

B U S I N E S S FREEDOM 365

Month Six, Week Three:
Value Chains

Topic

Strengthening Value Chains

Eric Edmeades

Serial Entrepreneur, International Business Speaker, Author,
Husband and Father.

Strengthening Value Chains

Strengthening value chains is an incredibly valuable exercise for your business. Increased consistency and reliability means better results and less breakage to worry about for you.

By strengthening value chains, you:

- Improve consistency
- Get predictable results
- Increase reliability
- Reduce breakage

What's the impact of breakage for you?

- » High breakage means less time doing important, proactive things
- » More time doing reactive, urgent things

Reactive, urgent things age you, stress you out, and slow you down because that's less time you spend on proactive, important things.

Broken value chains are how most of the urgent things happen.

If you're always putting out fires, you're:

- Reacting
- Dealing with the unpredictable
- Not in control
- In a state of urgency

Avoid this by strengthening your value chains!

So far, you've:

- » Created value chains
- » Shortened them

Next:

- » Improve their strength!

Primary Way to Strengthen Value Chains:

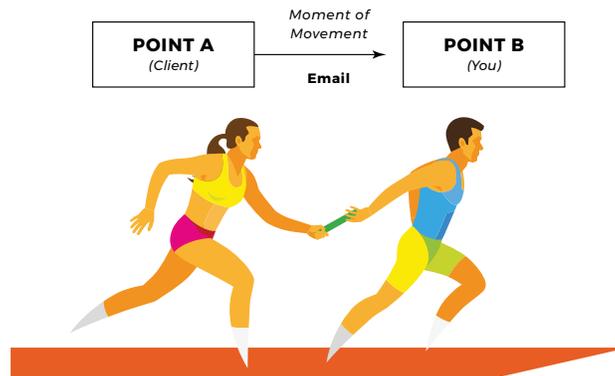
Eric's Metaphor:

A value chain is like a relay team passing a baton. If the baton hits the ground, the value chain is broken. We're going to figure out how to stop the baton from hitting the ground.



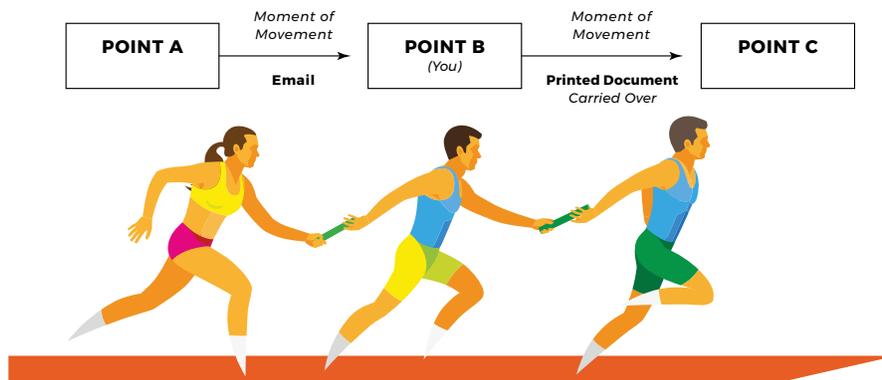
Step 1. Map out your Moments of Movement.

- In any value chain, there are “moments of movement” (e.g., a client fills out a purchase order and sends it to you by email)



Step 2. Identify all Mediums along your Moments of Movement.

- Maybe someone picks up the purchase order and carries it over to another department...



Step 3. Examine all your Mediums critically.

- For any links of the value chain, take a look at what the medium is (the “baton” or how you are relaying your message), and determine whether it is the best medium for transferring that information.

What are some of the assets that might be passed from Point A to Point B?

- Information
- Request
- Approval Request
- Suggestion
- Delegation of a Task
- Something Physical
 - » Documentation or a product

Ask yourself, what is the medium by which that asset is moving?

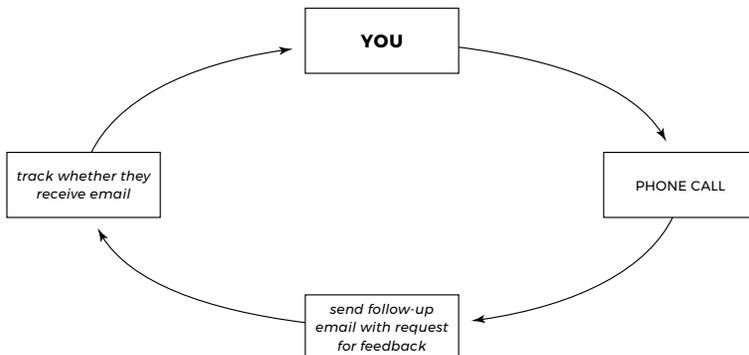
One of the mediums might be:

Telephone

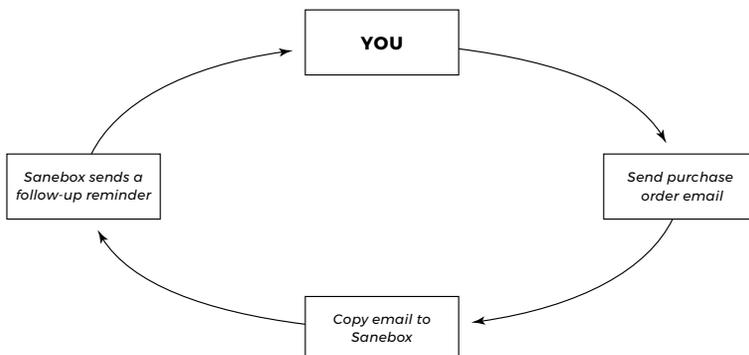
- **Positives**
 - » You can hear inflection and tone in what is being said
 - » Immediacy
 - » You can receive feedback and confirmation immediately
- **Negatives**
 - » You don't have any written record of what was said
 - » No ability to look back at a record of the conversation
 - » Even though you can hear tone, you cannot see body language and facial expression
 - » Interrupt their flow

Step 4. Offset drawbacks of your Mediums by using Feedback Loops.

- Because of the negatives of a phone call, for example, you can create a FEEDBACK LOOP (or a parallel loop). You can send an email after the phone call with a request for feedback, and then in your own system you can track whether or not they received the email.
- » e.g. Try Sanebox (email management system)



- » Maybe you need to send a purchase order, but you need confirmation that the other person got it.



Step 5. Implement those built-in checks and confirmations so your value chain is much stronger!

- Put your feedback loops into action and see how much stronger your value chains are now that nothing is left up to chance.

