Module 1 · SCM, value chain, value analysis, BPR P16 · 1.1–1.4

SM pp. 5–36 (exercise 37–42). Theory only: a **7-mark Q4(b) list** (value-analysis phases D23 = D24 word for word; BPR J23) and **MCQ (x) / (xiv)** facts. Module 1 per paper: **J26-4 · D25-4 · J25-2 · D24-9 · J24-2 · D23-9** (J23-10). Value-analysis phases are the analysis's top pick for Dec'26 Q4(b) (also in the MQP and the PTP).

Asked	Answer
D23 Q4(b) = D24 Q4(b) (7)	phases of value analysis (any five)
J23 Q2(a) (6)	characteristics and principles of BPR
D23 = D24 MCQ	strategic positioning analysis = the company's comparative position
J24 = J26 MCQ	blue ocean: make the competition irrelevant
J23 MCQ	service is not a support activity; red ocean does not break the value-cost trade-off
J25 MCQ	outbound logistics delivers to the customer
D25 / J26 MCQs	"what else will do the job" = value engineering; "rely on hierarchy" is not a BPR principle; BPR's major risk = employee resistance

MODEL ANSWER · PHASES OF VALUE ANALYSIS (SEVEN)

- **Origination** — pick the project, form a team of experts.
- **Information** — collect specifications, drawings, methods, materials and costs.
- **Functional analysis** — functions of the product and its parts, cost and importance of each, a value index.
- **Innovation** — creative generation of alternatives.
- **Evaluation** — test alternatives for economic and technical feasibility.
- **Choice** — choose the best, draw up action plans.
- **Implementation** — put it to use, monitor and follow up. [SM 24]

MODEL ANSWER · BUSINESS PROCESS REENGINEERING

Concept (Hammer and Champy): the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, service and speed. [SM 27]

Characteristics: several jobs combined into one · workers make decisions · steps in a logical order · work done where it makes most sense · quality built in · manager a single point of contact · centralised and decentralised operations combined. [SM 27]

Seven principles: design processes for outcomes, not tasks · users of the output perform the process · information processing inside the work that produces it · treat dispersed resources as centralised · link parallel activities instead of integrating them · doers self-managing · capture information once at source. [SM 27]

VA v VE: value analysis works on an **existing** product (remedial); value engineering applies the same techniques at the **design** stage of a new product (preventive).

Porter's value chain	SM
Primary: inbound logistics · operations · outbound logistics · marketing and sales · service	[SM 7]
Support: procurement · human resource management · technological development · infrastructure	[SM 7–8]
SCM pillars: strategic positioning (comparative position), cost driver analysis (structural, executional), value chain analysis	[SM 6]

Red ocean	Blue ocean
compete in existing market space	create uncontested market space
beat the competition	make the competition irrelevant
exploit existing demand	create and capture new demand
make the value-cost trade-off	break the value-cost trade-off

Source: SM 13. Cost control v cost reduction (SM 21): preventive v corrective; past standards v present and future; assumes standards v assumes hidden savings in them (postal paper).

Practise: D23, D24 Q4(b), J23 Q2(a) · MQP / PTP Q4(b) (value analysis), MCQs above · SM exercise (SM 37–42) · MCQ bank (Module 1 range).