

Proposed value chain- primary activities report examples

[Business](#), [Marketing](#)



Value chain analysis of fair-trade hand made products:

Value chain can be defined as a series of activities of an organization, operating in a particular type of industry, that help in delivering a product or service of value to the customers. Michael Porter classified value chain as decision support tools. The primary activities in Porter's value chains are Inbound Logistics, Operations, Outbound Logistics, Marketing, and Sales. The secondary activities are Research, Human Resources and Technological Development. (valuebasedmanagement, 2014)

In the given case, the company is a fair trade company. A fair trade company can be defined as an organization whose aim is to promote sustainability and greater equity for small scale trade. In fair trade practices, value chain is extremely important to gain advantage to the small producers and manufacturers, improve market accessibility and get equal opportunities for better trading. (mindtools, 2014)

- Take care that the hand made products are of quality
- There should be access to information about the business
- Eliminate all wasteful activities
- Proper training to all workers

Phases for Value Chain-Primary Activities:

- Inbound Logistics-Raw materials must be procured at a very cheap price and must be of good quality, so that there is greater profit and lesser waste. Example- Since the business is a fair-trade one, it has to buy raw materials cheap and from a small dealer, to increase profit.

- Operations- The workers must develop the products from the raw materials. Since the products are hand-made, care must be taken to ensure they are of good quality and the workers are trained properly to do their work efficiently.

Example- Give hand-made product creating knowledge to the women workers and monitor the quality of the finished products.

- Outbound Logistics- The products must be delivered to the end customers. The customers must be aware of how the products were made and also have knowledge as to the packing.

Example- The products must be delivered at the closest distance, since this will reduce delivery cost and increase profit.

- Sales and Marketing- The products must be promoted, and marketed well. Since these are hand-made products, they need more rigorous branding for people to buy them.

Example- A marketing team will design the campaign for the target audience for hand-made products. They will research the in-depth need of the customers.

- Consumption- The last stage, wherein after-sales service, customer complaints are taken care of.

Example- A team is there to take care that the hand-made products satisfy the customer and any complaints are taken care of.

Proposed Value Chain- Secondary Activities:

- Research- Further study on how the hand-made products can be made better, how they can be marketed properly, how the awareness about the hand-made products can be improved must be conducted. A small-scale hand-made business can flourish only when constant monitoring and research is done.

Example- Capital cost, product development and further improvements of the hand-made products are researched and approximated.

- Human Resources- The workers are women only. Utmost care should be taken to understand they have family responsibilities and be patient and respectful towards them. The working hours should be convenient and the safety of women must be supremely taken into consideration.

Example- Human Resource Team to take care of the recruitment of the women workers, their needs and provide them fair salaries.

Reference List:

- Value Chain Analysis-Achieving Excellence in the Things that Really Matter, n. d. mindtools. com[online]Available at: [Accessed 29th October 2014]
- Analyzing the Activities of a Firm, n. d. valuebasedmanagement. net[online]Available at: [Accessed 29th October 2014]