

Workflow: Planning, Measuring and Leading

Toolkit 1.1

Setting Key Strategic Objectives

target audience

Farm owners, and farm managers.

what it is

In order to define the development and improvement agenda for the farm, ask the following two questions:

- What does the farm require to achieve its primary objectives?
- What is the farm capable of delivering?

This toolkit is mainly focused on answering the first question. In other words, the farm needs to understand the broader context in which it operates. Has the farm reached a stage (land use, orchard age) to achieve optimal production? Is the farm under development (fallow land available for new orchards, young/non-yielding orchards)? Does the farm have any critical limitations that need to be addressed (key weaknesses in how it operates, equipment or system requirements, water, funding)?

This process of understanding and interpreting the broader business context and translating it into a concrete set of plans is called "strategy setting". The strategy should contain descriptions of specific policies that you need to implement and actions that you need to perform. These policies and actions are typically linked, both to a defined timeline (i.e., a date by which they should be completed), and one or more key outcomes or key performance indicators (known as KPIs). Refer to [Toolkit 1.3 – Measuring and Managing Performance](#).

The formal strategy setting process typically takes place annually, as part of the planning and budgeting process for the coming financial year. However, while setting a coherent strategy is extremely important, it is equally important to use that strategy to inform decision-making throughout the year, and to be flexible enough to adjust the strategy if the dynamics of the business change.

why it is important

Strategy setting aligns the farm's goals and objectives, thereby ensuring that all decisions made by stakeholders (e.g., owners, beneficiaries, strategic partners), managers, and supervisors, are in the best interests of the business. In the absence of a well-defined strategy, the farm may make poor management decisions, like funding the wrong equipment, failing to prioritise tough challenges, etc.

success factors

Standardise the Strategy Setting

Strategy setting, like virtually any repetitive activity, becomes more efficient and effective when it is standardised and built into the normal rituals and routines of the business. Standardisation can occur in at least three ways:

Timing

As mentioned previously, formal strategy setting should occur toward the end of the current fiscal year, and prior to the start of the coming fiscal year. The reason for this timing is that the strategy that is established can inform other key business processes, including general budgeting, capital prioritisation and planning, and staffing.

Process

The typical phases of a strategy setting process are:

- a. **Preparation** – This includes preparing all the necessary documentation and information that will assist in reviewing the current year's strategy and summarizing the current year's performance against that strategy to identify successes and disappointments. Refer to the [Strategic Meeting Agenda](#).
- b. **Planning** – You must organise a time for the farm leadership team to get together for the purposes of reviewing the current year's strategy and setting the coming year's strategy.
- c. **Development** – This takes place during the working session with the leadership team, where the stated objective of the session should be to agree on a set of strategic objectives and KPIs.
- d. **Approval** – The farm owner(s) and manager must review the proposed strategy with key stakeholders (strategic partners, funders etc.), and/or other members of the business team for the purpose of fine-tuning and finalising it.
- e. **Communication** – Since the strategy will inform all decisions made by the farm leadership in the coming year, it is important that all employees understand the strategy and why it was decided upon. A multi-pronged approach works best, including verbal communication of the strategy during a farm meeting and/or departmental meetings; as well as visual management (e.g., post the strategy in common areas, team visual boards, etc.). Refer to [Toolkit 2.3 – Visual Management](#).

Standard Format

A standard strategy document makes it easier for the leadership team to follow a consistent strategy setting process and to communicate the strategy.

Use A SWOT Analysis

SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. The purpose of a SWOT analysis is to profile and capture the current state of your organisation, both internally (i.e., what are our core strengths and weaknesses?), and in relation to the external competitive and regulatory environment (i.e., what opportunities exist to improve the business and what threatens our business?). The SWOT analysis is a great tool to use during strategy setting because it helps to contextualize the internal and external factors that plant leaders need to understand to set an appropriate strategy. Refer to the [SWOT Analysis Template](#).

execution steps

1. Determine the appropriate time of year to initiate a strategy setting process for the farm and schedule a working session of at least 1 day with the leadership team to develop the strategy for the coming year.
2. Prior to the working session, meet with other stakeholders (owners, strategic partners, beneficiaries) to get their input into what the strategic goals and objectives for the plant should be in the coming year; and ensure that you collate data on the current "state of the farm" with a focus on identifying and categorising successes to celebrate and disappointments to interrogate during the working session.
3. Develop a draft strategy during the working session with the leadership team. At a minimum, the draft strategy should include the following:
 - A concise set of strategy objectives, grouped by performance category (e.g., productivity, cost, quality, safety, environmental, etc.).
 - One or more KPIs with targets for each strategic objective.
 - A defined owner for each strategic objective.
4. Review the strategy with the appropriate stakeholders for their feedback and approval.
5. Execute a communication plan for the approved strategy to all employees.
6. Develop a management process to review progress against the strategy as a plant leadership team. The management process should include the following:
 - The frequency with which the team meets to review each strategic element.
 - The frequency with which KPIs are updated.
 - Action item tracking to ensure that the various teams, supervisors, and employees are taking the steps required to execute the strategy.
 - Process for changing the strategy based on changes to farm or business conditions and communicating the changes.

assessment questions

Please Note: There is no minimum / maximum amount of questions you can add

1.	Does the farm have a clear vision and high-level strategy which recognises the key factors of the value chain (value chain alignment)?
2.	Does the farm leadership conduct formal strategy review sessions at least once per year?
3.	Is strategy setting aligned with other key processes, such as budgeting, new orchard development, orchard replacement, capital project prioritisation and planning, and staffing?
4.	Is the strategy setting highly standardised with regards to the process that is used to set the strategy, format of the strategy document, and the targets/KPIs to enable year on year comparison and continuity?
5.	Does the farm use a multi-channel approach (e.g., one-on-one meetings, departmental/team meetings, visual displays, etc.) to communicate the strategy to all the employees?

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| 6. | Does the farm have an effective process to ensure that performance against the strategy is tracked and reviewed regularly and action steps are taken where appropriate? |
| 7. | Does the farm have a process to change the strategy and communicate those changes when/if business conditions change? |

resources

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| 1. | Strategic Meeting Agenda |
| 2. | SWOT Analysis Template |
| 3. | 10 Questions to Create Your Company Strategy by Joel Trammell |
| 4. | Strategic Plan Template: What to Include in Yours by Dave Lavinsky (18 October 2013) |
| 5. | Standard set of KPIs for a farm |