

## Appendix 3

### Value chain analysis

#### Primary activities:

- Inbound logistics (receiving, handling and storing inputs) – Warehouse and distribution operations are controlled by an old information system which feeds into operations management information.
- Operations – Not a critical area of concern at present.
- Outbound logistics (delivering the product to customers) – Warehouse and distribution operations are controlled by an old information system which is fed from operations management information.
- Marketing and sales – Not a critical area of concern at present.
- After-sales service – This is an important area of revenue generation for Arkaig. However, certain directors are worried about over-focusing on this activity.

#### Secondary activities:

- Procurement – Not a critical area of concern at present.
- Technology development – Not a critical area of concern at present.
- Human resource management – Arkaig aims to recruit, retain and motivate staff who can fit with its entrepreneurial culture.
- Firm infrastructure (planning, finance, quality control, legal matters) – Not a critical area of concern at present.

**Note:** The areas noted as not critical do not require comment.