

# Smart chips company steps



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## **Smart Chips Company**

Porter has highlighted six steps for ensuring cost reduction in value chain management. The reduction in costs can be experienced throughout the production line and therefore reduce the final price of the product. It individually accesses different entities involved like the suppliers and managers etc.

a basic point is to invest in human resources and technology. This will ensure long term prosperity. Another major step that the company needs to take is to reduce the time to develop and launch new products. The microchip industry progresses very fast so Smart Chip needs to accelerate its development to stay on the top. (McCoy, 2009)

Smart Chips also needs to make alterations in its existing networks.

Research and development departments should be given extra attention and products should be patented. This would slow down the rivals in cloning the microchip. A thorough analysis of the manufacturing process should be done to find any process which increases costs. Supply orders should be increased to lower transportation and order costs as well. The inventory should be increased.

A very important point is that special attention should be given to employees and their needs. They should be given benefits. This ensures that the employees give their best to the company. The company should also avoid unnecessary price wars with rivals. It will make the products into commodities needlessly.

(Stephen P. Robbins, 2006)

By applying the above mentioned steps in the chain management of the microchip, it will help in keeping the Smart Chip Company one of the leading companies in the microchip business.

## **References**

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