Course Description

All businesses have to operate within eco-systems. These eco-systems consist of the environment, markets, industry peers, competitors, government, and the many partners that you have to operate with. These partners can be suppliers, suppliers’ suppliers, third-party service providers, distribution channels, customers, and customers’ customers. Such an eco-system is termed the value chain. This module is about how companies can create values leveraging the value chain. Specifically, we will examine:

1. What are ways that you can innovate with the value chains to your advantage, as well as to allow your partners to win at the same time?
2. How can you leverage the value chains to accelerate innovations?
3. What are entrepreneurial opportunities that are based on value chain innovations?
4. How can you use the value chain to serve your customers better, so as to create value and loyalty with customers, and in turn, create value for yourself?

Course Modules

1. **Value Chain Innovations**
   
   Most of us think of innovations as new product features, new functionalities, or new offerings that customers value. But for any product to be successful, we must think of the value chain in which the product is created or manufactured. Although we use the term “product,” this applies to services as well, as often times there is a whole value chain that supports the provision of a service. What are some of the value chain innovations that could help make your innovative product successful? How would these innovations help to stimulate the cycle of additional product innovations? In this session, we will use the case example of Crocs to illustrate the iterative cycle of product innovations and value chain innovations, and show how such iterations lead to powerful results. General lessons can then be developed.

2. **Accelerating Innovations Through Value Chains**
   
   Value chains can help innovations and new product introductions in several ways. First, the new product that was a result of innovations has to be introduced to the market in a speedy and effective way, and your value chain can break or make the introduction. Second, no new product introductions are straightforward. Your estimate of your customers’ reactions can be off, your competitors could create disruptions via marketing strategies or their own new product, and your manufacturing process may not be perfect. A sound value chain can enable you to adjust your own strategy in an agile way, leading to proper steering so that the new product remains successful. Third, an efficient value chain can enable you to accelerate your prototyping, and allow you to fine-turn your innovations rapidly. We will use the Cisco and other case examples to illustrate some of these principles.

3. **Value Chain Entrepreneurship**
   
   Once you have mastered your value chain well, there are also entrepreneurial opportunities in which you can use your value chain to provide services that differentiates yourself from your competitors. Value chain services must be anchored on smart ways to manage information, materials and financial flows. PCH is one such example. The company, based in Shenzhen, was able to leverage their excellence in managing these three flows to become a so-called “value chain orchestrator,” so that they are able to serve others through their ability to manage their value chains. As a result, they are able to serve both big brands and established companies, and the smaller start-ups. This shows that value chain orchestration itself can be a source of entrepreneurship.

4. **Creating Values Through Service Innovations**

   Providing sound products and services is a means to build brand equity and customer loyalty. Innovative companies have made use of extended customer service as a means to create value for customers, which in turn, would create value for the companies themselves. This is a powerful way to gain customer intimacy and strong customer relationships. Finding out the true needs of customers, serving the under-served markets, creating
comprehensive offerings beyond immediate products and services, and going an extra mile, are all ways to create value for customers. This session will describe how successful companies were able to innovate processes and means for this purpose.

Course Requirements
Please watch all course videos and complete all course exercises. Submission of all exercises is required to unlock the link to the course examination in the “Final Steps” section of the user interface. The exam consists of 15 multiple choice questions and is administered online. A score of 86% or higher is required to pass.

To complete the course, students must successfully complete all exercises, pass the examination, and complete the course evaluation.

Exercises
Each exercise will be submitted directly via the user interface. Members of the course teaching team will provide feedback on selected exercises. Feedback on the selected exercises will be provided within 5 business days. You are encouraged to proceed with the course while awaiting feedback on submitted exercises.

Your responses to the exercises will be kept within the learning platform. However, you will not have access to the responses you submitted after 90-day course access has expired. If you would like to keep a copy for your records, please do so separately.

Any questions related to the exercises should be sent to ask-the-professor-innovation@lists.stanford.edu. Be sure to include your name, the course number, and exercise name/number along with your questions.

Failing to complete all of the required exercises (or submitting partial answers to the exercises) in a deliberate attempt to unlock the course exam prematurely is a violation of the Stanford University Honor Code. Information regarding your responsibilities as a student of the Stanford Innovation and Entrepreneurship Certificate, including a link to the Honor Code, is available at http://studentaffairs.stanford.edu/communitystandards/policy/honor-code.

Course Materials
All course materials are provided within the course’s user interface. These include the course videos, exercise instructions, and other course handouts.

Digital Records of Completion (ROC)
Within 5-7 business days of completion of all course exercises and the course exam with a score of 86% or higher, a digital Record of Completion will be sent to your preferred email address from your mystanfordconnection account. More information about the Record of Completion is available at http://scpdsupport@stanford.edu/becomeAStudent/recordOfCompletion.jsp

Questions
For content-related questions, please contact ask-the-professor-innovation@lists.stanford.edu. Be sure to include your name, the course you are taking and your questions.

For questions relating to course materials, billing, testing, general program information, etc., please contact Student Services at stanford-innovation@stanford.edu or 650-741-1581. Available 8:00am-4:00pm PST, M-F.

For technical troubleshooting and questions related to the user interface, please send an e-mail to scpdsupport@stanford.edu. Please provide the name and version number of the browser you are using to access the course materials.