

# M9L18. Value Chain

## Slide #1



The slide cover is divided into two main sections. The left section is a dark grey/black rectangle containing the Texas A&M University Engineering logo at the top, the title 'Value Chain' in the center, the presenter's name 'Dr. Xiaomin Yang' below it, and the course information 'TCMT 612 | Technical Management Decision Making' and 'MASTERS OF ENGINEERING TECHNICAL MANAGEMENT' at the bottom. The right section is a light grey image showing a person from behind, looking at a large digital display. The display shows a complex network diagram with many nodes and lines, and several smaller icons representing different data visualizations like bar charts, line graphs, and a network diagram.

ATM  
TEXAS A&M UNIVERSITY  
Engineering

Value Chain

Dr. Xiaomin Yang

TCMT 612 | Technical Management  
Decision Making

MASTERS OF ENGINEERING TECHNICAL MANAGEMENT

***Slide #2***

## Value Chain

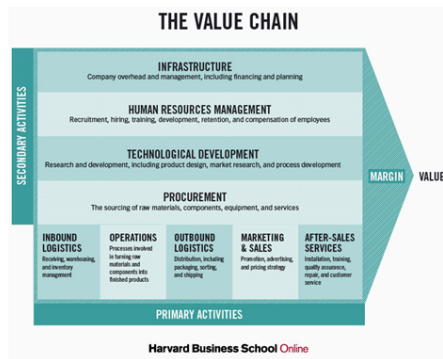
A series of interconnected business activities and processes aimed at creating a valuable product or service and delivering it to customers in a satisfactory manner.

The value chain is a concept that involves a series of interconnected business activities and processes aimed at creating a valuable product or service and delivering it to customers in a satisfactory manner.

The ultimate goal is to enhance customer loyalty and drive business profitability.

### Slide #3

## Understand Value Chain and Opportunities for Improvement



### Primary Activities

- Primary activities go directly into the creation of a product or the provision of a service

### Secondary Activities

- Secondary activities help primary activities become more efficient

According to Michael Porter, these activities can be broadly classified into two categories, primary activities and secondary activities.

Primary activities are directly involved in the creation of a product or the provision of a service.

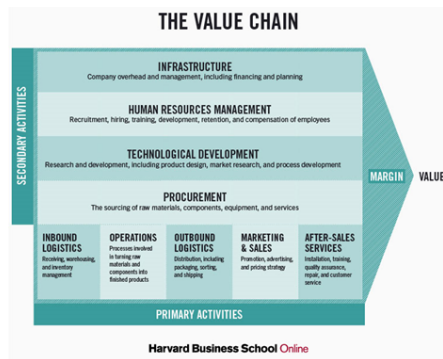
They include inbound logistics, such as sourcing and receiving materials, operations, the actual production process, outbound logistics, distribution and delivery, marketing and sales, promotion and customer acquisition, and after sales services, customer support and maintenance.

On the other hand, secondary activities support the primary activities, making them more efficient and contributing to a competitive advantage.

These activities consist of procurement, sourcing and managing supplier relationships, technological development, research and development, innovation, human resources management, recruiting, training, and development, and infrastructure, support functions like IT, finance, and administration.

## Slide #4

### Understand Value Chain and Opportunities for Improvement



#### Opportunities

- Value chain Analysis
- Identify areas that require
  - Optimization
  - Innovation
  - Improvement
- Enhance operations, reduce costs, differentiate

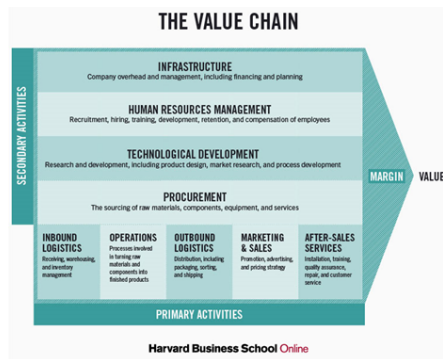
To identify opportunities for improvement and gain a competitive edge, organizations often employ value chain analysis.

This method involves assessing the activities within the company's value chain to identify areas where optimization, innovation, or process improvements can be made.

By analyzing each step of the value chain, businesses can enhance their operations, reduce costs, and differentiate themselves from competitors.

## Slide #5

### Understand Value Chain and Opportunities for Improvement



#### Opportunities

##### Value chain Analysis

- Covers series of activities aimed at:

- Creating value
- Customer satisfaction

Primary activities → creation of product

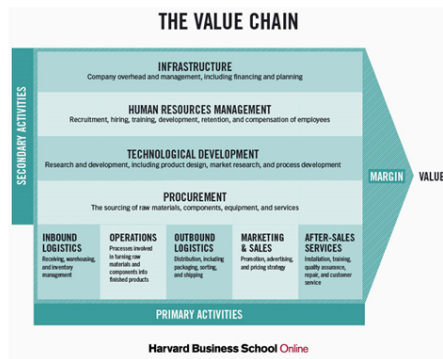
Secondary activities → support and enhance primary activities

The value chain covers a series of interconnected activities aimed at creating value and delivering customer satisfaction.

Primary activities directly contribute to the creation of the product or service, while secondary activities support and enhance the primary activities.

## Slide #6

### Understand value chain and opportunities for improvement



By conducting a value chain analysis, organizations can identify areas for improvement and make strategic decisions to optimize their operations, ultimately driving business success.

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