A Framework for Effective Industry Strategic Planning

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As agricultural commodity industries strategically plan for their future, they need to consider the systemic and synergistic effects of such factors as changing government regulations, demand expansion or contraction, globalized markets, increased competitive pressures, and greater customer quality requirements. This article discusses a framework developed to help industries strategically plan within the context of these dynamic factors. This framework, based upon relevant theory and an accumulation of experiences with this type of strategic planning, provides one possible approach for addressing the strategic needs of an entire industry. In this way, a commodity industry as a whole can identify and address key industrywide strategic issues to maintain and enhance its competitiveness, profitability, or at the very least, its survival in increasingly global markets.

Key Words: framework, industry, strategic planning

Many dynamic changes are affecting the competitiveness and economic viability of regional agricultural commodity industries. These include changing government regulations, demand expansion or contraction, globalized markets, increased competitive pressures, and greater customer quality requirements. At the level of an agricultural firm, these changes can be addressed by the strategic choices arising from a firm’s individual efforts at strategic planning. However, responding successfully to many of these changes is beyond the ability of individual firms.

Effective responses often demand some level of industrywide action to improve efficiency of vertical linkages and enhance performance in meeting customer needs. Within agriculture, these industry-based responses have historically taken the form of such structures as cooperatives, marketing orders, commodity check-off programs, and commodity association promotion activities. Whether such strategies are used,...
and whether the most effective strategies emerge for a given situation, have often been a result of chance events and short-term crises rather than the result of any systematic, long-term attempt to plan and coordinate at an industry level. Precisely because agricultural firms have legitimate options for group action, industry-level strategic planning and coordination might be significantly enhanced if such activities were based upon a long-term strategic assessment of an industry’s needs.

This article is based on the hypothesis that industry strategic planning and coordination (ISPC) would be significantly more effective if an intentional process were established and pursued by industry participants. The authors have seen performance-enhancing strategies emerge from systematic processes used in several regional commodity industries. The purpose of this article is to articulate a framework for ISPC that is both theoretically sound and empirically workable.

The Process and Benefit of Industry Strategic Planning

Strategic planning in the industry context is a process with which firms and organizations within an industry can strategically plan regarding selected coordinated actions to improve industry competitiveness, performance, and economic viability. A common approach is for representatives from firms, industry organizations, and other interested groups to meet together periodically in a leadership roundtable format to synergistically discuss overall strategies and to set the stage for the future success of an industry. One of the key expected outputs of this type of process is a set of prioritized strategies or action alternatives where industry action can help improve performance.

The participants in an industry planning process selectively work on developing strategies to address certain issues that can supplement strategies of individual firms and can help set the stage for improved performance by both individual firms and the aggregate, vertically linked industry. This process can be expected to focus attention on certain opportunities or problem areas where individual firms and/or support organizations can respond if they choose to do so with appropriately identified strategies. The need for coordinated industry responses through industry strategic planning could potentially include many areas such as improving demand expansion efforts, developing a critical mass for new products, improving technological and managerial capabilities, and developing information in critical areas.\(^2\) The results of increased coordination within an industry could be to enhance and quicken needed adjustments in such areas as production and marketing.

One area currently receiving particular attention in many industry strategic planning efforts is a focus on the improvement of vertical coordination and supply chain management. Specifically, strategic industry coordination helps to facilitate increasing effectiveness in the marketing system by identifying customer needs and developing effective industry responses to meet the changing demands of consumers and other

\(^2\)In a companion publication, Lyford, Peterson, and Sterns (1999) focused specifically on the issue of the economic benefits of an industry strategic planning and coordination process.
In particular, the Michigan apple industry strategic planning process focused efforts to better understand and respond to consumers’ quality needs, such as a preference for apples with a high level of condition and good taste.

These areas in strategic planning represent key activities which can be completed to a certain degree simultaneously, or with some overlap. For example, the shared understanding of an industry’s situation developed in situational analysis will likely continue to evolve over a period of time even as the overall growth positioning is developed.

An Analytical Framework to Achieve Effective Industry Strategic Planning

Using theory and experience, an analytical framework for ISPC has been developed which is designed to be potentially useful to practitioners of ISPC in a wide variety of industry contexts. Existing frameworks of firm strategic management (Thompson and Strickland, 1995; Porter, 1985) and earlier work with industry strategic planning (Ricks and Woods, 1995, 1996) provided an important conceptual baseline for some of the content areas in the framework to be described. The framework has been used in case study work with several commodity industries, and these case studies support the effectiveness of the ISPC framework. These case studies include the Michigan apple, the Michigan tart cherry, and the Texas vegetable industries. More detailed, comprehensive coverage of the framework and its development is included in Lyford (1998).

This approach to theory and framework development appears to be consistent with the approach advocated by Porter (1994). He notes that firms face a highly complex, specific situation which is dynamically changing as the firm, industry, and environment evolve. This complex, dynamic setting strains conventional economic approaches to theory building. Conventional economic theory approaches often focus on isolating a few key variables of interest abstracted from the many real complexities of competition. The ISPC framework is designed to be used in the many complexities of actual market competition.

As illustrated in figure 1, the basic structure of this ISPC framework is conceived as a series of phases involving key analyses and related activities as part of an effective ISPC. The “boxes” in figure 1 represent overall flow activities. The logic behind this flow is that an ISPC has some unique start-up characteristics which are captured in process initiation as an essential first phase. Then, strategic planning can be pursued by an industry, ensuring the best overall industry strategies are selected based upon the knowledge developed and the choices made in the strategizing process. To be effective, the strategies selected must then be implemented and,

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Figure 1. A framework for industry strategic planning and coordination

when relevant, coordination among industry participants accomplished. Strategy review and reevaluation (phase 4, figure 1) represents the reconsideration of earlier phases based on changing circumstances.

The framework is largely consistent with, and includes, traditional strategic management tools. However, the application of these tools is substantially different because fundamental differences exist between the situation of a firm and that of an industry. A commodity industry is made up of a complex set of numerous firms at various vertical stages in the marketing chain. These firms have differing core business strategies and various levels of vertical and horizontal linkages. Commodity industries also include industry support organizations—e.g., promotional commissions, industry associations, or grower/producer groups. Furthermore, because of these numerous participants, there is no clearly identified leader (comparable to a firm’s CEO or executive committee) with the responsibility and authority to advance the development and implementation of performance-improving strategies for an industry.

The main differences between ISPC and firm-level strategic management arise from the inherently fragmentary nature of a commodity industry. The discussion below describes many of these differences and presents methods for application of strategic management tools within an industry setting.
Process Initiation

If an industry is to engage in visioning and planning through ISPC, the logical first phase is “process initiation” where an industry begins ISPC (figure 1). There is a special need for this phase because there is generally no clearly established industry structure in place to accomplish ISPC. This is in marked contrast to firm strategic management where a firm’s CEO or group of top executives could accomplish process initiation in a relatively straightforward fashion.

Five main aspects can be delineated for the ISPC initiation phase. One important early aspect is the decision among the industry leaders for the need for ISPC. Once the decision has been made to implement ISPC, the next helpful step is the formation of an industry core group to provide leadership and guidance for the ISPC process (i.e., an ISPC group). These and other key aspects of the process initiation phase are described in detail below.

Agreement on an Industry Need for an ISPC Process

A key starting point for ISPC can be a shared agreement among industry leaders of the need for ISPC based upon some level of commonality, shared problem areas, and the possibility of shared benefits from industry actions that facilitate improved industry performance. This initial step is important because an agreement on need forms a base, starting point, or a mandate for an ISPC process. To help develop this agreement, this topic can be addressed through various industry discussions or forums at industry meetings. Through this process, members of the overall industry can discuss and clarify the commonalities and interdependencies in the industry, as well as how an ISPC process might develop related beneficial strategies for improved industry performance.

The awareness of the potential for ISPC, as well as the recognition of relevant industry interdependence, can be aided by catalysts such as threats, problems, concerns, or events. In the Michigan apple industry case, such catalytic challenges as the threat of Washington’s ever greater dominance in the fresh apple market and the loss of important pesticide inputs from government regulation provided some of the important impetus to initial ISPC efforts. Such catalysts can further help to establish a sense of need in the industry about addressing a particular problem and the potential gains from ISPC.

The industry agreement may come from a number of industry leaders agreeing in some fashion that ISPC has the potential to be useful. This industry leadership could come from a number of sources, such as:

- leaders of industry organizations, especially those supplying industry public goods;
- leaders representing various industry segments; and
- leaders representing individual firms within the industry.
In some situations, an industry may decide to vote on whether an ISPC process would be worthwhile. Such a referendum would likely require an effort by industry leaders to communicate the felt need for ISPC broadly throughout the industry.

**Formation of an ISPC Leadership Group**

After industry leaders decide to proceed with an ISPC process, they might find it useful to develop some form of an ISPC leadership group whose members would focus and coordinate the ISPC process. The need for an ISPC group relates to the need for an industry involved in ISPC to possess effective decision-making capabilities. An ISPC group can focus and lead the ISPC process for the industry. The group can also bring to the broader industry—and seek consensus there—the key strategies developed and recommended through ISPC.  

In ISPC group formation, consideration must be given to the question of what type of organizational arrangement might help facilitate the ISPC process and promote strategic performance results within that industry. Logically, the selection of an organizational arrangement for the ISPC group would be expected to depend upon the nature and structure of the industry. Some organizational alternatives include the following:

- informal arrangements led by the main existing industry organization(s), such as a generic promotional organization or trade association;
- a special ISPC planning group;
- one main industry organization taking the lead with ISPC;
- ad hoc groups of leaders occasionally getting together to discuss certain problems; and
- an industry “roundtable” where all major industry organizations are represented.

The choices regarding the specific organizational arrangements must be based on the particular industry’s situation. For example, one main industry organization, such as an industry trade organization, if it represents the industry completely enough, may be chosen to lead an ISPC process. Alternatively, an industry comprised of many industry organizations with an especially diverse set of firms might well require a different strategy, such as an agreement by all of the main industry organizations to meet and facilitate ISPC in a roundtable format. In general, it is important for all key segments of the industry to be represented or to have some input into the ISPC process, since this full participation can facilitate a broad base of ownership of ISPC.

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5 The core leadership group can be particularly effective in accomplishing ISPC, since this group is comprised of a panel of experts on the industry. Such an ISPC group consists of industry leaders who have important insights regarding the industry’s situation and potentially effective industry responses to evolving circumstances. Through this leadership core, ISPC is able to marshal the analytical resources of a number of key leaders within the industry.
within the industry, as well as assuring more effective planning and implementation efforts (Walzer, 1996).6

The group of industry leaders can aid in implementing the various strategies developed or advocated through the ISPC process. It is important in the firm-level strategic management context that a similar group of firm leaders be assembled to advocate needed change (Kotter, 1996). In the industry setting, having an effective group of leaders in support of particular actions is even more necessary than in firm strategic management because of the need for establishing consensus among an even more diverse group of planning participants, and also because of the lack of direction or control found in the industry context. In ISPC, the leadership is essential in explaining to the industry why industry action is needed and how the particular proposed action will provide benefits in meeting certain industry needs. Such a group of industry leaders can provide impetus for implementing and developing consensus in the broader industry regarding the various strategies being considered.

Selection of a Set of Common Objectives for ISPC

One of the initial goals of the ISPC leadership group should be to develop a set of guiding principles for the group. These should contain the general mission of the ISPC group to improve industry performance and competitiveness. Further, the overall expected outputs of an ISPC process, such as enhanced industrywide performance in effectively serving customer needs and a strategic plan, may be included in the set of common objectives. Group theory suggests such a set of common objectives is critical to effective group action.

A set of common objectives can provide a focal point for the ISPC group. It serves to communicate the main reasons and motivations for ISPC. For the industry, this may serve to raise interest in the ISPC process because the industry can come to clearly understand the possible benefits and devote attention to ISPC industry-improving strategy efforts. For those not in the industry, the set of common objectives serves to (a) show customers how the ISPC effort is striving to improve performance and customer service, (b) assist the ISPC group in communicating the needs of the industry, and (c) demonstrate that the ISPC group is not seeking to achieve monopolistic practices.

As a specific example, the Michigan apple industry established the following set of common objectives in its ISPC effort:7

1. To enhance the competitive position of the Michigan apple industry in the future.
2. To assist in clarifying and setting overall priorities for future industry needs.

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6 Although Walzer (1996) examines strategic visioning in the community development context, the implications for the “community” of a commodity industry are equally appropriate.

7 Strategic planning and the goals of the Michigan apple industry are discussed further by Ricks and Schwallier (1996).
3. To develop a future oriented strategic plan for the benefit of the Michigan apple industry.

4. To help further strengthen cooperation among various industry segments on priority issues that are not likely to be solved by individual firm action alone.

**Development of a Method to Pay for the Costs of the ISPC Group**

Another important matter an ISPC group must address is how to pay for the planning efforts. To some extent, the planning efforts are a public good for the industry, and as such there commonly is an issue of who will pay for the planning process due to free-rider features. By agreeing on how the costs associated with an ISPC group—i.e., provision of the staff support for an ISPC group, communication costs, etc.—will be paid for and allocated within the industry, relevant firms and industry organizations can better assess their individual incentives to participate in ISPC.

Who will pay for the ISPC planning process will likely depend upon the specifics in an industry and the willingness of the industry’s firms and industry organizations to pay such costs. There are several possible alternatives, depending on the industry. However, it is likely in many industries that industry organizations will play an important role since they already provide an industry public good. There may remain an issue of how to allocate the costs among industry organizations. This cost issue will likely need to be resolved through negotiation among those organizations interested in achieving the benefits of an ISPC process.

**Provision of Staff Support for the Process**

Another important issue within the ISPC process initiation is to have adequate staff support. The staff of an ISPC process is similar to professional analysts and planners who are often used in firm strategic management and provide important inputs. Staff can have important roles in developing analyses, information, and other resources requested by an ISPC group. For example, staff support may develop much of the situational analysis for a group to use.

The ISPC group can designate some individuals to provide staff support. A logical choice for providing the staff support would be from those individuals, firms, and/or industry organizations interested in an ISPC process. Alternatively, a consultant could be hired to arrange for the staff support roles. In general, it would be most effective if the individuals selected are well regarded in the industry, and one particular industry segment is not favored.

**Strategic Planning**

A second phase in the ISPC framework which involves a considerable portion of ISPC is embodied in the strategic planning phase (figure 1). The goal of this phase is to move the industry group through a process in which the specific strategies most
likely to result in improved industry performance are selected for implementation through some type of facilitated or coordinated actions within the industry.

**Situational Analysis**

Situational analysis focuses on developing a comprehensive, up-to-date understanding of the evolving industry. The situational analysis in the industry setting is similar to situational analysis for a firm setting except the focus for the industry setting is on a broader industry context which includes many firms at different levels in the marketing chain as well as industry support organizations.

A situational analysis is best accomplished in ISPC prior to developing industry growth positioning and priority industry objectives. The reason for this recommendation is that, before these decisions can be effectively made, the industry leadership group needs to develop a substantial degree of shared understanding about the relevant aspects of the industry, e.g., its problems and opportunities. The shared understanding of the current situation is an important component of developing a shared industry vision, growth positioning, and consensus relative to the industry’s needed future directions. Tools used in situational analysis at the industry level are described below.

**Shift-Share Analysis**

An important tool that can be used as part of ISPC for situational analysis is shift-share analysis. Shift-share is an analysis of changes and trends in the industry’s market share, size of market, industry sales volume, and value of key industry market segments over time. This tool provides a quantitative assessment of some key market trends as well as some overall baseline information on important aspects of an industry’s performance in major market segments. An example of shift-share analysis in the industry setting is provided by Ricks, Hinman, and Woods (1995).

**Strengths-Weaknesses-Opportunities-Threats (SWOT) Analysis**

SWOT analysis is used in ISPC to provide an overview of the industry’s situation. For firms, this method is described in a number of books, including Thompson and Strickland (1995, pp. 92–96). A main difference between firm-level SWOT and industry-level SWOT is the unit of analysis for the industry is much broader and in some respects involves more complexities. Consequently, the industry-level SWOT analysis must examine the wide array of firms and the interrelated vertical coordinating systems within the broad industry and seek to develop meaningful industrywide analysis. This industry-level process is more complex, generally with more emphasis on vertical coordination issues, in comparison to firm-level SWOT analysis. An example of an industry SWOT is provided in Ricks and Woods (1996).
One aspect of SWOT analysis which has gained recent prominence in strategic management is a focus on the resource-based view of the firm. Specifically, the set of resources in the firm (labor, production facilities, etc.) should be developed to form core or distinctive competencies which are difficult for competitors to duplicate and make a substantial competitive difference. Often these competencies can be acquired through the development of specialized and durable assets, such as brands or patents (Pitts and Lei, 2003). In industry analysis, developing these kinds of competencies for the industry should be a major focus. For example, the New Zealand apple industry is a world leader in developing commercially successful varieties. In the last two decades, New Zealand producers were able to capture strong returns from several new varieties before competitor industries could start production.

Competitor Analysis

Competitor analysis focuses on the relevant competition of an industry. Again, an industry-level analysis is somewhat different from firm-level analysis. Industry-level analysis focuses on the competitive differences between regions (e.g., the Michigan apple industry versus the Washington apple industry) or the competitive differences between substitute products (e.g., the U.S. tart cherry industry versus the U.S. blueberry industry) rather than the differences between firms. Thus, competitor analysis is placed in a much broader context for an industry than for a firm.

For example, the Michigan apple industry has been quite interested in the Washington apple industry’s success using various quality management strategies, such as a premium grade and mandatory minimum quality standards, because these industry strategies have apparently improved Washington’s performance in effectively serving customer needs. The results observed in the Washington apple industry have provided some motivation for initial consideration of those two strategies by the Michigan apple industry.

Development of an Industry’s Vision/Mission Statement

Using the results of the situational analysis, the ISPC leadership group, with some help from staff and, to some extent, the broader industry, may want to consider an overall mission/vision statement for the industry. The mission statement can be an important consensus-building tool for the industry. The mission statement may also serve to improve vertical coordination in the industry by aiding the overall industry in identifying and making needed adjustments to better meet customer needs. An industry’s mission statement could serve to inspire and challenge the industry for increased buy-in into ISPC.

There is some disagreement among practitioners about the benefit of a mission statement to an industry. This debate centers around the composition of an industry as opposed to a firm. Given the diverse nature of many industries, it is often difficult to develop an industry mission statement that adequately describes the overall
Table 1. Michigan Apple Industry: Market Trends and Goals by Major Market Segment, 1993

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>Current Market Trend</th>
<th>Goal for the Industry</th>
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</thead>
<tbody>
<tr>
<td>Fresh</td>
<td>Slow Growth</td>
<td>Substantial Growth</td>
</tr>
<tr>
<td>Sauce</td>
<td>Increasing</td>
<td>Continue Increase</td>
</tr>
<tr>
<td>Slices</td>
<td>Slight Decrease</td>
<td>Increase</td>
</tr>
</tbody>
</table>

purpose of the industry. In addition, discussion or efforts to develop a mission statement could lead to conflicts which may detract from the ability of an industry to engage in effective ISPC. Drawing from our specific examples cited earlier, the ISPC leadership in both the Michigan apple and Texas vegetable industries chose not to develop mission statements. This decision would suggest that while a mission statement is an important firm-level strategic management tool, it is not necessary in an industry setting.

**Growth Positioning**

Another beneficial area of focus for ISPC is the development of an overall assessment and plans for future possibilities for growth in various segments being served. Partly as a result of the situational analysis, the industry as a whole can adopt some overall goals for the industry with regard to growth for the future. An industry might also want to break down the various market segments being served into meaningful components or specific segments for this type of growth positioning. For example, the apple industry serves the fresh, sauce, slice, and juice major market segments.

Aided by the information developed through shift-share analysis and other components of situational analysis, each major or minor market can be assessed with respect to growth positioning—a position of growth, maintain current status, refocus, or exit—which is most attainable or appropriate as a desirable outcome for that market. Additionally, goals for each segment can be developed to address specific areas for achieving desired outcomes. An example of growth positioning for the Michigan apple industry is provided in table 1.

**Determination and Prioritization of Major Improvement Objectives**

To achieve the vision and growth positioning developed in the area of strategic planning, it would likely be effective for an industry to identify and prioritize its major improvement objectives. The improvement objectives are broad topics or areas that the industry needs to address in the next three to five years. These are areas on which the ISPC group and the industry decide to focus as priorities in order to
improve the broader industry’s performance. For example, in the Michigan apple industry, the following areas were selected for priority attention: (a) quality management for fresh apples, (b) variety evaluation and strategies, (c) domestic demand expansion, (d) pest management, (e) export expansion, (f) increased marketing of tray packs, and (g) facilitating and prioritizing needed research.

It is important to be aware that objective setting by an industry is complicated. An industry is complex, and its various firms and organizations may have different priorities with regard to what the industry should strive for as overall objectives. Given this potential conflict of views, considerable discussions within the ISPC group and other industry forums are important for the industry to establish some consensus on the major improvement objectives.

Staff analysis may assist the industry in evaluating particular objectives. For determining and prioritizing possible improvement objectives, there are two general screening questions which may aid an industry in identifying and selecting the ones with greatest potential:

- To what extent is industry-level action needed to achieve success in regard to a particular objective?
- Does the proposed objective address an important gap between current industry performance and needed or desired performance?

*Development of Specific Strategies for Facilitating Needed Industry Improvement*

The development of specific strategies for facilitating needed improvement in the industry indicates what actions firms, industry organizations, and the industry as a whole should undertake to improve industry performance. These strategies are what the ISPC group thinks should be facilitated and/or implemented through selected types of coordinated efforts within the industry. The specific strategies focus on how the industry’s vision, overall growth positioning, and objectives are to be achieved.

ISPC strategies will often be stage-setting in nature, and will focus on areas that will enable improved performance by firms and industry organizations. For example, developing market information on the apple varieties in demand sets the stage for improved Michigan apple industry responses to these variety needs. Table 2 provides a listing of major improvement objectives and the strategies implemented for each of these objectives by the Michigan apple industry.

Deciding on which strategies to undertake is considerably more difficult in the ISPC context compared to the firm strategic management context—i.e., while there may be a general agreement on objectives at this point, the industry must still come

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8 The term “stage setting” as used here refers to strategies which help provide an environment that is positive for the industry and does not substantially change the competitive position between firms. These strategies generally need additional related actions by individual firms for most effective performance.
Table 2. Michigan Apple Industry: Major Industry Improvement Objectives and Strategies Supported by the Task Force

<table>
<thead>
<tr>
<th>Major Industry Improvement Objective</th>
<th>Strategies Supported by Task Force</th>
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| Quality management for fresh apples | - Total quality management (TQM)  
- Maturity information program  
- Pre-harvest workshops  
- Bringing in a TQM expert consultant  
- Premium grade standards  
- Mandatory minimum quality standards  
- Developing pilot management practices and/or HAACP programs |
| Variety evaluation and strategies  | - Information on consumer demand for varieties  
- Shipper survey on future fresh variety demand  
- Processor survey on future processor variety demand  
- Analysis of trends in production by variety |
| Domestic demand expansion  | - A 5-year strategic plan developed by the Michigan Apple Committee  
- Increased funds for the Michigan Apple Committee  
- More consumer market research |
| Pest management  | - An apple industry stewardship plan on pest management and pesticide issues  
- Efforts to secure funding for integrated pest management research |
| Export expansion  | - Work with other regions through the U.S. Apple Export Council  
- Sponsor industry visits to promising foreign markets  
- Work to enable access to targeted foreign markets  
- Develop protocols to overcome phytosanitary trade barriers |
| Increased marketing of tray packs | - Information on opportunities and economic returns for packing trays  
- Encourage continued packinghouse modernization  
- Encourage continued orchard modernization and management for more tray pack quality fruit |
| Facilitating and prioritizing needed research | - Industry survey information  
- Support actions to retain an Agricultural Research Service (ARS) position in Michigan  
- Efforts to obtain federal fireblight research funding  
- Priorities for needed university research and extension |

to some agreement on the strategies for accomplishing the performance-enhancing objectives based upon consensus within the ISPC group and the broader industry. Consensus may be particularly difficult to achieve because firms may tend to focus on their rivalry conditions or on short-term benefits to their firm, rather than focusing on the broader industry benefits of a strategy.
Coming to a consensus agreement in ISPC will likely be particularly difficult for those strategies which would require a joint decision and which an entire industry or an industry segment must follow in order to be effective in their implementation. These types of strategies can be termed broad-based industry strategies because they require a broad base of industry support. Some examples of broad-based industry strategies include federal marketing orders, industrywide grade standards, and/or formation of a new industry organization paid for by industry assessments. Group theory suggests these sorts of strategies face particular difficulties in achieving necessary consensus and have special issues needing to be addressed.

Implementation and Coordination of Specific Strategies

After various industry improvement strategies have been developed and some level of industry consensus support has been obtained, it is important to move from planning the strategies to the implementation and coordination of these strategies (phase 3, figure 1). This phase is consistent with implementation in firm strategic management where support and action from key firm decision makers, such as the CEO and top executives, are important for implementation of particular strategies. However, an industry usually has quite a diverse makeup, with various types of firms and industry organizations that can complicate the implementation of strategies—even after these strategies have received the necessary consensus. Consequently, implementing ISPC strategies becomes more complicated and difficult in an industry context than for a firm.

One main choice in selecting individual strategies is to what extent the strategy will probably be voluntary or mandatory in nature with regard to implementation. An example of a mandatory strategy would be to levy an assessment on all marketed fruit to pay for certain kinds of industry research which would essentially be a “public good” to the industry participants.

Mandatory strategies, by their nature, have an enforcement mechanism and have required expectations of firms and/or industry organizations. A majority of the firms and industry organizations would need to agree on and support a strategy if it were to become mandatory through an industry referendum. This agreement is often difficult, uncertain, and costly, since firms and industry organizations have varying agendas, goals, and evaluations of the potential benefits. Thus it is often substantially easier to achieve voluntary strategies. Furthermore, mandatory strategies are often perceived negatively by industry participants. This is one reason why most strategies developed in ISPC are voluntary in nature—i.e., individual firms and industry organizations with varying agendas and goals may implement strategies depending upon their individual perceptions of what is in their own best interest.

An ISPC group, in and of itself, usually will not have sufficient power or resources to implement broad industry strategies, but can more often adopt certain kinds of facilitating roles. There are a number of approaches an ISPC group can use to help facilitate the implementation of strategies:
- Develop an implementation guideline plan for needed industry improvement strategies.
- Continue communicating the need for and the elements of the strategies to the broader industry because the firms and industry organizations will be more likely to implement strategies of which they are aware and understand.
- Measure progress for each strategy because this will aid in assessing how effective current strategies are in meeting desired industry objectives.
- Consider enforcement mechanisms if there are strategies that include mandatory components, such as generic promotional assessments and/or grade regulations.

Strategy Review and Reevaluation

Strategy review and reevaluation, the fourth phase in the ISPC framework (figure 1), is based on the recognition that an industry, its competition, and the overall economy are constantly evolving in a very dynamic fashion. Hence, the strategies developed through ISPC will likely need to be reviewed frequently and modified. This process is similar to the review process in firm-level strategic management. In its review and reevaluation, the industry must be alert for major new changes and/or driving forces of importance to the industry. Old problems and challenges may become less of a priority, or perhaps in some cases no longer be relevant, and/or new opportunities may arise. As time unfolds, more appropriate strategies and actions can be developed to meet evolving circumstances.

Summary

The key focus of this article is the development and explanation of an analytical framework for industry strategic planning and coordination that is designed to be potentially useful to practitioners of ISPC in a wide variety of industry contexts. This framework was developed based upon existing literature examining firm-level strategic management and economics, combined with practical experience gained by the authors while working in this setting. In addition, specific examples from experiences in the Michigan apple industry are provided for empirical illustration. Overall, the ISPC framework is posited to provide a useful model that can be of assistance to agricultural commodity industries as they strive to achieve and maintain effective competitiveness in an environment of increasingly global markets.
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