

# Effective Value Chains

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Key Relationship Manager

Wine Australia

The starting point on the journey  
to **sustainable competitive  
advantage** is a change in  
mindset that places **the consumer  
first** and everything else  
subordinate to their needs and  
wants.

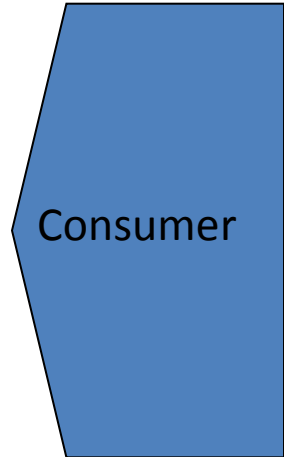
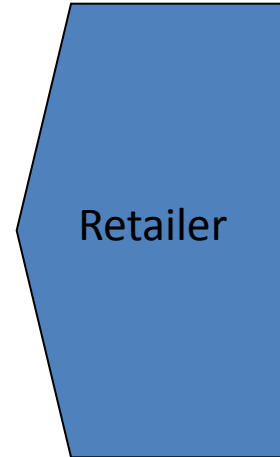
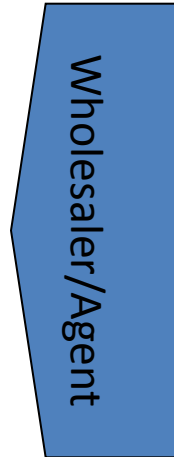
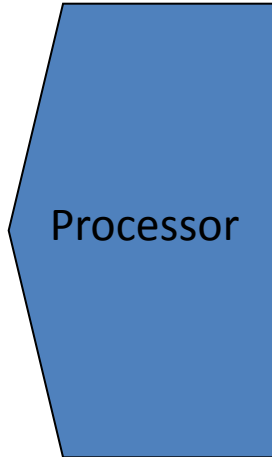
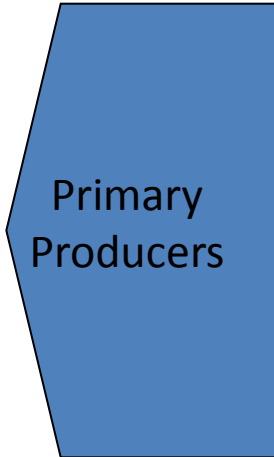
Who defines value ?

Customer Value  
versus  
Consumer Value

**What is a Value Chain ?**

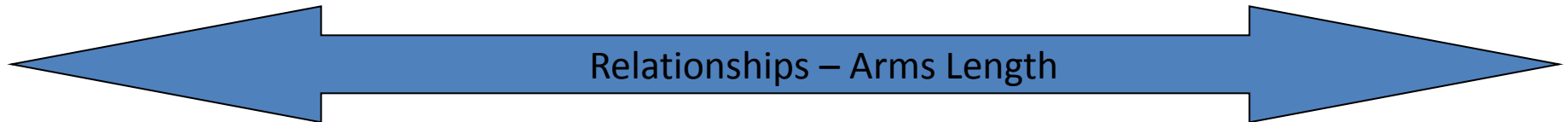
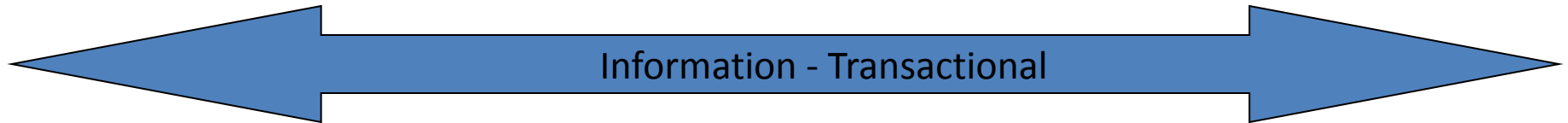
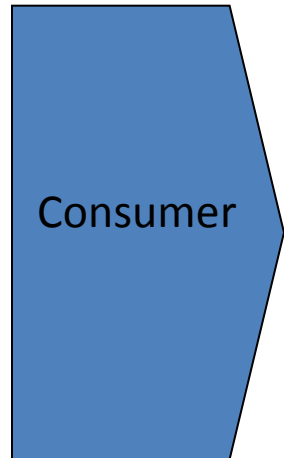
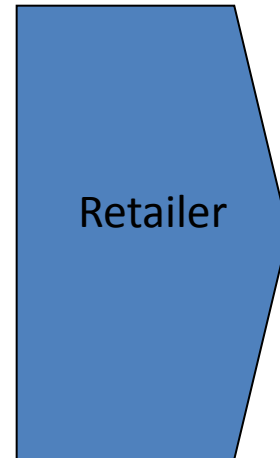
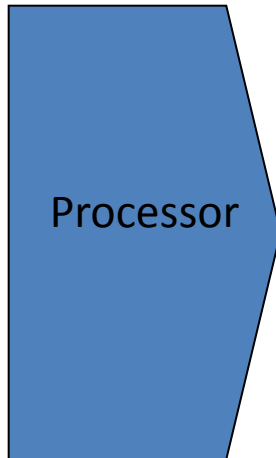
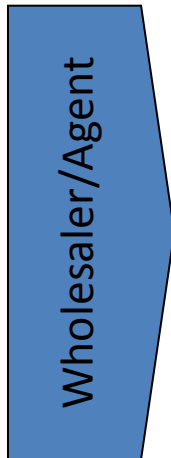
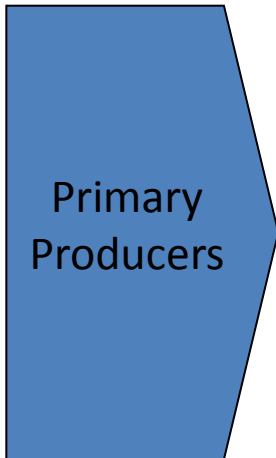
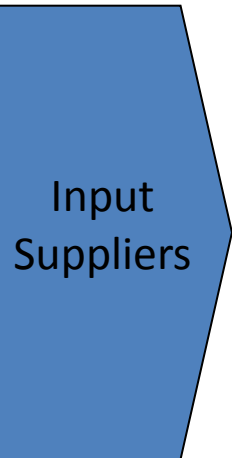
# Value Chains

Service Providers (e.g. agronomy, veterinary, logistics, finance, waste management)



# Supply Chains

Service Providers (e.g. agronomy, veterinary, logistics, finance, waste management)



# Value Chain Management

- 4 Key Ingredients:
  - Strategic Alignment
  - Information Flows: efficient, timely and relevant
  - Relationship Integrity
  - Consumer Insights



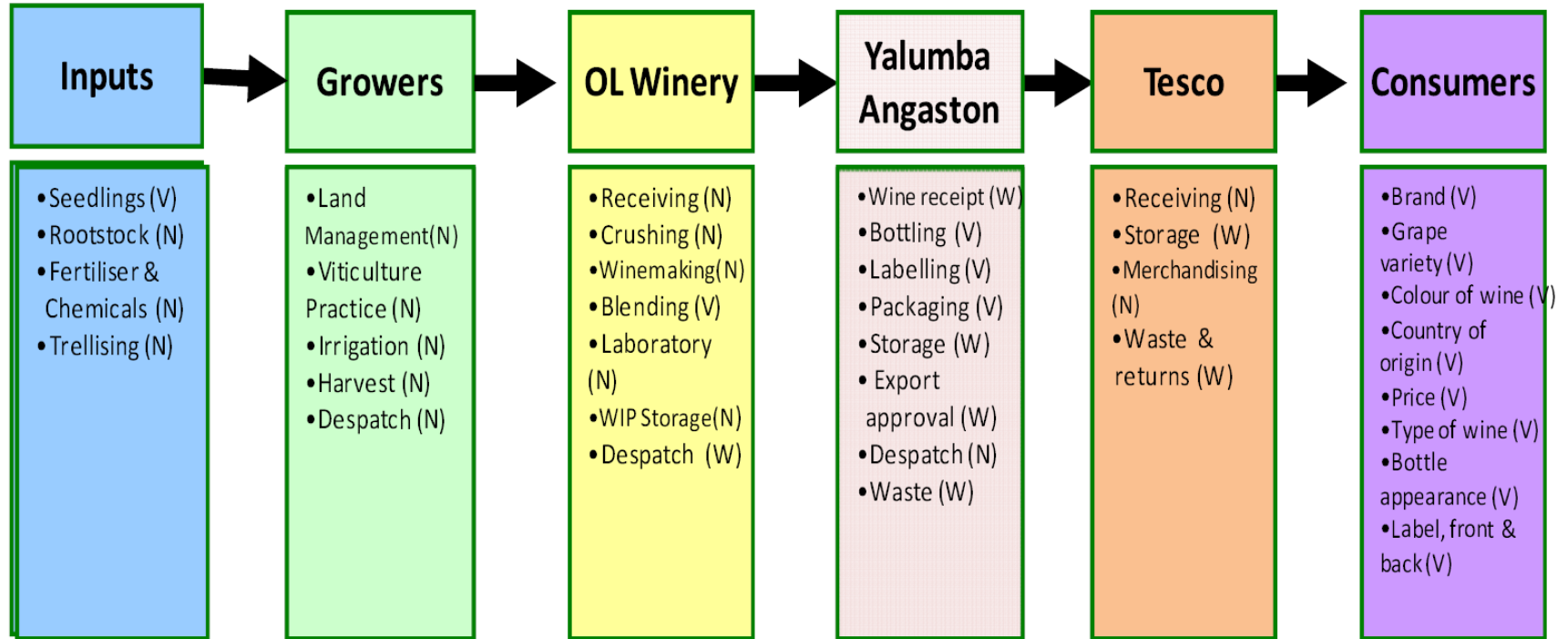
Creation of **high value** products  
requires the **creation** and  
**management** of effective value  
chains maximising opportunities  
for **co-innovation**

# Value Chain Analysis – a case study

# Oxford Landing-Tesco Value Chain

- Value Chain Analysis undertaken in 2008-2009
- Every day occasion wine
- Consumers were Tesco shoppers in London
- Value Chain functioning quite well
  - Opportunities identified for
    - Improved insights into what consumers value
    - Improved information flow of these insights through the chain
    - Improved relationships especially between winery and growers
    - Further efficiencies in non-value adding activities
    - For reduction in wasteful activities

# Material Flows in the Oxford Landing-Tesco Value Chain



Material Flow

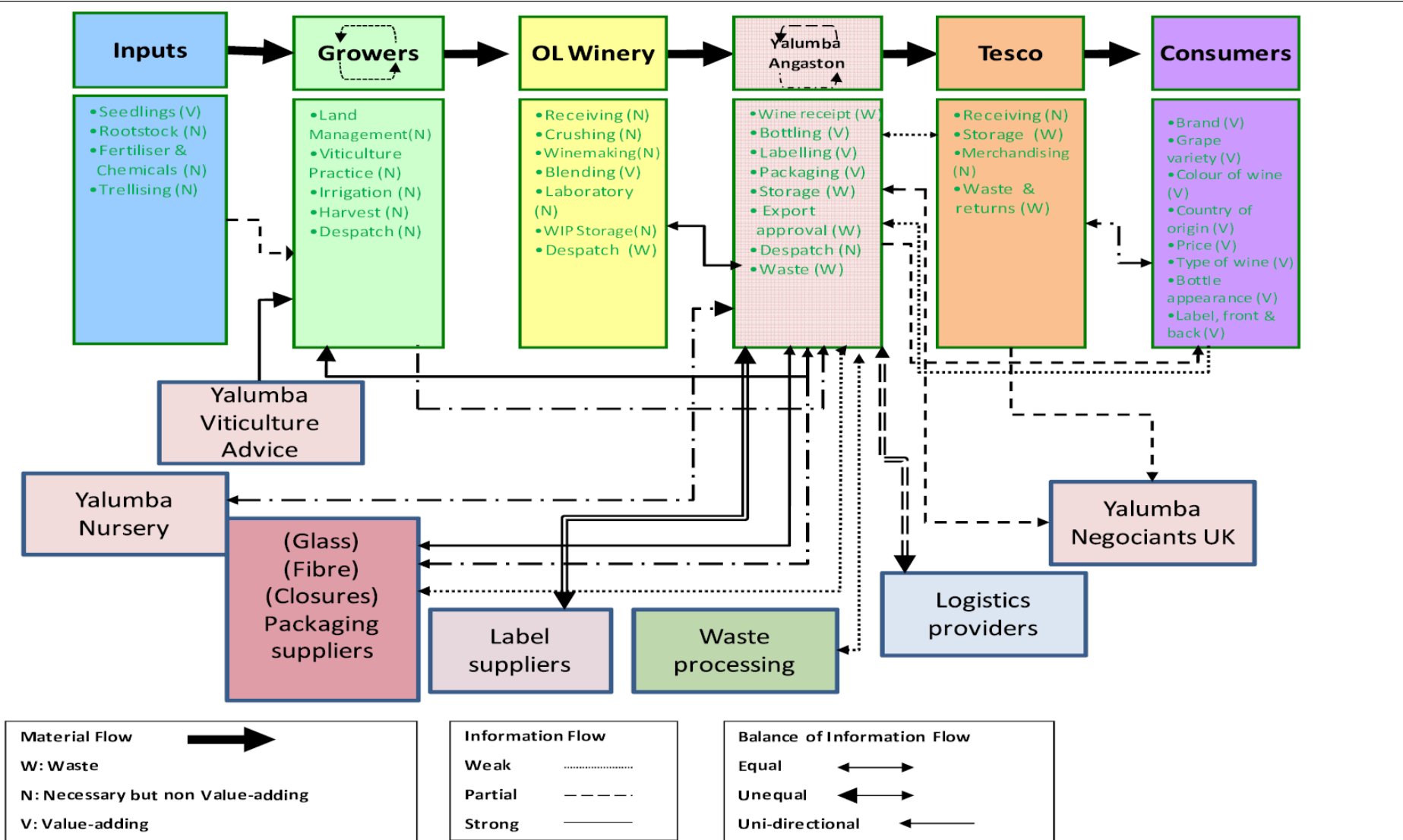


W: Waste

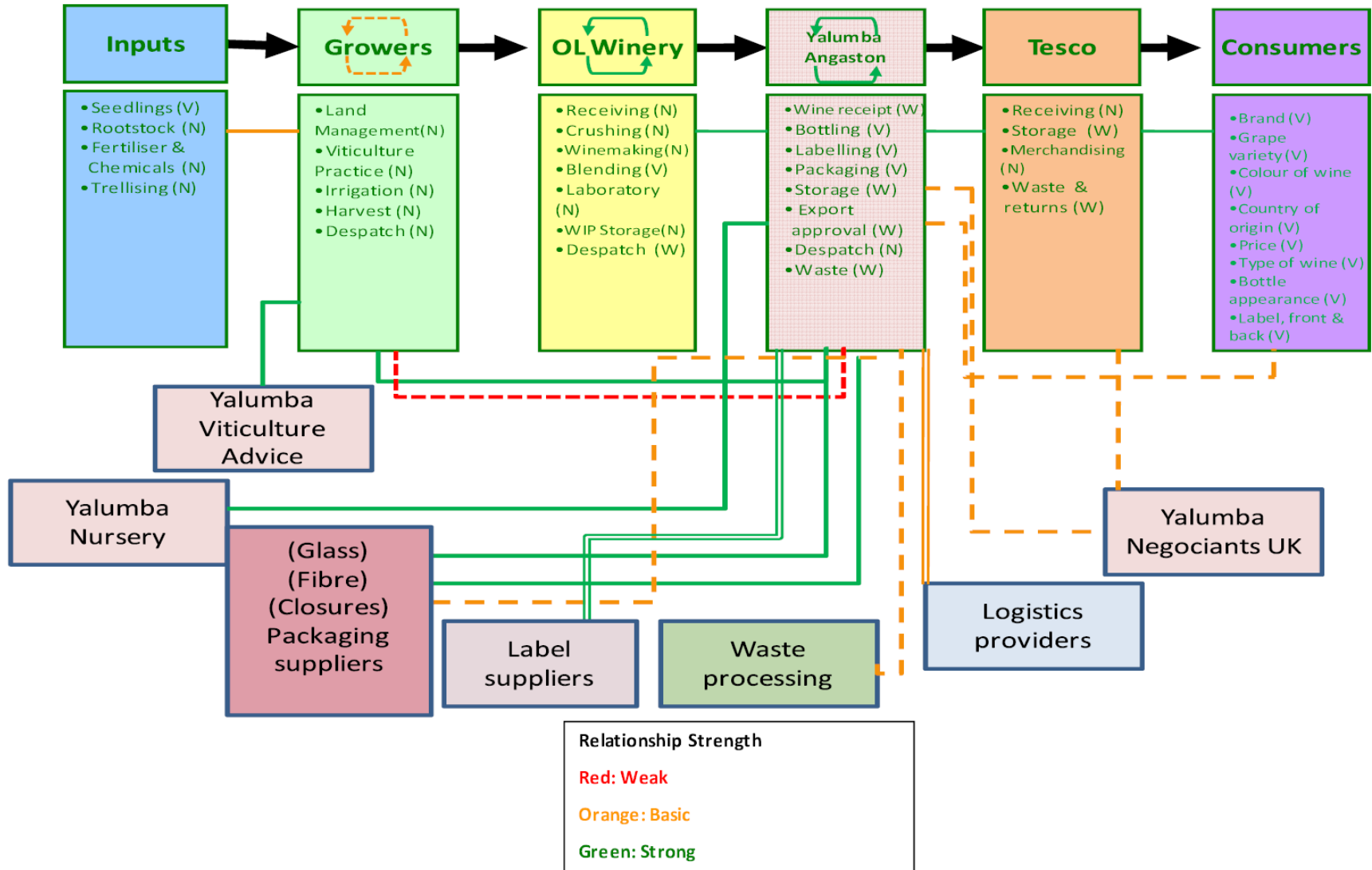
N: Necessary but non Value-adding

V: Value-adding

# Information Flows in the Oxford Landing-Tesco Value Chain



# Relationships in the Oxford Landing-Tesco Value Chain



**Sustainable value chains** are those in which **collaborative relationships** facilitate the **effective flow of information**, to enable rational decision-making and effective resource allocation, for the **benefit of the chain as a whole**.

Professor Andrew Fearne, August 2009