



# Strategic Plans: Your Key to Managing Change and Growth

*Editor's Note: This is the first of a new six-part Agri-Management series that focuses on high-performance strategies for professional ag retail managers.*

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“How do I effectively manage change?” is the top question when I discuss major issues with ag retail business managers.

In this time of change in our industry, how can you maintain control of your current business while managing for future growth and profits? You must complete a strategic review of your business.

## Start With a Clear Vision

Strategy is a military term referring to the planning that goes behind winning battles. America's military prominence is credited more to implementing the best strategies over the past 50 years than to financial or technical superiority. The foremost author of military strategy, B. Liddell Hart, tells us, “The aim of strategy must be to bring about . . . the most advantageous circumstances.”

It is no different in your ag retailing business. Your strategy, and how well you put it into action, will also determine how effectively you put your financial, technical and human resources to work in winning the battles in today's marketplace.

First of all, strategic plans need to be in writing. This will ensure that your business direction is clear and understood by everyone involved in helping reach your goals.

## Ask Three Key Questions

Before you put the final plan on paper, serious time needs to be spent in answering three basic questions:

1. **What business are we in?** This is the most fundamental question for discussion as you define your core

business. Is it providing customers the best agronomic advice or marketing their crops or presenting the best services that differentiates your firm?

2. **Who is our target customer?** This question relates to the first. Is it your growers, or is it a food processor or consumer? In an urbanized market, where does the community fit in as a “customer”?
3. **What does your customer consider valuable?** Your target customers are those who derive the greatest value from what your business provides. This is increasingly important as the value proposition in our industry shifts to consumer-driven preferences in the crops we help grow.

## Structure for Results

Answering the key questions gives your written plan form. This ensures that essential resources, the “energy” in your business, have a laser-like focus on the right markets, technologies, customers and people skills needed to turn plans into reality and marketplace leadership. Focus points in the structure you must create include:

- **Analyzing your market.** Update your market information on every element needed to fully understand your marketplace: acreages, crop inputs, competition and so on. Compare results to major trends and where your market will be in five years. The more accurately you anticipate the future, the better you will profitably manage future change.
- **Selecting products and technologies.** As technologies and product offerings proliferate, you must carefully select each one precisely for a match to strategic focus. Traditional measurements of fit may no longer meet return on investment objectives.
- **Implementing new technologies.** Selecting technologies is

difficult, but the challenge of timely implementation is even greater. Include procedures for implementing new technologies in your strategic plan.

- **Communicating your strategy.** This is not just for the big companies anymore. Your effectiveness as a manager hinges on how well you communicate to internal and external audiences. Communicate your strategy through an action plan that ensures audiences understand your message.
- **Managing people and their potential.** The only way your strategy will be acted upon is through your own team. If your team is not solidly in place, your immediate job is to build a team that has the enthusiasm and capability to carry out your strategy.
- **Putting your plan to work.** Like other business tools, plans must be put to work. There are many categories you can include in your own plan, but the above suggestions are important in a basic plan you can build on in the years ahead.

Managing change in agribusiness is a challenge that requires use of the most effective managerial practices you can apply in your business.

Convert this time of change into your competitive advantage with a strategic plan and put it to work, every day, through a plan of action.

Your strategic plan will become the most powerful and cost-effective business tool in your arsenal as you fight and win the endless battles for market leadership. □

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