

7.2.3 Value Reference Model

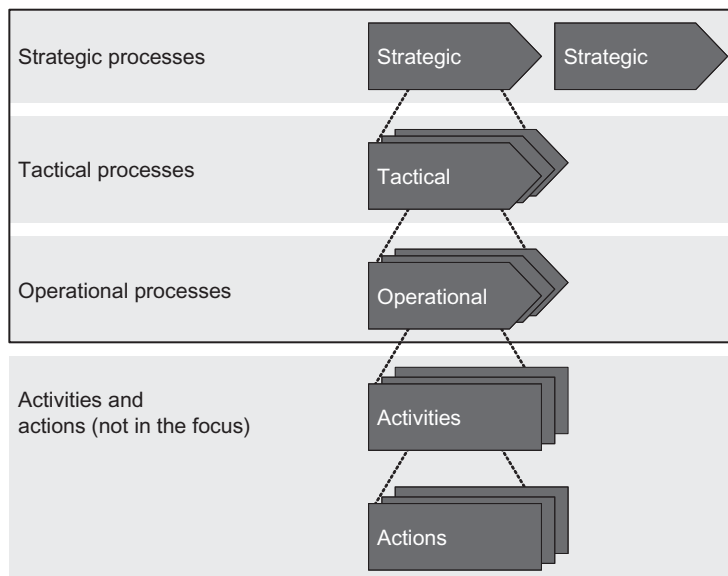
Origin

The VRM is developed and published by the nonprofit organization *Value Chain Group*. It addresses the planning, governing, and execution of value chains to promote the effectiveness and optimization of processes. The model supports enterprises in connecting business process beyond functional unit boundaries.

For this purpose, VRM describes reference processes on three process levels each with the three core concepts of input and output, metrics, and best practices (Figure 7.4).

Strategic

The strategic processes are at the top level. They have three categories: *plan, govern, execute*. At this process level you decide how a value chain can be designed to gain a competitive advantage. An example would be a cost-optimized value chain in cooperation with partner enterprises.



■ FIGURE 7.4 VRM Process Levels

Tactical

The strategic level is followed by the tactical level. Processes at this level implement the strategic plan. This includes, for example, outsourcing of activities.

Operational

The lowest level comprises the operational processes. They are the most detailed processes in the VRM and describe the concrete steps, such as *accept order* or *check order* in the tactical process of *procurement*.

Further levels of detail are addressed, but not discussed further. Activities are refinements of the operational processes, and actions are atomic organizational procedures that cannot be refined further.