



Value Chain Analysis for Manufacturing Enterprises

1. Develop a map of the complete value chain of your business to identify the sources of potential environmental hazards.
2. Make a list of activities your enterprise completes in each stage of your value chain.
3. Build a list of other suppliers and distributors.
4. Build a list of best practices that competitors currently apply.

Step 1: Map Your Value Chain

On the following page, identify the different activities that are involved at each stage of the value chain of your business.

After you develop your map, review the different stages of the value chain and identify the stages in which your enterprise participates directly and those in which other companies lead and your enterprise participates indirectly.



YOUR ENTERPRISE'S VALUE CHAIN MAP

Step 2: Identify Your Enterprise's Activities at Each Stage

THE FOUR MAIN STAGES OF THE PRODUCTION VALUE CHAIN

Procurement

- Provider of raw materials, equipment and other supplies required for the manufacturing process.
- Process of sourcing the human resources for the company.

Operations

- Transform raw materials and other supplies into the final product.
- Uses resources & materials to manufacture a product (including management of supplies, human resources, office protocols and procedures, etc.).

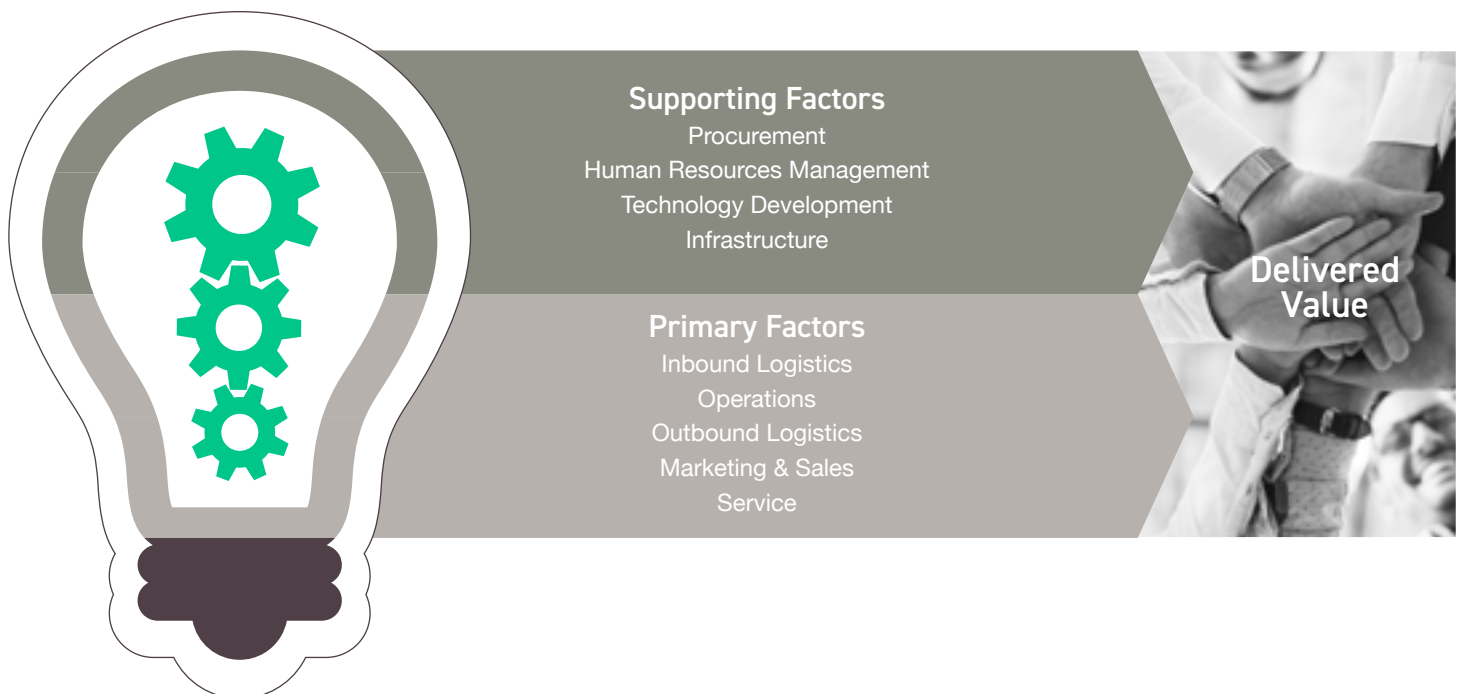
Distribution

- Packaging & inventory management. Logistics & transportation. Contact clients directly or via points of sales.
- Sales, marketing and distribution of products require coordination and communication with clients as well as marketing campaigns and efforts to reach clients.

Reverse Logistics

- Operations related to the reuse of products or materials and their respective disposal after the product's lifecycle ends.

When thinking about the activities in each stage, consider not only the primary factors involved in providing your services but also the supporting ones. This will help you to best identify which factors are relevant and most impactful to your environmental analysis. Consider the following examples of primary and supporting factors for manufacturing enterprises:





LIST OF ACTIVITIES AT EACH STAGE

Identify and develop a detailed list of the different activities that happen in each stage of the value chain (whether or not you believe there is positive or negative environmental impact). Consider not only the primary value chain but also all the activities involved in the supporting functions (e.g. administration, coordination, HR, R&D, related services).

Procurement

Operations

Distribution

Reverse Logistics



Step 3: Build a List of Other Suppliers & Distributors

Develop a list of alternative suppliers and distributors for your enterprise. Analyze the advantages and disadvantages of each (including financial and environmental factors) to determine whether your current vendors are the best options for your business.

Step 4: Build a List of Competitor Best Practices

Create a list of competitor best practices related to processes or activities of your enterprise. This will allow you to benchmark your enterprise against the market and identify opportunities for improving your operations.