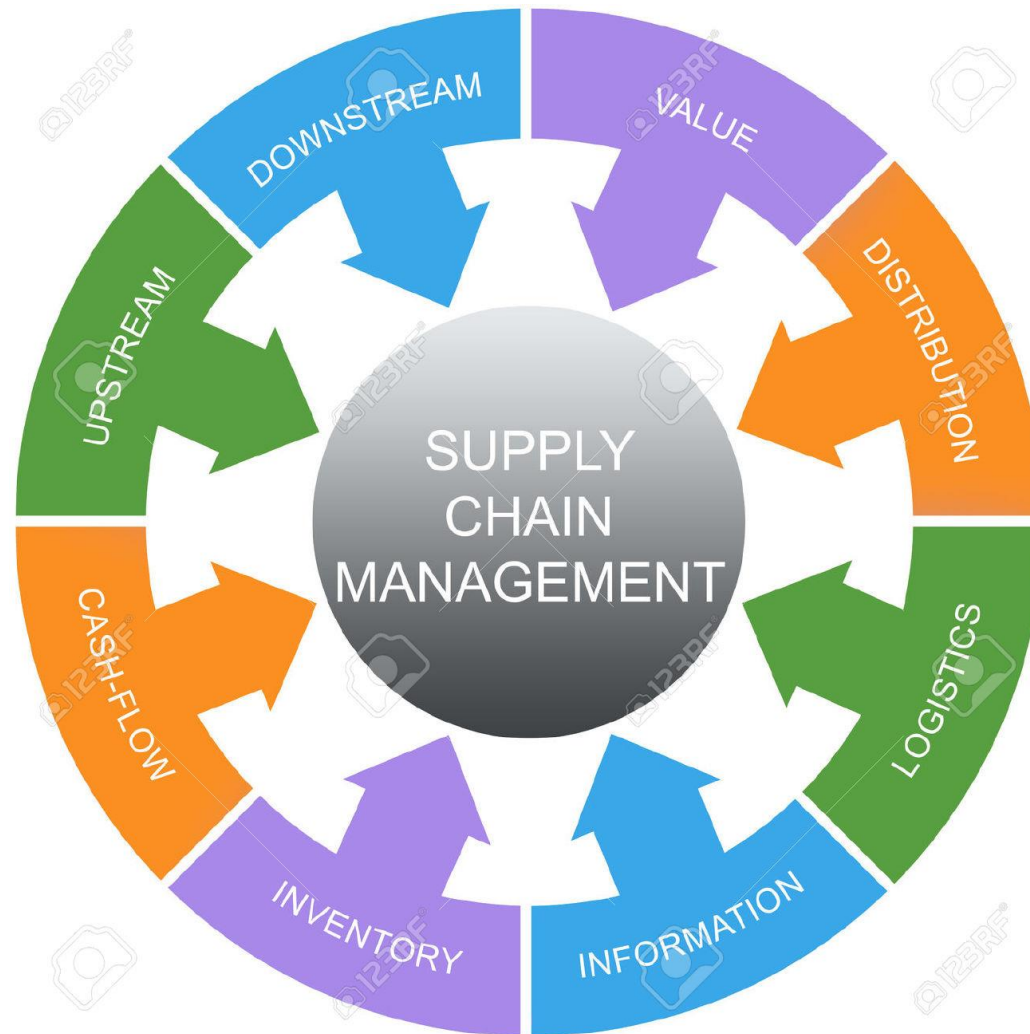


WHEN EFFECTIVE COLLABORATION HAS TO MATERIALIZE



Prof. Frank Bournois
Dean & Director-General



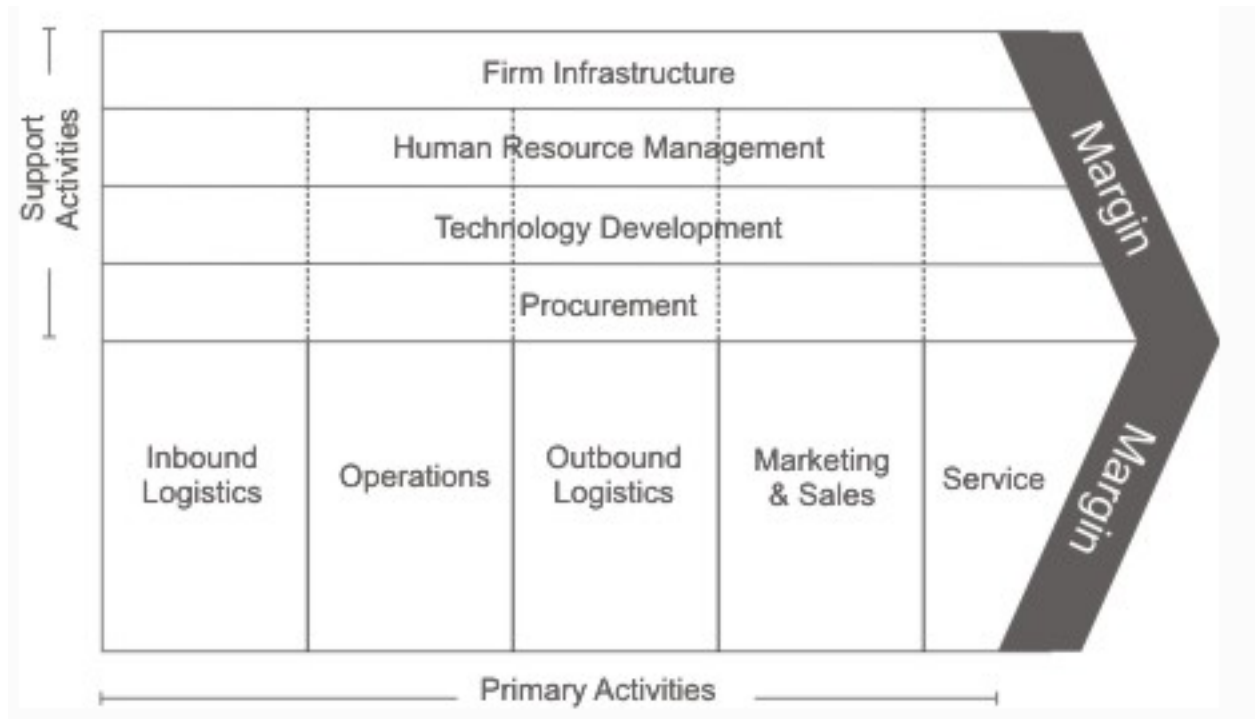


1. The Scope of Value Chain Management

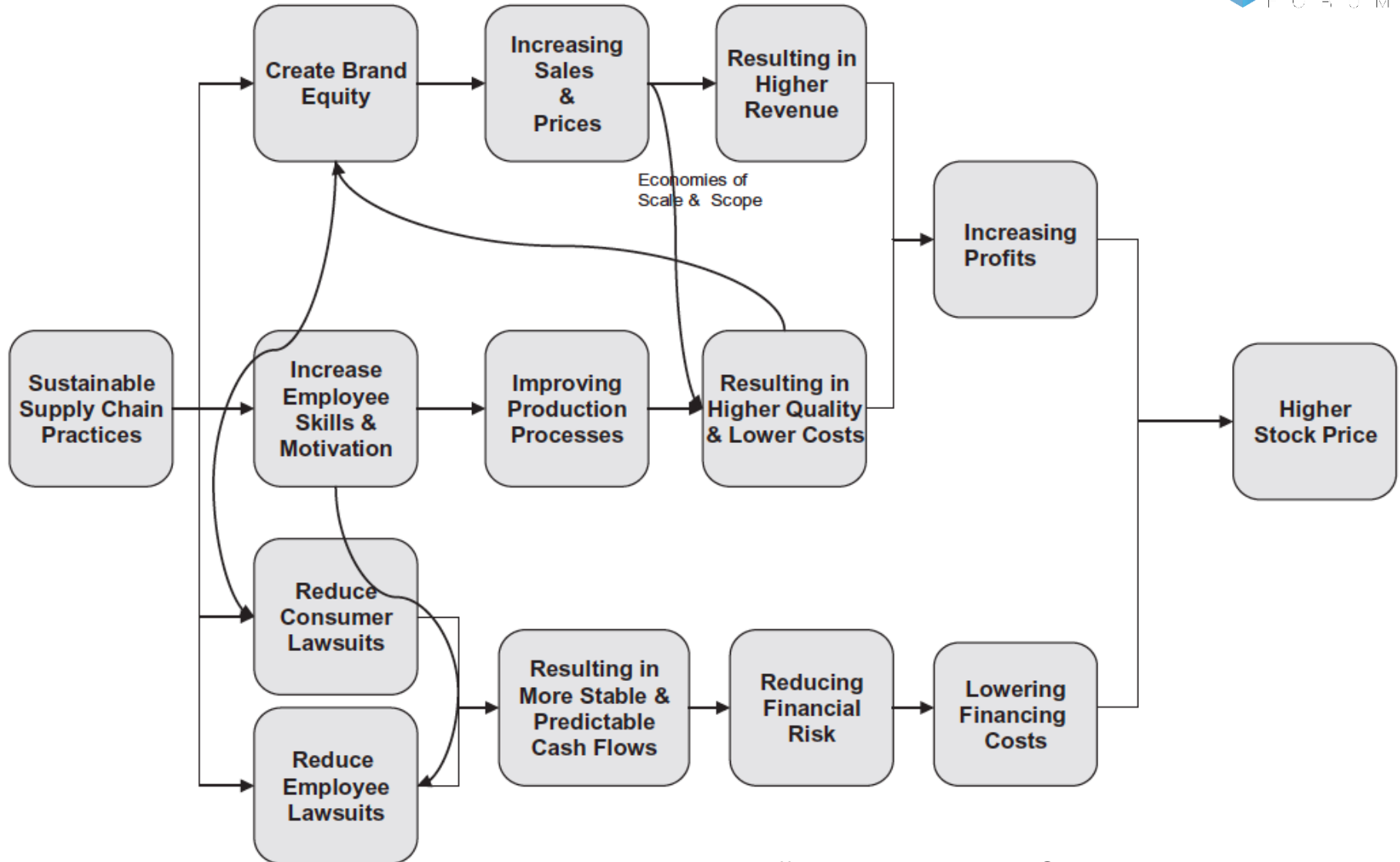
- **S**TRATEGY
- **C**CULTURE(S)
- **O**RGANISATION
- **P**EOPLE- TEAMS
- **E**NVIRONMENT

2. Where Do We Start ?

- Not much academic work done on « Materials and Value Chain Management »
- Value chain is a set of activities that create value for customers and shareholders.



3. Traditional Value Chain Analysis



4. Beyond The Traditional Approach

- **Identification of subactivities for each primary activity**
- **Identification of subactivities for each support activity**
- **Identification of links** between value activities
- **Design solutions to increase value**

Black Box : It does not make the links work :



Missing message is about
Collaboration

→ not a natural process

→ Risks and Critical Areas to be
Explored

Value Chain And Collaboration



Collaboration



5. The Chain of Three Concepts

ESCP
EUROPE



**Collaboration pushes beyond the limits of existing conditions or a single stakeholder:
"Let's create something new..."**



**Cooperation is necessary to meet stated goals for improving
"We need to improve this/fix that..."**



**Coordination facilitates the implementation of mandates, and the meeting
of predefined goals:
"Get this done..."**



6. Key Success Factors

COLLABORATION:

- Team members must be competent and committed
- Have a clear line of sight to strategy
- Be keen to share exclusive/sensitive information and to bring unique expertise to the table
- Applaud and value creativity
- Have a high level of trust in other team members

COOPERATION:

- Competence is critical, and commitment to project goals is key
- Members are okay with sharing information, but not sure it is necessary
- Unique expertise is less critical

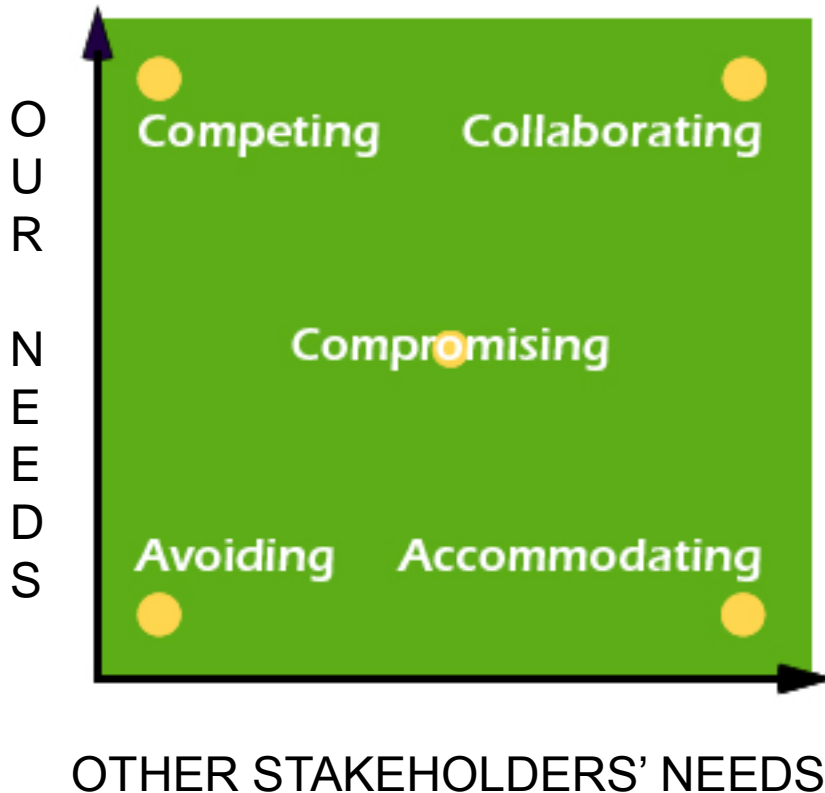
COORDINATION:

- Mindset focused more on achieving stated goals; little thought to strategy
- Team is far less likely to share information or seek out experts
- Little interest in if/how value accrues; and trust is not key to success

7. Collaboration & Innovation

	IDEA GENERATION			CONVERSION		DIFFUSION
	IN-HOUSE	CROSS-POLLINATION	EXTERNAL	SELECTION	DEVELOPMENT	SPREAD
	Creation within a unit	Collaboration across units	Collaboration with parties outside the firm	Screening and initial funding	Movement from idea to first result	Dissemination across the organization
KEY QUESTIONS	Do people in our unit create good ideas on their own?	Do we create good ideas by working across the company?	Do we source enough good ideas from outside the firm?	Are we good at screening and funding new ideas?	Are we good at turning ideas into viable products, businesses, and best practices?	Are we good at diffusing developed ideas across the company?
KEY PERFORMANCE INDICATORS	Number of high-quality ideas generated within a unit.	Number of high-quality ideas generated across units.	Number of high-quality ideas generated from outside the firm.	Percentage of all ideas generated that end up being selected and funded.	Percentage of funded ideas that lead to revenues; number of months to first sale.	Percentage of penetration in desired markets, channels, customer groups; number of months to full diffusion.

8. COLLABORATION REQUIRES TIME



- **Competing** This is a power-oriented mode. Competing means « standing up for your rights »
- **Accommodating** When accommodating, the individual neglects his own concerns
- **Avoiding** Avoiding might take the form of diplomatically sidestepping an issue
- **Collaborating** Collaborating involves an attempt to work with others to find some solution that fully satisfies their concerns. It means digging into an issue to pinpoint the underlying needs and wants of the two sides.
- **Compromising** The objective is to find some expedient, mutually acceptable solution



VALUE CHAIN MANAGEMENT