

TCMT612_05M_096T_Porter-competitive-value-chain-support-activities

1. Main

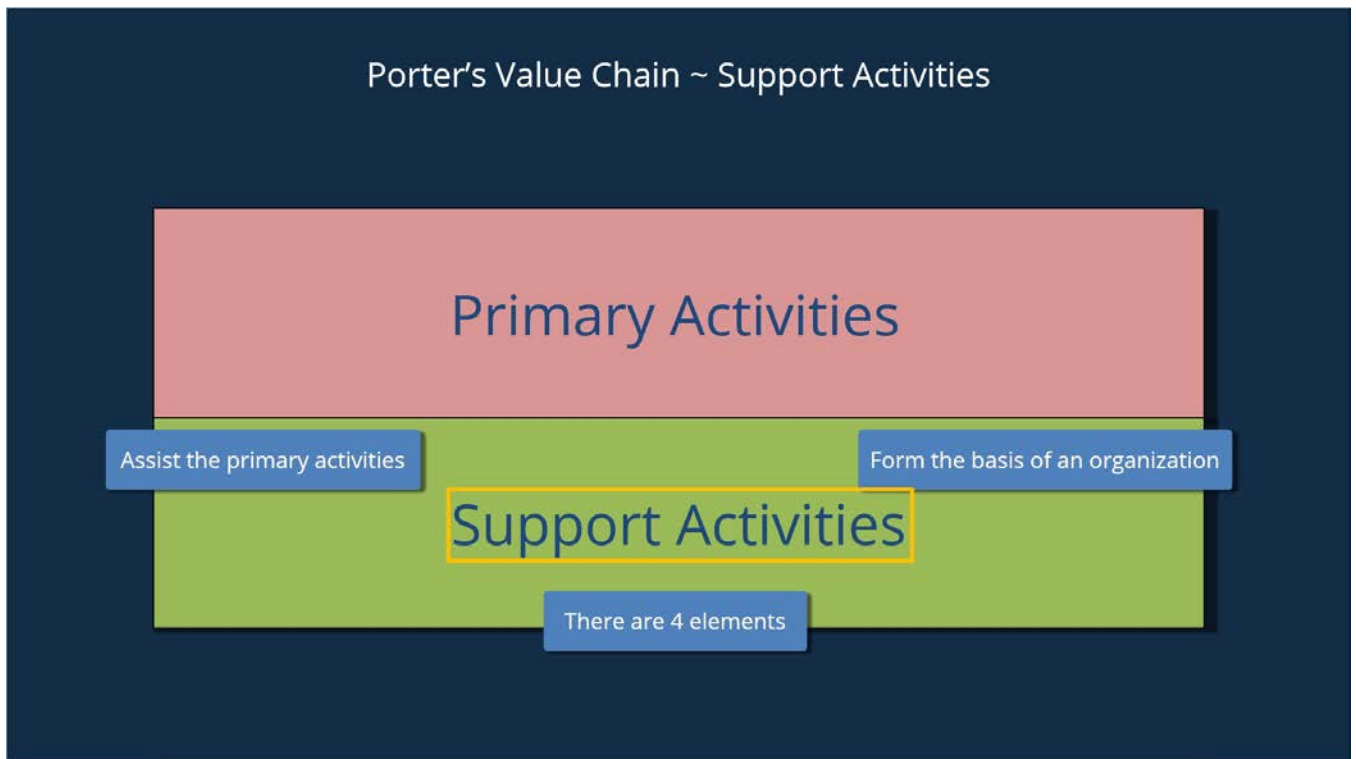
1.2 Topic title



Notes:

In this topic the professor describes the support activities of Michael Porter's Competitive Value Chain.

1.3 Introduction

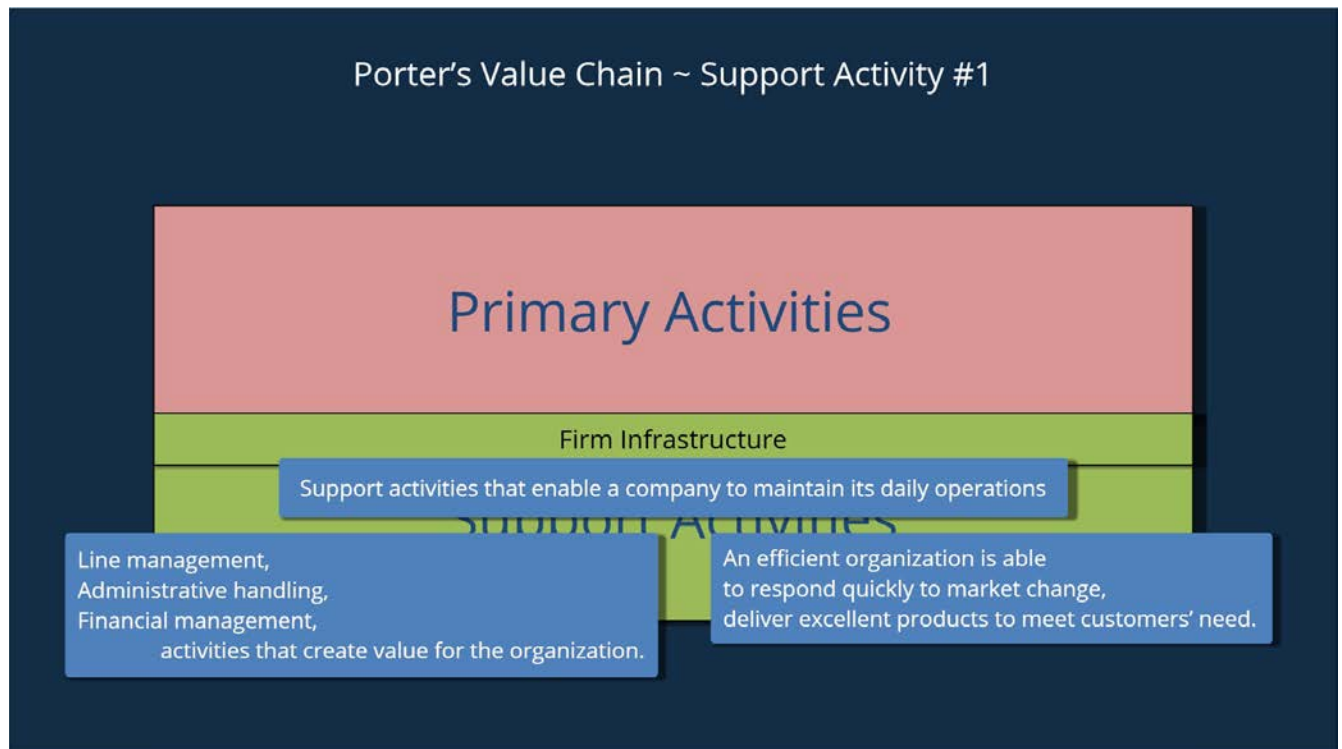


Notes:

Support activities within the Porter's Value Chain Analysis assist the primary activities and those support activities form the basis of an organization.

There are four elements of the support activities.

1.4 Infrastructure



Notes:

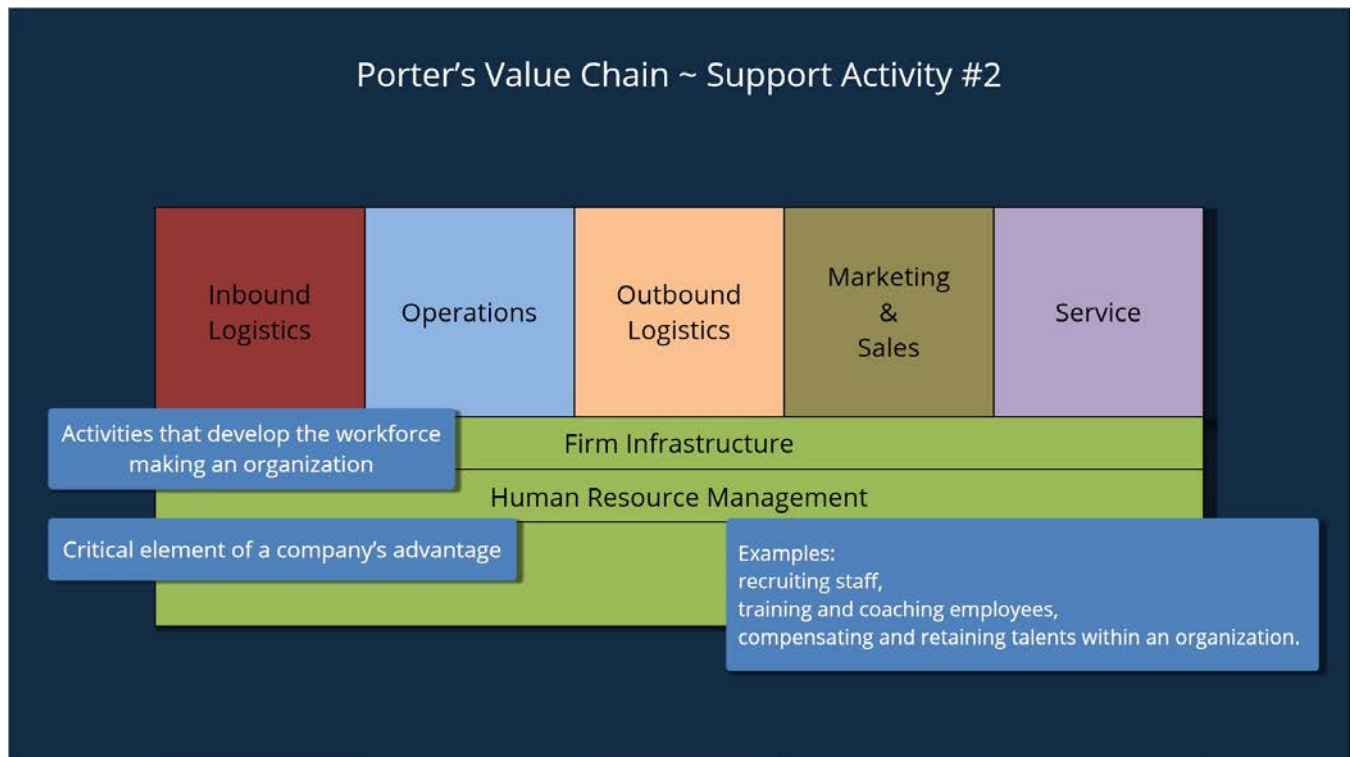
(1) First activity is a firm infrastructure.

This concerns the support activities within the organization that enable a company to maintain its daily operations.

Line management, administrative handling, financial management are examples of these activities that create value for the organization.

An efficient organization is able to respond quickly to the market change and also to deliver excellent products to meet the customers' need.

1.5 Human resource management



Notes:

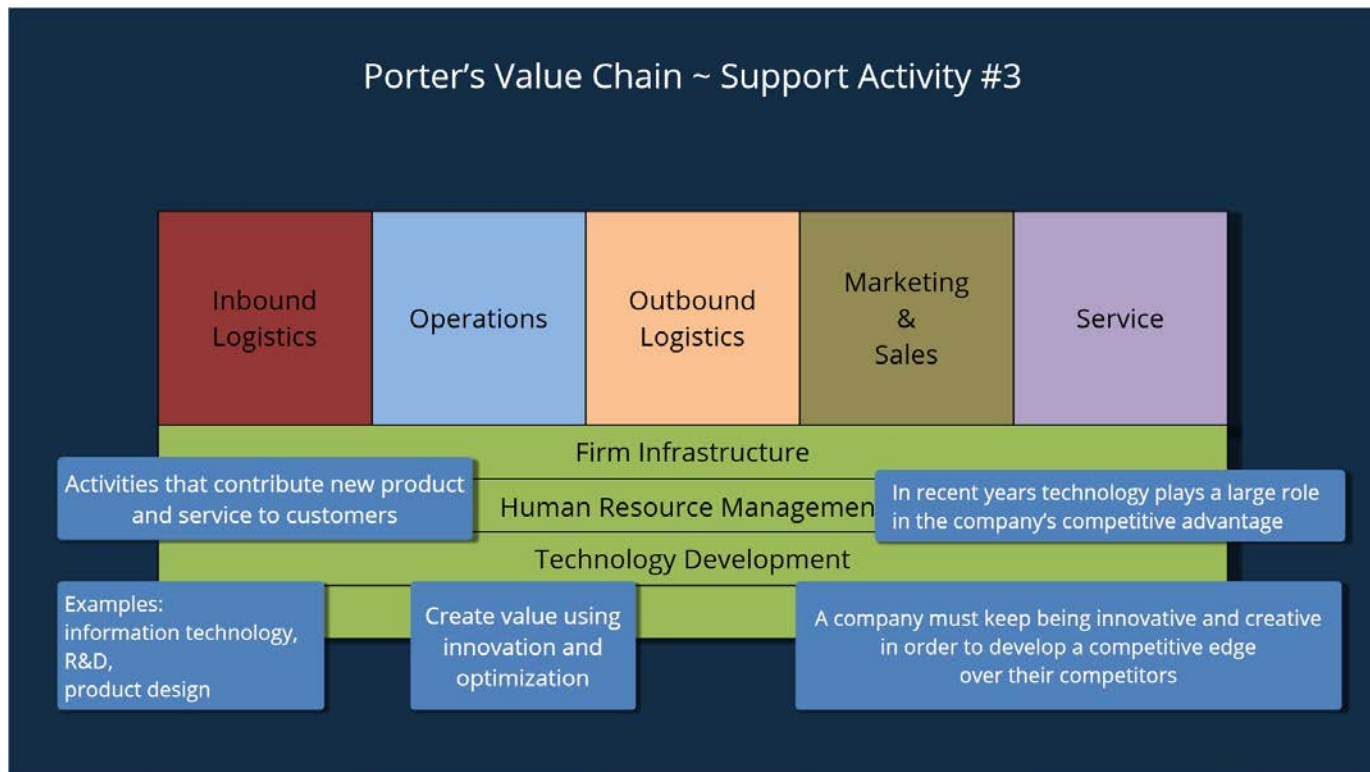
(2) Human resource management is the second line of support activities.

The HR activities include those that develop the workforce making an organization.

It is a critical element of a company's advantage.

Examples of those HR activities are recruiting staff, training and coaching employees, as well as compensating and retaining talents within an organization.

1.6 Technology



Notes:

(3) The third element of support activity is technology.

Technology development activities include those activities that contribute the new product and service to their customers.

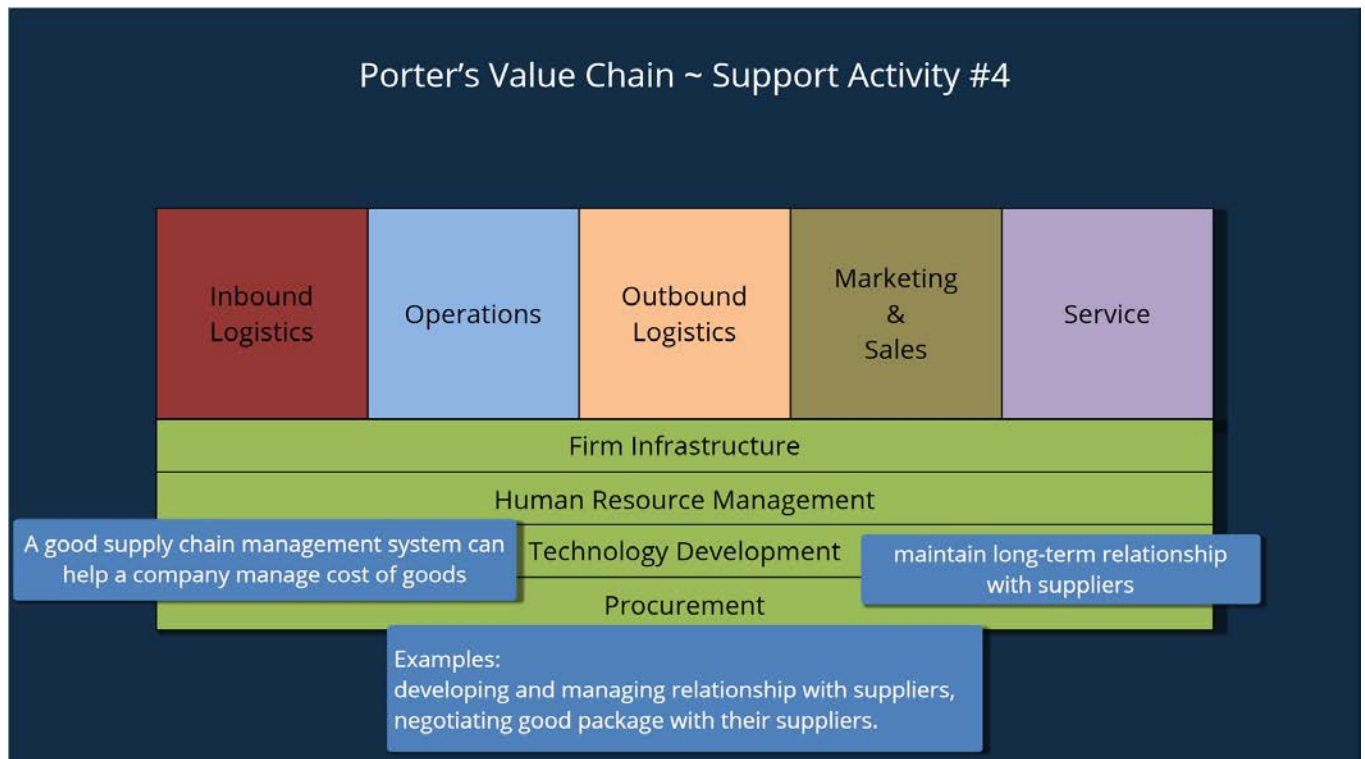
Examples are information technology, research and the development of an organization, as well as the product design.

Those technology activities create value using innovation and optimization.

In recent years technology plays a large role in the company's competitive advantage.

A company must keep being innovative and creative in order to develop a competition edge over their competitors.

1.7 Procurement



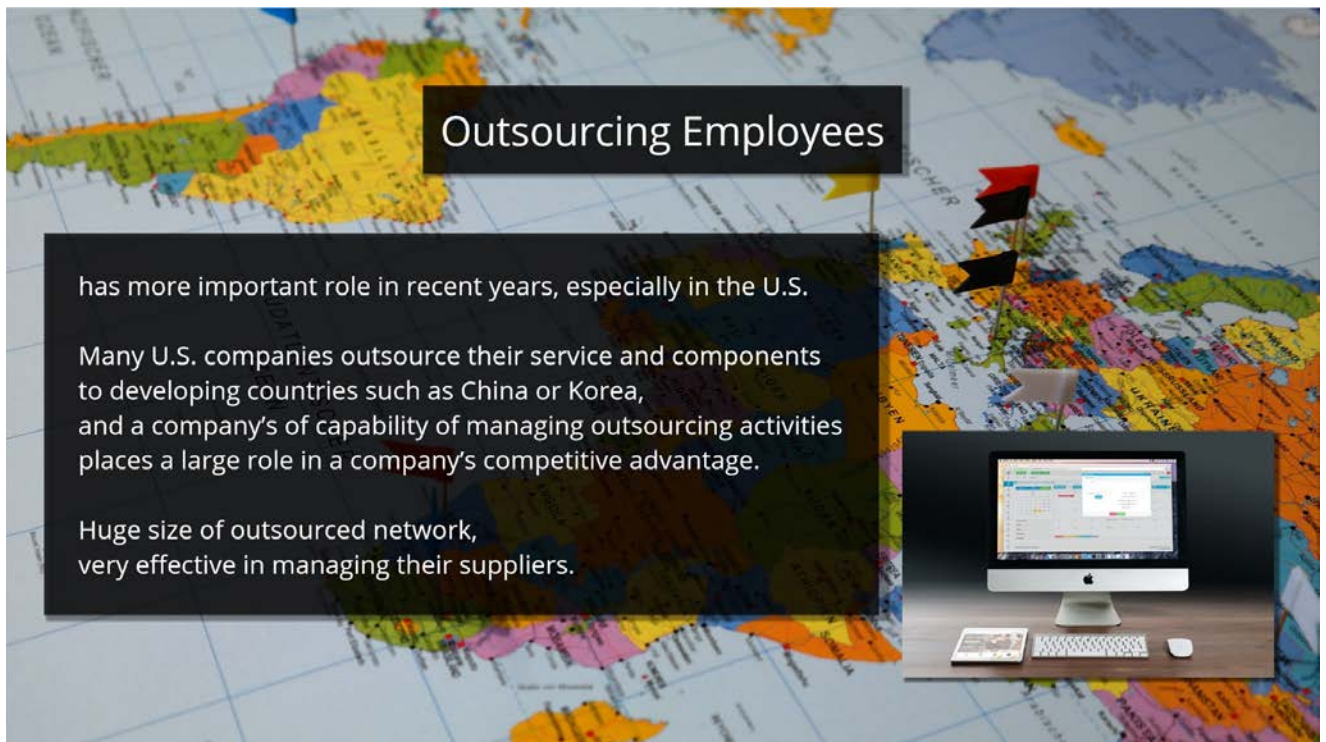
Notes:

(4) Procurement is another line of support activities.

A good supply chain management system can help a company manage the cost of their goods and also maintain long-term relationship with their suppliers.

Examples of procurement activities include developing and managing relationship with suppliers, negotiating good package with their suppliers.

1.8 Outsourcing



Notes:

I want to emphasize that outsourcing employees has a more important role in recent years, especially in the US.

Many US companies outsource their service and components to the developing countries such as China or Korea, and a company's capability of managing outsourcing activities places a large role in a company's competitive advantage. A good example is Apple Computer.

The company has a huge size of outsourced network and is very effective in managing their suppliers.

1.9 Blocks



Notes:

Organizations use primary and support activities as a building blocks to create valuable product, service and distinctiveness for their customers.

A support activity can support several primary activities.
For example, human resource management is important to operation and also to service and outbound logistics.

A company relies on human resource activities to recruit talents to manage those primary activities.