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Use of the chain of values for development outsourcing strategy

Svetlana Mechtcheriakova, Elina Gurianova¹

Associate professor, Candidate of Economics Science, Department of General Management, Kazan Federal University, Kazan, Russian Federation, s-lanam@mail.ru

Associate professor, Candidate of Economics Science, Department of General Management, Kazan Federal University, Kazan, Russian Federation, elinagur@mail.ru

Abstract

In article possibility of use of a chain of values of M. Porter for development of outsourcing strategy of business is considered. The purpose of the real work is creation of the mechanism of use of a chain of values of M. Porter for development of outsourcing strategy of business. Advantages of this model allowing to analyse activity of the enterprise which isn't isolated from environment, and to consider all chain are shown, beginning from the supplier of resources and finishing the end user.

In article the scheme of a choice of the function transferred on outsourcing on the basis of creation of a chain of values of Porter is offered. The main problems which the enterprises at direct introduction of this strategy face were investigated and revealed. The algorithm of development of outsourcing strategy on the basis of creation of a chain of values is presented. After detailed studying of technological process of production of bakery products, the analysis of the centers of responsibility and organizational structure the chain of values of production of bakery products was constructed. The separate attention is paid to questions of the analysis of expenses at an outsourcing strategy choice. On the basis of the analysis of a chain of values of JSC "Bakery Combine" (all names in article are changed) the assessment of efficiency of outsourcing strategy of this enterprise is given.

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1. Introduction

Questions of development of outsourcing reflected a number of the scientists in the works: Baden-Fuller S. (2000), Bryce D. J. (1998), Willcocks L.P. (1995), J., Ketler K. (1993), Walstrom J. (1998), Lacity M. C. (1995), Bell. D. (1976), Cross J. (1995), Hendry J. (1995), Hilmer P.G. (1994), Quinn J. (1994), Cowan J. (2004), Dreischmeier R.(2005) and others. The big material demanding theoretical generalization and systematization is

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* Corresponding author. Tel.: 89172971672; fax: +0-000-000-0000.

E-mail address: s-lanam@mail.ru

saved up. Modern realities demand new scientific approaches to research of influence of outsourcing on an economic mechanism and structure of economy. However, in our opinion, it is necessary to use the existing techniques for the analysis of current trends of development of production, that is to open new opportunities of their application. Along with widespread models: an outsourcing matrix, a matrix the level quality of competences, a matrix of BKG, AVS - the method for a choice of the functions transferred on outsourcing can be offered a chain of values of Porter.

Now the question of achievement of the high level of competitiveness by the domestic and foreign companies in all business processes is particularly acute. All activity of firm is subdivided into technological and economic types that is presented in M. Porter's concept. This concept received reflection in the form of a chain of values. The chain of values represents "the coordinated set of kinds of activity which create value for the enterprise, beginning from initial sources of raw materials for suppliers of this enterprise up to the finished goods delivered to the end user including service of the consumer" [11, page 86].

The concept of a chain of values was developed by M. Porter [11], which offered when carrying out the strategic analysis for allocation of real advantages in the field of minimization of expenses and differentiation to use a value chain. Porter identified 5 standard main and 4 auxiliary kinds of activity making a chain of creation of value in any company. The purpose of such analysis consists in, that:

1. to define those kinds of activity which make the greatest contribution to a cumulative value added,
2. to develop strategy of expansion or deduction of the current share of the value added received by this concrete organization,
3. to trace functions and processes in a cost chain for:
 - establishments, what functions and processes are defining for buyers and satisfaction of their requirements;
 - estimations of cost of the made production with the focused attention of a contribution of each kind of activity;
 - identifications of sources of steady competitive advantage and minimization of expenses.

2. Methodology

According to M. Porter's researches, all business processes of the company can be divided into two groups - the main (primary) business processes (which are directly creating a set of the values perceived by clients) and the serving (secondary) business processes (a set of values not creating, but necessary for normal functioning of the main business processes). The cost of this or that business process depends on what set of values the company seeks to create for the clients. In fact, each of the business processes presented in a chain of creation of value can be carried out as the company, and can be transferred to outsourcing. The companies of the same branch, having a similar set of business processes in the chain, can put in them significantly the different sums of means and carry out these processes independently, or to charge to the third-party organizations.

Distinction in a set of values defines need of distinctions for a configuration of business processes. Thus, at decision-making what to transfer to outsourcing, using a chain of values of Porter, it is necessary to consider what set of values the company seeks to create. Depending on this set of values, business processes which can be transferred to service provider are defined.

The general methodology of use of a chain of values includes the following stages:

1. Creation of a chain of values of this branch and establishment of expenses, the income and assets for all types of economic activity which are chain links.
2. Establishment of factors which influence the level of expenses by each type of economic activity.
3. Comparison of the general level of expenses of division (shop, business process), qualities, efficiency of performance of functions by own efforts with the average market cost of services of the outsourcing company;
4. Creation of steady competitive advantage or by the best, than competitors have managements of factors of expenses, or by reconfiguration of a chain of values.

In fig. 1 the algorithm of creation of a chain of values as mechanism of development of outsourcing strategy is presented.

Essential decrease in expenses can be reached by transfer of part of the main or support functions on outsourcing. Creation of price advantage is, as a rule, connected with low prime cost of many types of activity, but doesn't exclude high expenses in a number of the directions. Prime cost - many-sided concept; it is defined by the sum of all expenses of a chain of value creation. Strategy of price advantage will be profitable if the economy on

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