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An industry endorsed strategic plan for the Australian venison industry

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Abstract. The process of developing and successfully achieving endorsement of a strategic plan formulated for the Australian Venison Industry is presented in this paper, the first in a series of four papers on this theme. The endorsed strategic plan recommends that the industry should establish market focussed alliances with the aim of delivering a specified product to an identified target market. It also proposes generic industry policies and initiatives and suggests a stronger commercial focus for the RIRDC research model. The development process of the strategic plan relied on the integration of both analytical and relationship methodologies. This paper will detail the rationale underpinning this integrated approach together with its application to developing a strategic plan that could be ultimately supported by the industry.

Keywords: venison, strategic plan, industry endorsement.

Introduction

This report, the first in a series of four papers, explains the development and endorsement of a strategic plan formulated for the Australian venison industry. The industry endorsed strategic plan was built upon the findings from extensive consultation with all levels of the industry as documented in the second and third reports titled "Situation analysis of the Australian Venison Industry" and "Limiting factors and SWOT analysis of the Australian Venison Industry" respectively. The ensuing fourth paper examines the importance of the facilitation of change and recommends change management initiatives necessary for the successful implementation of the proposed strategic plan.

The endorsed strategic plan outlined in this report aims: to develop an advanced market focus for venison producers and processors via targeted consumer value propositions that reposition venison in the broader red meat market and provide a price which offers an acceptable return for value chain partners involved. Initially, this paper will briefly review the rationale and integration of the analytical and relationship methodologies

applied in the process of developing the strategic plan for the Australian venison industry. The evaluation of the industry and the subsequent evolution of the strategic plan will be presented. A diagram of the strategic options recommended and endorsed will be illustrated and the consequent discussion will provide guidelines regarding the implementation of the industry endorsed strategic plan.

Literature review

The endorsed strategic plan for the Australian venison industry was developed with the project objective being *"to develop and implement according to industry, an industry endorsed strategic plan that identifies choices for growth for all sectors and participant levels of the Australian farmed deer industry through a portfolio of improved business opportunities and tailored change management strategies"*¹. In developing the strategic plan for the Australian venison industry, the researchers needed to apply a methodology process that was able to both:

¹ Rural Industries Research and Development Corporation (RIRDC) Project number US-130A

1. Evolve over the timeframe of the research; and
2. Provide the scope and flexibility to consider outcomes in real time.

In formulating a methodological process that would be suitable for developing a strategic plan for the Australian venison industry, the researchers were also forced to consider contractual and industry specific constraints.

A brief overview of the research methods applied and the rationale for their use will be discussed through this literature review. Following a review of case study methodology, the impetus behind the relationship and analytical concepts applied, will be discussed.

Case study methodology

Case study methodology was employed in the development of the endorsed strategic plan for the Australian venison industry. Yin (1994) states that case studies are the preferred research strategy when the focus is on a real life phenomenon. Industry Strategic Planning and Coordination (ISPC) is an approach utilised in the planning of strategies for commodity industries (Lyford et al 2002). Hall and Lyford (2001) state that they prefer to use a case study format to profile the ISPC frameworks as this approach provides practical solutions to observed problems. Hall and Lyford (2001) continued to outline the benefits of using a case study approach, by stating that the complexities and interactions of an industry situation cannot be condensed to conform to the assumptions of traditional economic models.

Lyford et al. (2002) documented an analytical framework for ISPC that would be effective in a range of industry settings. The ISPC framework has been successfully used to develop strategic plans for the Texas Vegetable Industry (Hall and Lyford 2001) and Michigan Apple Industry (Ricks and Woods 1996).

In the context of this strategic process undertaken for the Australian venison industry, the analytical tools employed were treated as separate but interrelated concepts. The analytical tools and concepts used were:

1. Identification of growth limiting factors
2. Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis
3. A current situation analysis
4. Change management analysis
5. Industry endorsement process

While this paper discusses the development

and endorsement of a strategic plan for the Australian venison industry, the subsequent three papers within this series of papers deal exclusively with the first four studies mentioned above. (The limiting factors and SWOT studies have been amalgamated into the third paper; the second paper discusses the situation analysis per se and the fourth paper refers to the change management analysis). While these concepts are discussed in the successive papers, it is important to note that each formed a critical step in the development of the strategic plan for the Australian venison industry.

Relationship methodology

The researchers adopted deliberate strategic processes to ensure the development of strong, professionally based relationships with the Australian venison industry. Whilst analysing relationships in the context of buyer and sellers, Wilson (1996) alludes to this concept by commenting that relationship development has become tactical in the attainment of goals. Whilst Wilson's statement is in direct reference to firms, its underlying concept of the importance of relationships to achieve objectives is directly applicable to this research situation. Commitment, trust, cooperation, mutual goals, performance satisfaction and social bonds were significant relationship variables presented by Wilson (1996) and were key factors focused on by the researchers in this venison study. They are discussed in more detail below.

Lyford et al. (2002) discusses the constructivism of forming a leadership group to manage the ISPC process, especially as there is a need to establish consensus amongst a diverse group of planning participants. While the strategic process in the case of the Australian venison industry was being directed by the research team, Lyford et al (2002) qualifies his statement about the role of leadership in the ISPC process by stating that "the choices regarding the specific organizational arrangement (of the leadership groups) must be based on the particular industry's situation".

The need for the identification of key players within the Australian venison industry in the process of developing a strategic plan for the industry is summarised by Lyford et al (2002) "as such a group of industry leaders can provide impetus for implementing and developing consensus in the broader industry regarding the various strategies being considered".

In the process of developing the strategic plan, the researchers monitored the commitment levels of industry participants to

the strategic process, as they believed this would be a very suitable measure for determining ownership within the industry. Wilson (1995) states "commitment implies the importance of the relationship to the partners and a desire to continue the relationship into the future". The researchers believed that the level of commitment shown by industry participants towards the strategic process being undertaken would reflect the level of ownership the industry was taking towards the strategic changes being considered.

Analytical methodology

One of the key focuses in the analytical framework to derive a strategic plan for the Australian venison industry was the role of endorsement by industry. Again, while existing literature into ISPC fails to directly identify the need of endorsement within the strategic process, the role of industry support for strategic options is widely documented.

The analytical tools for industry endorsement fall within the strategy implementation concepts of ISPC. Lyford et al (2002) in his discussion of the importance of strategy implementation and coordination of industry specific strategies, comments that deciding on which strategies to undertake is considerably more difficult in the ISPC context compared to the firm strategic management context, as while there may be a general agreement at this point, the industry must still come to some agreement on the strategies for accomplishing the performance-enhancing objectives based upon consensus within the ISPC group and the broader industry.

Methodology

The development of the endorsed strategic plan for the Australian venison industry involved the application of an analytical methodology, together with a relationship methodology, and sought to integrate these two approaches.

Analytical methodology involved a variety of qualitative and quantitative techniques to collect and disseminate information relating to the Australian venison industry and other competitive meat industries. As mentioned previously, the tools and concepts applied were:

1. Identification of growth limiting factors;
2. Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis;
3. Situation analysis;
4. Change management analysis; and

5. Industry endorsement process.

Once the researchers identified the growth limiting factors, SWOT, and current situation of the Australian venison industry, the key problems of the industry were ascertained. A 'key challenge' was then devised that embraced these key problems and the industry's characteristics were subsequently evaluated with regard to achieving this key challenge.

The collaboration of the research team, together with industry feedback, then provided a range of strategic options for the Australian venison industry. Three criteria were established and the research team used these criteria to evaluate the feasibility and likely success of strategic options formulated.

The three criteria for the strategic options were based on:

1. Effectiveness grounds
2. Efficiency grounds
3. Value and ethical grounds

Once an effective, efficient and ethically aligned strategic plan was formulated, endorsement was sought from industry.

The relationship methodology undertaken by the researchers formed a critical process in this development of a strategic plan for the Australian venison industry. The relationship with industry needed to include commitment, trust, cooperation, mutual goals, performance satisfaction and social bonds. In order to develop a strong professional relationship, the researchers sought to achieve two key factors:

1. The identification of key players within the Australian venison industry; and
2. Creating ownership within the industry for strategic options.

Through the process of identifying key players within the industry and asking the industry to take ownership of the strategic options, the researchers believed they enhanced the process of developing an industry endorsed strategic plan.

At all stages in the development of the endorsed strategic plan, the researchers attempted to gain as much industry feedback and opinion as possible. In turn, this facilitated establishment of ownership and potential endorsement of the strategic plan from within the industry as the research reports unfolded and were released for comment.

Since the commencement of the project in September 2004, researchers consulted,

interviewed, discussed, surveyed or workshopped almost 330 industry stakeholders. This included approximately:

- 180 consumers
- 14 chefs and catering staff
- 15 foodservice and retail participants
- 12 wholesalers or deer procurement identities
- 12 processors and slaughter facilitators
- 80 deer producers
- 15 consultants (both within and external to the venison industry)

In addition, face-to-face interviews were conducted with leaders of competing Australian meat industries.

While the majority of the research undertaken in the preparation of the industry endorsed strategic plan for the industry was focussed on active stakeholders within the industry, an independent study was also undertaken which provided vital market research on potential consumers of venison in selected domestic markets. The report prepared by DA Moffat, from Loulaki Blue Pty Ltd, captured current attitudes of Australian domestic consumers and the food service industry towards venison and included feedback from chefs, foodservice industry representatives and potential consumers. The key findings and results from this report were utilised in the development of the industry endorsed strategic plan and will form the foundation for any further market focussed research for the industry.

The methodology used by the researchers to gain endorsement for the strategic plan was to take the findings from the interim strategic plan back to the industry. This was undertaken through a series of four workshops, organised by selected industry participants.

Researchers requested selected procurement identities within the industry to organise their own workshop, with invitations for the workshop being at the discretion of these organisers.

At the conclusion of each of the four workshops, the researchers asked the participants to voluntarily provide feedback to a series of workshop questions. In the feedback, discussion focused on whether the workshop participants would either positively or negatively endorse the strategic options in principle for the industry and commit their businesses to implementation, along with adding any further comments.

The key issues for the industry

As detailed in the second report, "Situation analysis of the Australian farmed venison industry", the industry is currently in an extended slump, characterised by low returns to producers and a declining number of large-scale deer farmers.

Through the extensive background research undertaken into the industry, it became evident that there were several key issues or problems that needed to be addressed. These key problems embrace all the smaller identified issues that have been documented in the subsequent reports. These problems, in no specific order of importance, are:

(i) Declining economic viability. One of the key problems facing the Australian venison industry is the declining economic viability of the industry in the domestic market. The declining viability is being felt across almost all sectors of the industry but particularly at the farm gate where returns for venison have been at historically low levels in recent years.

(ii) Lack of consumer awareness of venison. Throughout industry consultations, the lack of consumer awareness for venison in the domestic market was noted by participants as a factor currently limiting industry growth. Contributing to this lack of awareness was the absence of a researched marketing plan for the industry.

These early results were further endorsed and validated by the research undertaken Moffat (2005). As concluded by Moffat (2005) the Australian venison industry needs to "develop a marketing plan directed towards raising the profile of venison and repositioning its image with Australian consumers".

(iii) Underutilised value of the whole deer carcass. Discussions with industry wholesalers and processors revealed the dilemma revealed by the underutilised value of the whole deer carcass. While the top quality venison cuts (such as loins and back strap) are highly demanded and relatively easy to sell, the demand and value received for secondary cuts (such as trim) and by-products is very low.

The full utilisation of the deer carcass particularly of secondary cuts and by-products is crucial to increasing returns to wholesalers and processors and eventually, producers.

Complementary to the issue of maximising the value received for secondary cuts and by-products is the

volume of secondary cuts and by-products that are available on the market. Given the small number of deer that each respective processor slaughters compared to larger livestock industries, the volume of product available for the market is also very small. The small volume of product to be sold leaves the wholesaler with very little market power and may see buyers consistently forcing suppliers to reduce their selling price.

- (iv) Lack of suitable product specifications and feedback currently there is inconsistency in product presented, with no constantly applied grading system and very little feed forward information.

As discussed in the third "Current limiting factors and SWOT" report, almost 44% of participants interviewed, identified that the industry had a significant problem with venison meeting ideal specifications.

The importance of product meeting specifications together with the consistency of product is crucial to retaining and growing demand for venison, particularly in the foodservice industry. As reinforced by Moffat (2005), the New Zealand venison industry has been able to grow demand in Australia through delivering a consistent product that meets desired foodservice specifications.

- (v) Competition from New Zealand a key issue for the Australian venison industry is the very strong competition it faces from imported New Zealand venison at the high end of the foodservice market, particularly in Sydney and Brisbane. The New Zealand industry has built demand for its product through delivering a very high quality, consistent product marketed through the Cervena brand.

It is also important to note that the prices paid by the foodservice sector for imported New Zealand venison are often well above the comparative prices paid for Australian product.

Key challenge for the industry

Identification of these five key problems for the Australian venison industry allowed the researchers to define an all-embracing key challenge which is discussed in more detail below. Achievement of the key challenge will in turn address each of the industry's five key problems noted above.

The key challenge identified for the Australian Venison Industry was to:

'Build a market focussed approach within the domestic market which increases demand for

Australian Venison and enhances the viability of all stakeholders in the Australian Venison Industry while still retaining the desirable characteristics of a commodity trading system'.

Once the key challenge was established, it was crucial to consider the capacity of the industry to meet and fulfil this challenge. Results from the industry assessments of the current limiting factors, SWOT and situation analysis were reviewed to evaluate the industry's characteristics and circumstances. The researchers identified constructive and destructive characteristics. The constructive characteristics were the assets the industry currently possessed and potential opportunities it could capitalise on to achieve its key challenge. On the other hand, the destructive characteristics were those disadvantages and dangers that needed to be addressed and overcome to allow the key challenge to be accomplished.

Constructive characteristics

From the extensive consultations with the Australian venison industry participants, the researchers recognised that industry had many qualities to assist in the attainment of the key challenge. While not all the factors are listed below, they include:

Desire to change An accepted culture had emerged within the industry that change needed to occur.

Well positioned in the foodservice sector Operators involved in the foodservice industry typically perceive venison as a premium product.

Eating quality and health attributes The health attributes of venison have been previously commended by Tume (1997) and these were further reinforced by research undertaken by Moffat (2005).

Education of the consumer Although industry participants touted the low consumer awareness of venison as a limiting factor and weakness, it also provides a significant opportunity for the industry to educate consumers about the positive attributes associated with venison.

Alternative markets to be targeted There is potential for the Australian venison market to research and target alternative markets. Moffat (2005) highlights that there are a number of potential target markets for the industry. These could include:

- Top end restaurants;
- Commercial catering facilities that service international or top end clients;

- Cultural groups receptive to the product such as German communities;
- Restaurants and cultural groups with particular requirements, such as Muslims for halal;
- Health conscious consumers;
- Special occasion meals prepared in the home; and
- Frequent restaurant goers.

Use of cheaper secondary cuts While venison is seen as a premium product, the significant and broad appeal of the health features indicates potential for creating new markets using cheaper cuts at locations such as mid level restaurants and in-home meals.

Destructive characteristics

The following is a list of traits that need to be addressed and overcome to enable the Australian venison industry to achieve its key challenge.

Lack of supply The industry currently does not have the supply capacity to capitalise on a sharp increase in demand.

Lack of funds While more funds would not necessarily create an improved strategic plan for the industry, the small amount of funds the industry has available has limited the scope of the strategic options that can be feasibly considered in this research.

Product not meeting specifications It is a disadvantage for the industry that considerable amounts of product right through the production chain fail to meet the specifications desired. Moffat (2005) reinforces the consequences of this problem with survey results from chefs and the foodservice industry indicating that it is a major impediment to increasing commercial demand.

Existing perceptions of potential consumers Venison is widely perceived as a strong, gamey meat. This image appeals to a very narrow market segment and does not align with the actual eating experience of potential consumers who took part in the market research conducted by Moffat (2005).

Lack of viable producers A significant hurdle for the Australian venison industry is the lack of viable producers existing in the industry.

Industry cohesion A lack of industry cohesion will be a big threat to any strategic directions proposed. Previous consultation with the industry has shown cohesiveness and cooperation within the industry can be difficult to achieve and maintain.

New Zealand Currently, in the Australian foodservice industry, New Zealand venison has a positive reputation for delivering consistent, high quality product.

Time frame for recovery There is a real threat that changes may not take place quickly enough for improvement to be successful.

Decrease in export demand With the majority of Australian venison being exported, any decrease in demand for venison from export markets will be a major threat to the Australian venison industry.

Criteria for strategic options

Industry participants and the researchers themselves advocated many alternative strategic options for the Australian venison industry to meet its key challenge. The feasibility and probable success of all the strategic options were evaluated using the following three criteria, as mentioned previously:

1. Effectiveness grounds;
2. Efficiency grounds; and
3. Value and ethical grounds.

The research team assessed each strategic option with reference to these grounds.

Whilst it is not possible to detail the assessment of all the options put forward, it is important to briefly overview the reasoning behind the main alternatives.

Generic marketing was one of the key options supported by many industry participants as indicated by the limiting factors and SWOT analysis. Once this option was assessed against the criteria, it was found to be neither an effective or efficient alternative. For instance, if a generic marketing program were to be embarked upon, the industry would not currently produce enough venison to supply the subsequent demand increases. This could provide an opportunity for New Zealand venison to capitalise on and augment its hold on the Australian market.

Furthermore, one of the main considerations for the strategic options is the current financial constraint faced by the industry, since RIRDC only has a limited source of monetary funds to support the strategic direction of the industry. While an extensive advertising campaign may temporarily increase demand for venison, the cost associated with carrying out such a campaign is likely to be far greater than the industry could support and as such, was not deemed an efficient strategic direction for the industry to consider.

The researchers believe venison can be promoted more effectively by a market focussed approach where consumers are identified and the marketing is concentrated towards their targeted consumers. The issue of whether a brand underpins the marketing of venison within a targeted consumer group needs to be further assessed.

While the New Zealand industry was viewed as a threat in the SWOT analysis, many believed the Australian industry could “join forces”. This option cannot be supported on value and ethical grounds mainly due the maturity levels of the two industries. The New Zealand venison industry is a major agricultural industry in its own right whilst the Australian industry remains immature in both relative size and organisational capacity. There would be an imbalance of power and the benefits derived from such an alliance would not be mutual. Furthermore, the New Zealand industry may not necessarily share the same values as the Australian industry. Nevertheless, this does not preclude some level of cooperation between the two industries, particularly in the area of technological research.

A significant criterion for the researchers in developing this industry endorsed strategic plan for the Australian venison industry has been the ethical considerations about how best to achieve the key challenge for the industry. Again, some feasible strategic options for the industry have not been considered, due to these ethical considerations. For example, in developing strategic directions for the industry to consider, it would have been unethical for the researchers to tailor programs to the needs of certain businesses and thereby “pick winners” at the expense of other industry participants no matter what likely benefits could accrue for these industry players.

The strategic plan

In contemplating the current position of the Australian Venison Industry and the five key problems identified for the industry, the researchers have arrived at a recommendation of three strategic options. These three strategic options have been developed on the basis that the researchers believe they represent the most effective, efficient and ethical pathways for the industry to achieve its key challenge of *“building a market focussed approach within the domestic market which increases demand for Australian Venison and enhances the viability of all stakeholders in the Australian Venison Industry while still retaining the desirable characteristics of a commodity trading system”*.

The three strategic options recommended are:

1. Market Focussed Alliances
2. Generic Industry Strategies
3. RIRDC Research Model

All of the strategic directions recommended through the *Interim Strategic Plan for the Australian Venison Industry* received unanimous endorsement from the 43 industry participants who attended the 4 workshops.

The subsequent discussion of the implementation of the three strategic options will be presented separately.

Discussion of market focussed alliances

‘Market focussed alliances’ are an efficient and effective strategic option for the Australian venison industry to meet its key challenge. The ‘market focussed alliance’ proposal evolved from an understanding of the problems within the industry together with reviewing similar successful initiatives in other agricultural industries. It will be through becoming increasingly market focussed that the industry will be able to expand consumer demand for venison and as a result, increase value for a range of stakeholders in the industry.

Currently, the Australian venison industry operates as a commodity system. This essentially involves each industry participant focusing on production and having little or no knowledge of how the production chain operates further down the line. Participants within the industry have very little “whole of industry” appreciation and are essentially concerned with their own production framework. One characteristic of a commodity system is fluctuating prices, with periods of boom and bust – situations the Australian venison industry has fully experienced in its short lifecycle. As well, due to the “competitive isolation” of participants, commodity based systems tend to be adversarial in nature.

The key to the ‘market focussed alliance’ framework is that it offers an alternative for some industry participants to transfer much of their production from sale through a commodity system to sale through a ‘market focussed’ system. Such a market focussed system identifies the value requirements of the consumer or target market and communicates these value requirements of benefits and price back to the different value creators within the production chain. In essence this ensures that all value chain participants move from production-oriented objectives to market focussed goals that

identify, target and deliver the value desired by their ultimate consumer. The market focussed alliance model will involve all sectors of the industry from producers through to retailers and foodservice. The most important feature of the alliance framework is that the alliances are established with a clear focus on delivering value to the consumer, as perceived by that consumer.

The market focussed alliance model will therefore first need to identify what value attributes the target market demands in venison and then through the alliance, aim to deliver these attributes. This will typically increase demand for venison, as the consumer is now able to obtain the value-benefits they desire in the product.

Given the very small nature of the Australian farmed venison industry, the researchers have identified that there are only a selected number of viable commercial players who have the capacity to implement these change initiatives. While these commercial players interact across all sectors of the industry and undertake many different and important roles within the industry, they currently operate in the framework of commodity trading.

Support from RIRDC could vary from facilitation and assistance in creating the alliance through to the partial funding of alliance initiatives and problem solving. As such, each alliance will need to detail how their research will benefit the consumer and potentially increase demand for venison. These research applications could vary from production methods to retail selling methods but all the alliances will need to be related back to increasing consumer demand for venison.

This strategic proposal also has the advantage of giving the industry participants who are levy payers a greater responsibility over where research and funds within their industry are to be directed. It was a widely held opinion by many industry participants in the initial phases of this research that previous RIRDC funding had been misguided and poorly directed. This proposal via the alliance framework enables suitable industry participants to direct funding towards research that can have a direct benefit for the commercial industry.

Guidelines for the establishment of market focused alliances

In the successful establishment of market focussed alliances the following guidelines need to be fulfilled by each alliance:

Identification of the target market The proposed alliance needs to identify what

market or consumer segment they are attempting to target. Although the targeted market could range across various levels of the food industry, the alliance needs to specify their target market and establish a plan or strategy to meet the needs of this identified market.

Alliance participants across all sectors of the industry For the market focussed alliance proposal to be feasible each alliance would need to have involvement from all sections of the industry. This would involve an alliance consisting of producers, procurement identities and processors, wholesalers and retailers/foodservice. Participants across all sectors would be required for the alliance to operate efficiently since in meeting the demand for a targeted market segment each section of the alliance would need to add value to the product. As such:

- Producers would be required to deliver deer at the appropriate specifications
- Procurement identities would be required to facilitate the slaughter of deer and monitor the production of product to meet specifications.
- Wholesalers would be required to deliver the specified product.
- Retailers and foodservice would be required to deliver the product to the targeted consumers.

If one section of the industry was not included in the market focused alliance the ability of the alliance to efficiently deliver a specified product to the target market segment could be significantly decreased.

Transparency of product and specifications through the alliance Transparency through the alliance of the desired aims and requirements will be critical to the success of the proposed alliance model. This includes understanding the identified target market, the product being targeted for this market, the specifications required for the product and also the price points involved in delivering the product to the consumer.

Transparency within the alliance will result in a full understanding of the function of the alliance along with an improved ability to meet the desired specifications of the targeted market segment.

One very important factor for transparency within the alliance structure will be the transparency of price points throughout the production chain.

Established feedback and feed forward mechanisms Each alliance will need clearly defined mechanisms as to how it delivers

both “feedback and feed forward” within the alliance. This could be in the form of a communication strategy that may include arranged workshops and meetings or simply a streamlined information process to all members of the alliance.

Key issues to be addressed in the creation of an alliance

In considering creating a market-focussed alliance and the guidelines outlined above, industry participants interested in developing an alliance will need to consider the following questions:

- As an alliance, what resources and skills do we have?
- Can we deliver increased value to all stakeholders within the alliance?
- What consumer segment will our alliance target?
- What venison product or products will our alliance deliver?
- How will we monitor or measure the responses to our product from the targeted consumer segment?
- Do we have full involvement in our alliance from all sectors of the industry?
- Do we have a feasible communication strategy within the alliance, which will create feedback and feed forward for all members?
- Will we be able to achieve transparency between all members of the alliance?

Generic industry strategy

Through the extensive industry consultation undertaken by the researchers, particularly at the processor and procurement level, several industry wide or generic issues emerged that the industry strategic plan needed to incorporate. These extend beyond the market focussed proposal and can embrace the ongoing operation of the current commodity system which is likely to remain as a marketplace alternative for some considerable time into the future. Given the industry-wide nature of these initiatives, the researchers have stopped short of recommending their full implementation but instead propose that the following options are taken back to the industry for further consideration at an appropriate time.

1. Establishment of a common venison language;
2. Adoption of an industry wide grading system;

3. An industry endorsed Australian venison brand;
4. Horizontal alliances for by-products and secondary cuts; and
5. Value added developments for secondary venison products.

On the whole, the generic issues to be considered as part of the endorsed strategic plan are issues that require significant support by all levels of the industry to be successful.

Given the industry-wide nature of the generic options, there are several steps that would need to be reached by the industry before any significant progress on such options could be considered. Undoubtedly the first and most important step in considering the generic industry strategies is gaining strong support and endorsement from all levels of the industry.

Once a generic option has been endorsed by the industry as a prospective strategic direction, the actual implementation of the generic option needs to be developed. This includes:

- Process, scope and guidelines for undertaking any research
- Channels to educate and distribute research findings
- Structure and financial agreements within the industry
- Location, personnel and logistical arrangements.

However, given that it would be extremely unlikely that all players in the industry would accept all the generic proposals, there would need to be clear guidelines established by RIRDC as to what constitutes “strong support” from the industry.

Many of the generic strategic options to be considered for the Australian venison industry have been successfully implemented in competing Australian livestock industries. The success and benefits gained from these initiatives in other livestock industries warrants a full investigation of their feasibility for the Australian venison industry.

The generic strategic options will now be discussed separately:

Common venison language

The Australian venison industry needs to investigate the feasibility of an industry endorsed, common venison language. A number of procurement identities and wholesalers who were consulted during the

research stated that a common venison language would be particularly beneficial in linking product from both red and fallow deer.

Industry wide grading system

With the industry suffering over recent years from unsuitable product being sold to the consumer, many industry participants (particularly processors and wholesalers) believed there was a need for the endorsed strategic plan to investigate the feasibility of an industry wide grading system. An industry wide grading system would contribute to ensuring product consistency, however this would only succeed if supported by a large majority of the processors and procurement identities within the industry.

Industry endorsed Australian venison brand

The Australian venison industry needs to investigate the feasibility of endorsing an industry wide Australian venison brand. While this proposal has received both positive and negative feedback during the consultation period with some wholesalers already having established their own brand, there are several levels under which the branding initiative for the industry could be considered.

A level of "within the trade" branding could be considered for the industry as a quality and grading supported brand which may be invisible to the end consumer. This type of trade brand could easily be adopted by those businesses with existing brands.

Horizontal alliances for by-products and secondary cuts

A significant factor that is affecting the viability of the Australian venison industry is the returns that procurement identities and wholesalers receive for the less demanded parts of the carcass. As previously mentioned, while the top quality cuts such as loins are highly demanded and relatively easy to sell, many industry participants believe the value being received for secondary cuts and by-products is not being maximised. As such there needs to be an emphasis within the industry towards maximising the value received from the whole carcass.

Value added developments for secondary venison products

The results from the market research undertaken by Moffat (2005), recommended that further research needed to be undertaken into the development of recipes for secondary cuts. In this case the support of further research into the development of secondary cuts and recipes for secondary cuts needs to be considered by the industry.

It has the potential to significantly increase the demand for venison through the foodservice sector that will ultimately return increased value to the industry.

The research and development into the use of secondary cuts could be supported by RIRDC funding with results and findings released for the industry to act upon. The research findings could be particularly powerful when utilised by market focussed alliances.

Conclusions

The development and successful endorsement of the Australian venison industry's strategic plan relied on the careful application of a combination of analytical and relationship methodologies. The relationship methodology undertaken by the researchers formed a critical process in this development since the researchers believed it was imperative that a positive professional relationship was created with key industry players during the research process. At all stages in the development of the endorsed strategic plan, the researchers attempted to gain as much industry feedback and opinion as possible. This resulted in the researchers regularly consulting with industry stakeholders about the emerging direction of strategy. In turn, this facilitated establishment of ownership and potential endorsement of the strategic plan from within the industry as the research reports unfolded and were released for comment.

Once the industry's key challenge was established, the strategic plan evolved from assessing and evaluating the industry's options. The subsequent strategic options presented in this industry endorsed strategic plan are designed to help the Australian venison industry build a market focussed approach which seeks to increase demand for Australian venison and enhance the viability of all stakeholders in the industry, while still retaining the desirable characteristics of a commodity trading system.

This industry endorsed strategic plan recommends that the Australian venison industry should establish market focussed alliances with the aim of delivering a specified product to an identified target market. If successfully implemented the alliance structure will result in increased value being returned to all stakeholders within the alliance with benefits flowing through to the entire industry.

Secondly, this industry endorsed strategic plan proposes that the Australian venison industry take further steps in considering several generic strategic options that could

benefit the industry. Given the nature of these generic strategic options, further consultation will need to be undertaken across the industry, as implementation of these options would require very strong support at all levels

Finally, this industry endorsed strategic plan concludes that possible changes need to be made to the RIRDC research model. The RIRDC research model needs to be able to support the development of the industry towards becoming market focussed and to foster research that will be targeted towards increasing demand for venison in the Australian domestic market.

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Appendix

Diagram 1: Strategic Options for the Australian Venison Industry

