Value Creation

- Products are acquired to generate value through their use
- It is not necessary to own a product to derive value from it
- Product performance throughout the period of ownership and use is necessary to generate value
- Supply chains support the generation of such value at each stage in a product’s life cycle and throughout each stage of each customer’s relationship cycle

Focus on “value generation supply chain”

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Managerial Actions Impact Customer Value Across Product Life Cycle

80% of cost determined in design

90% of satisfaction determined in support

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