

Contributions to Management Science

Herbert Jodlbauer
Jan Olhager
Richard J. Schonberger *Editors*

Modelling Value

Selected Papers of the 1st International
Conference on Value Chain Management

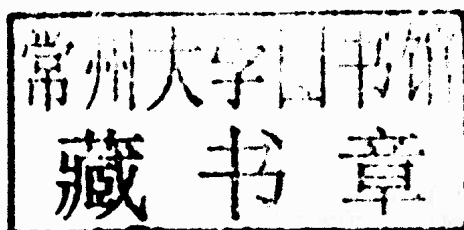


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May 4th–5th, 2011, University of Applied
Sciences in Upper Austria, School of
Management, Steyr, Austria



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ISSN 1431-1941

ISBN 978-3-7908-2746-0

e-ISBN 978-3-7908-2747-7

DOI 10.1007/978-3-7908-2747-7

Springer Heidelberg Dordrecht London New York

Library of Congress Control Number: 2011940330

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Contributions to Management Science

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Editorial Preface

In the preparation phase for the first International Conference in Value Chain Management we conducted a Delphi Study with about 20 leading experts from all over the world. After four iterations the experts agreed on what Value Chain Management should be

Value Chain Management seeks to understand, to design and to control the entire network of relevant business partners in order to provide superior customer value and to ensure sustainable economic development of those partners as well as other interest groups.

According to the Delphi Study the most important key challenges which the world economy is facing are

- Meeting short term economic needs but at the same time taking care to ensure that the environment is exploited in such a way that future generations have the same opportunities and chances as we have.
- Coping with the following contrasting issues: the massive gulf between rich and poor; stable versus tense political conditions; well educated and illiterate populations; countries with high debt levels and money lending countries.
- Coping with the unbalanced availability of resources and demographic and socio-economic developments and environmental changes.

The Value Chain Management initiative contributed to meeting these challenges by addressing essential open questions in Value Chain Management, in particular:

- How to manage the shift from stakeholder self-interest to customer perceived value and sustainable economic development of all relevant partners; how to measure value chain performance and how to share the reward among the partners.
- How to coordinate, control and monitor networks, actors and processes including aspects such as volatility, risk, complexity, intense competition and the pace of market change.
- How the decision making process works in a network which bears in mind the interplay of individual behavioral aspects.

The Value Chain Management initiative has several initiators and supporters. I would like to say “thank you” to my colleagues in the editorial and scientific boards for ensuring a high quality conference and publication, to all reviewers for their sound feedback to the authors, to all authors and speakers for their fruitful contributions, to the session chairs and discussion moderators for carrying out the conference and to the organization committee for their perfect preparation of the conference and publication.



Herbert Jodlbauer
Editor in Chief

The management of value chains is becoming increasingly important, both for the individual firm and for the entire value chain. The transfer of finished products to the ultimate customer must meet the specific requirements of individual customers, in terms of price, quality, delivery, and other competitive issues. This sets the stage for what the entire chain must fulfill. Some suggest that competition in the future will be between value chains. But the firm perspective still dominates – e.g. profit and loss statements are established for individual firms, and not for value chains. However, for the firm it becomes increasingly important to belong to “good” value chains. This includes all aspects of sustainability, i.e. economic and environmental sustainability as well as social responsibility. If a firm is high-performing but belongs to poor value chains its existence will be still put to the test. A broad set of competences and capabilities will be required in the future for continuous competitive and successful operations. The Value Chain Management Conference has been established in support of such achievements. The 1st VCM Conference addressed many aspects of creating and managing efficient value chains – from strategy to execution using both theoretical and practical viewpoints. Different research methodologies were applied. The VCM Conference provided participants with ideas that likely will lead to even better research and new managerial insights.



Jan Olhager
Member of the Editorial Board

My first impression, when I learned of this inaugural Value Chain Management (VCM) Conference, was that it fills a void. The name suggested to me that the intended target and scope of the conference would be management of the value chain as an actual chain, rather than only separable pieces of it (for example, just distribution logistics or just production).

We academics tend, I think, toward reductionism, leading sometimes to suboptimal answers. Professionals in business do that, too – with poor results – perhaps largely because of weak collaboration among functions of the enterprise. Executives in charge of optimising the whole often make their own poor decisions. That is the tendency when senior people are not up-to-date on practices and issues in business segments of their company. In either case, the central issue is restricted vision.

The VCM Conference provided an attractive forum for research on these matters. Some of us presented findings on innovative operational practices along the value chain. Others offered theirs in regard to higher level thinking on how best to blend some of those practices for the good of the enterprise. My hopes and expectations are that we continue to learn from each other, expanding our own vision, thereby leading to more profound, useful research in the future.

A handwritten signature in dark ink, reading "R. J. Schonberger". The signature is written in a cursive, flowing style with a large, prominent "R" and "J".

Richard J. Schonberger
Member of the Editorial Board

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Special Thanks

The editorial team would like to express their special thanks to Michaela Lechner for managing the review process and Sophie Wiesinger for managing the publication process. The conference proceedings would not have been possible without their efforts.

Furthermore, the conference team would like to thank the following organizations for their sponsorship and support:

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