

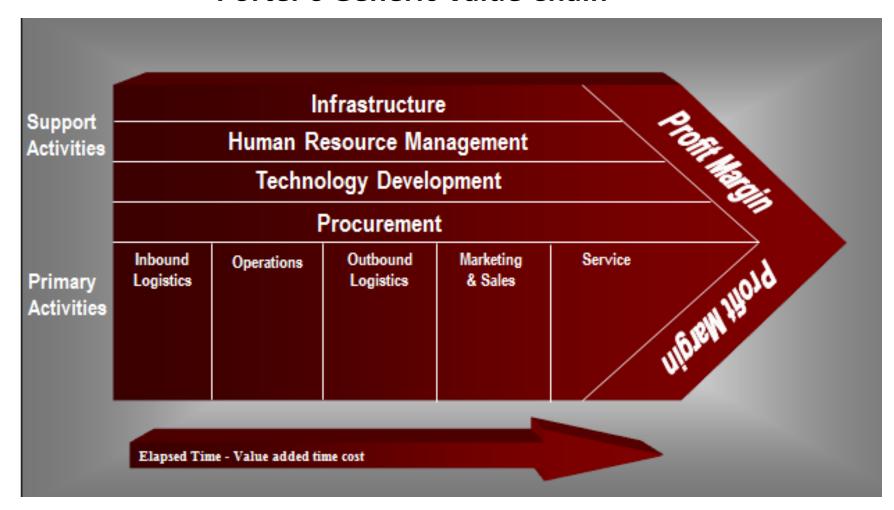
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Porter's Value Chain

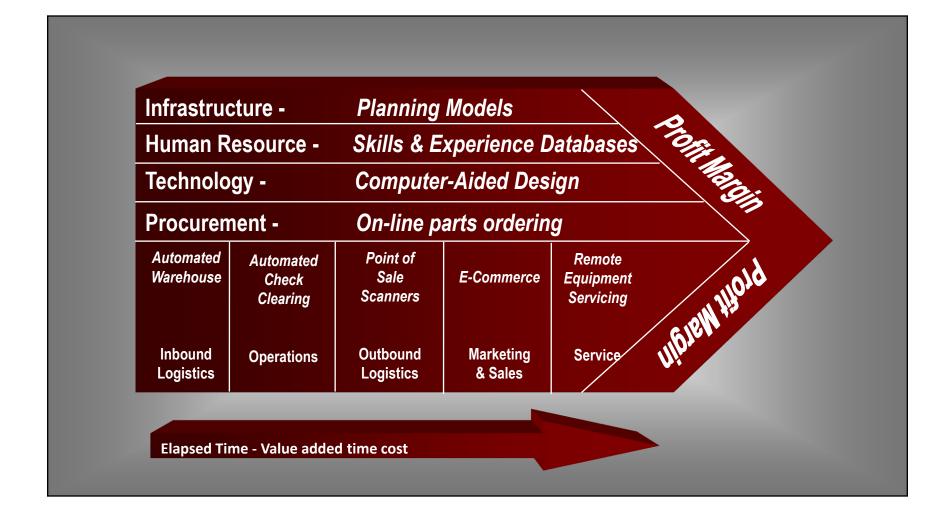


Porter's Generic Value Chain





Potential IS Contributions





Primary activities

Inbound Logistics:

arranging the inbound movement of materials, parts, and/or finished inventory from suppliers to manufacturing or assembly plants, warehouses, or retail stores

Operations:

concerned with managing the process that converts inputs (in the forms of raw materials, labor, and energy) into outputs (in the form of goods and/or services).

Outbound Logistics:

is the process related to the storage and movement of the final product and the related information flows from the end of the production line to the end user



Primary activities

Marketing and Sales:

selling a product or service and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

Services:

includes all the activities required to keep the product/service working effectively for the buyer after it is sold and delivered.



Supportive activities

Infrastructure:

Consists of activities such as accounting, legal, control, public relations, quality assurance and (strategic management)

Technological Development:

Pertains to the equipment, hardware, software, procedures and technical knowledge brought to bear in the firm's transformation of inputs into outputs.

Human Resources Management:

Consists of all activities involved in recruiting, hiring, training, developing, compensating and (if necessary) dismissing or laying off personnel.

Procurement:

The acquisition of goods, services or works from an outside external source



Significance

The value chain framework quickly made its way to the forefront of management thought as a powerful analysis tool for strategic planning. The simpler concept of value streams, a cross-functional process which was developed over the next decade.



THANKS...