

The Value Chain as an Operations Reference Model

Antonie van Rensburg¹

*¹Department of Industrial and Systems Engineering
University of Pretoria
Lynwood Road
Pretoria, Gauteng, 0001, South-Africa
antoniej@up.ac.za*

Abstract

The concept of the Value Chain was made popular by Harvard University's Professor Michael Porter. The *Porter Value Chain* has been widely adopted by the business community as a mechanism to understand and comprehend complexity in business environments, with the ultimate goal of structuring the business to maximize its competitive advantage. Implementing the Value Chain is not easy: a number of organizations can testify to their failure to derive any benefits at all from this concept. Contributing to this is the fact that the Value Chain requires certain real-world abstractions that do not come logically to the organization in its definition of a Value Chain. This is made worse when the organization tries to implement these concepts in real-world situations without "decoding" abstractions back to reality. To overcome this problem, an approach is presented to assist the organization in creating a Value Chain reference model within the broader context of the organization's enterprise architecture.