

The Value Chain

Business & Management

Where margin is actually created inside a firm.

Primary activities

- Inbound logistics
- Operations
- Outbound logistics
- Marketing and sales
- Service

Support activities

- Firm infrastructure
- Human resource management
- Technology development
- Procurement

THE DIFFERENCE THAT MATTERS

Margin is what remains after all activities. Advantage comes from doing one link differently, or from how the links connect.

Linkages matter as much as activities. Zara's advantage is the speed between design and shelf, not any single step.