



# Chain functions

*Lilly Lim-Camacho*



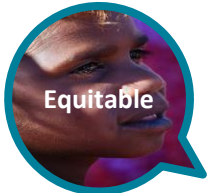
# High performing agri-food value chains are:



Profitable and innovative; able to sustainably meet economic objectives for its stakeholders; sustaining needs, income and livelihoods now and into the future



Minimised environmental resource impact; does not deplete resources now and into the future; minimal disruption of social and cultural values; innovative use of physical and social resources



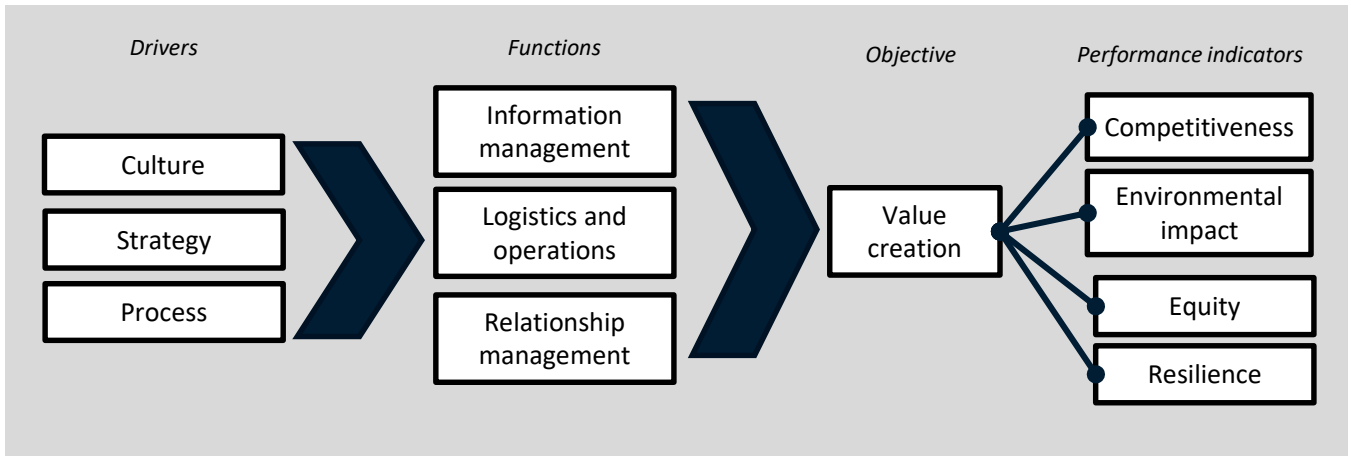
Provide equitable opportunity for stakeholders, in line with their resources and needs; provide opportunities for competition, collaboration, growth and progression; do not lock stakeholders in or out



Manage risk and disruptions proactively and effectively; able to bounce back or adapt in response to risk and change; able to transform to avoid risk and take advantage of change



# Conceptualising value chains



Value chains are complex systems, with different actors, different drivers, and different functions all interacting to achieve specific goals.



## Drivers to value chain functions



Culture: vision, 'fit', beliefs



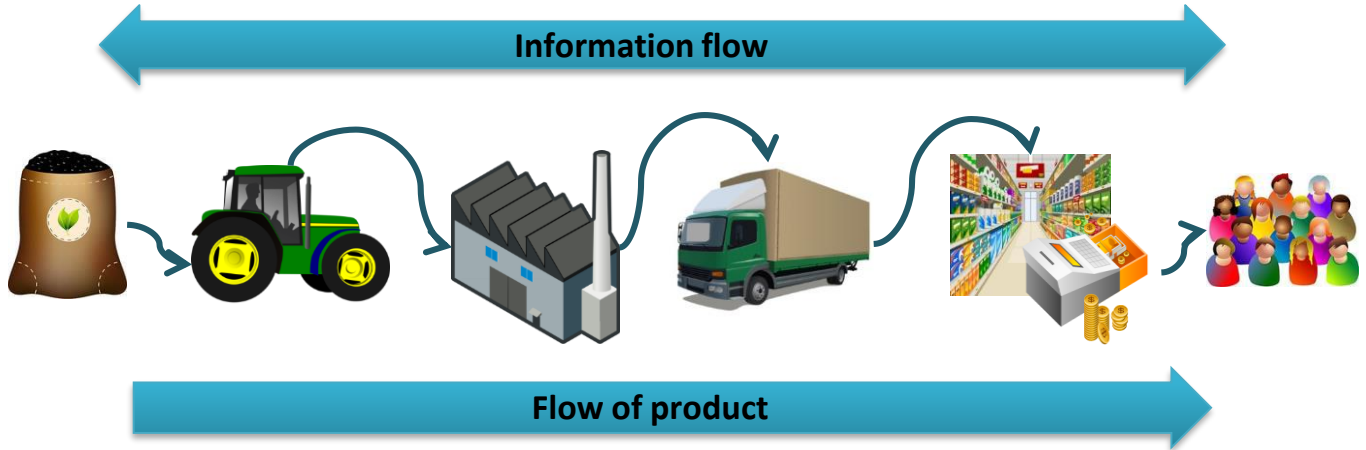
Strategy: levers, support, authority, rewards, accountability



Process: structure, resources, routines

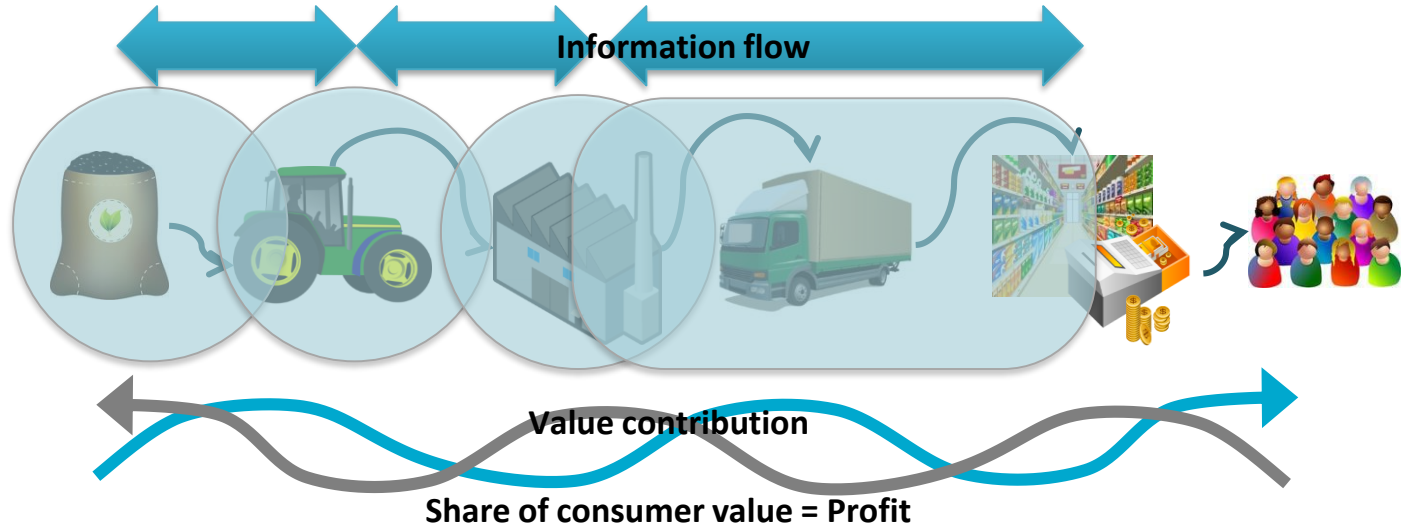


# Chain functions





# Chain functions at work





# Understanding value

## What is value?

- The role of the consumer
- Price as a measure of value
- Value as social benefits

## Is understanding value all about measuring the unmeasurable?

- The different forms of value adding
  - Transaction costs
  - The value of information
  - The role of relationships
  - Efficiency and waste reduction





# Relationship management

## Why is it important?

- Relationships have the ability to streamline other functions in a chain and are difficult to replicate thus adding to competitive advantage.

## What do we seek to understand?

- Drivers behind relationships
- Barriers to enhanced relationships
- Resource sharing and alignment
- Instruments for management
- Nature of relationships
  - Transactional
  - Cooperation
  - Coordination
  - Collaboration







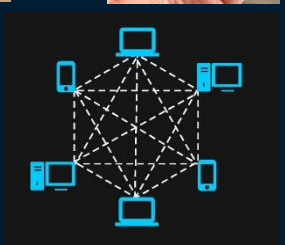
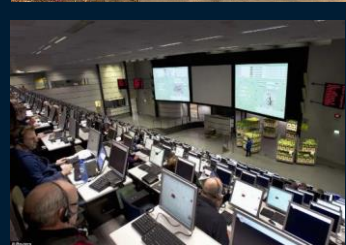
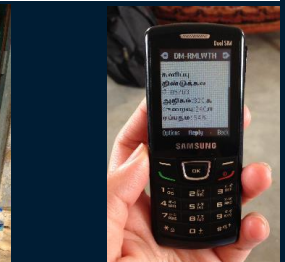
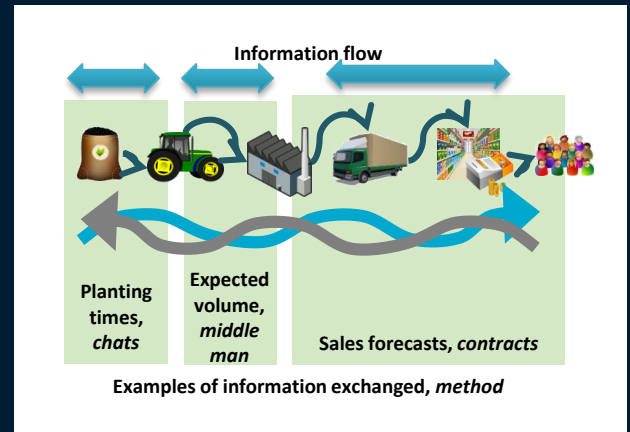
# Information management

## Why is it important?

- To reduce uncertainty
- To facilitate relationships
- To minimise delay

## What do we seek to understand?

- Handling and systems
- Type of information
- Role of information
- Barriers to flow
- Use of information
- Value of information





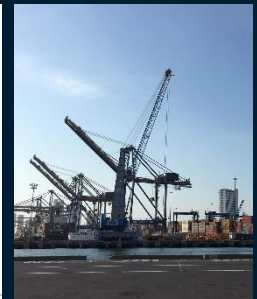
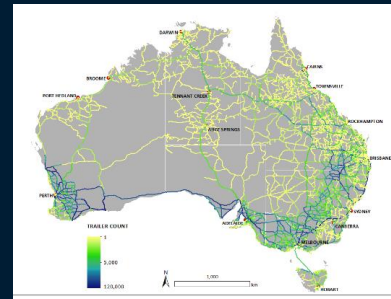
# Logistics management

## Why is it important?

- The flow of materials through the chain directly impacts on value created and shared across the chain through efficiencies.

## What do we seek to understand?

- Who does what?
- The process by which a product moves through the chain
- The steps involved – from and to
- Time required
- Flexibility
- Breaks and gaps in the system
- Resource use and waste



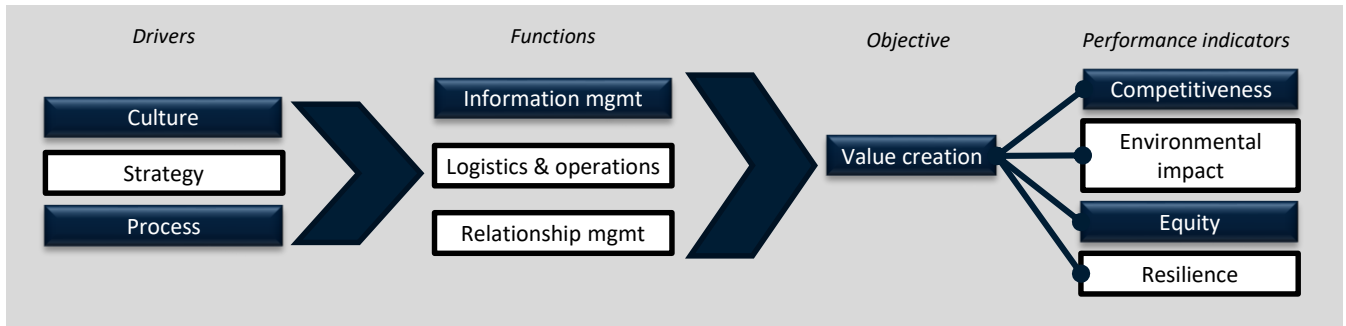


# Trusted value chain: Incorporating the value of trust and traceability into block chain architecture design

**The problem:** There are more Australian prawns sold in China than there are exported from Australia. Australian producers feel they are not capturing the true value of the market.

**The proposed solution:** Develop a traceability system that allows consumers in China to trace prawns all the way to their source from Australia, assuring them of provenance.

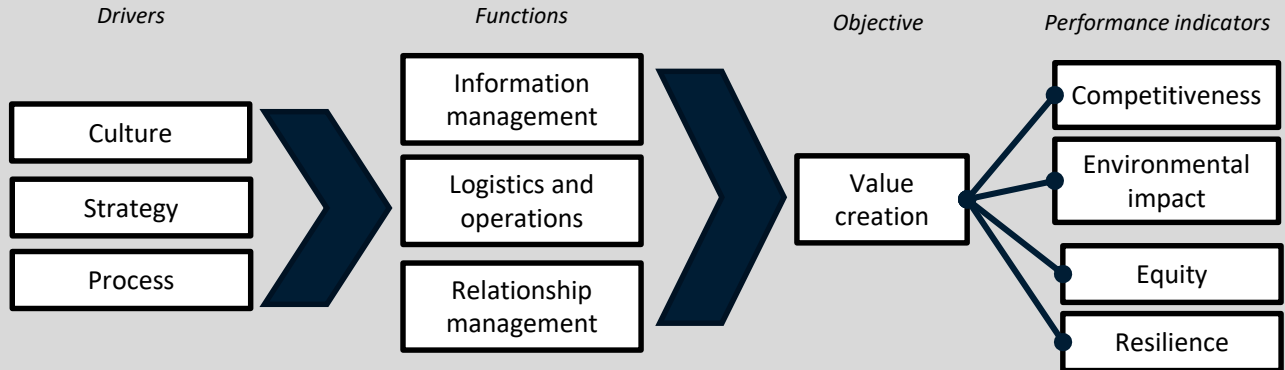
**The challenge:** Such a traceability system requires transparency across all actors of the value chain.



30  
mins



# Activity: Analysing functions



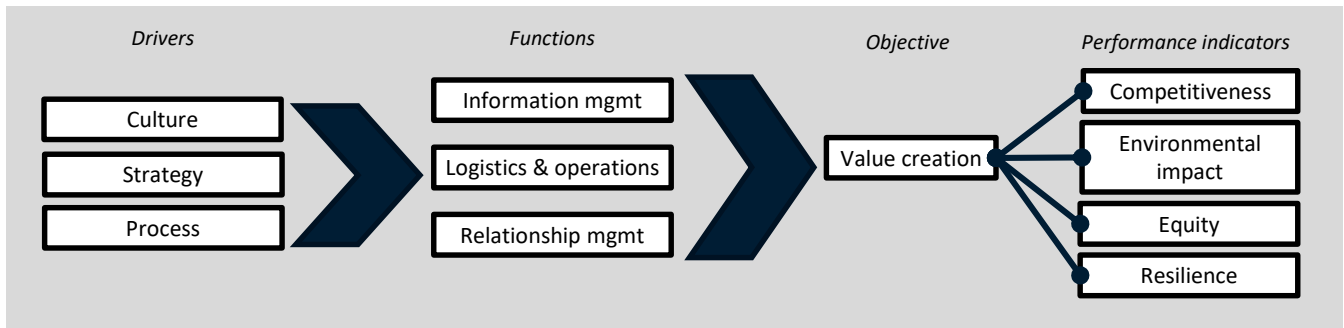


## Activity: Value chain analysis for improved QA systems

**The problem:** A farmer cooperative has just commenced exporting flowers to Japan, but their customers are complaining about the quality.

**The proposed solution:** Develop an improved post-harvest handling procedure and quality assurance system.

**The challenge:** The system requires a whole-of-chain approach, and the farmers don't know much about their chain.



How will you approach this? Which functions will you prioritise?  
What are the key elements you will investigate?

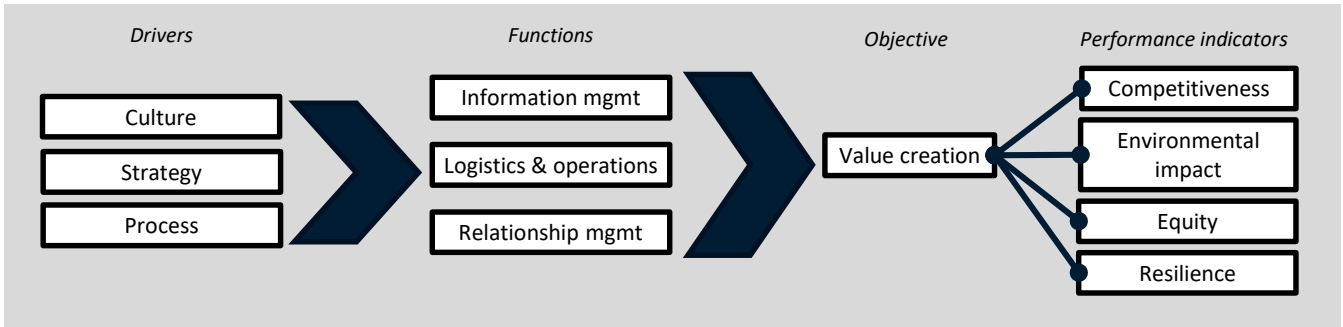


## Activity: Value chain analysis for reduced carbon footprint

**The problem:** A coffee manufacturing company is under scrutiny for its high carbon footprint.

**The proposed solution:** They will introduce a 'green' coffee line.

**The challenge:** They don't know where to start.



How will you approach this? Which functions will you prioritise?  
What are the key elements you will investigate?

*Caveat: You know of an expert who can do a life cycle analysis, but they are not strong on business research and engagement with clients.*



## Starting points for reading

- Spekman, R.E., Kamauff, J.W. and Myhr, N., 1998. [An empirical investigation into supply chain management: a perspective on partnerships](#). *Supply Chain Management: An International Journal*. (PDF download)
- Christopher, M., 2005. [Logistics and supply chain management: creating value-adding networks](#). Pearson education. (PDF download)
- Pereira, J.V., 2009. [The new supply chain's frontier: Information management](#). *International Journal of Information Management*, 29(5), pp.372-379. (PDF download)

End of Day 1