

# THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

## Is Opportunity Management A Precursor To Leather Value Addition Initiatives?

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### **Abstract:**

*The review attempted to underscore the importance of opportunity management when taken in cognizance of initiatives towards value addition of the leather sector. During the review, it was observed that stupendously the leather sector is vastly impacted by certain socio-economic factors in attaining improved performances which otherwise are dismal particularly in Africa. For instance, in reference to some of the factors identified, nine important aspects needed to have been considered alongside the analytical process of the value chains to provide width and adequately cover the leather sector such as employment, trade, costs, price, productivity, competitiveness, income, technology, and research and development (i.e. innovation). However, a huge knowledge gap in associated research related to the leather sector. The result of this poor research coverage leads to lack of comprehensive analysis of the leather sector as such is considered currently as a continuing concern. The dilemma closely tied to the leather sector, therefore. As observed in the review is the inadequacy of quantifying the unexplored or potential opportunities that would otherwise provide the stimulus needed for value addition. Indeed, the importance of understudying the value chain analysis, opportunity management and concept driven strategies related to the leather sector was for the purpose of comprehending the factors affecting growth of this important sector particularly for the developing countries in Africa. Therefore, the review provided a prognosis on exploration of opportunities in the leather value chain as a panacea and/or precursor to value creation. The ultimate result as depicted within the review was possibly unleashing of potential within and amongst the leather sector strata.*

**Key words:** *Concept driven strategies, market drivers, leather sector, livestock products, opportunity management, Productivity*

### **1. Introduction**

The need to conceptualize opportunity management and value addition and their unique status with regard to the leather sector is important to ascertain the potential therein. A review is attempted to discuss strategic value addition initiatives of the leather sector through an exploration of opportunity management. In retrospect, the goal of understanding the dynamics of value addition is to use an approach that has a holistic evaluation of the chain to provide a realistic view of the dynamics of the value chain. However, previous studies by Viju (2008) on the African leather value chain investigated the chain without analysing the market impact of finished leather and leather products, which are determinant stages of value addition based on both top-down and down-top effect of the leather sector. The study focused to evaluate preselected single or only a few of the steps of the value chain (the tannery processing stage), and exclude the high impact phase of finished leather and leather goods (production, supply, and marketing).

According to Fearné, Martínez, and Dent (2012) and Kumar and Kapoor (2010), the principal objective of value chain analysis (VCA) is to expose strategic and operational misalignment within the chains, where dealing with incomplete value chains would easily lead to misallocation of resources, missed opportunities, lack of value added, and economic sustainability. Thus, these fundamentals if missed, creates a major gap in unexplored opportunities.

#### *1.1. Objective Of The Review*

The review focuses on value addition, explores its key characteristics and previews related background information to consider opportunity management as a precursor to the development of the leather sector. Included in the review are also the metrics relating to the size of small- and medium-sized enterprises (SMEs), growth of the leather sector, and composition of the value addition chain presented to depict the immense economic importance and influence of the leather value addition at the national and global levels. The objectives and strategic dimensions of value addition are discussed and the connections between value addition and opportunity management explored. Various techniques and approaches regarding value addition and opportunity

management are introduced based on prevailing literature. Therefore, the objective is to bring to the fore existing perspectives about value chain analysis, opportunity management and strategy analysis to expound on the value addition by focusing on four conceptual outputs:

- Identifying key characteristics of value addition and opportunity management in the leather sector
- Introspecting on the importance of the value chain
- Documenting intricacies and ways to conceptualize development of the leather sector in the future, and
- Determining if opportunity management is a panacea or a precursor to value addition.

## 2.Value Addition

### 2.1.Characteristics Of Value Addition

Value addition is viewed a process that improves qualitative content of a product or service and improves on its worthiness. Others have depicted adding value as the difference between the cost of finished products or services and the cost of inputs or service and the cost of inputs required in processing the product (Powers, 2012). This perspective suggests that value addition is associated with value creation activities that allow enterprises to develop better products during processing.

The term value addition refers not only to commodities but also in other fields, including the education sector. For instance, Chetty, Friedman, and Rockoff (2012) used value addition techniques in assessing the long-term effects of teachers' approaches to assess the quality of students' final results, underscoring the argument that value addition can also be utilized in other areas. Moreover, value addition can also be specific to situations and sectors and that there are no particular principles covering all prerequisites of all value addition (Sharma, Pathania, & Lal, 2010). Therefore, the scope is wide and dependent on the sector, length of the value chain, and composition of the chain.

The various factors that influence the characteristics of value added form important input. The value addition factors depicted in Table 1 are drawn from sectors other than the leather chain but remain core and relevant to this review.

Factor	Remarks	Reference
Innovation	Enterprises that explore and domesticate innovativeness exhibit complementarities and competitiveness and characterize on value addition.	Frankelius & Eliason (2011); Brewin, Monchuk, & Partridge (2009)
Branding	Positive aspects for image building and targeting specific markets built through trust and premium products. Branding is regarded as a core strategic orientation rather than a single standard business function.	Vidic & Vadjal (2013); Roheim, Gardiner, & Asche (2007)
Performance	Market orientation in commodity market and is focused on attaining higher yields and results. Innovation is fundamental to attaining optimal performance.	Boothe & Roy (2008); Mitcheels & Gow (2008)
Research and Development	Sustenance of value addition requires stakeholders to articulate their needs and expectation. This could easily be attained through partnership between SMEs and research institutions.	Terziovski, (2010); Mapiye, Chimonyo, Muchenje, Dzama, Marufu, & Raats (2007)
Post-production activities	Identification of growth factors along and beyond the production chain is associated with consumers' demands. These activities are reflected in the value addition initiatives taken by integrating post-production activities (e.g. Consumer satisfaction, product reviews etc.).	Punjabi (2007); Lundy, Ostertag, & Best (2002); Dunning (2010)
Knowledge ability	Higher perceptibility levels of enlightened consumers and staff improves products and service orientation in the markets. This is due to production and sales based on an informed position by staff and consumers respectively. The result is improved competitiveness that spurs value addition to meet clientele satisfaction.	Lin & Chunying (2010); McEachern & Schroeder (2004)

	Remarks	Reference
Investment	Level of product development has a strong bearing on value addition. Thus direct investments in the production chain are crucial in ensuring products that always evolve or sustain to attain market dominance.	Karantininis, Sauer, & Furtan (2008); Durand (1952); Jacobs & Shivdasani (2012)
Distribution potential	Product and services heavily depend on established or partnered points of sales. The more successful the outlet market is, the more vigorous the value addition initiatives are in place to meet the demand and avert potential competition. Use of ICT strengthens distributorship potential immensely in terms of speed and scope of coverage.	Smith (2012); Ward, Lusk, & Dutton (2008)
Nature and magnitude of competition	Key aspects such as review of processes, products/service development and upgrade of chains are fundamental to meet ever-growing demand and expectations of customers. Positive trends at this level reassures a competitive edge and are a prerequisite to enhanced value addition.	Jiang & Shen (2013); Delgado et al. (2012); Madevu (2006)

Table 1: Characteristics Of Value Addition

2.2. Leather Sector Performance

Current research related to the performance of the leather sector in African countries has been solely based on evaluating the leather markets using purposive sampling techniques and the structure, conduct, performance model (Shirley, 2011). To comprehend the performance of value addition in the leather sector, there is need to review the performance of the value chain starting from livestock, raw material production, leather, and leather goods processing at global, regional, and national levels. The review further explores the factors related to markets rather than the dynamics of the value chain both in a segmented and holistic manner. In Africa, studies are not comprehensive enough to conceptualize the unexplored opportunities that debar value added initiatives. For example the studies evaluated segments of the value chain rather than a holistic approach. However, studies evaluating the leather sector in India were more comprehensive and examined in depth the competitiveness and performance of their leather sector (NPC, 2010).

2.3. Livestock And Raw Material

The world's livestock population is estimated at about 3.5 billion heads—a ratio of about 0.5: 1.0 of the human population. The cattle population is estimated at 1.59 billion out of the 3.5 billion livestock population according to the Food and Agriculture Organization (FAO, 2011). In terms of total livestock productivity, Africa has 21% of the world population, including 16% of bovines, 29% of goats and 24% of sheep, though this excludes camel, pigs, and other emerging livestock sources. The continent's contribution of derived raw material from the mentioned livestock base is equally lower in terms of the materials' quality, quantity, and value (Mwinyihija, 2010). The total production of hides and skins in Africa represents 14.05% of the 1, 303.3 million pieces globally. The dilemma is the continent's inability to attain higher production levels and added value products that would have optimized realization of important economic accruals due to several socioeconomic malpractices (Faruq, Webb, & Yi, 2013). While use of the material is low locally, exports and value obtained are dismal compared to the global scenario (Figure 1).

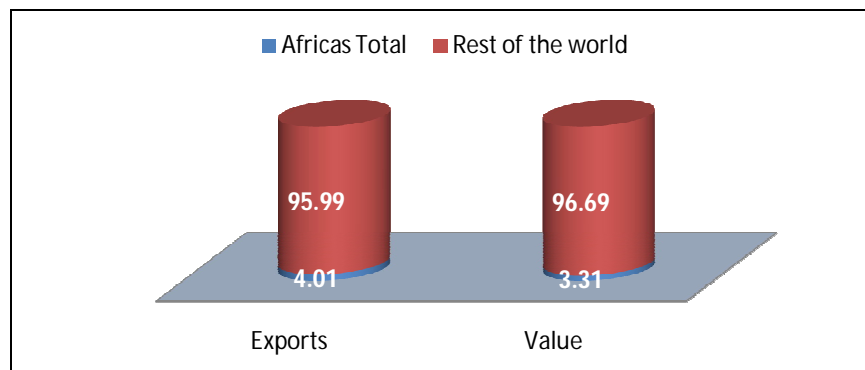


Figure 1: Comparison Of Quantity In Exports And Value (%) Between Africa And Global Performance  
 Note: Modified From FAO (2011)

In Kenya, the livestock sector and its affiliated enterprises are vibrant economic entities. With vast arid and semi-arid land (estimated at 80% of the total land mass) that can potentially be used for extensive livestock production, these lands currently contribute to about 25% of the Agricultural GDP (estimated at 7% of National GDP) and employing more than 75% of the agricultural manpower in the country (Economic Survey, 2012). According to the recently released statistics collected every ten years by the Kenya National Bureau of Statistics (KNBS), the country is endowed with 17.5 million cattle, 27.7 million goats, 17.1 million and 3.0 million camels (KNBS, 2009).

Reports on annual production of hides and skins in the country indicate that 2.5 million hides, 5.4 million goatskins, 2.7 million sheepskins and about 47 thousand camels are produced for sale and processing. However, when the country's performance is assessed, the country's output is 6.67% of hides, 2.37% of sheep and 3.09% of goatskins of Africa's production per annum (FAO, 2011). At this phase of the leather value chain, the most critical challenge in the country is based on poor recovery rates in production (estimated at 30% of the national production) and poor quality production of hides and skins during the pre-slaughter stages as indicated in the value chain map. This adversely affects the country's productivity of hides and skins in both quality and quantity, directly impacting value added initiatives that straddle employment, income generation, and development of the processing units.

#### 2.4. Leather Processing

Leather processing, which falls under the post-slaughter operations on the value map, is a fundamental stage of value addition. According to world statistics, a total of 23 billion square feet (sq. ft.) of leather are produced, with an estimated 6.3 and 12.1 billion sq. ft. Produced in Europe and Asia, respectively (FAO, 2011). The major producer of processed leather in the world, China is currently producing an estimated 6,599.3 million square feet of leather (FAO, 2011). In contrast, Africa's production represented 1.9% with 0% exports of heavy leather, while light leather stood at 5.04% production and 1.41% of exports in the world. Kenya has remained a semi-processing country with negligible production of finished leather, not enough even to satisfy its local demand for the footwear industry (Mwinyihija & Killham, 2006). This is an important observation in the review because it presents an opportunity to be explored for further expansion. The causes of this shortfall are worthy of pursuance despite the potential highlighted.

#### 2.5. Leather Goods

The value addition stratification of leather goods is the most important phase where optimal accruals are obtained in the employment, income generation, and development of processing units in the leather sector. The estimates of global performance in footwear alone stand at 12.6 billion pairs, contributing almost 60% of the \$100 billion value in the leather sector. The most important influencing factors associated with the footwear industry are based on the increase of global average shoe per capita growth from 1.5 in 2006 to 2.8 in 2011 (FAO, 2011). The overall performance at global, continental, and national levels is further depicted in Table 2. The data demonstrate that Africa contributes 3.8% of the leather shoe production worldwide and accrues 1.12% of the world export value. On the other hand, Kenya contributes 0.09% of the world leather shoe production obtaining 0.21% of the world value in shoe production (Mwinyihija, 2011). This is another stratum of the value chain that indicates a value addition gap to be analysed.

Item	Global (Mn)	Africa (Mn)	Kenya (Mn)	Africa's Global Share (%)	Kenya's Share in Africa (%)	Kenya's Global Share (%)
Production of leather shoes	4,498.10	170.8	4.1	3.80	2.40	0.09
Import of leather shoes	2,729.90	56.7	0.2	2.08	0.35	0.01
Export of leather shoes	2,685.60	26.8	0.5	1.00	1.87	0.02
Export value of leather shoes (in \$)	37,334.40	416.5	76.87	1.12	18.46	0.21

Table 2: Global Comparison Of Africa And Kenya In Leather Goods Value And Production In Millions (Mn) Of Pairs Per Annum  
Note: Adapted From FAO (2011) And Mwinyihija (2011)

### 3.Value Chain Composition And Analysis

#### 3.1.Value Chain Composition

The leather sector has a clearly defined strata along its value chain. The strata provide the operational foundation for determining the composition of the leather value chain. Value chain composition (Table 3) is characterized by business units sharing activities amongst themselves, developing low cost and differentiated strategies, working through different sections of the industry, building on interrelated links, and ultimately providing a basis for comprehending the role of technology in gaining a competitive advantage (Porter, 2008). When viewed in the context of the leather value chain composition in this review, the characteristics are related to the strata mentioned and opportunities that lie within. It is worthy of note that value chain composition varies depending with the sector, length of the value chain, and the focus of evaluation related to the chain (Gereffi & Fernandez-Stark, 2011).

Level	Stratum	Description	Value Chain Category
1	Producers	Relates to pastoralists, ranchers, livestock owners.	Pre-Slaughter
2	Butchers	Includes slaughter house/slabs owners or individuals undertaking slaughter.	Peri-Slaughter
3	Hides and skins curers or preservers	Some of these double as traders of raw hides and skins.	Post-Slaughter
4	Traders	Hides, skins, and leather and leather goods traders. In some instance referred to as 'middlemen' in a business environment.	
5	Tanners	Include semi-processors and finishers of leather. Most are also exporters of their products.	
6	Leather goods	Will encompass leather-goods manufacturers (i.e. bags, belts, wallets etc.) and footwear manufactures per se. In some instances they perform both activities.	

Table 3: Value Chain Composition Of Key Strata Of Kenya's Leather Sector

Value addition in agricultural commodities such as hides, pelts, and leather has fundamental objectives related to improving the natural and conventional form, quality, and appeal of the product. For instance, studies carried out in the dairy sector (an agro-based livestock industry) indicated that value addition is important because it imparts benefits such as remunerative prices to farmers or producers, enhanced value to consumers, and reasonable returns to the sector and its stakeholders (Rao, Raju, Reddy & Hussain, 2013). Market drivers, therefore, related to the leather sector are key in exploring all value addition opportunities if appropriately structure as illustrated in Figure 2. The nature of value addition is also reflected in the intricacies of value chains and how these are highly interconnected with other functional units. This includes the rapid transformation experienced within value chains in stimulating growth of basic products and harnessing consumer markets through organized sectors (Singh & Data, 2010).

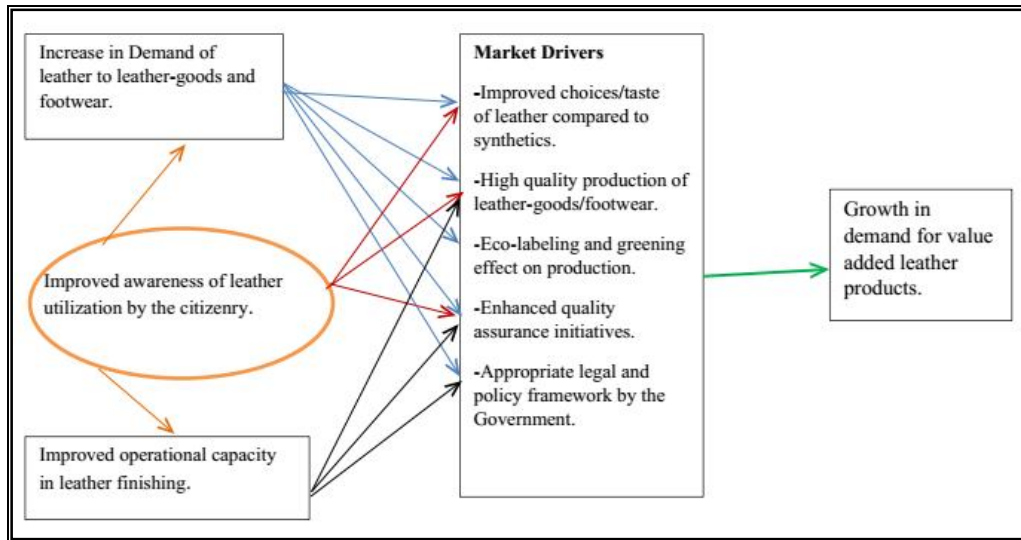


Figure 2: Market Drivers For Creation Of Value Added Leather Products

Conspicuously, current studies indicate a paradigm shift towards dealing with “trade in value added products” from “trade in goods,” placing the whole sphere of value addition to a positive but demanding platform (Petra, 2006). For example, Africa has become increasingly proactive in dealing with value added products over the last decade. In terms of the number of consumers, Africa closely follows Asia due to the rapid growth of the middle class, where \$410 billion in annual consumer revenues is anticipated to grow between now and 2020 (Hattingh, Russo & Sun-Basorun, 2013). Moreover, Africa is already receiving high levels of demand on footwear, which has progressively increased with demand by the end of 2013 indicating an estimate of 1 billion pairs of shoes in Africa.

Indeed, the emergence of a middle class in Kenya has increased the need for value added leather products and meeting those targets will be fundamental to the nation. However, the production of shoes in Africa by the end of 2013 will not exceed 200 million pairs of shoes (Mwinyihija, 2012). This observation further reveals and suggests that the production of shoes in Africa cannot meet the increase in demand, per capita consumption, and the growing population. Hence, the scenario demonstrates the importance of value addition and exploration of opportunities in the leather sector in Africa through undertaking an economic value chain analysis.

### 3.2. Value Chain Analysis

The objective of value chain analysis (VCA) is to increase the valuation of the material at every stage of the value addition chain, from the farm level (e.g. Animal husbandry practice) to the marketing of finished products (e.g. footwear, bags, upholstery, etc.). According to Fearn, Martinez, and Dent (2012), VCA assists in identifying strategic and operational misalignment as well as misallocation of resources, and it provides an opportunity for improvement by creating value, environmental, and social responsibility. In addition, Sharma et al. (2010), indicated that VCA creates a sustainable competitive advantage, particularly when there is a diversification of value added activities, which includes a strong supply of raw materials and established connections within and outside the business units. Porter (1985) had earlier provided important insights into the value chain analysis and competitive advantage:

Competitive advantage cannot be inferred by looking at a firm as a whole. It stems from the many discrete activities a firm performs in designing, developing, marketing, delivering and supporting its product. Each of these actions can contribute to a firm's relative cost position and create a basis for differentiation. (Porter, 1985, p. 33)

The process of analysing the value chain requires identification of activities that are core and non-core. Core activities are recognized as primary and fundamental to direct value creation in a business unit, whereas non-core activities are secondary, supportive, or supplementary to the operations of the business units (White, 2004). The value chain depicted under primary activities include aspects such as inbound logistics, operation, outbound logistics, marketing and sales, and services, whereas secondary activities which were, essentially support services including infrastructure, human resources management, technological development and procurement.

The philosophical importance of the categorization that was described above was based on the need to identify primary activities that were core in order to gain the competitive advantage and secondary activities that would be the drivers to attaining these advantages, such as competencies and assets (Sanchez & Heene, 2004). Nevertheless, the value chain model by Porter (1985) was critiqued for excluding important aspects such as market creation, strategy, customer service, and distribution from the main activities (Morden, 1999). Moreover, Morden (1999) further suggested that procurement of goods should be the core activity in any value addition chain. Others highlighted that the entire process is important given the complexity of generating internal and external data such as gaining competitive advantage (Partridge & Perren, 1993; Hergert & Morris, 1989).

The approach to VCA has been further refined with recent studies indicating that value chain data processing should consider firms' external and internal dynamics through appropriately identified drivers related to value creation and linkages that form the chains (Sharma et al., 2010). For example, in this review, the analysis will integrate the primary and support activities and relate them to individual enterprises (i.e. at producer or leather goods level). In addition, closer scrutiny of the enterprise to market drivers of the leather sector as illustrated earlier (Figure 2) provided an insight of unexplored management opportunities.

### *3.3. Opportunity Management*

Opportunity management (OM) is a newly emerging tool in management science that facilitates the creation of value in business units. Initial ideas about OM by Honadle and Howitt (1986) precipitated new dimension towards management by addressing on scarce resources and integrating the buildup of criteria in operational management in organizations. Conti (1993) improved on this research and indicated that successful exploration of opportunities required an organization to plan correctly and align management goals by establishing criteria and prioritizing targets.

Hilson and Webster (2004) further expounded on OM, demonstrating that it has three main components such as generating ideas, recognizing ideas, and driving opportunities. These were found to be paramount to OM as they potentially produced tangible outcomes. Kendrick (2009) identified another dimension of OM by suggesting that OM is important in value creation through risk identification, exploration of teamwork, and development of opportunities. In relation to risk identification, Loosemore, Raftery, Reilly, and Higgon (2006) had earlier indicated that as a management approach, minimizing risk in a business environment optimizes opportunities. They illustrated that exploring positive risk (also referred to as OM) leads to opportunities that essentially are overlooked in most enterprises. All these observations were critical and relevant to the latter as it brought to the fore some of the missing links to its optimization in performance.

Fox and van der Waldt (2007) suggested that using OM as a tool provides an opportunity to define business needs and requirements when logical and progressive steps in all phases are designed. Therefore, it is important to have, as a prerequisite to OM, an understanding of risk that allows the enterprise to measure and prioritize those risks to reduce losses, optimize on resulting opportunities, and maintain a strategic advantage in the leather sector value chain.

The facilitative role in optimizing decision-making and identifying values that can translate to enterprise benefits are crucial OM processes which apparently are missing with the vital value chains of Africa's leather sector. Graham, Smart, and Megginson (2010) emphasized that OM should be inclusive and identify resources within the business units at various phases that could maximize returns to attain those benefits. In relation to obtaining accruals in an enterprise, Triantaphyllou (2010) supported this notion by stating that enterprises with innovative inclination where ideation, teamwork, and strategic planning are integral, decision making ultimately leads to value creation.

In relation to a decision making process that has tangible results, it is strategic to encompass it with an ideation approach, which also includes stakeholders' participation (Dunne & Dunne, 2011). Indeed, to encapsulate modern concepts, Carlson and O'Neal-McElrath (2008) indicated that to evaluate and monitor performance, OM as a tool uses logic models to assist in outlining sequences of events, conceptualizing operational frameworks of the business units, and providing corrective pathways to the enterprises or projects. This was an important observation during the review as it depicted the importance of OM and the potential impact that it would have to the leather sector. However, the need to develop appropriate models to drive the value addition process remained crucial.

The OM model's relevance to the current research is based on its strength in linking outcomes, processes, and theoretical assumptions of the study or program (Kellogg, 2004). Strengthening the decision making process of OM through the use of a stage-gate or phase gate model has been implemented elsewhere in management studies. Models such as process of innovation, inflection point analysis and unit price/cost are equally integral in strengthening the logic model (Feuer, 2013; Nugent, 2003). For example, Hayes, Parchman, and Howard (2011) applied a logic model to effectively plan an evaluation tool and as a project management resource monitor. This is necessary to provide the missing link of information currently experienced in the leather value chains. Thus, OM provides a model to identify the unexplored aspects or opportunities related to pursuing value addition initiatives in the leather sector.

## **4.Strategy For The Leather Value Chain**

Developing a strategy in the leather value chain is pivotal in enhancing outcomes in an organization and providing directions for its set objectives. As for the current review related to the leather value chain, the strategy is based on developing an understanding on the identified constructs (i.e. value addition and opportunity management) which are envisaged to result to an overall knowledge accumulation for the sector (Hill, Kern, & White, 2012). The strategy will also include to understand initiatives that are being pursued (or have failed to be pursued) in creating value within the leather sector. This approach is consistent with Baroto, Abdullah, and Wan (2012), who suggested that aspects such as costs and differentiation strategies along and amongst chains are important criteria to consider. It was necessary to integrate and link leather value creation strategy with communication (Lukac & Frazier, 2012) to assist in articulating the organization's initiatives and the outcome towards value addition in the leather sector.

## **5.Revealed Gaps In The Review**

During the review, relevant published material associated with the leather value chain was interrogated as indicated earlier. In the process knowledge gaps were identified that provided insight of the reasons behind the slow rate of the leather sector growth in Africa (Ticehurst & Veal, 2000; Seuring & Gold, 2012). Moreover, the importance of addressing on the knowledge gap on leather sector demonstrated that critical synthesis or analysis of the value chain, opportunity management criteria, and concept driven

strategies are fundamental. Indeed, nine important aspects needed to be considered alongside the analysis to provide the width and adequately covered for the sector such as employment, trade, costs, price, productivity, competitiveness, income, technology, and research and development (i.e. innovation). These are precursors of socio-economic contribution of the leather sector value chain in Africa and need to have been determined. In retrospect, the lack of comprehensive analysis was pertinent to understudy the value chain, opportunity management and concept driven strategies related to the leather sector for the purpose of comprehending the factors affecting growth of the industry in Africa as highlighted here-below.

### 5.1. Comprehensive Leather Value Chain Analysis

The impact of this gap meant that the studies could not adequately provide insights related to resources, missed opportunities, value creation, and sustainability of the leather value chain. Taking a holistic approach to all phases of the value chain, instead of a single or few preselected strata, was critical and beneficial to the sectoral needs. In addition, to further address the gaps, the studies would have pursued aspects such as enterprise resource factors, market drivers, forecasting, leverage shifts, and innovation. These aspects form the basis of a comprehensive value chain analysis which if ignored predisposes the evaluation process to great deficiencies. Furthermore, the approach to strengthen the process is to deter the effect of pre-selecting individual phases of the leather value chain, which has a negligible effect, instead inculcate a holistic approach to the leather value chain.

### 5.2. Opportunity Management Criteria

Conspicuously, knowledge gap related to opportunity management (OM) was observed despite its importance in value addition and when considered a recent phenomenon in management sciences. There was scant information in the literature search relevant to the leather sector. However, other studies, not related to the leather sector, have successfully used OM related models with business processes to evaluate potential in the value chains. Moreover, intended studies related to the leather sector require using such models to evaluate opportunities and detect potential areas of the leather value addition chains to enhance their prospects of identifying unexplored opportunities (Taylor-Powell, 2009). For example, it would be opportune to use logic-models to determine the actual and potential accruals along the value chain of the leather sector. The effort to address the gap in knowledge of OM in this sector would also link outcomes, values, processes, and theoretical assumptions to the study (Kellogg, 2004). Finally, pursuing OM would lead to management of risk through a depicted risk map of the leather sector (Figure 3) subsequently identifying emergent or unexplored opportunities that could assist in creating value along the leather value chain in Africa.

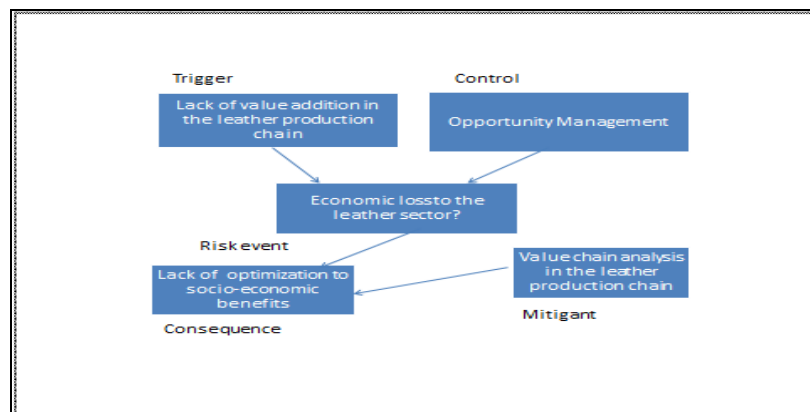


Figure 3: Depicting A Risk Map Of The Leather Value Production Chain

### 5.3. Concept Driven Strategies

As a core concept most of the reviewed publications inadequately covered this aspect. The concept driven strategies remains fundamental in providing the drive towards business units in the leather value addition chain whereby the concepts identifies the stimulus to attaining sustainable performance. Indeed, the perception is that the concept driven strategies are also part of the modern thinking in enhancing accepted set of concepts or organizing principles that optimize an organization's operation (Mareschal et al. 2010). Thusly, for current studies on the leather value chain, the concept driven strategy should focus on developing an understanding (Hill et al., 2012) on identifying constructs and areas of interest such as employment, trade, costs, price, productivity, competitiveness, income, technology, and innovation to address the knowledge gap currently existing in the leather sector. The strategy of these studies, therefore, is to address comprehensive initiatives that are pursued (or have failed to be pursued) in leather value chains. Baroto et al. (2012) further suggested that factors worthy of consideration, such as costs and differentiation strategies along and amongst the chains are also important criteria to strengthen the prognosis of value addition initiatives of the leather sector. In a similar approach to address the existing knowledge gap, studies should further integrate and link the leather value creation concept driven strategy with a strong communication component (Lukac & Frazier, 2012). The purpose of consolidating such a linkage is to facilitate in articulating and disseminating the organizations' initiatives and outcomes to its stakeholders.



## 6. Conclusion

Value chain analysis, leather, leather goods, and strategies relevant (including identified aspects related to sustainable leather value addition development) to the leather sector were pursued. Arising out of the review was that opportunity management is a fundamental precursor to value addition and that failure to identify and explore on opportunities would impact negatively to the socioeconomic factors associated with the leather sector. In addition, the preview observed that having a comprehensive analysis towards value chain, opportunity management and concept driven strategies related to the leather sector was vital for the purpose of comprehending the factors affecting growth of the industry particularly in Africa. Furthermore, it was apparent during the review that identifying knowledge gaps in the leather sector would enhance the pace of identifying the unexplored opportunities particularly those that impact on leather value creation opportunities. These included vital strata and associated linkages that were omitted from most of the reviewed publications related to the leather sector. Indeed, it was apparent that failure to consider the value chains holistically prevented previous research from exposing strategic and operational misalignment within the chains (Fearne et al., 2012). The review indicated that incomplete value chains could easily lead to misallocation of resources, missed opportunities, lack of value addition and economic unsustainability (Kumar & Kapoor, 2010). Therefore, the attempt to close the knowledge gap is envisaged to depict the inadequacies in value addition and opportunity management in the leather sector. Thusly, this scenario provided the response to whether opportunity management is a precursor or a panacea to value addition initiatives in Africa, to which ultimately the review positively affirmed.

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