

Governance

What are the principal drivers in a value chain?

- Market critical success factors (CSFs):
 - Quality, Price, Reliability, Flexibility, new product development, etc.
- Need to distinguish between order qualifying and order winning criteria

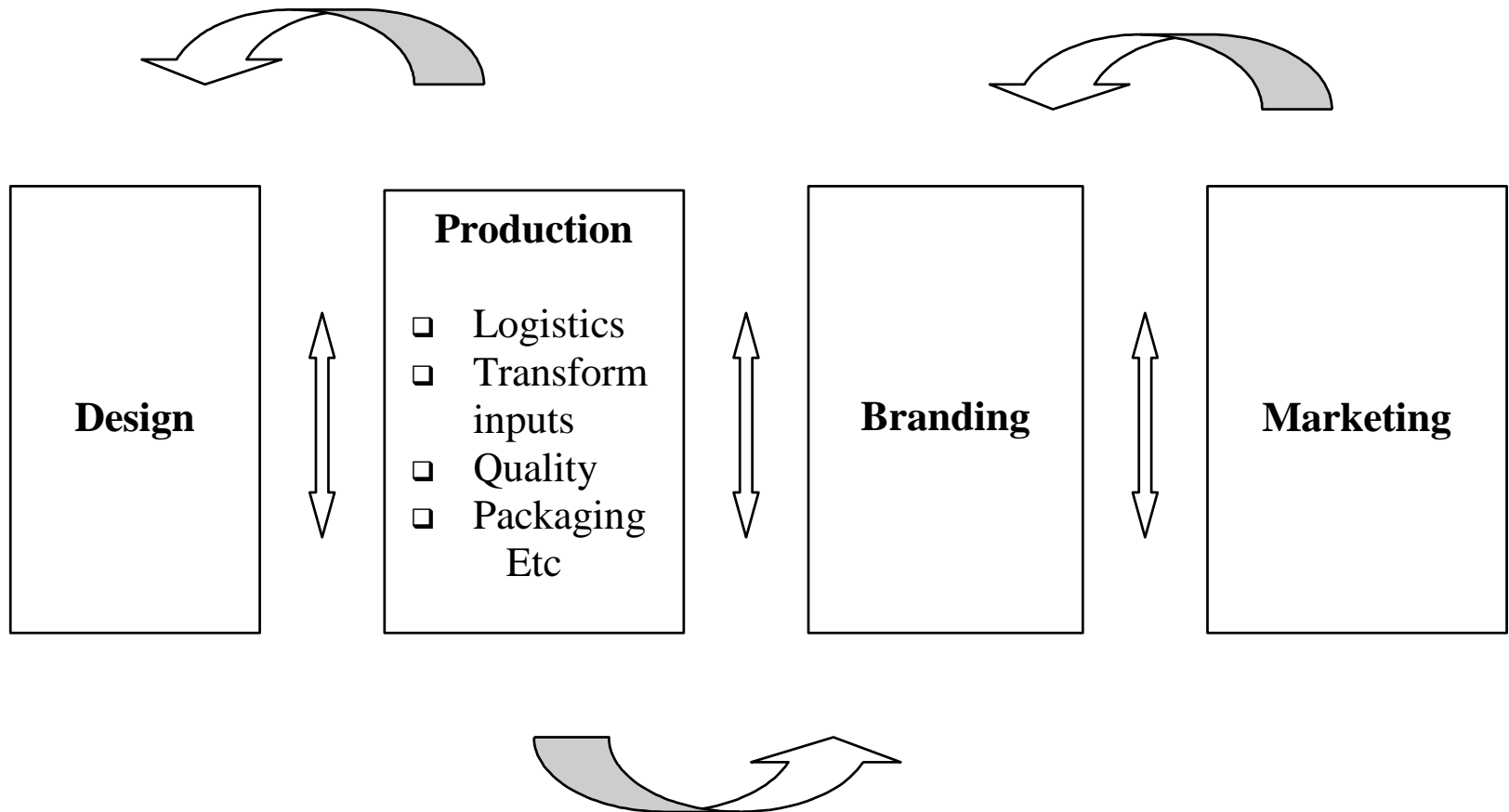
How are these market drivers secured?

- Lead firms exercise of Power
- Determine where produce, how produce, with what, and for which market
- Who has access to Value Chain
- But different end markets different demands
- Capabilities to meet driver requirements differ
- Delegation of power to VC manager agents

Upgrading

Functional upgrading in the value chain

Changing the mix of activities within and between links



VC ANALYSIS

Four categories of upgrading

Within producers

- Process
- Product
- Function
- Shifting chains

Between producers

- Process
- Product
- Function
- Shifting chains

Is there a hierarchy of upgrading?

