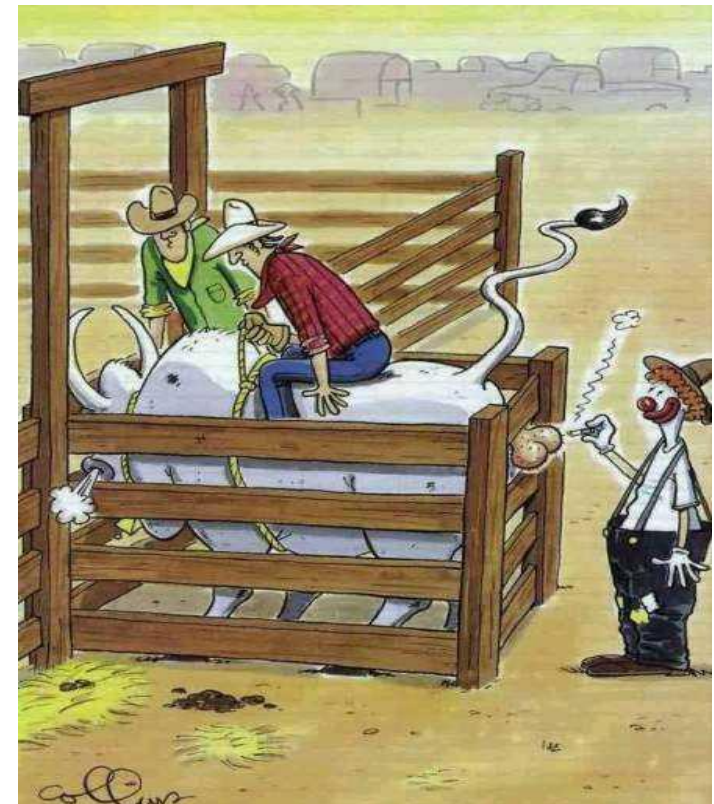
- Assumptions are the mother of all f*** ups!



- Looking at the market in aggregate leaves us 'blind' to the realities of 'people' and 'products'

5. Conclusions

- The blind are leading the blind... into the commodity trap!
- Organisations must change the way they think, take decisions and behave
- Consumer insight is the essential missing ingredient



5. Conclusions

Everyone in the chain needs to **look** more closely, **speak** more clearly, **listen** harder



Thank you!

Keep in touch with us...

- Website: <http://www.kent.ac.uk/cvcr>
- Blog: <http://blogs.kent.ac.uk/value-chain-thinking>
- Twitter: [@valuechains](https://twitter.com/valuechains)

