

## Maximising R&D in the Company Value Chain for Expansion and Development into Transition Countries

<p>Definitions: - R&amp;D - Value Chain</p> <p>Technology &amp; Strategy</p> <p>Expansion via Franchising</p> <p>Retail Value Chain</p> <p>Retail Value Drivers</p> <p>X5 and It's Expansion</p> <p>Using R&amp;D for Int'l Expansion</p> <p>Findings</p> <p style="text-align: center;">1</p>	<h3 style="margin: 0;">Research for Sustainable Development</h3> <p style="margin: 10px 0 0 0;">Christine Falkenberg</p> <p style="margin: 10px 0 0 0;">Taschkent</p> <p style="margin: 10px 0 0 0;">May 2009</p>
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### Technology & Strategy

### Expansion via Franchising

### Retail Value Chain

### Retail Value Drivers

### X5 and It's Expansion

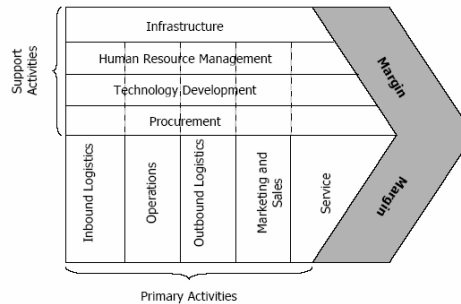
### Using R&D for Int'l Expansion

### Findings

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**Value Chain:** concept from business management first described by Michael Porter (1985), analysis tool for strategic planning

It is a chain of activities. A product or service passes through all activities of the chain in order and at each activity it gains some value. Porter distinguishes between two categories 'primary activities' and 'support activities'. Each of them is linked to efficiency-improving activities or 'support activities' of an organization. R&D according to the value chain definition "... includes both activities related to improving the physical product or process as well as market and consumer research." Costs and value drivers are identified for each value activity.



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### Innovation and its management is a success factor

- **Innovation management:**...targeted implementation of e.g. new technological problem solutions, aimed at achieving corporate goals in a new way
- **Porter's contribution:**
  - Explicit link of technology to 'five forces': relations with suppliers, relations with buyers, new entrants, substitute products and rivalry amongst established firms, each of which generates opportunities and threats
  - Major influence of home country conditions of firms' innovation strategies in global markets
- A competitive strategy aims to find a position in an industry where a company can best defend itself against the competitive forces or can influence them in its favor
- **Obligatory strategy choices:**
  - **Generic market strategy:** overall cost leadership, product generation, cost focus and differentiation focus
  - **Product strategy** and **Technology strategy**
  - **Market strategy:** Innovation 'leadership'- Innovation followership'

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