

Value Chain Mapping and Capability Audit

Value Chain Mapping and Capability Audits are designed to enable:

- * Collaborative model of governance
- * Multi-stakeholder engagement for the selection of smart specialisation strategies and development of implementation plans
- * Dialogue around the challenges for growth and internationalisation
- * Critical understanding of skills gaps and entrepreneurial potential
- * Production of evidence of concentration of regional and industry capabilities in strategic groups of firms – as flagship resources and evidence of critical mass
- * Detection of relevant linkages and flows of goods, services and knowledge, revealing possible patterns and pathways of product and service integration with partner regions and firms
- * To reveal synergies and complementarities across sectors and segments of the regional economy
- * Visualisation of emerging business opportunities and input-output market relationships
- * Understanding of supply chain linkages and potential for R&D partnerships
- * Strategic value chain optimisation, aiming to exploit upstream economies of scale, downstream economies of scope and how to minimise coordination costs
- * Leveraging core assets and synergies from multi-product and multi-technology operations
- * Facilitated input-output market relationships and fostering inter-regional collaborations through match-making
- * Learning from foreign market activities and inter-regional collaborations for enhanced absorptive capacity of local firms

Value Chain Maps and Capability Audits are effective instruments for regions, cluster managers and network coordinators in their efforts to advance through dialogue with business, coalition building, transfer and exchange of knowledge. Mapping global value chain (GVCs) can assist government and business in multiple ways – from capability audit, to identifying new opportunities for growth, developing innovation and investment strategies, supporting value chain upgrade decisions, or identifying skills gaps and developing foresight.

Mapping cross-sectoral and cross-regional value chains for emerging sectors, technologies and thematic prototypes enhance the knowledge of regional stakeholders of their own capabilities and prepares them for inter-regional collaboration.

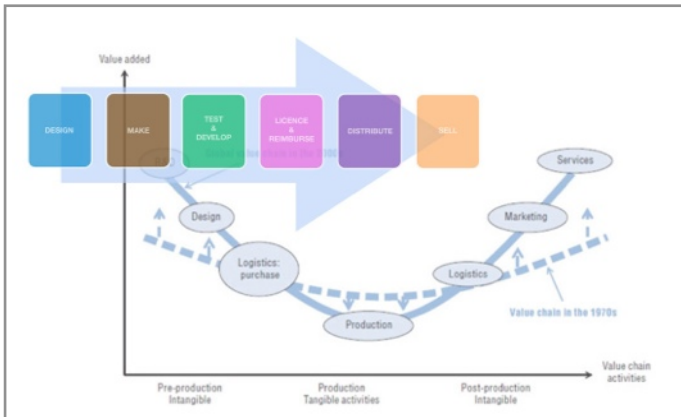
GVC mapping is an enabler in the policy implementation process, collecting evidence both for the supply and the demand side in a region, and identifying the lead business actors that can drive the value chain integration.

The BCNED methodology for value chain mapping is based on the use of comprehensive dataset of firms including local SMEs, multinational enterprises and foreign subsidiaries. Extensive firm datasets enable the identification of industry segments and boundaries, and critical mass of capabilities at regional and national level. The mapping uses a portfolio of complementary analytical techniques, exploring inter-industry relationships and strategic value chain groups.

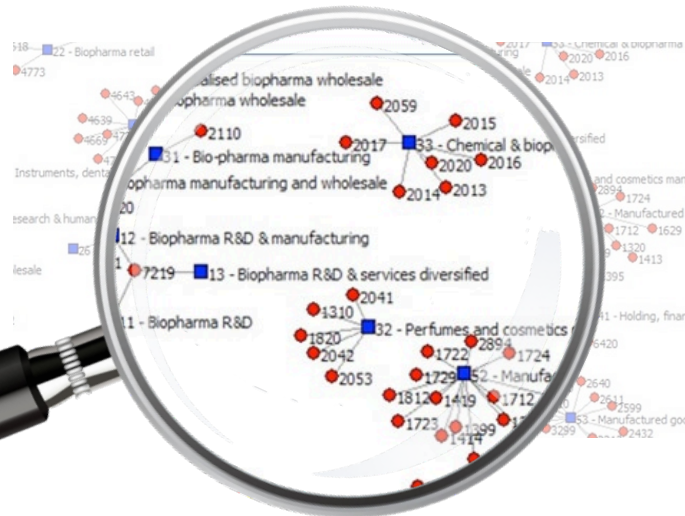


Background

Mapping of interconnected industry capabilities at regional, national and global scale, and analysis of global value chains is a new wave in international business policy area. The mapping can be done in many different ways, including conceptual chains of value added and complex networks of value flows. Most mappings of GVCs are illustrative and conceptual representations, and are lacking evidence and a comprehensive list of firms, or agglomeration of capabilities in a region.

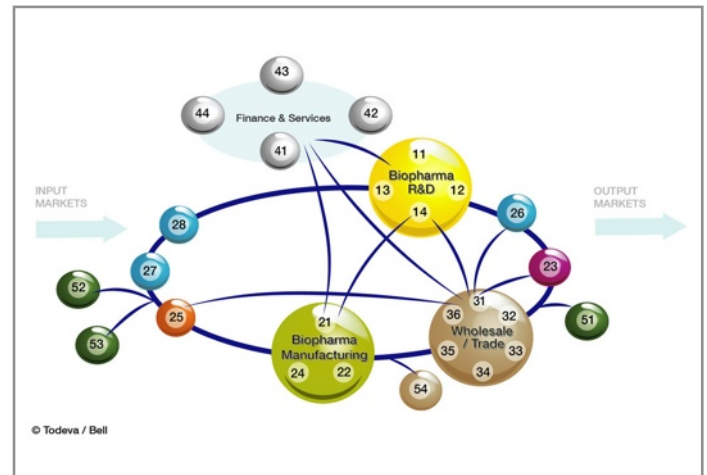


Strategic Value Chain Groups



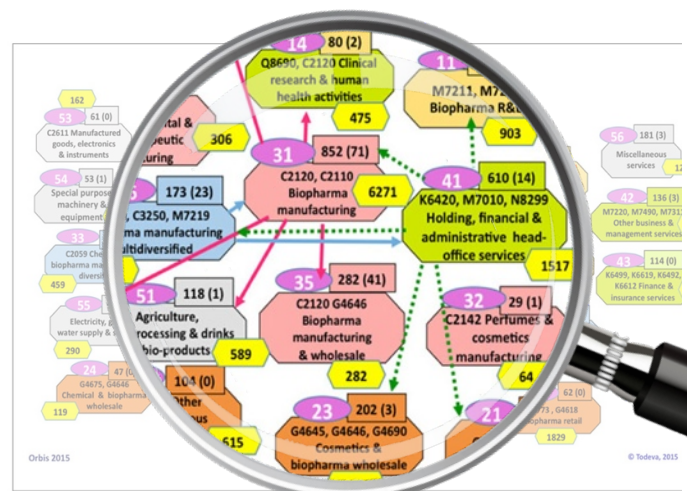
Value chain mapping and capabilities audit reveal to stakeholders cross-sectoral synergies and complementarities that can drive innovation and enhance capacity building, entrepreneurial activities, strategic R&D partnerships, prioritising sectors, structural transformation of regional economies, optimisation of clusters, or inter-regional and inter-cluster linkages.

Synergies & Complementarities



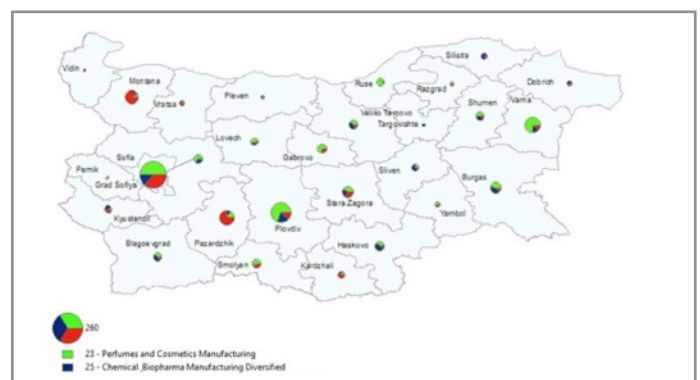
Concentration of Capabilities

"One bird does not bring spring on its own"



Identifying where regions and clusters have a critical mass is essential to build strategic capabilities and to foster inward and outward flows of resources.

Distribution of Capabilities



Mapping of capabilities within the GVC that operate at specific locations and in specific industry segments enable localised stakeholders to learn about their strengths, critical mass, and pathways to connect to internal and external stakeholders for accelerated innovation and engagement with emerging cross-sectoral business opportunities.



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