

Porter's Value Chain Model

Porter's Value Chain Model is a framework that helps analyze a company's internal processes and activities to identify areas where value can be added and costs can be reduced. As a tool for business strategy, it helps us understand the sources of value creation in a company and how that company can improve its competitiveness.

The model separates primary and support activities that a company performs in order to deliver a product or service to its customers.

A part of the Digital Leadership
More information on this model is available here: <https://digitalleadership.com/UNITE/porters-value-chain-model/>

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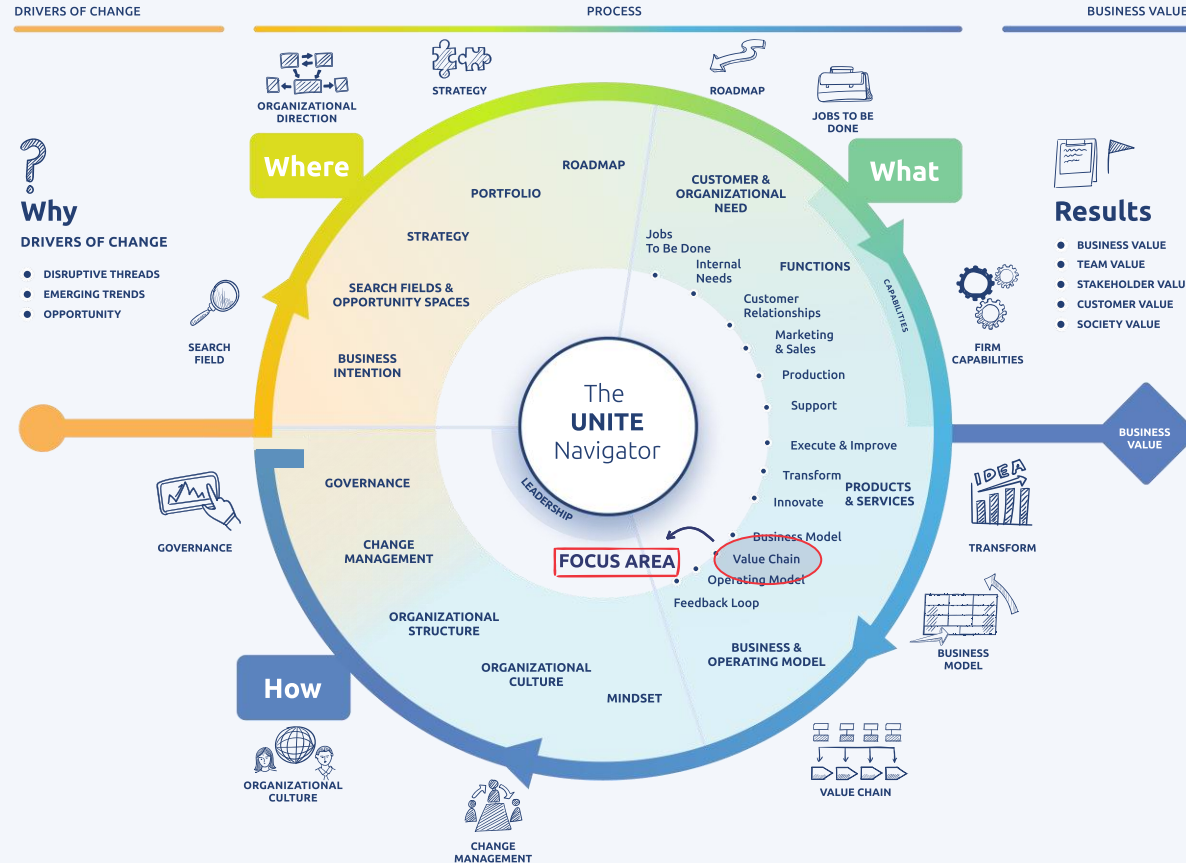
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THE UNITE NAVIGATOR – An overview and introduction to all UNITE models



- > The UNITE models are the by far largest library of innovation and transformation models on the Internet. They cover all areas of digital strategy, innovation, transformation as well as any related field.
- > The UNITE Navigator provides an introduction and overview of all digital-related fields.
- > As part of this presentation, we will focus on *structuring the value chain*

Background to Porter's Value Chain Model

Why we use it

Understanding the diverse ways a business expends its limited resources can be a considerable challenge.

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As a tool for business strategy, it helps us understand the sources of value creation in a company and how that company can improve its competitiveness.

How it works

The Value Chain Model unpacks all your business activities following these steps:

1. Identify the primary and support activities in your value chain (e.g., procurement, human resource management).
2. Assess the cost and value of each activity: Evaluate the cost of each activity and the value it adds to the product or service.
3. Identify areas for improvement, based on the cost and value analysis.
4. Develop an action plan for implementing changes to the value chain.
5. Implement and monitor.

What is the goal

The Value Chain Model 's goal is to help you understand all the activities that occupy your business's resources and **identify areas of potential savings, development, and innovation.**

Porter's Value Chain Model Definition

Understanding the diverse ways a business expends its limited resources can be a considerable challenge. Porter's Value Chain Model attempts to make this process easier by dividing everything a business does into two baskets: primary activities and secondary activities.

According to the model, primary activities include all the work and investment necessary for the business to bring value to its customers.

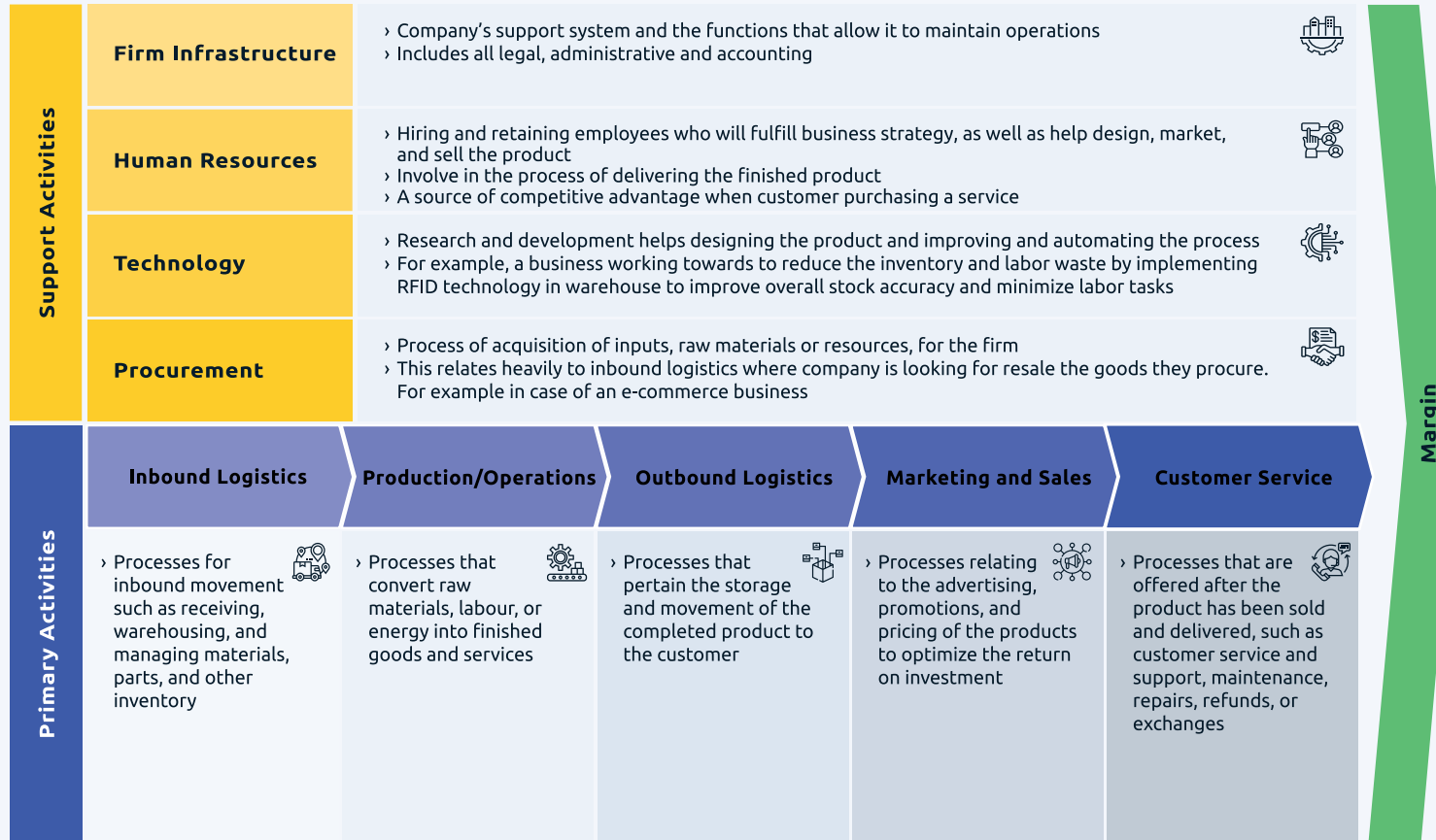
Primary activities include:

1. Inbound Logistics
2. Operations
3. Outbound Logistics
4. Marketing and Sales
5. Service

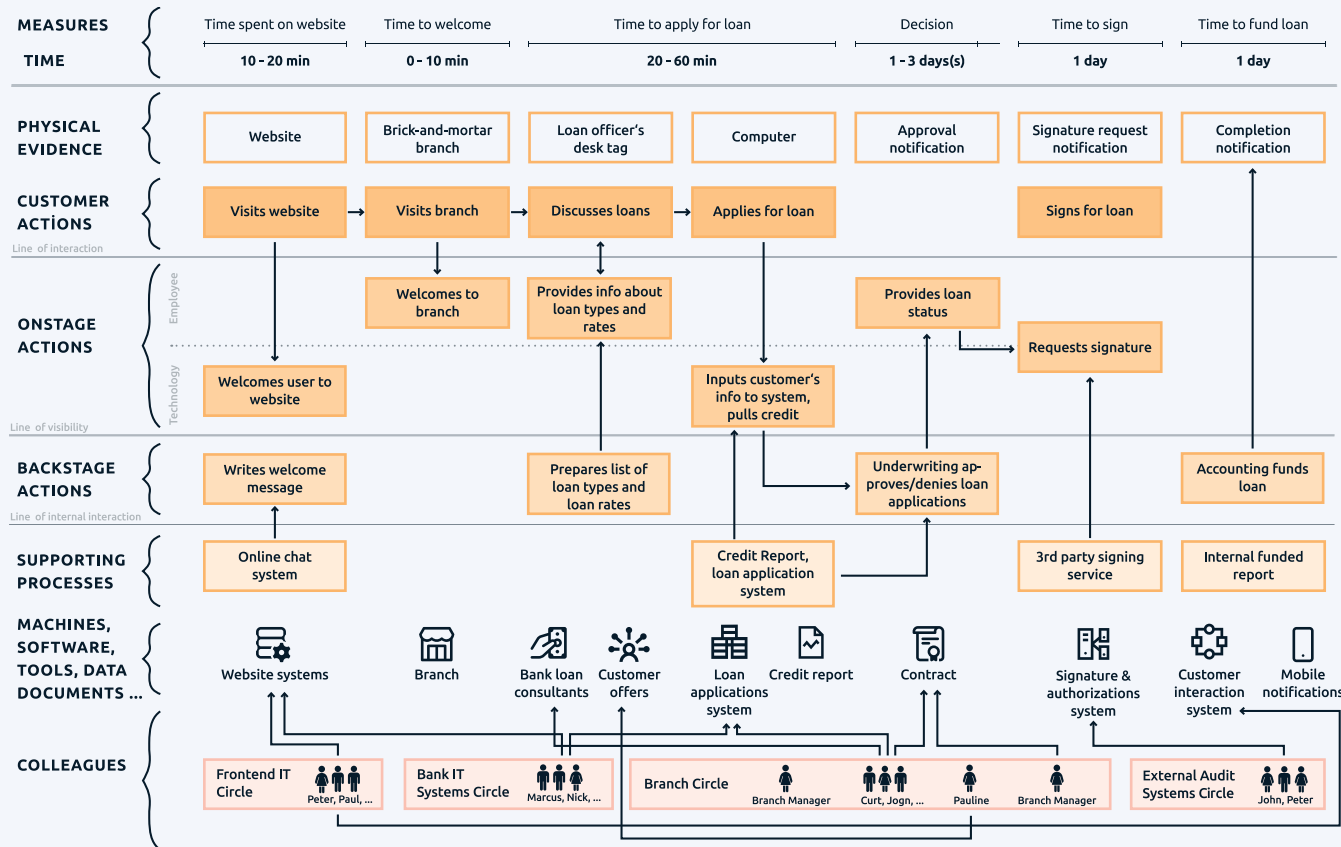
Secondary activities include:

1. Procurement
2. Technology Development
3. Human Resource Management
4. Infrastructure

PORTER'S VALUE CHAIN MODEL



THE UNITE APPROACH TO VALUE STREAM MAPPING - Example



Value Creation

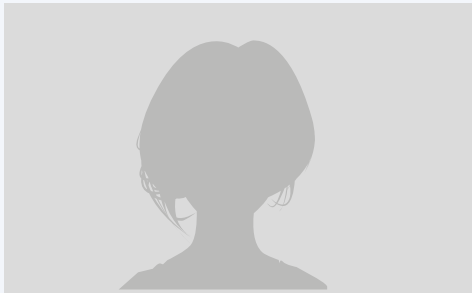
- > The process and mechanisms of value creation can be showcased in different ways.
- > Here is an example of the private banking & wealth management firm "Van Lanschot Kempen"
- > Download the full UNITE Approach to Value Stream Mapping Download Package here:



THE UNITE APPROACH TO
VALUE STREAM MAPPING



Main authors



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THE UNITE MODELS are the by far largest library of innovation and digital transformation models available on the market globally. They cover all important domains end2end and uniquely – they are deeply integrated. Please be invited to leverage them in your organization. **Let's UNITE and create a world worth living in !**



**THE BOOK ABOUT HOW
TO CREATE INNOVATION**

HOW TO CREATE INNOVATION is a practical, comprehensive, OpenSource guide for successful innovation and digital transformation. The UNITE initiative and movement, supported by a global team of industry leaders and innovation researchers, aims to spark a revolution in global innovation and transformation.

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Office +41 (0) 44 562 42 24

engage@digitalleadership.com

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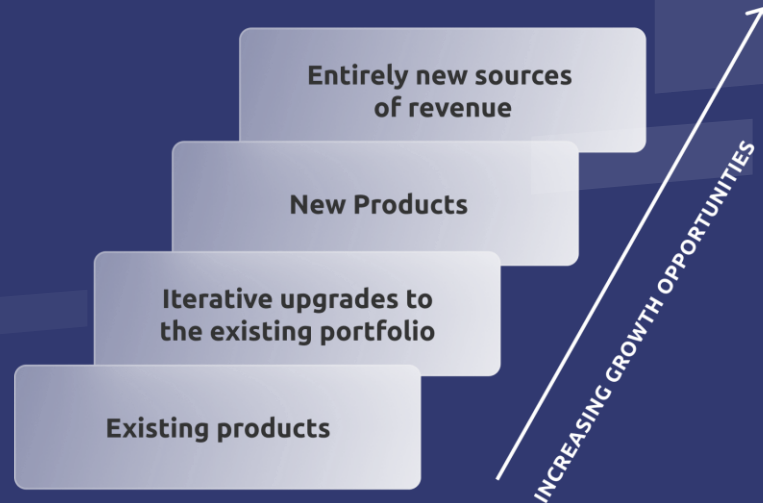
Digital Leadership has successfully helped corporate start-ups find their footing and Top-Five players in all sectors around the world identify and create new opportunities.

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Take control of your game!
Schedule your free business
assessment call with our team!



Discover our Digital Transformation Practice

Digital transformation is an art few manage well



Digital transformation is often much more complex than we think. You often touch one element to find out that it has systemic impacts on all other areas.

In addition, we find strategies to be stuck too often in silos. Rather than focusing on one bit, we bridge the silos, develop a vision everybody will buy into, and create a unifying strategy and roadmap for getting there, including realigning the value-, service-, experience- and operating model.



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Thank you!
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Share my knowledge with the world!