



Agralytica



Results-Oriented Management

A guide for FAS Industry Partners

2nd edition



Agralytica

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PREFACE TO THE 2ND EDITION

Agralytica (then Promar) developed the Results-Oriented Management (R-OM) approach in the 1990s and worked with FAS to incorporate it into the Unified Export Strategy (UES). The R-OM Guide was a logical consequence of this work to help FAS Industry Partners in their strategy planning and UES development.

As part of the R-OM roll-out in those early days, we conducted individual workshops with all Cooperator groups to explain in detail the basic concept and to help their staff think clearly about the goals they aim to achieve and the underlying assumptions of the proposed market development plans. Our close relationship with the Cooperator community continues today and Agralytica is pleased to have been part of this initiative to enhance the effectiveness of USDA programs.

Today, over 20 years later, this evaluative management process remains highly relevant. It plays a vital role in illustrating the underlying logic of Cooperator market development strategies and their UES submissions to garner USDA funding support. R-OM continues to be a simple and logical strategy development framework that incorporates an enduring power to expose a proposed program's underlying assumptions for all to see. Appropriately implemented, it can reveal the rationale for Cooperator and US government investment in all-important export markets.

Renewed interest prompted us to pull the old guide off the shelf and bring it up to date to meet the evolving challenge of capturing foreign markets for US agricultural products. Also, we recognize that over that last 20 years many new staff have joined the Cooperator groups who may be less familiar with the R-OM approach.

We have kept the examples similar to those used in the first edition but apply them to fictitious markets, recognizing that the specific challenges in individual markets are constantly changing. The examples reflect typical situations that Cooperators continue to face and tackle today. In response to numerous questions we have had over the years about how market access issues can fit the R-OM framework, we have added a new example addressing a trade barrier. We trust that this guide will help all those looking to harness the power of R-OM in developing their market development plans.

One of our focus areas is assessment of progress and performance measurement design. Clearly the collection of reliable indicators of progress is essential to confirm the identified program logic. Precise targeting and the development of a key account system are critically important for measuring progress against the identified constraints and the specific impact that your programs have had. The concept of key accounts is introduced in the R-OM Guide through some of the examples and, briefly, in Section 5.6. To further emphasize its importance, we have included in an addendum to the 2nd edition a paper on key accounts and how a key accounts system can be used to measure progress.

R-OM was designed to add precision and accountability to market development planning. It provides a framework for specifying objectives and activities and supplies a bottom-line approach for organizations that do not have the profit/loss criteria indicators of success or failure. This framework is based on a well-established program theory approach that maps the logic behind any program. It requires Cooperators to specify their target market goals very clearly, and how they would work to reach those goals.

We trust this handbook will continue to help Cooperators think clearly about their program logic given the resources available to them. R-OM checks ambition by questioning what is achievable with the resources at hand and constrains extravagant aspirations by insisting to see the detailed logic of the program.

*Nick Young
December 2018*

HOW TO USE THIS R-OM GUIDE

PART 1: Writing your plan



If you are very confident about the concepts, start here and go straight into writing your plan. If not, go to Part 3 first.

A step-by -step guide to writing your plan. Go directly to this part if you are confident about the rationale of R-OM and its basic principles. We provide tips on applying R-OM to your plan.

PART 2: Examples of drilling down to identify constraints and performance measures



Go here for examples

Here we present several examples to illustrate the drilling down process and the specification of constraints/opportunities, and performance measures. We also give examples of converting this into your UES application and Country Plan.

PART 3: The concept of R-OM and its principles



If you are new to the process, or need a recap, start here before going to Part 1. We advise all to review this important Section.

This part outlines the rationale of R-OM, its relevance to export market development and FAS programs, and its integration into the UES.

PREFACE

Results- Oriented Management (R-OM): a framework for planning and progress measurement

- R-OM will help FAS industry partners to develop plans which clearly define what you want to do and how to measure progress.
- R-OM provides a framework for analyzing your market and developing your plans. It is a structure for thinking, not a template.
- R-OM encourages a number of self-imposed disciplines to help all aspire to doing better.

1.1. Why did we prepare this guide?

The Foreign Agricultural Service (FAS) seeks a structured approach to planning and measuring the progress and achievements of its programs for funding export market development. Anecdotal evidence of success is not acceptable. While performance measurement is a given in the private sector, it is more difficult to identify and measure progress in ‘not-for-profit’ organizations which do not have a conventional ‘bottom-line’. Valid questions are continually asked. How do we ensure that public money is spent prudently? How do we know we are providing a good service to the taxpayer and to the FAS industry partner community?

The process we recommend, Results-Oriented Management (R-OM), helps to provide answers to these questions. It outlines a series of steps which can assist those involved in export market development to clarify goals, constraints and opportunities and define appropriate performance indicators for measuring progress.

Working in partnership with FAS: Export development groups work in partnership with FAS as part of the FAS industry partner community. This partnership helps fund programs to respond to competitive pressures throughout the globe. FAS has the important responsibility of using its funds efficiently, and central to this is identifying those applications for funding which offer the best promise of generating further export dollars. Thus, planning processes such as R-OM, which use a standard approach to export market planning and measuring progress have an important role. A common system allows FAS to better judge the quality of plans and work and to allocate funds in a fair and efficient way. It also facilitates an assessment of the overall gains of the programs across all products, an essential prerequisite for continuing support of the program.

In 1997, FAS introduced the Unified Export Strategy (UES). The UES was developed to provide a rational way of developing market development plans funded by FAS. It brought together into one plan applications for several different sources of export support (Market Access Program, Foreign Market Development Program, Cochran Fellowship Program, Emerging Markets Program, and Quality Samples Programs), as well as industry sources of finance. The UES is built around a R-OM-type approach. Together, R-OM and the UES are essential if progress is to be measured and public support for the program and its funding are to be sustained.

1.2. What is R-OM?

R-OM is a management process for:

- assessing markets;
- identifying priority constraints and opportunities that need to be addressed and which FAS industry partners can influence;
- identifying key target market segments to be addressed; and
- measuring progress in achieving objectives.

It is a structured approach to market development that provides a platform for strategic thinking and for planning appropriate activities that will address identified constraints and opportunities.

Agralytica developed the R-OM approach as a result of working for FAS industry partners over several years. We saw that the process of formal learning about past activities was poorly developed. Indeed, much of the evaluative work which we and other third parties did was focused on assessing activities. As a result, we could establish if activities were effective, but we could not confirm that the right activities had been chosen. We could never adequately assess whether a program was truly effective.

R-OM encourages a number of disciplines in developing plans and promotes the measurement of progress, self-appraisal, and the need to seek continual improvement. All, no matter how good they are, can aspire to do better.

How do you measure your progress? Viewed simplistically, the question is easily answered: “*You make progress by increasing exports. If you do not increase exports, you aren’t making progress!*” Unfortunately, the answer is not that easy. The contribution of the FAS industry partner community cannot be measured simply by the volume or value of exports, or, market share. Many factors influence these and some of them are pervasive and out of the control of the export development agency. For example, excellent market development work can be disrupted by exchange rate fluctuations which make your product uncompetitive, and unfavorable weather can produce either a short crop or one with poor quality. The Asian crisis of 1998 illustrated this clearly. Exports suffered, yet the quality of market development work was not a contributing factor. FAS industry partner progress can only be measured in relation to issues which they can influence and have control of. They cannot influence the weather or exchange rates, but they can influence markets by changing the attitudes and behavior of various players in those markets.

What can you influence? Thus, it is critical to focus a program management system around issues which FAS industry partners can influence. Results-Oriented Management develops awareness of and sensitivity to the key factors you can influence. It focuses on measuring the progress you make when confronting constraints that can be overcome or opportunities that can be captured. In effect, R-OM encourages FAS industry partners to define and measure their own bottom line.

Are all market planning needs the same? The resources and challenges of the members of the FAS industry partner community vary considerably. There are those, acting on behalf of the larger commodity interests, who undertake major activities on a global scale with significant resources. They will have staff with specific responsibility for planning market development programs. Others, working for smaller sectors, and those with relatively lower interest in export markets, operate with more meager resources. Yet others, such as the State Regional Trade Groups (SRTGs), operate within a less formal organizational structure, and largely serve to coordinate the activities of a wider constituency.

All need to follow a logical structure in elaborating their plans. Each face different challenges: the smaller groups, the challenge of keeping in touch with so many markets and players; the larger organizations, the

challenge of coordinating the plans given so many separate individual inputs; and the SRTGs and other coordinating groups, the autonomy of their membership.

How do you organize to plan effectively? Planning imposes organizational pressures. The plans should articulate the needs of the members and exporters; a challenging activity when an industry is diverse, often with different interests and points of focus. Export groups need to reflect on previous work and to take stock; to identify constraints and opportunities in new and existing markets and to focus on the priorities in these markets. Basic assumptions need to be challenged and different views are required on possible future developments and on past successes and failures. This process can be demanding, given the ongoing challenge of implementing current programs. While planning is truly a time for reflection and assessment, the pressure to produce results rarely allows the luxury of much time. The key is to start early, and to allow sufficient time for focused attention on the challenges which you face.

Who do you need to involve in the planning process? To further complicate, planning is more effective when carried out as a group activity. FAS industry partners need to call on a range of different views to assess the strengths and weaknesses of the product and service package, and the priority constraints and opportunities in different markets. Some will have a headquarters staff with a specific responsibility for different regions, others will have country offices or representatives. Exporters should be involved in this process. They invariably have valuable insights. An independent view of the challenge is also useful. A dispassionate external view can help challenge some long held assumptions about the market.

Is R-OM relevant to market development and market access issues? FAS industry partners should be careful to avoid activities that directly engage foreign governments. US federal agencies will review these and take action where necessary. However, in some cases, market access initiatives can be taken. R-OM is as relevant for these as for any constraint or opportunity involving the trade or consumers. We will provide an example later.

1.3. Who is this guide written for?

The guide is written to support all FAS industry partner staff involved in strategy development, program planning and implementation, and measuring progress.

1.4. The limitations of this guide

A structure for thinking, not a template: This guide to R-OM is not a template to develop export market development plans. Each product and market are different and demand separate and rigid distinct consideration. The levers that can be pulled in each market to enhance the prospects of higher US export sales vary, and targets and messages will be unique. The aim of the guide is to provide handholds that will help export groups think through and structure their market development planning activity.

We are frequently asked ‘What do you think the constraint is?’, ‘What should we put here as a performance measure?’. Our response is always, ‘You tell us, you are the experts in understanding these markets’; ‘You know what will show you are making progress!’. This R-OM guide should help you prioritize your program and to be able to define objectives in a way that they are measurable. You have to do the hard work; the thinking and conceptualizing which lies behind each program.

A focus on constraints and opportunities, not activities: Our emphasis in this guide is on developing the clear constraints and opportunities which can articulate the main focus of export market developers work and serve as a basis for measuring progress. We hardly touch on the activities which will be used to confront

those constraints or capture those opportunities, although they are, of course, a critical element in the implementation of plans and the delivery of results.

This is deliberate. The essence of a good plan is clear identification of what needs to be done. We emphasize top-down thinking and this puts the focus on the constraints and opportunities; knowing what you want to achieve before deciding how you will do it. Activity focused thinking (e.g. ‘we need a web-site...’, ‘we should make a video...’, or ‘let’s take the buyers to the US...’) is premature without full understanding of what you have to achieve. ‘Ask why? What is it we are trying to achieve?’. Activities are tangible, easy to envisage, concrete actions; they are easy to talk about. Constraints and opportunities are usually conceptual constructs and far more challenging to identify. Identifying constraints and opportunities demands reflection, understanding, simplification and clarity of thought.

1.5. Application of R-OM outside the FAS generic programs

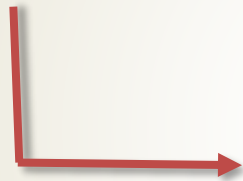
R-OM is applicable to many planning and evaluative situations. In this guide we have focused on its application to the generic programs funded by FAS to develop markets and confront market access issues. The main characteristic of these programs is the challenge in identifying progress and identifying causality between FAS industry partner programs and changes in export levels. As such, R-OM is a significant stride forward, enhancing market development planning and progress measurement of FAS industry partners.

In general, R-OM is also applicable to those who participate in the FAS branded food program. All organizations seeking to develop markets need to go through similar disciplines, although branded food companies and other private organizations using R-OM will also have a more direct indicator of progress, their bottom line and other profitability or investment ratios. However, R-OM will help them provide planning focus and understanding of the factors contributing to success and failure.

Finally, R-OM is relevant to the FAS overseas offices. These offices prepare plans using the UES format and using the R-OM principles. They have the same interest in clarifying specifically what they are aiming to achieve and measuring the progress they are making.

A glossary of terms is provided at the end of the guide.

PART 1: WRITING YOUR PLAN



If you are very confident about the concepts, start here and go straight into writing your plan. If not, go to Part 3 first.

A step-by -step guide to writing your plan. Go directly to this part if you are confident about the rationale of R-OM and its basic principles. We give tips on applying R-OM to your plan.

Planning, R-OM and the UES

- Good planning is essential for an effective export market development program. It shows you know your market, your strengths and weaknesses and what has worked in the past. It also shows your priorities, strategies and tactics.
- The UES structure follows that of any marketing plan: evaluation of previous results, market assessment, long-term strategy, identifying objectives (overcoming constraints, capturing opportunities), measuring progress, identifying activities.
- It is a continuous cycle: plan, implement, learn, feedback, plan, implement... and so on. The critical starting point is to clearly identify your goals and the constraints and/or opportunities which you can influence.

A good plan and UES application

- We outline some criteria for a soundly structured and logical program.
- We emphasize the key points of R-OM: think top-down; know your market; identify constraints and opportunities you can influence most strongly; and, make the constraints and opportunities specific.

Identifying your markets

- There is no simple way to select your target markets. Ultimately, you have to determine where you will get greatest return per unit of effort. The guide outlines some questions which will help identify target markets. Separately, Agralytica has developed the Market Allocation Tool (MAT) to help you in this process.

1. INTEGRATING R-OM INTO PLANNING: KEY PRINCIPLES

The Unified Export Strategy (UES) and Results-Oriented Management (R-OM) approach provide a planning framework and a clearer indication of whether you are making progress in your market development work.

A good plan indicates that:

- you know and have thought about your market;
- you know your strengths and weaknesses and what has produced results in the past; and finally
- based on that knowledge, you have identified the key priorities to focus on, your strategies, and tactics.

1.1. The plan elements

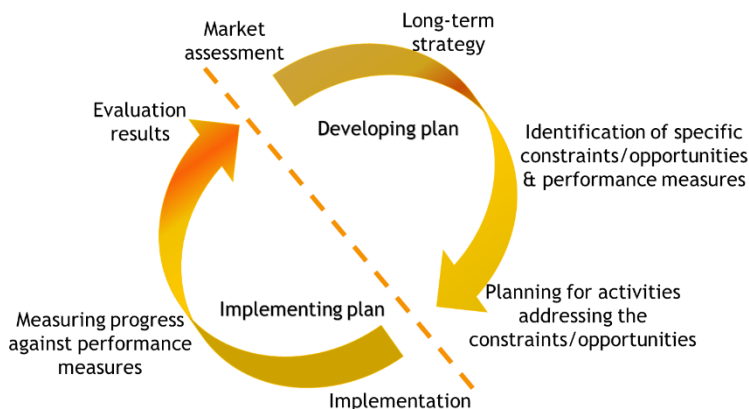
The UES has all the elements of a typical strategic planning process (see Figure 1). Each of these elements is important, plays a critical role in the market development process, and follows a logical sequence.

For example, prerequisites of planning are: comprehensive knowledge of the market and your product’s potential position, and an understanding of where you can exert the most influence to change buyers’ behaviors.

Without these prerequisites, you cannot set an export goal, develop a long-term strategy, or identify meaningful constraints and opportunities. If you do not have well-defined constraints or opportunities, you cannot identify meaningful performance measures. And, if you have not gone through this process, you cannot plan for activities that will best address the market constraints and opportunities and will contribute to achieving the goal. Finally, if you do not learn from previous programs through monitoring and evaluation, you are unlikely to understand how to improve your programs.

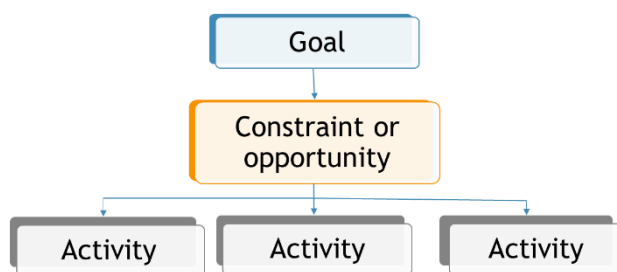
Understanding each of your target markets is essential before going any further in the planning process. If you are unsure about your strategy, or do not have enough market information, specify the constraint as “insufficient market information to identify strategy” and make the performance measure “the development of a clear, coherent strategy.” In this case your activities will include research to assess the market and an identification of the key constraints and opportunities.

Figure 1: R-OM and UES elements



1.2. The top down approach: developing a hierarchy of objectives

Figure 2: Hierarchy of objectives



A top down approach, based on a clear **hierarchy of objectives**, is critical to good planning (see Figure 2). This is at the heart of the R-OM approach. **Do not let activities drive your programs.** Start from the top by identifying the goals, then define the constraints that prevent you from achieving the goals, or the opportunities that you need to capture. Then plan activities that will best address the identified constraints and opportunities. **Critical to the planning process is to focus only on the constraints or opportunities that you can impact.**

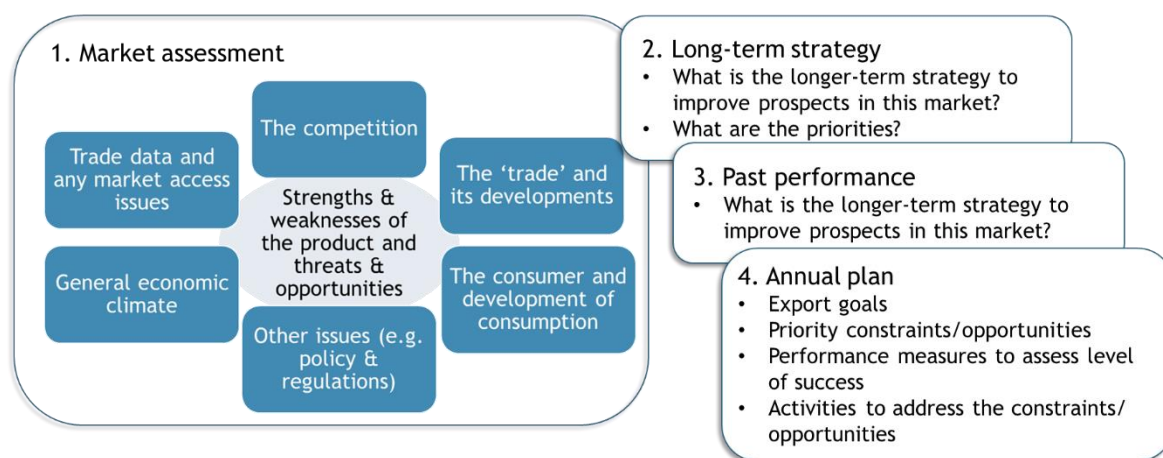
The hierarchy of objectives which you develop reveals the thought process behind the program and the assumptions upon which it has been developed; it uncovers the rationale of the program, identifies the areas and issues that you can influence, and clarifies where you should measure progress toward overcoming the constraints and capturing opportunities and achieving the goals.

1.3. The elements of the UES

Figure 3 shows the broad structure and main elements of the UES. The main sections are:

- Market assessment;
- Long-term strategy;
- Past performance and evaluation; and
- The annual plan (comprising export goals, constraints and opportunities, performance measures and activities).

Figure 3: UES structure



Each of these elements is discussed in more detail in Part 1, Section 2 below.

1.4. A good UES application and plan

Key criteria in assessing whether you have a sound program are:

- Do you understand your market?
- Does your market assessment clearly identify the strengths and weaknesses (your assessment of the 'internal' factors that influence your position and the opportunities), and the opportunities and threats (your assessment of the various external factors- exchange rates, demographics and macro-economics) that you face in this market?
- Does your market assessment clearly identify the main constraints that you face and which you can influence?
- Does your evaluation section bring in the key learning gained from reviewing or evaluating previous programs?
- Does it indicate why you have made or failed to make progress?
- Does your long-term strategy indicate the main levers you intend to pull to make progress in overcoming the main constraints and capturing the opportunities?
- Is your plan realistic given the resources you have available?

- Does your plan have a logical hierarchical structure (goal, the key constraints or opportunities, the activities to confront the identified constraints or opportunities)?
- Are the constraints and opportunities well defined?
- Do they clearly identify specific targets and specific messages that can change behavior?
- Are the constraints and opportunities that you identify realistic? Can you realistically anticipate success?
- Do the activities directly address constraints or opportunities?
- Are the activities appropriately defined?
- Have performance measures been developed to identify progress at the constraint and opportunity level (outcomes)?
- Are there provisions for evaluating the effectiveness of activities?

Tips:

- Think top down, what are the constraints to overcome or opportunities to capture to achieve your goals?
- Know your market so you clearly identify the constraints and opportunities you can overcome.
- Choose constraints and opportunities which you have the most influence over:
 - With significant impact;
 - With short- or medium-term impact (to lower risk);
 - Avoid focusing on issues which others already have a major incentive to overcome;
 - Bear in mind the resources you have available and what can reasonably be achieved with them.
- Make the constraints and opportunities specific:
 - Clearly define specific targets;
 - Clearly define specific messages.

1.5. Identifying your markets

With limited resources all involved in export market development have to prioritize the markets in which they will have programs. They also must decide how much they should spend in each of their markets. The key aim must be to ensure that the return from the marginal dollar spent is maximized; that is, getting the most leverage for the dollars spent ('the most bang for the buck').

There are many possible methodologies to apply, although inevitably, qualitative assessment becomes an important component of the decision. Various models have been used, although these have only limited usefulness for a wide range of different reasons. The most important criterion is where you expect to have the most opportunity to change things (leverage). However, this will depend on numerous factors including the situation in the market, the requirements of the exporters, and the resources you have available.

Results-Oriented Management: a guide for FAS industry partners

Part 1: Writing your plan

Integrating R-OM into planning: key principles

Identifying which markets offer most leverage is challenging. Target markets are identified from understanding the strengths and weaknesses of the US exporters, their product and service, and by matching these to the specific characteristic of candidate markets. Detailed understanding of markets is the key to identifying target markets.

The following outlines some of the questions to be asked of different approaches.

Which market should you target?	
Possible approach	Questions?
The largest market for your product:	This may be a large market, but what opportunities are there for you to expand your share and what effort will be required to get further sales? And if it is already a large market, to what extent can you leave it to existing exporters already servicing the markets?
The most rapidly growing:	Markets which are growing rapidly are attractive, but if they are already growing rapidly, what can you contribute?
The market with the lowest levels of consumption of your product:	What are the reasons for low consumption? What volume of resources is required to move consumption levels upward? Would you get a better return by working in markets where the product is well accepted already?
Where your exporters are heavily involved:	Do the major exporters need further support in markets where they are already well established? Should the strategy be for you to withdraw from these markets and focus on developing new markets?
Where your exporters are little involved:	If you develop interest, will the exporters follow you into this market. There may be interest in importing but the market has to fit in with the objectives of the exporters as well.
Where only large-scale exporters are involved:	Are there opportunities for smaller niche exporters? And what will be the reaction of the established exporters? Will they resent actions which may open up markets for their competitors?
Where your key competitors are most active:	Should you focus on a head-to-head with your competitor or go to less competitive markets? What are the merits of your product and service package in this market? How competitive are you and how can you make any difference? How can you differentiate your product, service or package against the competition?
Where your potential competitor is absent but there is a strong domestic sector:	What are the attributes of your product, and how easy will it be to develop market share? Where do you have leverage to improve your products opportunities?

2. DEVELOPING YOUR COUNTRY MARKET PLAN

Step 1: Your market assessment

- If you do not know your market, you cannot develop any plans. Concisely review the key relevant factors.
- From this, identify opportunities and threats in this market, your strengths and weaknesses, and summarize the constraints and opportunities that you can influence.

Step 2: Your long-term strategy

- Focus on the main levers you can pull and the priorities of your program in terms of targets.
- Also, clarify the assumptions underlying your strategy.
- Financial resources can severely limit what you can do, so adjust your program to the likely financial resources available.

Step 3: Past performance

- Feed into the plan the results of previous evaluations, and an assessment of progress overcoming constraints and capturing opportunities.
- Focus on the validity of your underlying assumptions and learn from both success and mistakes

Step 4: Identifying your constraints and opportunities

- Convert broad objectives into very specific objectives which identify the target, and the message which will extract greatest leverage in this market.
- Use a process of interrogation of your rationale ('drilling down'), to gain a clear idea of the most appropriate targets and the messages. We provide some examples of the process of identifying good constraints.
- Constraints have to be prioritized to achieve pragmatic concentration of scarce resources.
- The 'trade servicing' constraint needs very close attention to make it more purposeful, and to fit in with the overall focus on results.
- Lack of understanding and knowledge about a potential market is a valid constraint that can be addressed with further investigation.

Step 5: Identifying performance measures

- Identifying the different stages of the communication continuum (from initial awareness of your product to final purchase) provides a basis for tracking progress.
- We give examples of how performance measures might be collected

Step 6: Identifying activities and measuring their success

- Activities must link to identified constraints or opportunities.
- We distinguish 'hanging' (or 'orphan'), multi-purpose, and evaluation activities and how to deal with single activity constraints.
- Activities must have clear results which contribute to overcoming constraints or opportunities.

2.1. The UES: Step 1, Market assessment

A good market assessment is critical to developing a good plan. It lays the foundation for defining appropriate constraints and opportunities and clarifies the basic assumptions that have led to these specific constraints. Also, the market assessment sets the scene which will allow you to pinpoint the priority areas, and then to focus its efforts on those constraints and opportunities that you can influence with the available resources and possible activities. The market assessment should build on both third party and your own views. You need to be brutally honest in your review of your product and service package opportunities.

The market assessment need not be long. It is a good discipline to get the salient points into one page. However, there are some key elements which should be covered; each of them no longer than one paragraph long if possible. Below, we provide list of issues to be addressed, and questions to ask. Cover the items mentioned only if you think they are relevant to describing your product’s current or future prospects in this market.

Market assessment: Questions to answer

Topic	Questions to ask
General economic background. General information which provides a backdrop against which to review the market and the context of the trade.	In very broad terms, what is happening to the economy? Is it a confident picture or do the omens look threatening to your product potential?
Trade data and any market access or other policy related issues. This should review the overall situation concerning trade and the US and major competitors’ position. Any trade access issues should be discussed here. Also, this is the place to discuss policy and regulations, if relevant.	What is the market access situation? How does this affect the US versus its competitors? How is this likely to change in the future? Impact of WTO, FTS, bilateral agreements, etc. and anticipated future changes? Are there policy issues which affect opportunities? Is there anything which makes this market particularly difficult for US suppliers and can you do anything to make things easier? What is the past pattern of trade? Is there anything which is difficult to understand in this past pattern? Does it suggest there may be opportunities? What explains the changes in trade patterns observed.
Competitive position. This part should give an indication of the US products’ competitive position in the target market. There should be some description of the nature and the sources of competition.	Who are the competitors? What advantages do you have over them? Is competition with domestic production or with other foreign origins? What are our strengths and weaknesses? What differentiates our product? How can we capitalize on our strengths or overcome our weaknesses? If you cannot identify key differentiating factor, then reconsider being in this market.
The marketing system and its development. This section should describe the marketing system and key players and indicate any changes taking place. This part will define the targets and the potential levers that you will have to pull in the market.	What are the key drivers in this market? Is it at the consumer level or in the distribution chain? Or are there important users who dictate the opportunities in this market. Who do you need to work with? Who are the key players? Is the potential client base fragmented or concentrated? How will this affect the capturing of opportunities in these markets? How is the structure changing?

Topic	Questions to ask
<p>The consumer/user and development of consumption. This section should elaborate on issues which are relevant to consumer/user behavior in relation to US and competitors' products.</p>	<p>What is the level of consumption, is it lower than in other similar countries? If so, why is that? Where is consumption changing? Relative importance of food service and home consumption? What are the main consumer drivers influencing your product? What are the competing products? What factors influence demand, and will you have an opportunity to influence these? How is the market segmented? By economic status, by region, by age? Are these important intermediaries (such as advisers) influencing product purchase decision-making?</p>
<p>SWOT Analysis. The current UES format does not ask for a formal analysis of the Strengths and Weaknesses of the exported product/service package or of the Opportunities and Threats which might exist in the market. However, these should clearly emerge from a good market assessment as they form the basis for outlining a long-term strategy and defining the current constraints and opportunities.</p>	<p>In summary, what are your strengths, weaknesses, opportunities and threats? Where does your best opportunity to extract leverage exist? What are the main constraints, what are the opportunities? Which of these require priority attention? What is the nature of the challenge in overcoming these constraints? Do you have a realistic chance of making an impact? Are they factors which you can overcome or are they subject to influence from external factors? What are the risks? Is this a long-term challenge or is it going to be something which can provide short time rewards?</p>
<p>Summary.</p>	<p>Summarize the key constraints and opportunities that you can influence. However, be realistic and acknowledge what can be done with the financial resources available to you</p>

Tips:

- Keep the market assessment concise. To help you do this, before you start writing the section, summarize the key points within 6 bullet points.
- Think top-down; distill the big issues which you can influence, and which will impact the achievement of the goal.
- Avoid irrelevant detail.
- The main point of this section is to distill what you can do to influence your product's position in the market. The constraints and opportunities you need to work on, should be very obvious to the reader.

2.2. The UES: Step 2, Long-term strategy

This section should summarize the strategy. The strategy identifies the broad direction that is being taken in each specific market and elaborates the way that you are going to meet your goal. What levers do you have to pull and what is your priority? What are your main targets and how is your strategy going to achieve your goal? For example, in any given market there is choice between a 'push' or a 'pull' strategy. Do you work with consumers or others closer to the end of the marketing chain to generate more demand and thereby 'pull' product through the system? 'Pull' opportunities rarely exist in immature markets. Or, do you work

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with the importers, first stage processors, or others at the top of the marketing chain, and rely on them having the incentive to develop the market for the product; the 'push' strategy. In other words, where have you got most leverage to implement changes and to modify purchasing behavior with greatest net effect?

Itemize your main underlying assumptions. Examples might include:

- Working with retailers will be effective as they influence consumers and generate more sales.
- The problem is a poor image of the US product among traders, they need to understand the extent to which consumers appreciate the product that will increase sales and trade margins.
- To increase sales, we will focus on Shanghai as it has a higher concentration of the retail outlets which are used by our target consumers and later move out to other key metropolitan areas.
- Get consumers to taste the product; this is the key to more sales. Once they know the product and understand its value, demand will take off.
- Improve the technical capability of targeted users and then they will see the benefits of our product and we will get more sales.
- Show retailers that consumers really care about our product character and they will stock it.
- Generate a positive and compelling image and retailers and consumers will evaluate it as a desired product.

2.2.1. Finance and priorities

A key issue in determining strategy is the finance you have available. If you work with consumers you will need more money, because they are relatively more expensive to reach. It may be more efficient to work with those who can influence consumers, such as retailers, food service or food manufacturers. Finance may be so restricted that you cannot do anything in a market. The resources required to make a dent in consumer perceptions of a product are often large. Trying to target a large group with inadequate funds is a poor strategy. Better to concentrate on a smaller number of markets or targets where you know you have real leverage.

Developing incentives is at the heart of the market development effort. If you can create incentives at the top of the marketing chain, then this is the place to work. Importers or processors with a strong incentive to develop products and markets can be very powerful allies. If these incentives are not enough, then you may need to go further down the chain to generate interest there.

Tips:

- The broad constraints and opportunities identified in the market assessment should be prioritized here, with a focus on those that can realistically be addressed and where you have most leverage.
- Be aware of the financial resources you can realistically expect to allocate. This will limit the number of constraints you can address.
- Itemize your underlying assumptions

2.3. The UES: Step 3, Past performance and evaluation

This section of the plan should pick out the highlights from the performance of previous years. In particular, review performance measures that show the progress in addressing the key constraints or opportunities that you have identified. The main point of this section is to identify the learning from the previous programs.

Constraints and opportunities?

- Have you correctly identified the constraints or opportunities?
- What evidence have you that the original assumptions which underpinned the program are being supported?
- Has overcoming constraints resulted in progress towards meeting your goal?
- Why is the needle not moving? Was the constraint wrongly identified, or were there other factors which influenced the outcome?
- What have evaluation studies told you about the basic assumptions of your program?

Activities?

- Did your activities help overcome constraints? What is the evidence?
- If you are not moving the needle at the constraint level, what is it that you can do?

Targets?

- For example, were we right to focus on working with retailers?
- Is there evidence that we are making an impact on retailers?
- Were we right to focus on Shanghai, or should we have focused on South China?
- Were we trying to do too much with the resources available, or not ambitious enough?

Message?

- Was the issue really a poor image of US product, or was it simply that they did not understand our product?
- Is there any evidence that they know our product better and that we are seeing the benefit of this in terms of sales?
- We have focused on developing a healthy image for our product, does this mean anything to the consumers and is it changing behavior?

Tips:

- Try to avoid thinking about the detail. Think big picture and the validity of the basic assumptions of your program.
- The focus should fall on the learning. Which assumptions were correct and which not? What worked and what didn't? Focus on both positive and negative.
- All market planners make mistakes. Learn from missteps rather than persuading yourself they were not a mistake. Think top-down; distill the big issues which you can influence, and which will impact the achievement of the goal.

2.4. The UES: Step 4, Constraints and opportunities

Plans should be constraint-driven and not activity-driven.

The constraint/opportunity description does not need to be long. The priority constraints should be identified in the market assessment and long-term strategy sections. All that is needed here is a crisp statement to specify the constraint. This will involve defining a **target** and a **message** and the anticipated **change in behavior**. We recommend a maximum of two sentences and preferably one sentence.

The definition of the constraint or opportunity is critical as it defines where we feel we have most influence; it gives purpose to our marketing effort; and if we define it well, we should be able to measure whether we have made progress in overcoming constraints or capturing opportunities in our market.

2.4.1. Drilling-down

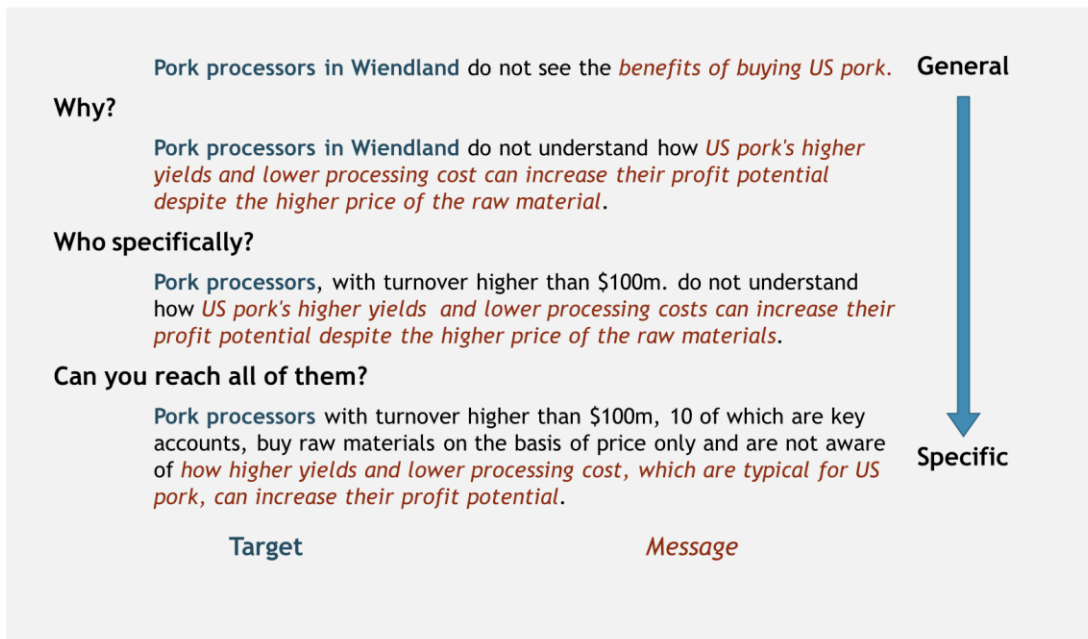
'Drilling down' is the process of defining specific constraints. We start from a general constraint (e.g. intense competition) and 'drill down' to something very specific (a constraint which identifies both target and message) that can be used as a basis for measuring progress. For example, the starting point may be a concern that the US product cannot compete against a key competitor, the end point should be the specific message we have to communicate to a key target to best release the logjam in the marketing chain for our product. These are not just any target or message; it is **the target over which we will have the most leverage to effect change and the message which will be most effective in changing behavior**. In effect, the 'drilled down' constraint is a precise definition of the bull's-eye we want to hit to bring about change.

Several brief examples broadly outlining the 'drill down' concept follow. In each case, the problem is initially specified very broadly; for example: 'low consumption among hog producers', 'processors don't see benefits of buying our product', 'consumers do not buy it as a snack', etc. This does not say anything about **what it is you are going to do**. As almost all the work of FAS industry partners involves communication, the constraint must identify target and message (i.e. **what specifically you are going to do to overcome the problem**). The transition from 'poor' to 'good' constraint specification is illustrated in the examples. More details on each example, the drill down process, and sample UES submissions are provided in Part 2, Section 3.

Example 1: Selling US pork to food processors in Wiendland

Here the challenge is conceived in broad terms as intensive competition with lower cost products from competitor origins. The major clients are very price sensitive and reject higher priced US product. The challenge is to get over the specific message that US pork has a higher yield and can produce better quality products resulting in higher processors profit. Figure 4 shows how drilling down arrives at a more specific target and a more specific message. This forms the basis of measuring progress. (See also Part 2, Section 3.4)

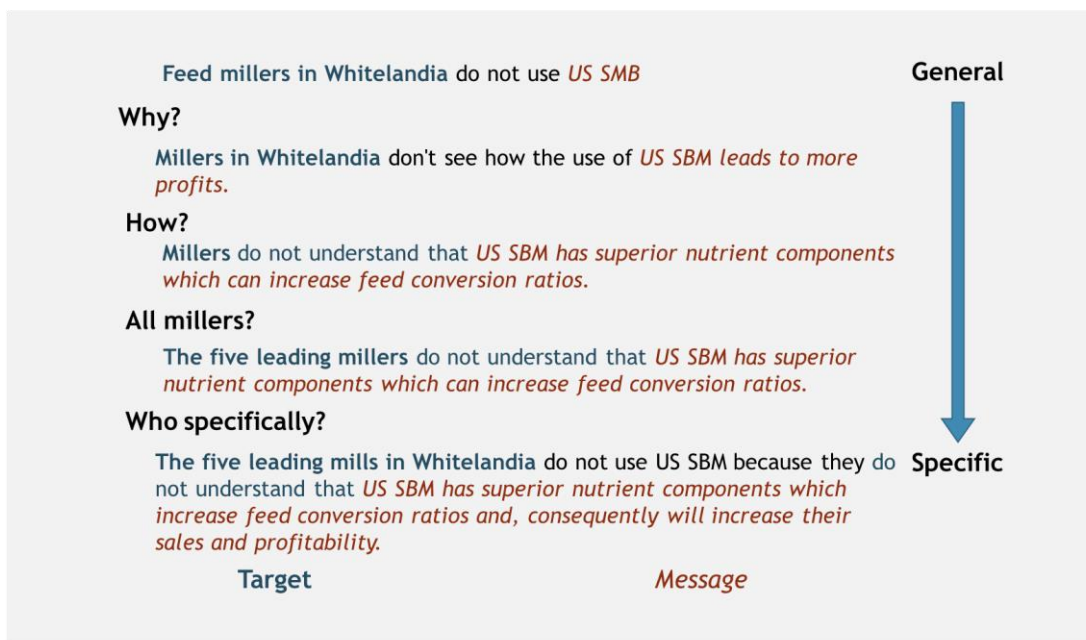
Figure 4: Selling US pork to food processors in Wiendland



Example 2: Increasing the use of US soybeans and US soybean meal (SBM) to Whitelandia

Here the challenge is holding on to a declining market. The frustration is that feed millers in Whitelandia do not understand how the superior nutrient components of US SBM, or SBM crushed from US soybeans can maximize feed conversion ratios. This leads to placing lower value on US soybeans and their displacement in feed ration by other meal/origin alternatives. Again, the drilling down process (illustrated in Figure 5) helps us to hone our target and our message. (See also Part 2, Section 3.1)

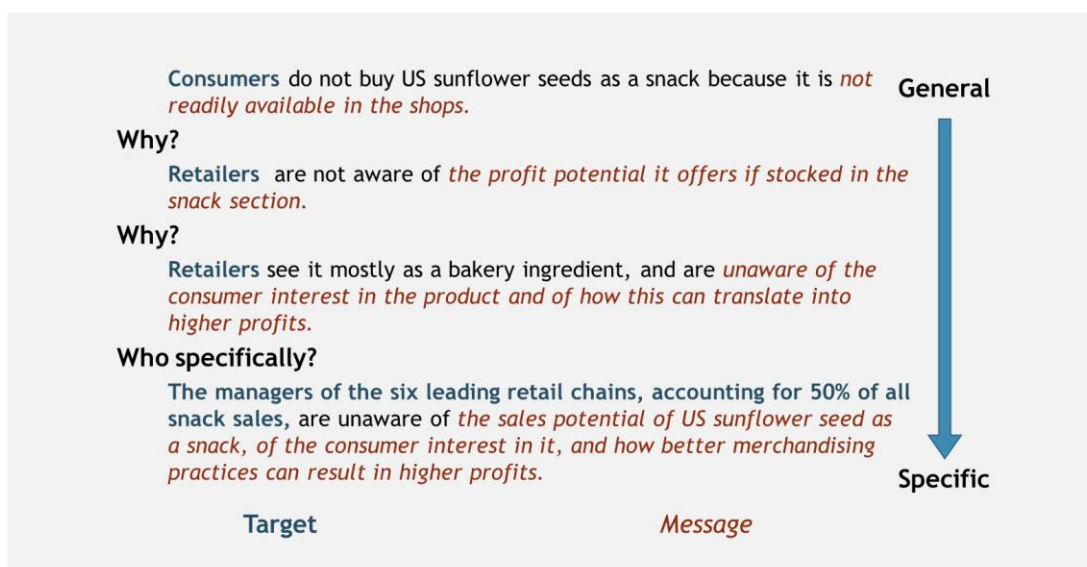
Figure 5: Selling US soybeans and soybean meal to Whitelandia



Example 3: Getting sunflower seed into retail in Jiggistan

Here the challenge is working out exactly where to exert pressure. Is it with consumers, or is it with retailers? Given the resources available, the greatest leverage can be obtained by working with retailers. Retailers need to understand the opportunities arising from high level of interest of consumers; the support which can be given by the exporting association, and; the higher demand if the product is sold in the snack section of the retail store, rather than in the baking section. Again, the drilling process (illustrated in Figure 6) helps us elaborate a specific message to get across to an identified target. (See also Part 2, Section 3.2)

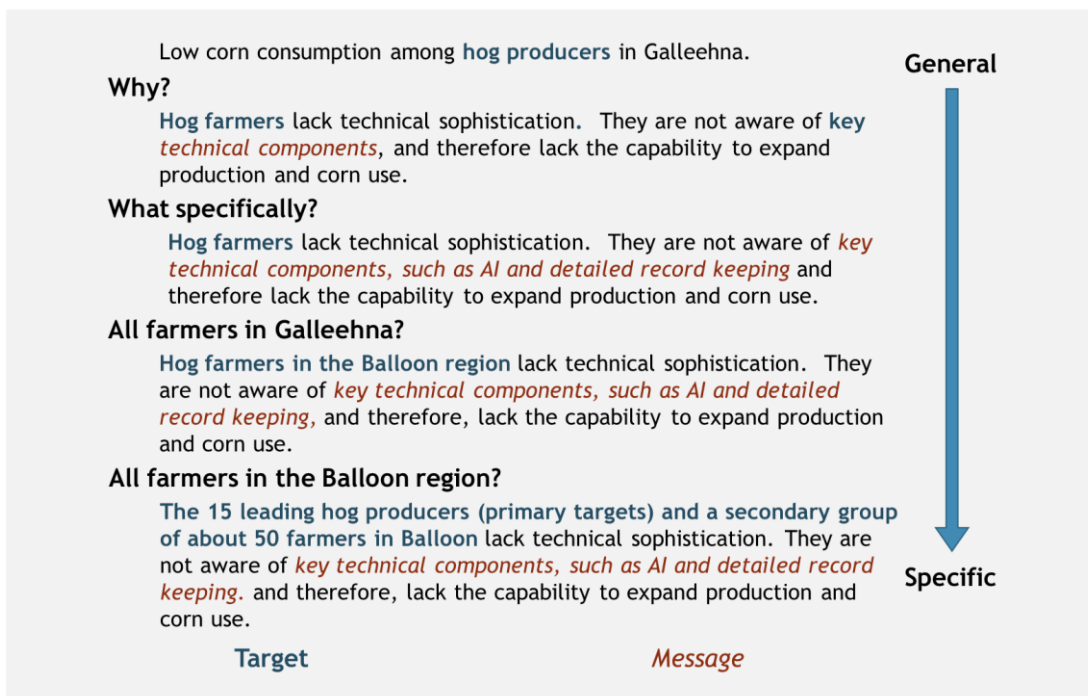
Figure 6: Getting sunflower seed into retail in Jiggistan



Example 4: Developing corn consumption in Galleehna

The major challenge in this program is to generate interest in corn. The way which is identified is to encourage the improvement in technical capability of the hog production sector on the assumption that growing technical capability will expose the clear advantages of using corn. In effect, the challenge is to develop corn use among a number of leader farmers and to use them to extend interest in new methods among a wider group. Clear identification of targets allows for a clearer definition of the challenge, as well as identifying a method of measuring progress (see Figure 7). (See also Part 2, Section 3.3)

Figure 7: Developing corn consumption in Galleehna



Example 5: Gaining access to retailers with high-value poultry products in Bellinia

Considerable change in the distribution system opens up the possibility of getting to new targets in Bellinia. The challenge is fairly conventional, making sure that the retailers have the incentive to buy and sell these products. Notice again in Figure 8 how the target starts off by being very general and by asking questions we identify a more and more focused perception of who it is we need to work with. Similarly, as we drill down we add precision to our message. (See also Part 2, Section 3.5)

Figure 8: Gaining access to retailers with high-value poultry products in Bellinia

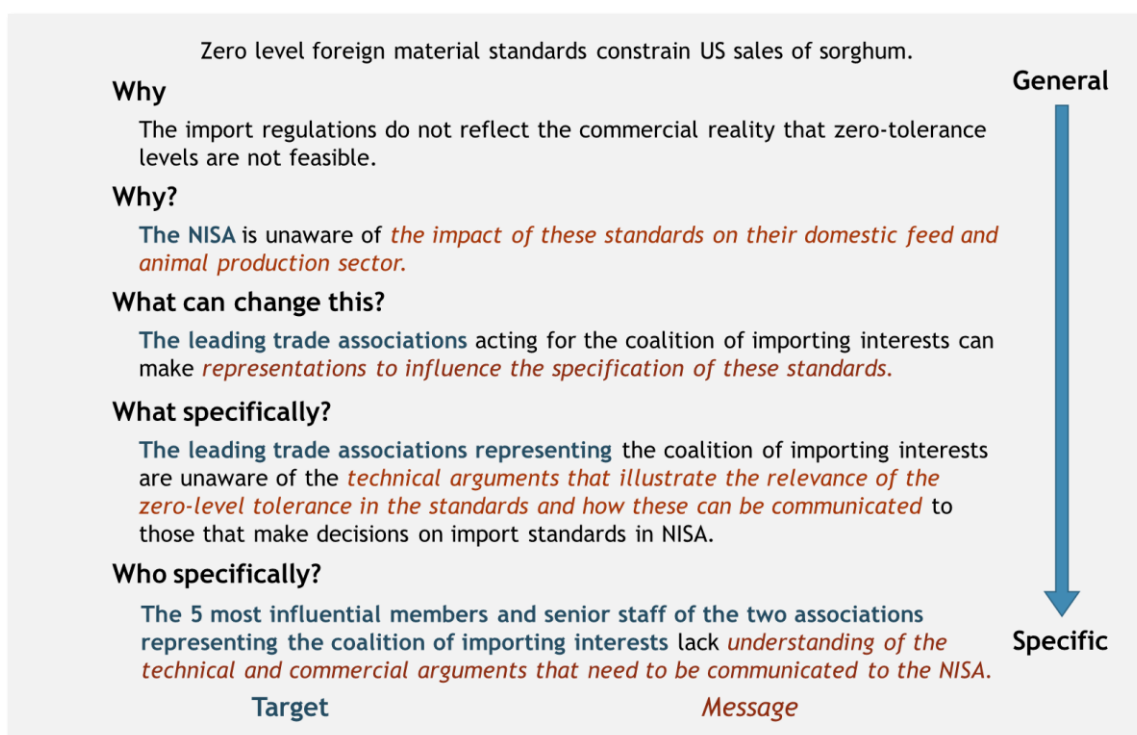


Example 6: Supporting changes in import standards for sorghum in United Batova

The United Batova government exerts strict control over sorghum imports through nontariff barriers. The major obstacle for US sorghum is the requirement for zero tolerance levels of foreign material in imported sorghum. Locally grown sorghum is of lower quality and poorer nutrient content, and supply is insufficient to meet demand. Consequently, this has negative impact on the returns of feed mills and animal production farmers. The two leading trade associations representing a coalition of importing interests (feed mills and more progressive animal production farmers and cooperatives) have reached out to our regional representatives to seek help in changing the regulations. They argued that technical assistance could help develop understanding of the nature of their disadvantage and how best to communicate that to the National Import Standards Agency (NISA). The two trade associations appear to provide some leverage to argue for change, but they will need support.

Figure 9 illustrates the drilling down process, starting from a broad and general constraint regarding the limited market access for US sorghum and narrowing it down to a specific constraint with well-defined targets and message. (See also Part 2, Section 3.8)

Figure 9: Supporting changes in import standards for sorghum in United Batova



2.4.2. Criteria for a well-defined constraint or opportunity

There is no single ‘correct’ way of phrasing a constraint; however, the following criteria can be used as a checklist:

- Will it result in significant change (subject, of course, to the financial resources you have available)?
- Does it very clearly specify your target?
- Are they targets that you can realistically influence, or do you need to make it more specific (think again of the resources you are likely to have available to you)?
- Is the message specific (does it identify what will create an incentive to buy your products)?
- Is the message enough to provide an incentive to change behavior?
- Does the constraint or opportunity definition indicate how the communication of the message to the target will serve as an incentive to sell more US products (e.g. by increasing margins and thereby increasing sales of US products)?
- Can you measure the progress you have made in communicating the message to the targets?

2.4.3. Prioritizing constraints and concentrating resources

There is little value in itemizing many different constraints in your plan. In theory, there are many constraints to overcome; in practice, the point of R-OM is to prioritize and to clearly confront the key constraints. The key constraints are identified by the drill down procedure and are those which will give you greatest leverage to overcome blockages in the marketing chain.

For example, if the key is to get the product on supermarket shelves, ask ‘what will provide incentives for retail buyers to buy your product?’. In some cases, identifying an incentive for the supermarket buyers may be enough for success; in other cases, it may be necessary to work on other drivers. It is highly unlikely that a supermarket buyer will purchase the product unless he/she is sure that consumers will demand it. So before going to the supermarket, you must have evidence that the consumer wants your product, or provide assurances that there are levers you can pull in the form of promotion to ensure that they will. Thus, it may be necessary to address a consumer and a trade constraint.

However, the resources for confronting consumer constraints are often very large in comparison to the funds available to the FAS industry partner. Hence some prioritization must be made. In the above case, it may be pragmatic to jettison the consumer constraint and to work with the retailer to change consumer attitudes and buying behavior. This is more challenging, but it is the only option in many cases and innovative approaches must be found to get the product on the shelf. For example, working effectively with the retailer may mean providing just enough promotional support to assure the retailer that there will be interest in your product.

2.4.4. Combining constraints

To be pragmatic, where several constraints apply with a single target, constraints can be combined. For example,

‘the five leading feed millers lack awareness of the profit opportunities which arise from using (a) de-hulled soybean meal because it is more nutrient dense and results in higher meat conversion rate when fed to monogastric animals, and (b) US origin

de-hulled soybean meal because of its proven superior quality (consistent protein level).'

This is easily accommodated as long as separate performance measures can be identified for each of the bundled constraints. In the above example, this could mean measuring progress in terms of communication of the attributes of de-hulled soy and of US de-hulled soy.

Another example of a combined constraint might be:

'The buyers in the 6 leading supermarkets are not stocking the product because they are unaware of (a) the evidence of strong consumer interest in the product (uncovered by market research); and (b) the support which the FAS industry partner will give to the product through in-store promotions, point of sale and selective media.'

Again, separate performance measures are required for awareness of consumer interest (i.e. your market research work) and your promotional plans as well as the commitment to try and purchase your product.

2.4.5. Trade servicing: addressing a constraint?

When reviewing programs with FAS industry partners, 'trade servicing' causes more problems than any other part of the planning process. Trade servicing is a vestige of bottom-up thinking; it focuses on what you do rather than why you do it. Trade servicing can be considered as two separate types of actions, pro-active and reactive. The former, the pro-active element, is a major effort to open communication channels with key players; the latter, the reactive element, is to provide support to those who are important to the export effort.

The pro-active elements of trade servicing can normally be allocated to other constraints. In most cases, the reasons you are making the trade servicing visits is to communicate with key targets, and in the vast majority of cases, the communication is related to your key constraints. The aim of the visit can be to develop relationships to help change or maintain behavior, or to receive information from the target which will help you address other constraints or opportunities. If the visits are not related to the key constraints, why are they the ones being made?

Another alternative is to consider the trade servicing activity as a key account client management system in which you will have a specific set of messages to communicate to a specific group of targets. We go through a drill down of a proposed trade servicing 'constraint' in Part 2, Section 3.6.

The reactive element is less easy to deal with. Of course, it is critical that some effort should be made to support potential, new, or current exporters, or those who can help develop US exports. The solution is to enter it as a constraint which is a good catch-all to allow this part of the program to fit in with the rest of the R-OM and UES framework. We suggest something like the following:

Exporters, key accounts and key industry contacts need local support to overcome periodic challenges to sell soy into this market.

Performance measures for a reactive trade servicing constraint, will be little more than a record of the contacts, the 'quality' of those contacts in terms of export potential, and the impact of what was eventually achieved. Inevitably, some of the more reactive parts of your work will be very valuable (providing information which helps someone invest for example), so it should not be regarded as a lower priority. However, you have to retain a balance in your program between pro-active and reactive, and it is likely that the vast bulk of the effort will fall on the pro-active work.

Tips:

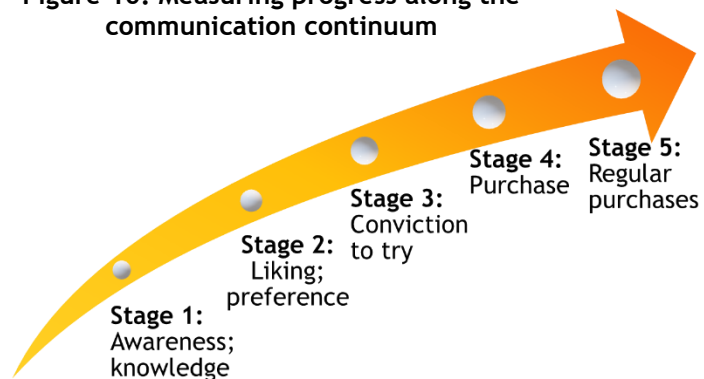
- Again, think big picture, and prioritize your constraints and opportunities. You cannot cover every base, so focus on the key issues.
- Be conscious of where you will get most leverage. Identify those targets which will provide the greatest leverage. It is often a relatively small number of organizations or a relatively small part of a market (e.g. the largest and most influential organizations, the largest metropolitan areas, the largest agricultural areas etc.).
- Identifying your message means clarifying how you differentiate your product in the market. Make sure that you know what differentiates your product/service package.
- Make sure each constraint has a target, a message and indicates how getting the message to the target will change behavior.
- Your constraint/opportunity should very clearly say what you are going to do.
- If you are uncertain of the constraints or opportunities, yet you are still sure there is potential, then the constraint is insufficient knowledge upon which to identify a strategy. The activity is research to identify clearly specified constraints and opportunities.

2.5. The UES: Step 5, Performance measures

All performance measures must relate to the constraint and must indicate change in attitude and behavior. Performance measures do not report on what has been done (e.g. number of seminars or newsletters distributed), but how your activities have impacted the behavior of your targets.

Ask yourself, “Having defined the constraint/opportunity accurately, how do we best measure that we have made progress toward overcoming the constraint or capturing the opportunity?” That will come down to: “Have we got the message to the targets and, importantly, how is their behavior changing as a result?” In other words, how far have you moved the target from awareness of your product, to preferring your product, and finally buying it - we refer to this as the communication continuum (see Part 3, Section 5.2 and 5.3)? Figure 10 illustrates ways of defining the progress being made.

Figure 10: Measuring progress along the communication continuum



That will come down to: “Have we got the message to the targets and, importantly, how is their behavior changing as a result?” In other words, how far have you moved the target from awareness of your product, to preferring your product, and finally buying it - we refer to this as the communication continuum (see Part 3, Section 5.2 and 5.3)? Figure 10 illustrates ways of defining the progress being made.

You may have more than one performance measure per constraint/opportunity. In fact, it is highly unlikely that one performance measure is sufficient to indicate progress or to get understanding of how your input influenced the final outcome. The table below illustrates this point with an example that is typical for the SRTGs.

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Constraint: Small and medium-size US exporters lack resources to develop and maintain active trade relationships in the target market without support.

Performance measures	Year 1	Year 2	Year 3	Year 4	Year 5
New to market US exporters	3	5	7	9	11
US exporters shipping to the target market	5	8	10	13	15
New formal commercial relationships established between US exporters and target market trade	2	4	6	8	10
Sales of US exporters working with the FAS industry partner to the target market (\$)	X	X+	X+	X+	X+

Once you have defined your constraints and opportunities for each market and identified appropriate performance measures for each of them, you **should follow your progress every year**. Regular monitoring of progress also provides insight about the strengths and weaknesses of your programs. For example, if your performance measures indicate that your main message is being communicated (i.e. you are making progress toward overcoming the constraint), but there is no change in purchasing behavior of your targets, then, there is another important factor(s) influencing decisions and the basic assumptions upon which the program is built will need to be reviewed and adjusted.

Below we give some more examples, building on the constraints we have already identified in Part 1, Section 2.4.1. They are further elaborated on in Part 2, Section 3.

Example 1: Selling US pork to food processors in Wiendland

- *Constraint:* Pork processors with turnover higher than \$100m, 10 of which are key accounts, buy raw materials on the basis of price only and are not aware of how higher yields and lower processing cost, which are typical for US pork, can increase their profit potential.

We need evidence of targets moving through stages 1 to 5 as indicated in Figure 10 above. It will be noted that details of sales are required. This is critical so that we can see the impact of the communication work on changed buying behavior. However, at this level, we need details of sales to the specific targets we have been working with and not overall sales in the target market. The total sales in the target market are reflected at the export goals level and not the constraint level.

US pork in Europe performance measures	
Stage 1: Awareness Knowledge	Number of targeted processors aware of the higher yield and lower processing costs of US pork
Stage 2: Liking Preference	Number of targeted processors who are convinced that US pork offers higher profit potential
Stage 3: Conviction to try	Number of targeted processors who try US pork
Stage 4: Purchase	Number of targeted processors who buy US pork; sales to targeted processors
Stage 5: Regular purchases	Number of targeted processors who process primarily US pork; sales

In this example, some of the targets are identified as 'key accounts'. A key account market development system is ideal to measure progress in overcoming constraints. It involves getting close to key potential targets so that they understand your products and services and allowing you to understand their needs. More

detail about this method and how it fits into the R-OM process is given in Part 3, Section 5.6.3. Performance measures will be collected for them and for all targets. It will be seen that by year 4 we will have converted 5 of the 10 key accounts to regularly processing primarily our product. We work closely with these key accounts on a regular basis and we will regularly assess which stage they are at.

It is also important to track progress of all of our targets as we are concerned to identify the wider impact of our work. We do this by a trade survey carried out by a third party every three years (in the process, also checking our assessments of our key accounts). It is anticipated that this survey will reveal that, after 3 years, 5 of the 80 targets are regularly using our product for most of their supplies, and 3 of them will be our key accounts.

Some compromises have to be made in measuring progress. In this example our compromise is to focus the progress monitoring effort on the key accounts. They are, after all, the main players, and where we feel we have the greatest potential. The other targets are important, but our compromise is to monitor their progress less regularly.

Performance measures	Baseline	Year 1	Year 2	Year 3	Year 4
1. # key accounts aware of... (all target)	8/10 25/80	10/10	10/10	10/10 60/80	10/10
2. # key accounts convinced... (all target)	4/10 15/80	6/10	8/10	10/10 45/80	10/10
3. # key accounts who try US pork... (all target)	2/10 8/80	4/10	6/10	6/10 20/80	8/10
4. # key accounts who buy US pork... (all target)	1/10 5/80	3/10	5/10	7/10 12/80	9/10
5. # key accounts processing primarily US pork... (all target)	0/10 0/80	0/10	2/10	3/10 5/80	5/10
6. Sales to key accounts (sales to all targets)	\$x -	\$x+ -	\$x+ -	\$x+ \$y	\$x+ \$y+

Example 2: Increasing the use of US soybeans and US soybean meal (SBM) to Whitelandia

- *Constraint:* The five leading mills in Whitelandia do not use US SBM because they do not understand that US SBM has superior nutrient components which increase feed conversion ratios and, consequently will increase their sales and profitability.

Here the key to success is to demonstrate the superiority of US SBM to the targets and demonstrate the better feed conversions ratios. This will generate a positive message about the potential impact on farm productivity and help to develop understanding and preference for the product. The key indicator of success will be the level of incorporation and the tonnage purchased.

Performance measure	Year 1	Year 2	Year 3	Year 4
# of targets understanding that US SBM has superior nutrient components	1/5	2/5	4/5	4/5
# of targets having positive attitude about the impact of the support you will give to promoting the ingredient among farmers	1/5	2/5	4/5	4/5
# of targets understanding the potential contribution of US SBM to profitability	1/5	2/5	3/5	4/5

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Performance measure	Year 1	Year 2	Year 3	Year 4
# of targets preferring US soy/SBM	1/5	2/5	3/5	4/5
Average incorporation of US SBM	X%	X+%	X+%	X+%
Metric tons purchased by the 5 majors	25,000	45,000	60,000	90,000

Example 3: Getting sunflower seed into retail in Jiggistan

- *Constraint:* The managers of the six leading retail chains, accounting for 50% of all snack sales, are unaware of the sales potential of US sunflower seed as a snack, of the consumer interest in it, and how better merchandising practices can result in higher.

Progress will be measured initially by an assessment of whether the retailers are fully aware of potential consumer interest and of the support which will be available to them. But this is just the start. Ultimately, changed behavior is required in the form of plans to change the presentation of the product and commitment to in-store promotions of the product. Hopefully, the results of these changes will result in a bigger commitment to the product. Because of the relatively small numbers involved, this performance measure will be relatively easy to assess.

Performance measure	Year 1	Year 2	Year 3	Year 4
# of targeted retailers aware of potential consumer interest in sunflower seed as a snack	0/6	2/6	4/6	6/6
# of targeted retailers who agreed to in-store promotions	0/6	1/6	2/6	3/6
# of targeted retailers displaying sunflower seed in snack section	0/6	0/6	1/6	2/6
Sales of US sunflower seed in target retail chains	0	0	\$x	\$x+

Example 4: Developing corn consumption in Galleehna

- *Constraint:* The 15 leading hog producers (primary targets) and a secondary group of about 50 farmers in Balloon lack technical sophistication. They are not aware of key technical components, such as AI and detailed record keeping and therefore lack the capability to expand production and corn use.

This program is ambitious, and it will be challenging to measure progress. However, it is an expensive program and it will be of critical importance to regularly monitor advances. Ultimately it is necessary to check the improvement in the efficiency of the primary and secondary targets of the program, and the change in consumption in the province as a whole. To check at all three levels is also important because there is an underlying assumption that working with the primary targets will ultimately lead to province-wide benefits.

Collection of data from the secondary targets will involve a specific exercise, either a survey of the secondary targets or a census based on the results collected by the extension service. Clearly this depends on a local decision and the quality of the data collection resources available locally.

Performance measure	Year 1	Year 2	Year 3	Year 4
# primary targets will be part of the program and exposed to the technology package	3/15	7/15	15/15	15/15
# of secondary targets will be part of the program and exposed to the technology package	0/50	3/50	10/50	20/50
# primary targets will adopt the package	2/15	4/15	10/15	12/15
# primary targets will be nominated demonstration farms	0/15	2/15	5/15	8/15
Average profit per hog of the primary targets	\$x	\$x+	\$x+	\$x+
Corn consumption among the primary targets will be (mt)	YY	YY+	YY+	YY+
# of secondary targets will adopt the package	0	0	5/50	8/50
Average profit per hog of the secondary targets	0	0	\$x	\$x+
Corn consumption among secondary targets	0	0	ZZ	ZZ+

Example 5: Gaining access to retailers with high-value poultry products in Bellinia

- *Constraint:* The top three retailers serving the higher socio-economic and middle class are not aware of the range and availability of high-value US poultry products, of the potential consumer interest in them, and the profit opportunities that higher-value products offer.

Progress will be clear when the targeted retailers begin to stock the type of products we are promoting. However, because we are looking to see 5 target products stocked, we need to assess progress in this respect. This is an easy constraint to measure as we will be in close contact with the relatively small number of retailers.

Performance measure	Year 1	Year 2	Year 3	Year 4
# of targeted retailers aware of range and availability of higher-value US poultry products	1/3	2/3	3/3	3/3
# of targeted retailers who agree to carry in-store promotions for US products	0/3	1/3	2/3	2/3
# of targeted retailers who begin to stock US products	0/3	1/3	1/3	2/3
# of high-value US poultry products (out of 5 targeted) stocked by targeted retailers	0/5	2/5	3/5	4/5
Product sales to targets	0	0	\$x	\$x+

Example 6: Supporting changes in import standards for sorghum in United Batova

- *Constraint:* The 5 most influential members and senior staff of the two associations representing the coalition of importing interests lack understanding of the techniques and commercial arguments that need to be communicated to the National Import Standards Agency (NISA).

The ultimate success in overcoming this constraint will be the elimination of the market access barrier. However, this rests with the efforts of the relevant US agency in negotiation with the local authorities that determine the regulation. In this case, progress with the Industry Partner’s efforts will be clear when the

Results-Oriented Management: a guide for FAS industry partners

Part 1: Writing your plan

Developing your country market plan

two leading associations have indicated that they fully understand the technical issues so that they can effectively communicate appropriate arguments to the NISA. A definitive sign for progress will be when the local trade associations formally communicate their concern and solutions to the Government Agency. Here we need to track whether targets understand what needs to be changed and why, and then whether they communicate effectively to those who can make the changes.

Supporting changes in import standards for sorghum in United Batova	
Stage 1: Consolidating awareness of the need to change	Targets understand how the import standards influence the availability of good quality sorghum and the sector's productivity and profitability.
Stage 2: Knowing what to change	Targets understand the technical and commercial arguments in favor of changing current import regulations.
Stage 3: Prepare draft position paper fully outlining the arguments why standards should be changed	Targets develop a communications strategy and appropriate material to communicate with NISA
Stage 4: Persuade others	Targets formally communicate their concerns and proposed solutions to the NISA through formal meetings or other meaningful communication.
Stage 5: Implement change	-

Part 2, Section 3 provides several examples of how performance measures are derived for different constraints and it also discusses the challenge of collecting the necessary data (see also Part 3, Sections 5.5 and 5.6).

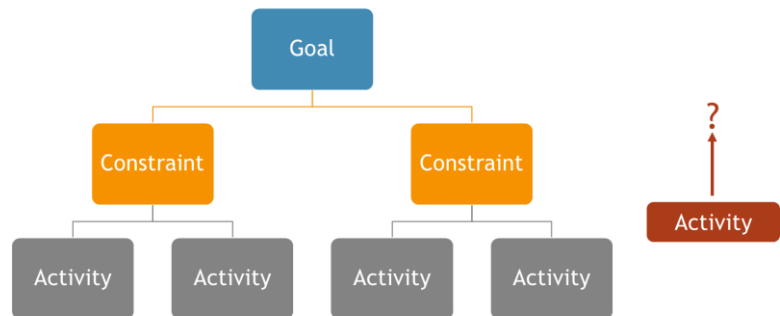
Tips:

- Ask yourself, 'What indicates that I am making progress?'
- Ensure the performance measures identify whether progress has been made in overcoming the constraint or grabbing opportunity.
- Ask yourself, 'Are we measuring the movement of targets along the communication continuum?'

2.6. The UES: Step 6, Activities & expected results

Having identified the constraints, it becomes easier to identify suitable activities. Activities must directly contribute to addressing an identified constraint or opportunity. ‘Hanging’ activities, such as that illustrated on Figure 11, usually follow from a ‘bottom-up’ approach which is activity, rather than constraint, driven. In short, think of opportunities and constraints first, then focus on activities which will best address the identified constraints.

Figure 11: A ‘hanging’ activity



FAS is largely concerned with progress at the constraint level. However, you are expected to measure progress at the activity level. This is important as you will need to know if your activities work and contribute to overcoming the identified constraint or opportunity.

There are several other points in relation to the structure of the plan and the position of activities:

- *Multi-purpose activities:* If an activity confronts several constraints/opportunities, arbitrarily assign it to one of the constraints it addresses, but also reference it under the other constraints.
- *Evaluation activities:* Activities such as evaluation studies which apply to all constraints should similarly be allocated to an arbitrary constraint until a specific part of the UES accommodates it.
- *Single activity constraints:* In the cases where you have only one activity working to overcome a constraint, clearly, the result of the activity can be the same as the performance measure at the constraint level.

2.6.1. Activity results

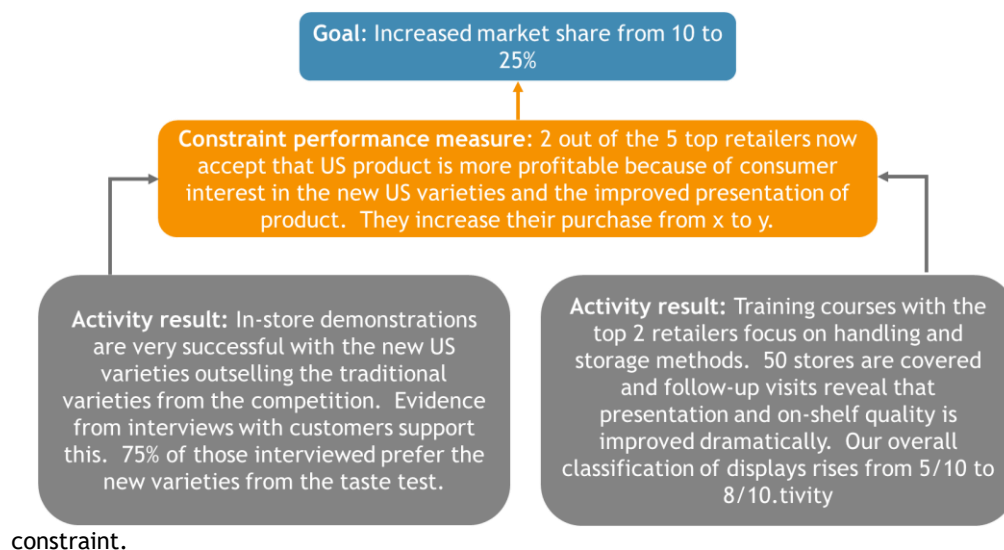
The performance measure at the activity level is referred to in the UES as the ‘result’. The desired result should indicate how the activity has contributed toward overcoming the constraint (e.g. changing understanding and attitudes of targets). At the activity level you can also measure what actually took place (referred to as the ‘output’ - e.g. the number of seminars, number of publications etc.). But, be aware of the difference between result and output. It is important to get your targets to seminars or to make sure they receive your promotional material. However, it is much more important to identify what was achieved. How have you changed the targets attitude and knowledge? This is the key aim of the activity and the key results to be reported.

Figure 12 gives an example of the difference between the constraint performance measure and the activity result. We chose as an example a program with a goal to increase market share from 10 to 25% over 5 years.

- The constraint level performance measure indicates the extent to which your constraint is being overcome. In the example, the constraint was that top retailers did not have an incentive to buy the US products as they were new, little known, varieties which needed more care in storage and handling. The US product was not being well presented to customers, so interest was low.
- The activities chosen to address this constraint were (a) in-store tasting (primarily designed to raise the interest of the retailer) and (b) some training courses on handling, storage and

presentation. The success of activity (a) was to be assessed by the response of consumers. This was documented and used to support the case for shelf-space with the retailer. The success of activity (b) was the implementation of better handling and display practices; easily measured according to 'best practice' criteria. Both (a) and (b) contributed toward overcoming the

Figure 12: Performance measures at the constraint and activity levels



Progress was tracked at the activity and constraint levels, and, because of the importance of the 2 retail chains which responded, you could also identify a change at the goal level.

A number of points need to be underlined when considering activity results. It is important to recognize that collecting performance measures at the activity level is an integral part of evaluation. Careful assessment of whether objectives have been achieved is critical to learning about the strengths and weaknesses of your program.

The activities encompassed within a market development program are very diverse. It is impossible to give a comprehensive list of typical results; indeed, much depends on the nature of the constraint or opportunity and the structure of the program. Also, much depends on you, what you need to see, that shows you have met your objectives and are making progress.

2.6.2. Some examples of activity results

The following list provides some examples of activity results. Those listed in *italics* are 'outputs' and are not satisfactory as indicating an activity result. They may however be included to give an indication of the dynamic of the activity. Also, for SRTGs, some 'outcomes' can be an important indicator of success as one of their main objectives is to invigorate small and medium sized companies' interest in exporting.

Trade shows

- Number of exporter participants
- Number of 'live' contacts at the show
- *New companies involved (more typical for SRTGs)*

- Number of formal commercial relationships developed (agencies, representatives etc.)
- Actual on-floor sales and projected sales
- Exhibitors evaluation of the value of the show
- Sales within the following year as a result of the show

In-store promotions

- New-to-market products listed (more typical for SRTGs)
- Target exporting companies involved (more typical for SRTGs)
- New exporting companies involved (more typical for SRTGs)
- Impact on understanding and attitudes (moving along the communication continuum)
- Change in sales (i.e. before, during and after the promotion - post activity check 6 months later, although period will depend on the nature of the product)

Outgoing trade missions

- Report on the visit indicating key details of the market (structure, distribution, contacts etc.), recommendations and an Action Plan for follow-up
- Targeted companies involved (more typical for SRTGs)
- New targeted companies involved (more typical for SRTGs)
- Impact on understanding and attitudes (moving along the communication continuum)
- Change in sales related to the activity

Reverse trade missions

- Number and quality of buyers involved
- Impact on understanding and attitudes (moving along the communication continuum)
- New to market products (more typical for SRTGs)
- New companies involved (more typical for SRTGs)
- Change in sales related to the activity

Technical seminars and training

- Number and quality of attendees
- Seminar impact on understanding and attitudes (moving along the communication continuum)
- Ability to apply concepts learned

Market research

- Report with very clear conclusions and recommendations relating to the objectives

Distributor development (more typical for SRTGs)

- Target companies involved
- New target companies involved
- New formal and active commercial relationships (e.g. agents, importers, distributors etc.)
- Change in sales (i.e. before and after the activity)

Promotional materials

- Number of targets receiving materials
- Number of enquiries resulting from material
- If a small target audience, impact on understanding and attitudes (moving along the communication continuum)

Technical assistance

- Number and quality of companies given technical assistance
- Impact on understanding and attitudes (moving along the communication continuum)
- Ability to apply concepts learned

Product showcase

- Number of participants
- New companies involved
- New formal and active commercial relationships (e.g. agents, importers, distributors etc.)
- Actual on-floor sales and projected sales
- Sales within the following year as a result of the showcase

Outreach (particularly for SRTGs)

- Number of potential targets receiving seminars, company counseling, attending domestic shows
- Change in number of targeted companies assisted
- Change in number of participants
- Number of new participants
- Reported usefulness of the activity among targets
- Number of companies enrolled in Branded Food Program or other programs
- Change in export sales of participants

Tips:

As for constraints, ask yourself, 'What indicates that I am making progress?'

Be sure that you have clear objectives for each activity - you must have a target and you must have a message.

Ask yourself, is it clear how this activity will help me overcome the identified constraint or opportunity.

Be aware of the difference between output and result. It is not how many activities you have done or how many people you have reached. More important is what was achieved. How have you changed their attitude and knowledge?

2.7. Outcomes vs. outputs

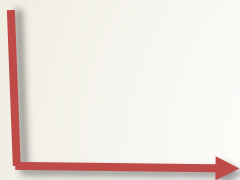
When considering performance measure either at constraint/opportunity level or activity level, it is important to distinguish between outcomes and outputs. Outputs measure what has been done (e.g. number of seminars conducted and number of attendees, number newsletters circulated, etc.). Outcomes measure change in attitudes and behavior (e.g. number of key targets understanding the benefits of our product or how to use it, number of key targets purchasing/using US product).

At the activity level one could report on what has been done but, more importantly, results must measure how the participants in the activity have been impacted (e.g. number of seminar participants who now understand how to use US product).

Constraint performance measures must always be outcomes. They measure the cumulative impact of all activities addressing a given constraint/opportunity on the target audience's behavior.

PART 2: EXAMPLES OF DRILLING DOWN TO IDENTIFY CONSTRAINTS AND PERFORMANCE MEASURES

Go here for examples



Here we present several examples to illustrate the drilling-down process and the specification of constraints/opportunities, and performance measures. We also give examples of converting this into your UES application and Country Plan.

3. SOME EXAMPLES AND CASE STUDIES

- As for constraints, ask yourself, ‘What indicates that I am making progress?’
- We outline hypothetical examples of the drill-down process in more detail using a question and answer method. We also convert the results of this into some examples for the UES.
- We have tried to cover a range of different targets and situations. The examples cover the creation of incentives among feed and food processors, retailers and farmer users. The same principles can be used for other target groups.
- The example drills down focus on identifying the leverage (the part of the marketing chain you feel gives you the greatest chance of influencing US sales, either directly or indirectly), and clarifying the specific target and message.
- We also identify performance measures which might be used and how to collect the data needed for the performance measures.

This section includes examples of drilling down to identify a constraint or opportunity and the derivation of performance measures. For some of the cases covered, it also reviews how data for the performance measures will be collected. Those who have participated in our R-OM workshops will be familiar with the ‘question and answer’ technique which underlies drilling down. In this section, we use a truncated form of drill down. It may be necessary to explore a wider range of issues to clearly identify leverage, the targets and the messages.

The method has several points of focus.

- First, it seeks to identify the leverage. This involves identifying which part of the marketing chain you feel gives you the greatest chance of influencing US sales, either directly or indirectly. This demands understanding the purchase decision-making processes of the key participants in the chain.
- Second, once the main leverage points are identified, it seeks to clarify the specific message to be aimed at which specific targets to change their behavior. The aim is to narrow the target and message down to something which is a significant challenge and will represent considerable progress in this market.
- Third, it seeks to clarify the performance measures we might use.
- Fourth, it reviews how to collect the data needed for the performance measures.

We emphasize that there is rarely a single ‘correct’ approach to a market; similarly, there are several alternative ways of phrasing a constraint or opportunity. Part 1, Section 2.4.2 provides some criteria for a good constraint or opportunity definition.

The following examples are hypothetical, although real cases have been used as a base. Although some examples may seem more relevant to a specific industry partner, the basic process used in the example is relevant to all.

For each example, we provide either a drill down applying ‘question and answer’ technique, a conversion to a UES submission, or both. In one case (Section 3.7) we elaborate activities. The coverage is as follows:

Example	Focusing on
Selling to feed companies: US soybeans in Whitelandia <ul style="list-style-type: none"> • A drill down 	<ul style="list-style-type: none"> • Working with users (feed manufacturers)
Getting a product into retail: sunflower seeds in Jiggistan <ul style="list-style-type: none"> • A drill down • Converting this into a UES submission 	<ul style="list-style-type: none"> • Working with retail (category management)
Developing consumption: corn in Galleehna <ul style="list-style-type: none"> • A drill down • Converting this into a UES submission 	<ul style="list-style-type: none"> • Developing demand
Selling to food processors: US pork in the Wiendland <ul style="list-style-type: none"> • A UES submission 	<ul style="list-style-type: none"> • Working with users (food processors)
Getting access to retailers: high-value poultry products in Bellinia <ul style="list-style-type: none"> • A UES submission 	<ul style="list-style-type: none"> • Working with retail (consumer demand)
Trade servicing (hypothetical product) <ul style="list-style-type: none"> • A drill down 	<ul style="list-style-type: none"> • Working with key players
Getting access to retail and HRI buyers: Developing new trade contacts and clients: Regional seafood products in Godzukstan <ul style="list-style-type: none"> • A UES submission including activities 	<ul style="list-style-type: none"> • Working with retail and HRI (consumer demand) • Supporting small and mid-sized companies
Supporting changes in import standards for sorghum in United Batova <ul style="list-style-type: none"> • A drill down • Converting this into a UES submission 	<ul style="list-style-type: none"> • Working with key industry organizations

3.1. Selling to feed companies: US soybeans in Whitelandia

3.1.1. Defining the constraint: identifying target and message

- Q. What is the situation in the Whitelandian market?
 A *Tough, we have a major market share, but it is getting more difficult for us to hold our position. US-origin soybean meal (SBM) is finding it very difficult to compete.*
- Q. Why?
 A *Products from other origins are cheaper.*
- Q. What can you do to increase sales?
 A *There is a lot to do, so many things to work on.*
- Q. OK, where do the priorities lie?

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PART 2: Examples of drilling down to identify constraints and performance measures

Some examples and case studies

- A *Probably with the feed manufacturers; they make the key decisions to buy SBM.*
- Q OK, so what can you do to encourage them to buy US soy/SBM?
- A *Make feed manufacturers aware that US SBM or meal crushed from US soybeans command a premium.*
- Q Why does it command a premium?
- A *Because it is better.*
- Q In what way?
- A *Because it is more consistent, and we know from research that it has a better amino acid combination and higher digestibility. And on top of this, we have better service.*
- Q So, the product has higher value?
- A *Yes.*
- Q And the challenge is to persuade the feed manufacturers that it has higher value?
- A *Yes.*
- Q And how will you persuade them of this?
- A *First, I will show them evidence that US SBM works on farms and that it is of superior quality. Second, we will illustrate the benefits in terms of higher margin of incorporating US SBM into rations.*
- Q How will you do the former, showing that the product performs well and that it is better than other sources?
- A *The key is to assure them that the product will perform better and hence will be in demand.*
- Q Do you have any evidence?
- A *The performance figures speak for themselves. We can back it up with evidence for many different experiments. Also, we will give them a survey we did which shows that US SBM has a better amino acid combination and higher digestibility than other sources.*
- Q How will you do the latter, showing them that they will get better margins?
- A *We have a formulation program which we use - that shows very clearly all the advantages*
- Q Have any of the feed manufacturers seen the formulation program before?
- A *They all have formulation models, but not the one we use, which is more sophisticated in matching nutritional requirements to different types of soy meal available.*
- Q OK, so if you get that program into the feed manufacturers, then you will have made good progress?
- A *Yes. In fact, if they use that, this is all the evidence they will need. Once they use that they will be much more likely to use US SBM.*
- Q So the experimental evidence becomes less important?
- A *Yes, I guess so. They know what the nutritional needs of the animals are, so the key is that they see how our ingredient gives them more profitability.*
- Q So we can forget about the experimental evidence?
- A *Well, it is less critical, it will be good supporting evidence. And maybe we have to help the feed manufacturers by encouraging farmers to ask for feed containing US SBM.*
- Q That sounds like you have another constraint: farmers are not aware of the advantage of US SBM?
- A *Yes, that's right, and it is important.*
- Q But which is the most important? The issue you must focus on?

A *They are both important but getting the feed manufacturers on-side is the most critical. It would help the feed manufacturers if we were able to say we will work with them to promote US SBM.*

OK, put the farmer constraint on one side for the moment. We will come back to it later. It seems to be a second constraint we need to address in our strategy to meet our goal. The key thing seems to be that you now have an additional message for the feed manufacturers. They need to know that if they incorporate US SBM, you will help them by promoting the product (or at least the ingredient) to farmers.

Q Now, let's return to our main issue persuading the feed manufacturers. Are all feed manufacturers of equal importance?

A *No, there are five milling groups which dominate the sector. These are the ones we focus our attention on.*

Q How far have relationships progressed with these?

A *We know them all well from contact over many years.*

Q And how many appreciate the merits of US SBM?

A *One is clearly on board; he has been to the US many times and sees the benefits. He is very bottom-line motivated.*

Q OK, so to summarize: You have 5 key targets?

A *Yes.*

Q Your message is that US SBM gives better margins because it performs better. Therefore, your feed product will be preferred in the market, generating greater demand (and you will help them by promoting the ingredient among farmers)?

A *Yes, that's right.*

Q So do you have a specific constraint now?

A *Yes, it looks something like this: The five major feed manufacturers in Whitelandia do not fully understudy the superiority of the nutritional components of US SBM (or meal crushed from US soy) and its contribution to their profitability. They do not see how US SBM can be incorporated into rations and result in more sales and greater margin. Once they see this by using our formulation program and seeing how we will support demand, they will purchase US SBM (or meal crushed from US soy).*

Excellent. So, we have now captured what you see as the key constraint. It is something you have influence over. Also, if your assumption is true, we should be able to see a change in attitude, and, more important a change in behavior. If we do not see a change in behavior, your basic assumption did not hold. If we do, we can be confident that you fitted the key to the lock.

3.1.2. Identifying performance measures

Q And what would show that you are being successful in overcoming this constraint?

A *I would need to know if they have accepted our message about US SBM, and if they have changed behavior.*

Q OK, so what would be the progression: aware of US de-hulled, installs/uses your formulation program, understands the contribution to profitability of US de-hulled, prefers US de-hulled, increases purchases?

A *Yes, but all are aware of the product, so it would be something like this:*

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PART 2: Examples of drilling down to identify constraints and performance measures

Some examples and case studies

Performance measure	Year 1	Year 2	Year 3	Year 4
Targets use our formulation program (or something similar)	1/5	2/5	4/5	4/5
Targets positive about the impact of the support provided to promoting the ingredient among farmers	1/5	2/5	4/5	4/5
Targets understand the potential contribution of US SBM to profitability	1/5	2/5	3/5	4/5
Targets prefer US soy/SBM	1/5	2/5	3/5	4/5
Average incorporation of US SBM by targets	X%	X+%	X+%	X+%
Metric tons purchased by the 5 majors	YY	YY+	YY+	YY+

3.1.3. Collecting data on performance measures

Q OK, now we know what the focus of your work is and you will be able to see what progress you are making in overcoming what you see to be the major constraint. Before we think of the activities which are necessary to overcome the constraint, how would we measure this?

A *Well I was worried about that, but I think I have the answer. In fact, this should be quite easy; we visit these companies regularly, they are key clients and we work on a key account basis. In other words, we know them and they know us.*

Q OK how will you assess progress?

A *We will know whether they are using our program, we can ask them:*

- *if they can see the benefits of our promotional program among farmers (we can classify them as seeing it as A, very supportive, B, modestly supportive, or C, not very useful at all);*
- *if they can see the potential contribution of US de-hulled (A, see it clearly, B, marginal benefit, or, C, no benefit at all);*
- *if they now prefer US de-hulled SBM (A, yes definitely prefer, B, unsure, or C, definitely don't prefer).*

We can also see the incorporation rate and also get an indication of US de-hulled purchases.

Q So you can see how you can convert the information you collect into your performance measures?

A *Yes, I will count a person converted if he scores an A on each of the performance measures.*

Q OK, now onto the activities to overcome the constraint. Try to do this on your own. Remember, there needs to be a clear linkage between the objectives of your activities and the constraints.

3.2. Getting a product into retail: sunflower seeds in Jiggistan

3.2.1. Defining the constraint: identifying target and message

- Q So what is the challenge in this market? What do you have to do to expand sales of US sunflower seed?
- A *The problem is that sunflower seeds are rarely bought as a snack. They are used widely in baking, but we know they are used for snacking as well.*
- Q You mean that the seeds bought for baking end up being used as a snack.
- A *Well, primarily they are used for baking, but we know that some are used for snacking.*
- Q Why is that?
- A *There is a long tradition of eating snacks purchased from hawkers in the street. The product is very much part of the culture. But so far, there has not been a packaged product for sale as a snack.*
- Q Why not?
- A *Well, the main problem is that the major retailers fail to see the potential of sunflower seeds as a new snack product competing with other snacks.*
- Q Why is that?
- A *Our discussions with retailers suggest very little belief that consumers are interested in a higher-value snack product, especially when sunflower seeds are available on the streets at very low prices.*
- Q So retailers do not see any incentive to display sunflowers as a snack?
- A *No, they see it as a standard baking item only, and they display it along with all the baking goods, often at the bottom of the display with minimal shelf frontage and customer exposure. And some of the packers do present the US product in an attractive way which could be used for snacking.*
- Q What do the retailers say when you propose moving the product to a snack section?
- A *They cannot see the rationale, because they do not think sunflower seeds can possibly compete with the other snacks.*
- Q And what do you say?
- A *We know that consumers would be very interested in the product. We have done some focus group work in the past which has underlined the great interest in the US product.*
- Q What was the main source of interest?
- A *There were three things, the US product is larger, cleaner, and is presented in a number of different flavors not available from elsewhere.*
- Q Is there any competition to US seed?
- A *Not really, at least in this premium quality area. The domestic product is quite distinct and inferior in many respects. We are convinced that if the retailers give it a go, with some additional help from us, it could be a very successful product.*
- Q So the constraint lies with the retailers?
- A *Yes, we know the packers are geared up and the consumers would be interested.*
- Q So how will you persuade the retailers to stock the product?
- A *We have thought hard about that; we feel we need to go to them with evidence of consumer interest, a commitment to help them with some POS material and advertising support. and the support of a supplier who can redesign the pack for snack retail sales.*

Results-Oriented Management: a guide for FAS industry partners

PART 2: Examples of drilling down to identify constraints and performance measures

Some examples and case studies

- Q Is getting the commitment of the packer a problem?
- A *No, one packer is willing to make a contribution. He is geared up to meet the opportunity with a new, more eye-catching pack. He already has enough incentive to adjust to make the most of this potential new opportunity. Others would follow, once we see some success.*
- Q OK, you seem to have thought out your message. Let's focus a little more on your targets. Who are they precisely?
- A *Yes, in fact we would simply focus on the large supermarket chains. They are growing rapidly in importance - we consider they account for at least 50% of sales in the snack category - and three of them are attracting the better-off customer who is more likely to buy our product. If we get in with them, we would expect the others to follow pretty soon. There is not a lot of immediate prospect in the other parts of the retail sector.*
- Q So your target would be the six supermarket chains?
- A *Yes, the managers of the snack food department.*
- Q Do they buy centrally for all of their outlets?
- A *Fortunately yes. We have six people to persuade.*
- Q So, it looks as though your constraint is now well defined. Let's hear it.
- A *How about this: 'The managers of 6 leading retail chains, accounting for 50% of snack sales, are unaware of the sales potential of US sunflower seed as a snack, of the consumer interest in it, and how better merchandising practices can lead to higher profits.'*
- Q Good. And how will you go about this?
- A *Well, I see an activity which involves preparing a new product proposition for the retailer. I will prepare a dossier outlining the results of our research including projected volumes for each target supermarket, drafts of our POS, concepts for our ads in the local newspaper and the support expected from the packers who I will have lined up. I can compare the anticipated results with the results we had selling off of the bakery goods section of the supermarket. Once we do that, I see another activity, in-store promotion. If we convince the retailer of the need to organize an in-store promotion with our support, I am confident that they will see the clear profit potential.*
- Q And what if the sales cannot provide the margins of other competing snacks?
- A *Well I know that snacks fetch a high margin anyway, so I suspect that will not be an issue. If it becomes an issue, I will argue that novelty in the snack sector will add to interest. The key thing is to get the product on the shelves and in the right location. If we do that we will see if it works. If it doesn't, then we go back to the drawing board.*

3.2.2. Identifying performance measures

- Q Right, how will you measure your success in overcoming this constraint?
- A *Well, I think it will be hard work. Some of these supermarket buyers are hard nuts! I think it will take a few months for some and years for others. Initially, I want them to be exposed to my message. In other words, I want to get my foot in the door and have an opportunity to present. After that I want to have an opportunity to go through the figures with them and see how it could work. I may need the support of some of the suppliers in this so that we can talk about some concrete programming. I want the buyers to understand what I am driving at and to take on board the arguments I am making.*
- Q Will they be able to make the decision without consulting others?
- A *Yes, I think they will, though, I am sure that they will need time to think over the implications. Once they can see the theoretical benefits, I want to get them to try the product so that we*

can show them that it will work. Then, of course, I am looking for a commitment to purchase and a tie in with some suppliers.

Q And then what would be good performance measures which would show you that you have been successful in overcoming your sales?

A *Well, I guess the same as I have said previously. How about:*

Performance measure	Year 1	Year 2	Year 3	Year 4
# of targets aware of the possibility of selling sunflower seed as a snack and the extent of consumer interest	2/6	4/6	6/6	6/6
# of targets aware of the nature of our support	2/6	4/6	5/6	6/6
# of targets who agree to in-store promotions	1/6	2/6	4/6	5/6
# of targets displaying sunflower seed in snack section	0/6	1/6	2/6	3/6
Sales to targets	\$x	\$x+	\$x+	\$x+

Q And, how would that change over time?

A *Well I would hope to have them all (6/6) aware by year 4, and in the same year, 5/6 being prepared to run in-store promotions. 2/6 should be stocking them in the snack section by year 3 and if my assumption holds, sales will have increased to \$x+ by then. I can map out some intermediate points for each of these performance measures.*

Q You will need to keep an eye on those performance measures. You could find that once you have converted one retailer, the packers have more leverage with the others. You could find that you have overcome your constraint quicker than you have anticipated.

A *We will see. I am not so sure. The results will show.*

3.2.3. Collecting data on performance measures

Q Now how will you collect this information?

A *That's easy. These are people we will see on a regular basis. We can track the extent to which they really are understanding the opportunity and whether they try the product and purchase it.*

3.2.4. Converting this into a UES submission

UNIFIED EXPORT STRATEGY
Market Assessment Worksheet
Market: Jiggistan
Product: Sunflower seed

1. Market Assessment:

Jiggistan's snack food market has been growing at about 5% per annum during the last five years. In fact, its brisk pace has made it one of the hot markets in what is otherwise a relatively static food economy. The growth has been fueled by demand from the nation's burgeoning consumers under the age of 30.

Popular snack foods encompass a wide variety, including dried fruits, salty snacks such as potato chips, and several types of seeds and nuts. Sunflower seeds, while certainly an accepted and popular snack in other developing countries throughout the Middle East and Asia, have only had limited exposure in Jiggistan. The

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country's climate is inhospitable for growing quality sunflowers, and until recently the government had been effectively lobbied by local growers of more popular indigenous nuts and fruits to place tariffs on potential competitors. Only within the last six months has Jiggistan lowered import tariffs on several products, including sunflower seed.

However, Jiggi consumers and retailers are unfamiliar with the potential of US sunflower seed as a snack item. The limited supplies available to consumers for the last five years have typically been low-quality, small-kernel sunflower seeds grown locally or in neighboring countries and sold by small street vendors to lower income Jiggi consumers. Sunflower seed essentially has a reputation as a poor man's snack food. Additionally, sunflower seed is incorporated in some baking goods and are sold in large packs in that section of retail stores.

Nevertheless, recent market research has indicated that quality sunflower seed appeals to a wider range of Jiggi consumers as an alternative snack food. In fact, high quality sunflower seed has many of the favorable characteristics of other popular snack foods in Jiggistan, including a large kernel, salty taste, distinctive flavors, and stability in hot weather.

With import restrictions lifted, US sunflower producers stand to gain access to a tremendous market. But first, the more established Jiggi retailers need to be educated about the appealing qualities of US sunflower seed and convinced that consumers are interested in them as a snack.

2. Long-term Strategy in the market:

The long-term strategy in Jiggistan is to educate consumers and the major retailers about the favorable characteristics of US sunflower seed as a viable snack food. Much of this effort will be built around the larger retailers, who cater to the wealthier Jiggi consumers. These retailers need to be convinced to carry high quality sunflower seed on their shelves and to locate the product in the snack section of the store. We will work with the retailers to raise and capture consumer interest. Growing retailer demand for US sunflower seed will directly influence importers' interest in seeking US sunflower seed. Thus, a *push* and *pull* effect will be created by directing activities at select food retailers.

3. Past Performance and Evaluation Results:

Working together with the US government we have had succeeded in lowering tariffs. This was our main constraint in the past. While working on getting access to the market, we also made some efforts to generate interest in consumers through PR. Recent market research confirms the basis of our optimism. Consumers like the product. However, progress cannot be made until we get the retailers on board. This will be our future focus and the results from our research study can be used to convince retailers to try to stock US sunflower seed in the snack section of stores.

4. Export data

Year	Volume	Value	Market share

Source:

Export Strategy Worksheet (Step 2)

Market: Jiggistan

Product: Sunflower seed

Constraint/Opportunity #1

Description:

The managers of snack departments in six leading Jiggi retail chains (accounting for 50% of snack sales) are unaware of the sales potential of US sunflower seed as a snack, of the consumer interest in them, and how better merchandising practices can lead to higher profits.

Performance Measures (outcomes):

	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5
# of targeted retailers aware of potential consumer interest in sunflower seed as a snack	0/6	2/6	4/6	6/6	6/6	6/6
# of targets aware of the nature of our support	0/6	2/6	4/6	5/6	6/6	6/6
# of targeted retailers who agree to in-store promotions	0/6	1/6	2/6	4/6	5/6	6/6
# of targeted retailers displaying sunflower seed in snack section	0/6	0/6	1/6	2/6	3/6	4/6
Sales of US sunflower seed in target retail chains	0	\$x	\$x	\$x+	\$x+	\$x+

3.3. Developing corn consumption in Galleehna

3.3.1. Defining the constraint: identifying target and message

- Q So, tell me what you are aiming to do in Galleehna?
- A *Galleehna is an opportunity and a threat. It's an opportunity because it is potentially a major market for corn. Domestic demand for meat is increasing rapidly and corn is not an important feed ingredient yet. But Galleehna is also a threat as it is an occasional exporter.*
- Q So what is your strategy?
- A *We need to develop internal demand. This will ensure that Galleehneze production is utilized and also, we have a long-term opportunity to show our comparative advantage in this commodity.*
- Q OK, so what is the single most important thing you need to do?
- A *Well, we could operate at different levels. We could work with the emerging feed companies emphasizing the superior quality of our US product and service package, ensuring there is solid evidence of corn's superiority over other substitute feed ingredients, or helping develop awareness of how to buy US corn among the growing group of people who now have the opportunity to import. Alternatively, we could work with the farmers and try to create the 'pull' for corn, relying on that to generate interest through the marketing chain.*
- Q So which of those options have you chosen?
- A *We will do a little of each, but we do feel that the priority is to generate understanding of the value of corn in feed rations among farmer. If we generate interest in corn, we will build the foundations of our future market.*

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Q Galleehna is a large country with many possible options, yet you have limited resources, can you afford to do too many things?

A *No, not really, we recognize the importance of concentrating our resources. We will work with the emerging feed sector, and with hog producers.*

Q OK, let's focus on one of those. Why work with the hog producers?

A *As I said, if we get hog producers to use corn, the millers will have greater confidence to launch products with corn in them.*

Q So what do you intend to do?

A *You must understand the extent to which the Ghalleehneze agricultural sector lags behind the US. The first step is to develop an agricultural sector which is able to act rationally.*

Q What do you mean?

A *Well our view is that if we help farmers become more technically advanced and sophisticated, they will be able to make rational decisions about feed. We are convinced that corn will figure as the most efficient feed ingredient in monogastric animals and hence once they are more advanced, producers will select corn. We believe that the hog industry is particularly in need of help and that those will provide the greatest long-term opportunity for our exporters.*

Q So your aim is to improve the sophistication and technical capabilities of Galleehneze hog farmers?

A *Yes.*

Q And you do not mind if this results in more consumption of their domestically produced corn?

A *No, for two reasons. More domestic corn consumed means less corn exported, and in the longer term, we believe that US corn will still maintain a comparative advantage and we will be able to sell it into Galleehna. We have great confidence in our ability to fight off the competition.*

Q Good, so how will the project with farmers work?

A *We are using a conventional farm extension approach here, and we are working with a number of other organizations and agencies who have the same objective. We have also involved the regional extension service, although they have limited resources. We have identified about 15 primary targets, all of whom have hog enterprises. We will work on these initially. Once they are up to speed, we could use them to play a major part in extending the knowledge to another layer of farms. Our aim is to develop the primary targets as demonstration farms and then to use those to extend the technologies to the next layer.*

Q Have you thought who the next layer of targets might be?

A *Yes, we anticipate there are about 50 secondary targets. We will develop a database of these farms and will measure the extent to which they become exposed to the new ideas through our demonstration farms and the changes they make on their own farms. But that is down the road. We are focused on the demonstration farms at the moment.*

Q And are you talking about the whole country, or a specific region?

A *Ultimately, we want to cover the whole of Galleehna. But Galleehna is a very large country so, initially, we have set ourselves the target of working in one region with a greater concentration of hog production. If we do that, we will have made great progress, although there will of course be a roll-out effect on the rest of the country.*

Q So let me get this right. You develop a technology package, you work with the primary farms to develop their understanding of the technology package and to help them adopt it, you will then use the primary targets as demonstration farms and, with other extension methods, promote the techniques using visits to the demonstration farms?

A *Yes, that's right, and ultimately, we anticipate a trickle-down effect so that the effects will be taken up through the entire province. In reality, we are focusing on a small number of farms now, but our aim is to develop use of these techniques through the entire region.*

Q That's ambitious. How long do you think that will take?

A *Well, we don't really know. We are hoping to see real changes among our primary targets in 2 years, our secondary targets in 4 years. I guess, by that time we will have developed a multiplier effect that will show some impact at the regional level. Once you start something like this going, it is like a wave moving through the ocean. The effect should be felt by all in the sector; although, as everywhere, you will have a small number of early adopters, a larger number of followers and quite a large rump of laggards. But, of course, the more efficient should be able to expand at the expense of the less efficient and so, we should have got our technology package through to those working the bulk of the production in the province.*

Q Good. You seem to have a clear idea of your underlying strategy. You have some very large underlying assumptions: improved farm management techniques and husbandry will lead to higher corn consumption and higher corn consumption in Galleehna will lead to more US exports. Are you comfortable about these?

A *Yes, we are. We are confident. In any case, on the first, if we monitor our progress with the demonstration farms we will see if it is working and whether the effort is worth the investment. We are very confident.*

Q OK, so let's formulate your constraint

A *How about this? The 15 leading hog enterprises (primary targets) and a group of 50 hog farms (secondary targets) in the Balloon region, are not fully aware of the technology package (record keeping, AI, etc.) which will enable them to improve their overall farm profitability and corn use.*

Q Yes, that sounds fine. Let's consider how you will measure performance.

A *Well, having identified the constraint clearly, it becomes easier to think of performance measures. For each of the two target groups: have they got the message (how to use the technologies), have they increased profitability, and have they increased corn use?*

3.3.2. Identifying performance measures:

Q OK, how will you identify whether a farm has got the message?

A *The key thing will be if we classify that farm as a demonstration farm to be used in the next phase, the roll-out to other farms, our secondary targets.*

Q Good, let's think of how you will measure progress over a number of years?

A *Our performance measures will show if we are increasing profitability, and corn consumption. Our underlying assumption will be checked, and we will have measurable benefits of our program.*

Performance measure	Year 1	Year 2	Year 3	Year 4
# primary targets will be part of the program and exposed to the technology package	3/15	7/15	15/15	15/15
# secondary targets will be part of the program and exposed to the technology package	0/50	3/50	10/50	20/50
# primary targets will adopt the package	2/15	4/15	10/15	12/15
# primary targets will be nominated demonstration farms	0/15	2/15	5/15	8/15

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Performance measure	Year 1	Year 2	Year 3	Year 4
Average profit per hog of the primary targets	\$x	\$x+	\$x+	\$x+
Corn consumption among the primary targets will be (mt)	YY	YY+	YY+	YY+
# of secondary targets will adopt the package	0	0	5/50	8/50
Average profit per hog of the secondary targets	0	0	\$x	\$x+
Corn consumption among secondary targets	0	0	ZZ	ZZ+

Q Yes, and even if you do not see immediate benefits, you should learn more from your program so that you can adjust it to be more effective. The ultimate aim of R-OM is providing learning.

A *But that is an awful long list of performance measures. Do I need to track all of them?*

Yes, if you really want to see if your program is working. But the ones you have marked in bold will probably serve as key indicators to include in your annual plan.

3.3.3. Collecting performance measures

Q Now, how do you anticipate collecting these performance measures?

A *We are working very closely with the primary targets and the whole point of the exercise is to introduce better recording. So, we will ensure that we collect baseline data and really identify the changes taking place. We also intend to specifically identify the secondary targets as well. While we cannot track them as closely, we will regularly follow them through an extension database we are developing. The primary data will come from data collected by the extension workers who will be working on the project. It will be their job to track the progress among the secondary targets.*

Q And will you measure progress among any others.

A *No, by the time we can see good progress among the secondary targets, we will know that we are having a wider effect. You will see that we are also tracking provincial consumption, so we will be picking up the overall benefit there.*

Q Good, an ambitious program. You have shown you are focused and know what you are trying to achieve and you have the mechanisms to check whether you are making progress. R-OM will help you a lot.

A *Of course we cannot attribute direct causality, but we will know the impact among the people we were working with and we will know the effect on the secondary group. We will be fairly confident about our overall impact at the provincial level.*

3.3.4. Converting this into a UES submission

UNIFIED EXPORT STRATEGY
Market Assessment Worksheet
Market: Galleehna
Product: Corn

1. Market Assessment:

Galleehna is both a producer and consumer of feed grains. For the next few years, however, it will remain a potential corn exporter, and will likely compete with the US for Regional markets. However, domestic demand is expected to continue growing at a rate which will exceed that of production growth, as limitations on arable land and only modest yield growth will limit the available supply. The potential market opportunities in Galleehna are substantial, especially as the potential corn-using sectors develop in their

technical sophistication. Developing corn use in the country will help divert Galleehneze corn to domestic uses and as demand grows will provide longer-term opportunities for US corn to capture its comparative advantage both in Galleehna and the Region generally.

Although Galleehna is a major corn consumer, its use in the hog sector is minimal because of the low level of technical sophistication of hog production methods employed by the bulk of Galleehneze hog producers. The interaction of swine genetics, nutrition, and environment and disease status are poorly understood. These factors have a severe impact on efficiency and production. Consequently, the immediate prospects for expanding corn utilization in the hog sector are constrained by the absence of modern husbandry and the widespread lack of development in the sector.

The aim of this program is to develop the performance of the hog sector by encouraging the use of modern techniques, such as artificial insemination (AI) and detailed record keeping. The more sophisticated the sector becomes, the more likely the advantages of corn will be recognized. This program will build total demand for corn in the country and over the long-term will create a vigorous market that may be tapped by US corn suppliers.

2. Long-term Strategy in the market:

The long-term strategy in Galleehna is to work with a small number of leading farms, to provide them with training and technical assistance so that they, by example, can extend the knowledge to other hog farmers. The ultimate aim is to raise the technical performance of all hog farmers. Bearing in mind the scale of Galleehneze hog sector, we will begin in one key hog rearing province and rely on success in this province to initiate advancement in hog production in other areas.

3. Past Performance and Evaluation Results

This will mark the fourth year of the program. Galleehneze corn imports have doubled over the last decade. Additionally, and critically, supporting the underlying assumption of the program, the corn consumption rate of target hog producers has consistently outpaced that of their non-targeted counterparts for three years running. While the corn consumption gains are still modest, the increases will grow as the technologies we promote extend to a wider number of hog producers.

4. Export data

Year	Volume	Value	Market share

Source:

Export Strategy Worksheet (Step 2)

Market: Galleehna

Product: Corn

Constraint/Opportunity #1

Description:

The 15 key leading hog farmers (primary targets) and a secondary group of about 50 farmers (secondary targets) in the Balloon region are not fully aware of the key technical components (e.g. AI and detailed record keeping) of commercial hog production and therefore, lack the capability of expanding their production and corn use.

Performance Measures (outcomes):

Performance measure	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5
# primary targets will be part of the program and exposed to the technology package	1/15	3/15	7/15	15/15	15/15	15/15
# of secondary targets will be part of the program and exposed to the technology package	0/50	0/50	3/50	10/50	20/50	30/50
# primary targets will adopt the package	0/15	2/15	4/15	10/15	12/15	15/15
# primary targets will be nominated demonstrations farms	0/15	0/15	2/15	5/15	8/15	10/15
Average profit per hog of the primary targets	-	\$x	\$x+	\$x+	\$x+	\$x+
Corn consumption among the primary targets will be (mt)	0	YY	YY+	YY+	YY+	YY+
Average profit per hog of the secondary	-	-	-	\$x	\$x+	\$x+
Corn usage among secondary targets	0	0	0	ZZ	ZZ+	ZZ+

3.4. Selling US pork to food processors in Wiendland

3.4.1. A UES submission

UNIFIED EXPORT STRATEGY
Market Assessment Worksheet
Market: European Union
Product: Pork

1. Market Assessment:

In general opportunities for US pork in Wiendland are limited. Wiendland has a highly specialized pork sector and very close relationship with clients. The pork market is highly competitive and price conscience. Meat processors purchase raw material primarily on price. US access to the Wiendland pork market is very limited and US pork is typically more expensive than competing supplies. As a consequence, US pork tends to be overlooked by meat processors who seek to minimize raw material costs and do not understand the benefits of utilizing US pork. However, the higher yield and lower processing cost of US pork constitute a compelling message to EU processors. US products are indeed superior alternatives and this market opportunity is worth pursuing.

Wiendland’s meat processors are a diverse group serving a broad market. Most processors are small-scale (particularly compared to their US counterparts) which serve a predominantly local market. However, there are several large-scale processing companies (defined as those having a turnover higher than \$100 million)

which serve a much more diverse regional market and operate under more sophisticated production conditions.

These larger processors are the most likely in the sector to be receptive to the idea of increasing profitability by purchasing slightly more expensive raw materials that will provide higher end-product yields and result in more efficient processing costs.

2. Long-term Strategy in the market:

The long-term strategy in Wiendland is to increase the number of pork processors who process US pork due to its overall superiority in both producing quality products and increasing company profit margins. Targeted companies will continue to be the larger-scale processors who have comparably more sophisticated operations.

Over the next five years, those existing buyers of US pork will be incorporated in a **key account** management system. This will ensure that there is mutual understanding of customers’ needs and the US product/service package.

This key account system will be extended throughout the sector and will be used to identify progress and future opportunities.

3. Past Performance and Evaluation Results:

This is a relatively new program and no evaluation results are available. However, we know a key accounts system can be highly successful from our experience in Japan. It suggests that initially it is better to work closely with a relatively small number of key accounts.

4. Export data

Year	Volume	Value	Market share

Source:

Export Strategy Worksheet (Step 2)
Market: European Union
Product: Pork

Constraint/Opportunity #1

Description:

Pork processors with turnover higher than \$100m, 10 of which are key accounts, buy raw materials on the basis of price only and are not aware of how higher yields and lower processing cost, which are typical for US pork, can increase their profit potential.

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Performance Measures (outcomes):

Performance measure	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5
# of key accounts aware of the higher yield and lower processing costs of US pork (All targets)	8/10 (25/80)	10/10	10/10	10/10 (60/80)	10/10	10/10
# of key accounts convinced that US pork offers higher profit potential (All targets)	4/10 (15/80)	6/10	8/10	10/10 (45/80)	10/10	10/10
# of key accounts who try US pork (All targets)	2/10 (8/80)	4/10	6/10	6/10 (20/80)	8/10	9/10
# of key accounts who buy US pork; (All targets)	1/10 (5/80)	3/10	5/10	7/10 (12/80)	8/10	8/10
# of key accounts who process primarily US pork (All targets)	0/10 (0/80)	0/10	2/10	3/10 (5/80)	5/10	6/10
sales to key accounts (All targets)	\$x -	\$x+ -	\$x+ -	\$x+ \$y	\$x+ \$y+	\$x+ \$y+

3.5. Gaining access to retailers with high value poultry products in Bellinia

3.5.1. A UES submission

UNIFIED EXPORT STRATEGY
Market Assessment Worksheet
Market: Bellinia
Product: High value poultry products

1. Market Assessment:

The rapid expansion of Bellinia's economy over the last two years has helped create a group of better-off Bellinians. Enjoying their new-found wealth, these consumers are increasingly looking to purchase higher quality and novel food items. Moreover, demand for these products exceeds the domestic food sector's ability to supply such products and imports are increasingly sought after. Demand for imported horticultural products is particularly strong, as Bellinia's climate is suitable only for a narrow range of edible horticultural species.

The US has exported some poultry products to Bellinia for several years. However, these products have overwhelmingly been low cost, lower-value poultry products purchased primarily through wet markets. In these markets we continually encounter cheap commodity poultry from Brazil. Neither consumers, nor the trade are aware of the range of US products available, and particularly the higher-value items such as skinned, de-boned, and prepared poultry products.

Recent market analyses suggest that potential demand for these higher-value US origin products could be substantial. The new Bellinian middle class increasingly demands novel food items that are different from their traditional staples. As Bellinian demand for top-quality products intensifies, the US is in a favorable position to compete with other poultry suppliers. We have a number of exporters who specialize in bringing to market higher-value products.

Since the Bellinian economic expansion has occurred so quickly, the local food chain is poorly organized. However, recent market evaluation suggests that focusing on the select retail chains that cater to Bellinia's middle-class consumers will provide the US with the best opportunity to sell high-value poultry products.

Increasingly, they visit the upscale retailers which serve the function of opening their eyes to new food options.

2. Long-term Strategy in the market:

The long-term strategy in Bellinia is to tap the potential demand for higher-value products among the growing number of affluent consumers and to add to the diversity of US poultry products exported to the market. To achieve this goal, the upscale retail sector will remain the target audience for the next three to five years, as they will remain the best avenue for getting new food products and cooking methods to more affluent consumers. Gradually, we anticipate a trickle-down effect with interest being developed among all new retail chains and wider acceptance of these new products.

3. Past Performance and Evaluation Results:

This will be the sixth year that US exporters have supplied low-end poultry products to Bellinia. But, it will be the first year for targeting select upscale retailers with high-value new-to-market US poultry products. Success has been modest and the potential for growth is low in the face of intense low-cost competition from Brazil. Our assessment of the program suggests that the opportunity for further growth is small, unless we change our focus.

Our recent market research reveals a lot of interest in higher-value, more convenient products among the emerging middle class. As Bellinia’s demand for low-quality poultry imports declines in the face of expanding domestic production, the market for high-value and novel products from the US is expected to increase.

4. Export data

Year	Volume	Value	Market share

Source:

Export Strategy Worksheet (Step 2)

Market: Bellinia

Product: Poultry

Constraint/Opportunity #1

Description:

The top three retail chains serving the higher socioeconomic groups, and the emerging middle class in particular, in Bellinia’s major cities are not aware of:

- a) the range (5 targeted products) and availability of higher-value US poultry products (primarily skinned, de-boned and prepared products);
- b) the potential consumer interest in them; and
- c) the profit opportunities that higher value-products offer for them.

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Performance Measures (outcomes):

Performance measure	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5
# of targeted retailers aware of the range and availability of higher-value US poultry products	0/3	1/3	2/3	3/3	3/3	3/3
# of targeted retailers who agree to carry in-store promotions for US products	0/3	0/3	1/3	2/3	2/3	3/3
# of targeted retailers who begin to stock US products	0/3	0/3	1/3	1/3	2/3	3/3
# of higher-value (out of 5 targeted products) US products stocked by targeted retailers	0/5	0/5	2/5	3/5	4/5	5/5
Product sales to targets (\$)	0	0	0	\$x	\$x+	\$x+

3.6. Trade servicing: addressing a constraint?

3.6.1. Defining the constraint: identifying target and message

Q Let's talk about the trade servicing part of the program.

A *Yes, let's talk about that as it causes me a big headache every time we get round to the UES.*

Q What are you trying to do?

A *Mainly, we are trying to maintain a good relationship with key potential customers and industry contacts?*

Q Why do you do that?

A *So we can sell them more product.*

Q I know, but how does it work; if you have a good relationship, will they buy US?

A *Well, not exactly, you develop a good relationship, so that you can get close to them, understand them and develop their trust in you.*

Q So, you have a message then?

A *Yes, we have a message, if we get that message over, we have a chance of converting them to the US or, in the case of some markets, maintaining our sales.*

Q When you say you are developing relationships, what you are doing is giving and receiving information?

A *Yes.*

Q Is it a communication exercise?

A *Partly, I want to communicate with them. But I also want them to give me information which will help me to understand them.*

Q OK, so developing relationships is a means to an end?

A *I suppose you could call it that. I like to think of it as developing trust.*

Q OK, if you develop trust, are they more likely to understand and take your message?

A *That's at the heart of it.*

- Q Let's summarize: there are two separate components, collecting information and giving information. Both depend on developing trust. What information are you giving them?
- A *Well, it will depend. For some of the key clients, we want to reassure them about food safety. The US has the most comprehensive food safety regulations in the world, far, far better than our competitors. They should understand that and believe it. For others, we want to be sure that they recognize the attributes of US product over its competitors. We need to get over these attributes to our key customers, so that we can differentiate our product in the market place.*
- Q So, who exactly are you aiming at?
- A *As I said, the key people in the industry.*
- Q Are these buyers?
- A *Yes, mainly buyers, it can be a mixed bag.*
- Q Does it need to be a mixed bag? You have very specific message, why not consider this as a specific communication campaign aimed at a very clearly identified target audience? This could be part of your key account management system.
- A *Well, I do that.*
- Q But why not make your goals more specific? Why not say for these key accounts (and you can define who they are), I have these messages to get across. That way, you will be clearer what you are doing when you are visiting them, and you will be able to assess whether you are making progress. If they are treated as key accounts, you can assess how well you are doing getting over your key messages to them.
- A *Yes, this is a communication exercise, but I am usually dealing with a wide range of things.*
- Q Well, the issues you mentioned to me sound like some key constraints which you are likely to be confronting anyway. Indeed, hearing you mention them makes me wonder whether they need to be included in the trade servicing program at all. Why not use your visits to chip away at the constraints you have identified in your plan? All the issues you mention are key constraints on your market.
- A *How would that work?*
- Q If you have a constraint related to food safety, then your visits would help communicate whatever the message is to the targets. The cost would be included in whatever activities address that constraint. Similarly, your visits would contribute toward overcoming any constraint, be it, for example, the lack of understanding of the attributes of US products, the ability to produce good quality products or the lack of a consumer market for your product. This will ensure all your activities are focused on overcoming constraints.
- A *That sounds like a good idea, but what if I wanted to run this as a key account system, how would it work?*
- Q Well, first define your targets (key accounts), say you have 5 processors, 8 key traders, 6 retailers, and then, define the messages you want to get over and the behavior you want to change.
- A *OK, I can do that.*
- Q Then, measure the progress in getting those messages over and the movement along the communication continuum. How many are at stage 1 (awareness & knowledge), stage 2 (preference for your product or acceptance of your argument), stage 3 (commitment to act - try a load, write an article supporting your position, or whatever) and stage 4, BUY!!
- A *So, it will help me monitor progress.*
- Q Yes, then it is simply a matter of tracking the number of the different groups at different stages. What proportion of your key accounts are on your side? And how many need to be won over? This

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is how a key account system works. The key is that you understand the target well and you can therefore assess what work remains to be done with him/her.

A *I see, I can make that work. OK, that is the communicating with the target bit, what do I do about the information gathering element?*

Q Well, let's start at the beginning, what is the problem?

A *We do it because we need to know what is going on*

Q What do you mean, can you be more specific?

A *Yes, we need to know how they see the market developing, what is being bought, what are the issues which we need to address?*

Q Why do you need to know this?

A *Two reasons, we have to file a monthly market situation report and we need information for that. This is to keep the industry at home informed. Second, we need to flush out issues which have to be confronted. We also are looking for opportunities to further develop product sales.*

Q So this partly confronts another constraint: the US industry needs to be aware of the market situation so that it can better plan its marketing to your country.

A *What you are saying is that we can deal with trade servicing as a means of confronting a constraint. OK, I can see that, but what if I get a call to sort out a problem with a rejected load or some other activity which I cannot predict? What do I do then?*

Q And you could not predict it?

A *No!*

Q OK, there are two elements of trade servicing. The one is the pro-active, the other is the reactive. The pro-active we have already spoken about. For that, you can produce a plan in advance of the year and you can assess if you have made progress. The reactive part is difficult to plan for. You cannot predict it and whenever anything arises, you have to assess how important it is and how you should react to it. Again, it is important to have in mind your criteria for assessing importance. If it is an exporter, JUMP, if it is a key account, JUMP, if it is a student doing a project, well, probably not at the top of your agenda or priority list!

A *So, I will allocate all the pro-active bits to the different constraints identified and strip out the reactive element and deal with that separately in the plan?*

Q Yes, that makes sense. How would you phrase that constraint?

A *How about: Exporters, key accounts and key industry contacts need local support to overcome periodic challenges to sell product into this market.*

Q And how will you show progress?

A *Well I guess, on this one, it is my responsiveness, whether I act appropriately. How many of the key contacts feel satisfied with the assistance I gave? What was the impact of my help? That's a difficult one to measure.*

Q How much time do you allocate to the reactive part of trade servicing?

A *No more than 35% of my time.*

Q Well, don't worry too much about the reactive part. Record the contacts and try to identify the impact of what you have done. Of course, some of the more reactive bits of your work will be very valuable (providing information which helps someone invest for example), so I wouldn't want you to consider this a lower priority. You have to retain a balance.

A *Fine, can I summarize? Most trade servicing activities can either be incorporated into activities addressing other constraints, OR, it can be set up as a key account system. In general, you prefer the former rather than the latter. Because we have a residual reactive trade servicing*

activity it may be necessary to create a constraint for this. And what I suggest above would be adequate.

Q Yes, that's it!

3.7. Access to retail/HRI, and developing trade contacts: regional seafood products

3.7.1. A UES submission

UNIFIED EXPORT STRATEGY
Market Assessment Worksheet
Market: Republic of Godzukstan
Product: Seafood

1. Market Assessment

Godzukstan, is leading the central Asian region in overall economic growth. The country has benefitted from rapidly rising per capita incomes and a growing middle class with the discretionary income for more upscale food purchases. It has rapidly become a major importer of western food products.

Particularly in the case of seafood, Godzukstan finds itself heavily reliant on imports, as local fish supply has been limited by pollution. Ironically, as imports became the only viable option, the loss of the local fish supply helped to familiarize the Godzuk consumers to foreign fish species. The country's liberal trade regime and low tariffs has encouraged imports. The country's imports of US seafood increased from virtually nothing to \$350,000 over the last decade. Specifically, Regional US seafood accounted for the bulk (approximately \$200,000) of the total.

Because of the close ties between the US and Godzukstan, their market is the leading Central Asian consumer of US seafood products. Moreover, with a relatively high and expanding annual per capita seafood consumption of 20 kg and a population of 50 million people, the Godzukstan market will continue to be a major seafood importer with particular preference for US products.

Lower-end products are imported primarily from China, while the more high-end seafood comes from the US and Western Europe. The potential for Regional US seafood lies within the middle and upper-class Godzuk consumers, which are concentrated in the capital and three other major cities. Moreover, in these locations the three major foreign retail chains are rapidly opening new stores, making them an appropriate target for SRTG.

Also, the HRI sector is growing as the newly formed higher-income groups go out to eat more frequently. There are several family-type restaurant chains in the major cities of Godzukstan that offer fish and other seafood products.

Overall, Godzukstan offers good potential for US seafood exports. However, the US industry comprises a few large producers and exporters and numerous smaller ones. The latter group needs support to expand its markets internationally.

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2. Long-term Strategy:

SRTG's strategy in Godzukstan is to focus on several regional US seafood species (Red and Pink Snapper, Maui, Salmon, Trout, and eel) sold to the country's select upscale importers, wholesalers, retailers, and food service. The particular target over the next five years will be the three major foreign retail chains in the country and the two biggest family-style restaurant chains in the capital and the three biggest cities in the country. We will work with these to familiarize consumers with our product.

In addition, SRTG seeks to expand Godzukstan's imports of seafood from its current heavy emphasis on seasonally fresh fish, to include a more balanced mix of frozen and processed seafood products. This will allow export sales to be made all year round, as opposed to just when species are in season.

Finally, SRTG will focus on supporting the US small and mid-sized seafood producers and processors to enter Godzukstan. Primarily, we will assist them by providing market information and with support to find appropriate trade partners in the country.

3. Past Performance and Evaluation:

This will be the second year that SRTG has conducted seafood promotional programs in Godzukstan. Previous SRTG trade show seminars and in-store promotions have focused only on Salmon and Halibut. These activities resulted in new sales and greater specific product awareness, as well as better awareness of the Western US states as a supplier of high quality seafood products. However, our evaluation and additional market research suggested a need for more precise targeting of our activities.

The focus groups we worked with in the four biggest cities clearly indicated middle/upper class consumer interest in new species and forms of presentation.

4. Export data

Year	Volume	Value	Market share

Source:

Export Strategy Worksheet (Step 2)

Market: Republic of Godzukstan

Product: Seafood

Constraint/Opportunity #1

Description:

Red and Pink Snapper, Maui, and Trout (fresh, frozen, and processed) are new products for Godzukstan and their availability and characteristics (taste, flavor/texture, and cooking methods) are not known by the three major retailers. Also, they are not aware of the potential consumer interest in these species and how they can increase their profits by introducing them.

Performance Measures (outcomes):

Performance measure	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5
# of retailers carrying targeted Regional US products on a regular basis	1/3	1/3	2/3	2/3	3/3	3/3
# of new products sampled by targeted retailers*	1/9	3/9	5/9	7/9	9/9	9/9

Performance measure	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5
# of products carried on a regular basis by targeted retailers	1/9	2/9	3/9	5/9	7/9	9/9
Sales to targets (\$)	\$x	\$x+	\$x+	\$x+	\$x+	\$x+

* Overall 9 targeted products: three fish species, each in three formats (fresh, froze, and processed).

Information for Activities Addressing Constraint/Opportunity #1

Activity #1

- A. Activity Code: GZXX1
- B. Activity Title: In-store promotions
- C. \$ Request: \$xx,xxx

D. Activity Description:

The major seafood retailers in Godzukstan will feature targeted SRTG seafood products in the larger metropolitan areas of the country. The promotion will be designed to increase retailers', as well as consumer, awareness of participating products and US products in general, through product demonstrations and taste-testing. It also aims to convince retailers that there is market potential for these products and they can profit from introducing them in their stores on a regular basis.

E. Expected Results/Time Frame:

\$50,000 to \$75,000 in sales during and within six months of the activity and requested samples for at least one of the featured products.

Constraint/Opportunity #2

Description:

Red and Pink Snapper, Maui, and Trout (fresh and frozen) are new products for Godzukstan and their availability, characteristics (taste, flavor/texture, and cooking methods), and consumer interest in them are not known by the two biggest family restaurant chains in Godzukstan.

Performance Measures (outcomes):

Performance measure	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5
# of rest. chains having targeted SRTG products regularly on their menus	0/2	1/2	1/2	2/2	2/2	2/2
# of new products sampled by targets*	1/6	2/6	3/6	4/6	5/6	6/6
# of products featured regularly on menus of the targeted restaurants	0/6	1/6	2/6	3/6	4/6	5/6
Sales to targets (\$)	\$x	\$x+	\$x+	\$x+	\$x+	\$x+

* Overall 6 targeted products: three fish species, each in two formats, fresh and frozen.

Information for Activities Addressing Constraint/Opportunity #2

Activity #1

- A. Activity Code: GZXX2
- B. Activity Title: Chef seminars
- C. \$ Request: \$xx,xxx

D. Activity Description:

SRTG will organize 2 seminars in the Godzuk capital to raise awareness among chefs in the two major family-style restaurants of the distinctive characteristics and cooking methods of new-to-market Regional US seafood

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products. In order to increase credibility, a local Godzuk chef, familiar with the targeted products, will prepare the species using various native cooking methods. New recipes will be suggested as well.

E. Expected Result/Time Frame:

At least five chefs from the target chains will be expected to attend each seminar. We would expect as a result of the two seminars at least four restaurants to try some of the featured products in their menus and at least one restaurant to introduce Regional US seafood products in its menu on a regular basis.

Activity #2

- A. Activity Code: GZXX3
B. Activity Title: Restaurant promotion
C. \$ Request: \$xx,xxx

D. Activity Description:

The two targeted family-style restaurants in the capital of Godzukstan will feature targeted SRTG seafood products on their menu. The promotion will be designed to increase both restaurant and consumer awareness of the distinctive characteristics of the participating products, as well as to convince the restaurant managers that there will be demand for the new menu items.

E. Expected Result/Time Frame:

By the end of the year, one of the major targeted restaurants will feature at least one targeted seafood product on their menus, and they will have sampled at least two targeted products through the promotional activities.

Constraint/Opportunity #3

Description:

Small and medium-size US exporters lack resources to develop and maintain active trade relationships in Godzukstan without support.

Performance Measures (outcomes):

Performance measure	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5
New to market US seafood exporters	2	3	5	7	9	11
US seafood exporters shipping to Godzukstan	4	5	8	10	13	15
New formal commercial relationships established between US seafood exporters and Godzuk trade	0	2	4	6	8	10
Sales to Godzukstan of US seafood exporters working with SRTG (\$)	x	x+	x+	x+	x+	x+

Information for Activities Addressing Constraint/Opportunity #2

Activity #1

- A. Activity Code: GZXX4
B. Activity Title: Food in Central Asian Trade Show
C. \$ Request: \$xx,xxx

D. Activity Description:

SRTG will have a booth at the Food in Central Asia Trade Show. This is the main food trade show for the Central Asian countries. This activity will target seafood producers, as well as other small and mid-sized food exporters dealing with food products that have potential in Central Asia and need support to establish and maintain trade contacts. As part of the preparation for the show SRTG will ensure that representatives of the key targets in Godzukstan meet with the US exhibitors. Also, there will be a special reception at which all key targets from Godzukstan, as well as other Central Asian countries will be invited.

E. Expected Result/Time Frame:

We expect to recruit X exporters (all foods) to participate in the show, Y of which will be new to exports companies. Z participants will be seafood exporters. We are aiming at the end of the show our participants to have established at least N number of 'live' contacts and M number of formal commercial relationships with import agencies, representatives, etc.

The actual on-floor sales will reach \$x (\$y for seafood) and projected sales to contacts established at the show will reach \$z within one year.

Also, we will survey the exhibitors of their perception of the value of the show.

3.8. Supporting changes in import standards for sorghum in United Batova

3.8.1. Defining the constraint: identifying target and message

- Q So why are you interested in this market?
A *There are relatively few markets around the globe that regularly use sorghum in animal feed. This is one of those markets, although currently sorghum supply depends entirely upon domestic production.*
- Q So what is the problem?
A *The market is protected by unrealistic import standards of which the most serious is a zero-content requirement for foreign material. Everyone knows that this is an impossible criterion to meet. It is a method of protecting the domestic sector.*
- Q So what can you do to resolve this issue?
A *Well, of course, we are limited in what we can do because any negotiation on market access issues must be led by the relevant US agency. We cannot get involved in direct negotiation with any United Batova government agency.*
- Q So do you just leave this to the US government to resolve?

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- A *Well on the basis of our investigation of market potential, we are confident that we can undertake some activities to help overcome this constraint without being directly involved with any United Batova government agency.*
- Q What precisely are you suggesting?
- A *It is clear that there are many key feed and agricultural interests in the country that currently suffer because of the economic costs of excluding US-grown sorghum. We need to mobilize their support.*
- Q Elaborate a little bit more - who are the people?
- A *The main issue is that sorghum is an important feed ingredient and currently local supplies are relatively inferior quality and there is variable availability from year-to-year. This impacts the margins of the animal production sector and also the distribution trade, especially the leading importers. Our main targets are the feed and livestock sectors, and particularly the more progressive animal production farmers and cooperatives who are seeking better feed conversion.*
- Q How serious is their concern?
- A *They have been serious enough to invite our regional representatives to meetings to discuss viable solutions. They are anxious to pull in as much expertise as possible to fully understand what needs to be done to improve their sector performance. As part of these discussions our regional representatives recognize that these groups did not have the technical background to articulate their arguments to government and they needed some help in developing their position and communicating that to the organizations that influence the importing regulations. These groups are represented by two separate organizations: one Association represents the feed mills and importers, and the other represents animal production farmers and cooperatives.*
- Q And what are the main organizations determining import standards?
- A *The main organization is the National Import Standards Agency. This agency includes nominated government officials and representatives from various parts of this sector, but it has not shown any sign that it will change the restrictive import regulations.*
- Q So how are you going to influence the NISA?
- A *We will not be involved with the agency at all. However, we will supply support to the two trade associations to ensure that they have developed good, sound arguments that will raise the understanding of the need to reverse these zero-level foreign material standards. We will of course communicate our contacts with the local sector to the FAS post in United Batova.*
- Q And what kind of activities do you believe will be effective in overcoming this constraint?
- A *There are several. First, we can have a small number of workshops to illustrate meaningful standards and what happens in other countries. Second, we consider it important for the key targets to visit the US sorghum industry to see the service that can be supplied and to underline the quality of US sorghum. Third, we consider it would be valuable for the key targets to attend a regional conference we are holding specifically on US sorghum trading to build awareness of how to procure US sorghum supplies and its attributes.*
- Q You have assured me that you have clearly identified targets and messages and that your underlying logic sounds credible, although I am sure you will agree it will be a difficult challenge and you may need to work on it for several years.
- A *We agree, but it is doable.*

3.8.2. A UES submission

UNIFIED EXPORT STRATEGY
Market Assessment Worksheet
Market: United Batova
Product: Sorghum

1. Market Assessment

United Batova is a large emerging market. Its government tends towards autocracy and centralized government control, but in recent years it has made steps towards liberalization of the economy. There is some indication that the government recognizes the advantages of promoting a more market-driven economy and harvesting the benefits of increased competition among various participants in that market. Considerable emphasis has been placed on developing the agricultural sector although efficiency remains low, mostly due to lack of technical expertise. The other major challenge in developing agriculture is the relatively low availability of irrigation water. Much of the land experiences regular, but modest precipitation. Consequently, it relies on feed grain crops that are water conserving, stress tolerant, and fast growing such as sorghum.

No US sorghum has been exported to United Bulova yet, but there is future potential. Sorghum is an important feed ingredient and imported US sorghum could play an important role in developing their domestic animal agriculture and feed sector. Sorghum is traditionally cheaper than other grains, and it is easily accessible and easy to manage and store. Moreover, the local sector is used to incorporating sorghum in feed. From the US sorghum industry point of view, it is critically important that markets such as United Batova are open to US product, so that any market driven sales opportunity can be captured, and longer-term opportunities can be developed.

The leading grain importers include one state-owned entity and several private companies. The private companies also have interests in feed mills and they supply individual farmers as well as some large agricultural cooperatives. The private companies are relatively new and have gone through substantial effort to seek technical support from both North America and Europe. They are headed by a number of young and ambitious entrepreneurs that represent the most dynamic feature of the farm sector. They have made considerable progress despite the advantages held by the state-owned entity. Recent political pressure suggests that the state-owned entity will be privatized offering the potential for further growth of the private importers/feed mills.

A major constraint has been the reluctance of the government to adjust the grain import standards so that they reflect those that are used in international trade. Recent investigation by our regional representatives has indicated that these import standards reflect a reluctance to expose the domestic sorghum industry to any competition. However, it is reported that there is strong opposition to the current standards as they represent a major constraint on the economic performance of feed mills and their customers. One major cooperative has offered outspoken criticism of the current grain trade restrictions. This cooperative together with its trade association has focused its attention on the sorghum standards as it seeks specific access to this grain.

While US government agencies are aware of the trade restrictions and are addressing them bilaterally, there will be greater success if parallel efforts to change the standards flow from key parts of the United Batova farm sector.

2. Long-term strategy

The US sorghum industry strategy in this market is simply to ensure that trade with United Batova is free of any major nontariff barriers. We will educate the local industry about the benefits of US sorghum and demonstrate how high quality animal feed ingredients increase efficiency and profitability. By positioning ourselves as partners rather than competitors who threaten local sorghum growers, we aim to develop local allies who will communicate with the appropriate government agency to adjust the market access regulations. Once US sorghum has access to this market, there will be opportunities to develop wider utilization of sorghum in a number of applications other than feed. These initiatives will be pursued after this first stage of the strategy is successfully implemented.

3. Past Performance and Evaluation

United Batova would be a new market for US sorghum and we have no experience of working in this market previously. However, the basis of this initiative is a report from our regional representatives who spent several weeks in the country talking to various participants in the agricultural sector. As part of this investigation, they confirmed the major limitation on US sorghum imports was the commercially impossible requirement for zero-level of foreign material. They also came to the conclusion that a major constraint in changing the standards was the current capability of the importing sector and producers to articulate an argument which conveyed the true cost of the current import standards for sorghum. The investigation suggested that there was potential to improve the importing sectors ability to change the regulations by supporting the two key trade associations with technical information and documentation. It was clear that the two trade associations would enthusiastically embrace such support.

4. Export data

Year	Volume	Value	Market share

Source:

Export Strategy Worksheet (Step 2)

Market: United Batova

Product: Sorghum

Constraint/Opportunity #1

Description:

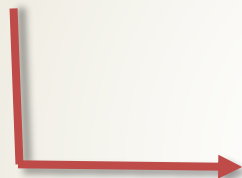
US sorghum cannot be exported to United Batova because of the current import standards administered by the National Import Standards Agency (NISA), and particularly those that relate to foreign material.

Senior staff of the two representative trade associations of the domestic feed and livestock industries and their five most influential members have limited capability to affect decision-making by the NISA as they lack the technical background to develop and communicate appropriate arguments to change the current standards.

Performance Measures (outcomes):

Performance measure	Baseline	Year 1	Year 2	Year 3
All 5 of the most influential trade association members and 2 senior staff are identified.	7/7	7/7	7/7	7/7
# of target who understand how the quality and type of feed ingredients impact productivity and profitability	-	7/7	7/7	7/7
# of targets who understand the technical and commercial arguments in favor of changing current import regulations.	-	2/7	7/7	7/7
Targets develop a communications strategy and appropriate material to communicate with NISA	-	-	Yes	
Targets formally communicate their concerns and proposed solutions to NISA through formal meetings or other meaningful communication.	-	-	-	Yes

Part 3: THE CONCEPT OF R-OM AND ITS PRINCIPLES



If you are new to the process, or need a recap, start here before going to Part 1.

This part outlines the rationale of R-OM, its relevance to export market development and FAS programs, and its integration into the UES.

4. RESULTS-ORIENTED MANAGEMENT: WHAT IS IT?

An overview

- R-OM emphasizes a top-down approach; starting with your goal and identifying what prevents you from achieving that goal and what you can do to overcome those constraints or capture any opportunities.
- Clearly identified communication objectives are based on understanding the decision-making of your targets and knowing how best to change their behavior.
- Clarity of your product or service advantage is critical in defining your message.
- R-OM provides a basic structure for learning, and for feedback of that learning into future plans.

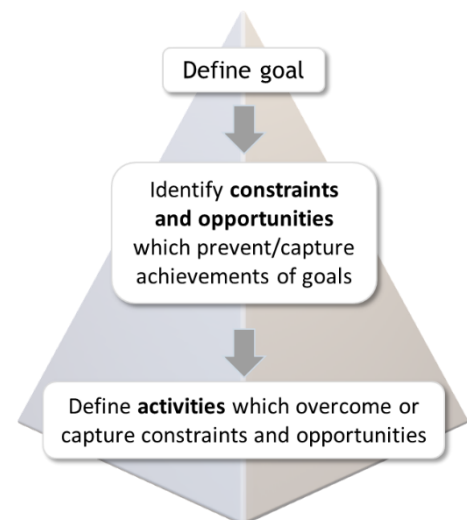
4.1. An overview

R-OM is a management process which provides a framework for assessing markets, identifying priority constraints and opportunities to be addressed and measuring progress in achieving objectives. The aim is to develop learning and to channel that feedback into future plans.

The principles behind our approach are as follows:

- Take a **top-down** view - identify what you are trying to achieve before you decide what you are going to do.
- Identify a **hierarchy of objectives**: your goal is at the top of the hierarchy; below that are the constraints and/or the opportunities which have to be overcome or captured to gain your goal; and, below that the activities which will help you confront the constraints or opportunities (Figure 13).
- Clearly identify your **goal**. In the Unified Export Strategy (UES), this is defined in terms of market share, or value, or volume of exports.
- Seek to work where **you** have most **leverage** in terms of overcoming the obstacles which stand in the way of achieving your goal.
- Identify where you have most leverage by **understanding your market**. This includes clear identification of the threats and opportunities and the strengths and weaknesses of your product and service package.
- **Prioritize** the issues which need to be addressed. Select the key **constraints** to overcome, or **opportunities** to be released.
- This may mean recognizing that with relatively limited funds it is better to concentrate resources in a relatively small number of areas.
- Clearly define what you intend to do in a way that **allows you to measure your progress**.

Figure 13: R-OM - The basic approach
Hierarchy of objectives



- Recognize that you are primarily involved in **communication** and hence:
 - it is critical that the **decision-making process** is clearly understood (what influences decisions? What stages are involved in making decisions? Who are the decision makers? How do you bring about change in behavior?);
 - and, on the basis of this decision-making model, define a clear **target and message** which will **change purchasing behavior**.
- Identify performance measures which will measure progress toward overcoming your constraint or the capturing of an opportunity.
- Ensure that you identify activities which specifically address the constraints or opportunities specified.
- Ensure you know how well your activities have worked.

To summarize:

- R-OM is a comprehensive process for setting relevant objectives and measuring whether you have achieved these objectives.
- The focus is on identifying progress at the constraint and opportunity level.
- At the heart of R-OM is the continual need to ask questions about the program. Why are we doing what we are doing? What are the underlying assumptions? Is it leading us towards our goal? How do we know we are making progress? What new factors are emerging which we need to take into account in future plans? How are the needs of our exporters changing? Where are we likely to get most leverage?
- You need to ask these questions to develop learning and feedback about your program with a view to continuous improvement.

4.2. A need to seek improvement: Learning

The implementation of R-OM provides a starting point from which to evaluate your program. It identifies what you are aiming to do and the progress you make. The development of good performance measures will also help you understand why your program has been successful, or why it was not. Further evaluations may be necessary to get full understanding, but the bare bones will be exposed by R-OM as we elaborate it here. Your programs comprise a series of underlying assumptions (e.g. consumers do not understand the nutritional value of our product....., retailers do not category manage our product....., wholesalers do not know how to store the product....., processors do not know how to manufacture a good product with our ingredient....., users need to be made aware of new products incorporating our ingredient....., and so on). R-OM, if correctly applied, will show whether your assumptions hold in any given market.

4.3. Feedback

Learning from the experience of previous programs is of little value unless that learning gets back into future plans. The planning process must allow for analysis of past results and adequate time for reflection on the implications. A key underlying principle of R-OM is the pursuit of continuous improvement by learning and feeding that back into future efforts.

4.4. Objectivity?

R-OM centers on measuring progress. How do you get accurate reflections about the progress of export development programs? This is particularly difficult when those answering this question about a program are those with responsibility for its success. It is difficult to be objective about your own work, yet progress is only achieved if objective answers to the questions are sought and developed.

A system which relies on outside checking and control will never be a really successful program. Success has to be driven by the collective ownership of all of those involved. Program managers have to identify with the collective mission of FAS and their industry partners to develop export potential. Critical is the understanding that, as part of this mission, some failure is an inevitable and acceptable part of success. It is unrealistic to expect that all decisions can be the right decisions, especially when developing products in difficult foreign markets. Objective assessment of progress is critical to continuing success so that learning results in increasingly effective and efficient programs.

There are a number of ways to harness objectivity in the implementation of R-OM.

- First, in some instances, third parties may be involved in collecting key performance measures on a regular basis.
- Second, procedures which allow internal reviews may be introduced.
- As will be seen, we advocate wider development of a 'key account' client management system in administering the program. To ensure that there is agreement on the criteria for measurement of progress, on an occasional basis, account managers may need outside evaluators to assess their key accounts.

A well-designed R-OM system should not be subject to abuse. If the performance measures are well specified and defined, then it should be relatively easy to identify unambiguous signs of progress.

5. EXPORT MARKET DEVELOPMENT

Incentives and communication

- Export market development involves creating incentives.
- At its heart is communication. Targets need to be identified and a message developed to change behavior.
- Understanding target decision-making is critical. This can be broken into different stages. The target has to be moved from awareness of the product through understanding its attributes to liking, preference and trial. Finally, one seeks regular purchase of the product. These can be seen as stages in the communication process; a communication continuum.

Measuring performance

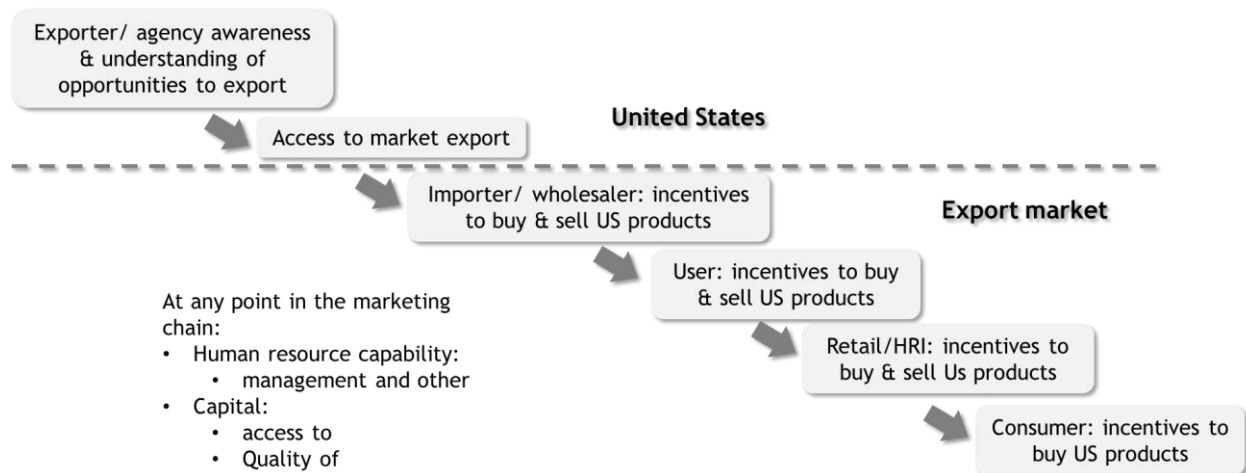
- Stages along the communication continuum can be constructed for both consumer and commercial targets and these form the basis of performance measurement.
- How you collect performance measures depends on the number & location of targets and how easy they are to talk to or observe. In many cases, a key account system can be constructed to manage the implementation of the program through relationship marketing.

5.1. What does it involve?

The export market development work of the FAS and its industry partners involves opening markets to US exporters and facilitating the development of trade. FAS industry partners are not directly involved in trade and do not promote specific brands, their key responsibility is to increase the propensity of their targets to buy US products by building awareness, understanding, and preference. By creating a positive image and projecting benefits, **they create incentives.**

The creation of incentives is at the heart of market development work. Figure 14 shows a typology of the constraints faced by exporters derived from our experience of working with a wide range of FAS industry partners. In a number of ways, direct and indirect, they generate incentives along the value chain for importers, wholesalers, primary and secondary processors, food service operators, retailers, and consumers to buy US.

Figure 14: Exporting US products: a typology of constraints and opportunities



Typical constraints or opportunities are lack of awareness of the incentives to use the product. There are many examples throughout the export marketing community (see text box on the following page).

But export development does not just involve working with potential buyers. A major challenge is to increase the **incentives for exporters to export**. This is encouraged in a number of different ways. Exporters need to be aware of the opportunities which exist in foreign markets, and they need to know what is necessary to extract maximum value from these markets. Many also need to understand how to export and to be helped to identify potential trading partners.

Overall, the work of FAS and its industry partners involves **communicating** with people who either buy or sell US products directly, or in some way influence the buying and selling. Successful communication is at the heart of export marketing and depends on understanding the decision-making process.

Examples of constraints and opportunities in the UES applications

Incentives are increased by raising awareness of:

- the intrinsic and perceived attributes of US products and potential attractiveness of the product to the consumer and/or user (and hence sales opportunities)
 - for horticultural and other edible products: taste, origin (e.g. California) varieties, size, availability, shape, healthiness, image
 - for products used in animal feeds: processing qualities, nutrition, palatability etc.
 - for seeds: performance in different environmental conditions, use of turf for soil erosion control
 - for fibers: processing quality
 - for ingredients: taste, functionality, appearance, consistency, etc.
- the attractiveness of the product to users (e.g. improved productivity of farmers who use the product)
- the support which will be provided by the FAS industry partner in the form of promotion and/or advertising (e.g. to encourage retailers to stock a product)
- the opportunities for selling a better-quality product (e.g. improved soy oil refining techniques, improved tomato storage conditions and temperatures, improved pear storage and display)
- how to incorporate the product as an ingredient in a processed product (e.g. blueberries)
- the benefits of overcoming policy constraints (e.g. a product can be used as an ingredient; if trade barriers are overcome; if labeling regulations are modified; if science based, transparent, market related seed laws are introduced which liberalize seed regulations)
- the benefits of the use of a label or quality mark which differentiates the US product in terms of quality and origin
- the availability of the specific quality or the continuous availability of the product ("cherries are here now", "US can supply identity-preserved soy")
- how to buy the product (e.g. using risk management techniques, the steps involved in importing for newly privatized feed companies or flour mills)
- how to identify the value of US products (e.g. programs for measuring the value of US wheat, varieties, the value of US soy due to its nutrient components)
- the opportunities for investment in processing the product (soy crushing)
- where/from whom to buy the product (high-value products, seafood)
- where/to whom to sell the product (for exporters)
- the opportunities if the product is presented differently (e.g. through better category management - displaying two colors of peach; through presenting in a different retail category - snack category not baking supplies for sunflower seeds.)
- how to farm efficiently and improved sophistication and technical awareness (feed grains in new markets)
- the opportunities for new uses of a product (fruit & nuts in salads, fruit in cakes, nuts and dried fruit in confectionery)
- the quality of the US exporting sector (e.g. service, quality standards)

5.2. Communication

The core competence required in export market development is communication. FAS and its industry partners need to communicate with exporters, and those in the marketing chain who can influence or initiate purchases. Good marketers are good communicators, and it is essential that those involved in market development fully appreciate the mechanics and practice of communication. For example, it is critical to have answers to such questions as:

- How do users decide whether to incorporate new ingredients?
- How do retailers decide whether to stock different products?
- How do consumers choose one product over another?
- How best can you influence these decisions?

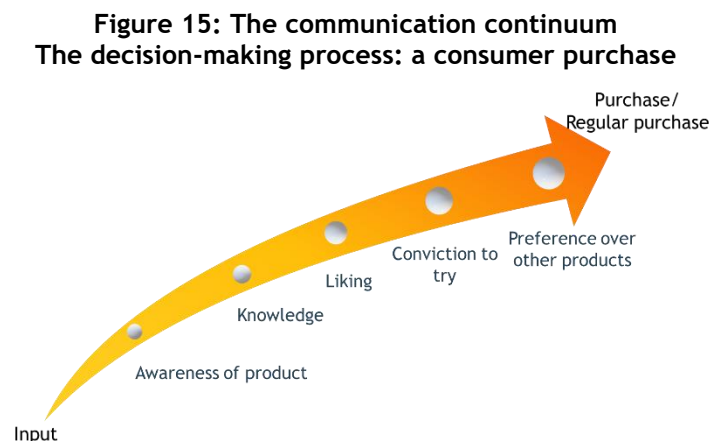
In short, to communicate effectively, it is important to understand the way in which decisions are made. Understanding which lever you can pull in influencing decisions is central to good market development planning.

5.3. The communication continuum

5.3.1. Consumer decision-making

There are various models of consumer decision-making. However, there is general consensus that the following stages are involved (see Figure 15).

A consumer needs to be **aware** of a product, to **develop knowledge and understanding** about it, to **like** it and **try** it, and if the experience is positive, to **develop a preference** over other competing products. Finally, the preference and one-time or occasional purchase need to become **regular purchases**. We refer to this as the **communication continuum**.



In practice, consumers rarely develop awareness without collecting some information about the product and developing knowledge. Merely seeing a product or an advertisement projects a range of images which communicate something about the product.

The above continuum provides us with a clue as to how to measure progress. Progress can be measured by checking how far one has moved targets along the communication continuum. If consumers are not aware of a product, then they are not going to buy it. Attaining **awareness** is one small step in the challenge to convert targets to regular purchasers or users. Developing **knowledge and understanding** takes us a little further. If consumers understand the unique contribution of our product and they are able to differentiate it from others in a favorable way, then they are more likely to buy it. Clearly, more detailed knowledge is required to create **liking and preference**. Success is achieved if consumers **try** the product, like the experience and then, finally, put their hands in their pockets to **buy our product on a regular basis**. If we get this far, we have **changed behavior**, the ultimate objective of our marketing activities.

At the heart of the R-OM process is the definition of the communication task and the measurement of progress along the communication continuum to change behavior.

In some circumstances this decision-making can take place over a very short period. While waiting at the check-out, for example, consumers can become aware of a product, be attracted to the promise which it offers, and buy it; and if the experience is positive, to repeat the procedure at a later date. For example, with cherries, a product with eye appeal and in most cases, a reminder of previous pleasant eating experiences, the communication continuum is very short. In effect, you have to attract people into the store and to where the product is located in the store. The challenge is moving as much of the crop through the marketing system as quickly as possible given the short marketing season.

However, in many cases, the time between becoming aware of a product and buying it can be extended. This is especially true when understanding of the product is poor, and when for many consumers previous eating experiences have not been satisfying. For example, many older consumers in Europe have been used to the traditional, un-pitted dried prunes and not the succulent pitted and soft product which is available from the US today. The consumer may take a long time to recognize the health benefits and even longer to realize that the taste sensation is very different to what had been expected.

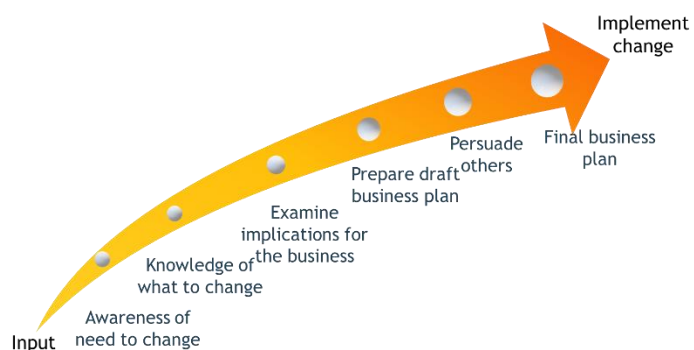
Also, the communication task is rarely static. Markets change and messages learned by consumers one year may be forgotten and need to be communicated again in the following year. New products emerge, competitors and substitutes change and those involved in marketing have to be continually aware of the need to modify the message being communicated.

5.3.2. Commercial decision-making

Many FAS industry partners are primarily communicating to commercial organizations and not to individuals. Decision-making in the commercial context follows a similar pattern, although the process is invariably more complex. In many cases, there is more than one decision-maker in target organizations and change impinges on several parts of the business. In sum, assessment of progress depends on the nature of the specific constraint identified and the decision-making process in the company (Figure 16).

For example, take the case of a food ingredient with newly identified healthy properties (a cholesterol-lowering antioxidant). Here, the marketing team in target companies may take the lead in terms of interest in the ingredient; they need to see the appeal of this ingredient to their customer base. However, others will influence the decision to incorporate the ingredient. Food technologists will be involved to assess if the product can be formulated with the new ingredient without compromising existing product attributes. Also, other departments such as engineering and finance will be involved if the new ingredient requires the integration of new equipment in the processing line.

**Figure 16: The communication continuum
The decision-making process: a commercial decision**



Again, the R-OM process involves finding ways of measuring the progress we make along the communication continuum. What might be measures of success? There are many possible indicators, for example: the

development of a draft new product plan; the identification of a draft partial business plan; or, something which identifies that the potential use of the new ingredient is being seriously considered. Ultimately, the use of the product in a commercial format is the changed behavior we seek.

As the situation will vary depending on the precise decision-making process, FAS industry partners have to be innovative in their choice of performance measures. They need to ask what indicates we are effectively reaching our specific targets and making progress:

- Have we made them aware of the product?
- Do they understand how it could contribute to their margins?
- What indicates that they are taking the ingredient seriously and thinking about including it in their product?
- What indicates that they are planning to include it in their product formulation?
- What shows that they are implementing plans to sell the product with our ingredient?
- Is this a test or is this a full launch?

This list of questions assesses progress along the communication continuum.

5.4. Targets and messages

At the heart of communication strategy is defining the **target** audience and the **message to change its behavior**. In most cases, the desired changed behavior is purchase of your product; however, in circumstances where you are targeting those who influence others, it can be other things, such as a recommendation of your product.

Precise definition of the target is critical to good communication. When the target has been clearly defined you can focus on how they make their decisions and the factors which might influence them. On the basis of this, you can formulate a message that will most effectively reach the target. The same core messages will need to be tailored to different targets to have greatest effect. The definition of the target and the message is critical to developing a sound R-OM process.

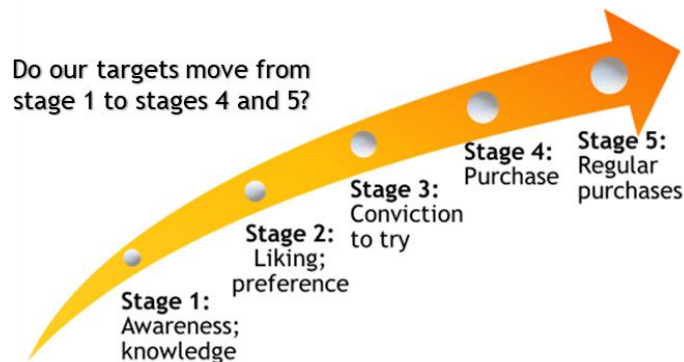
5.5. Measuring progress and performance measures

Focusing on the core task of communication, it is relatively easy to identify measures of progress. To help, we have divided the communication continuum into stages (see also Figure 17):

- *Stage 1* involves raising awareness and understanding of the product and its attributes;
- *Stage 2* is developing liking and preference;
- *Stage 3* is developing trial purchase of the product;
- *Stage 4* is first purchase of the product; and
- *Stage 5* is regular purchase of the product.

These stages can be applied to any target group with any communication situation. They can be used to develop performance measures which show progress.

Figure 17: Evidence of progress: stages along the communication continuum



5.6. How do you measure progress?

The choice of method of measuring progress will depend on the constraint and the specific definition of target. Key factors include:

- the number in the target group;
- where they are located;
- how easy they are to talk to or observe, and
- how accessible they are in the process of implementing the market development program.

To measure progress, you will need to talk to the targets to see how far they are along the communication continuum and observe whether or not there has been any change in behavior. This information can be gained in a number of different ways.

5.6.1. Larger, more disperse target groups

For large target groups, where contact is intermittent or indirect, it will be necessary to use some form of survey. The survey needs to be representative of the target population, and the data should be collected objectively using well designed instruments and collection methods which avoid the many potential pitfalls and sources of bias. There are various ways of undertaking surveys of your target audience and an appropriate methodology must be adopted.

Here surveys would check awareness of the product and the attributes identified in the constraint, and the development of preference, purchase intent and/or purchases. It is essential to identify the link between communicating the message and buying behavior so that you can test the underlying assumptions of your program. Clearly, progress in moving people to prefer the product without an increase in sales can only be sustained for a limited period before questions are asked about whether the right constraint has been identified or that there is little you can do in this market.

5.6.2. Smaller groups

A more qualitative approach can be used for smaller groups, since you are working with key targets on a regular basis (e.g. the key buyers or users). Here again you must assess progress in terms of your constraints, but you may be able to collect information on progress from your visits to these organizations. Indeed, we

argue strongly for many performance measurement procedures to be incorporated into a **key account** system. There are several FAS industry partners already using this method with great success.

5.6.3. A key account system

A key account management system can be used to measure progress in communicating a message to the target and any resulting changed behavior. The definition of target key accounts is derived from the drilling down process (see Part 1, Section 2.4.1). In many cases, the key targets will be relatively few, primarily because of the growing concentration in many marketing chains and the limitations on your organization to develop close relations with a large number of companies. Defining these organizations as key accounts helps develop a **relationship marketing** approach. This involves getting close to those accounts, fully understanding them and their needs, knowing all the key persons, being aware of the influences on their decision-making and how to best influence the purchase of US products.

Key accounts are visited regularly and relationships are developed. This should facilitate measurement of progress in terms of attitude and purchasing behavior. Good key account systems involve classifying key accounts.

- Are they aware of your product's key attributes which differentiate it from other products (completely, partially, or not at all)?
- Do they understand your product (very well, not adequately, not at all)?
- If they understand it, are they making formal plans to investigate the potential contribution to their bottom line (yes, no)?
- Are they trying it on a trial basis (yes, no)? Are they buying it (yes, no)?
- How much are they buying?
- Do they buy more than half of their product from the US, between 25% and 50% or less than 25%?

It is easy to see how a key account system, can yield the data to assess progress. It is all the more powerful because it focuses on those whom you feel are most important and over which you will have the most leverage.

One argument against using this approach to measure progress is that it could lack objectivity. Much depends on the integrity of the person managing the key accounts, but also, some checks can be introduced. For example, other staff can regularly visit a sample of key accounts and it would be quite easy to check if the progress claimed is real. Also, it may be possible to introduce a third-party assessment less regularly (say every 3 years) which will check the veracity of the assessments.

5.7. Linking into the evaluation of country market programs

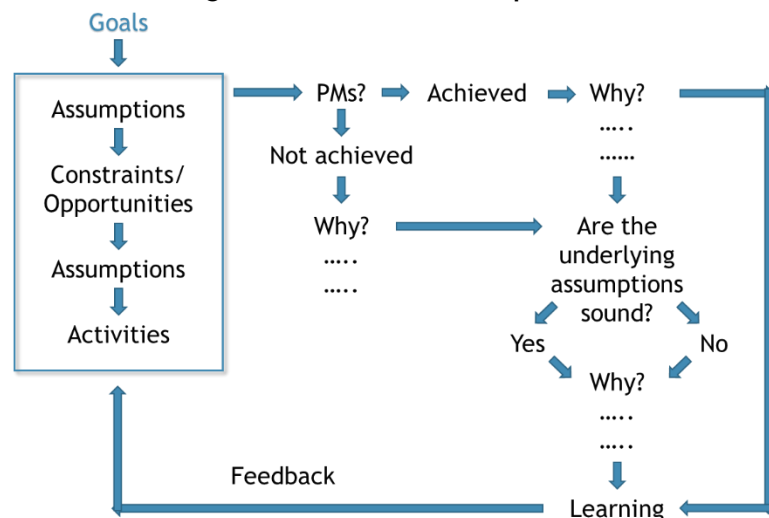
R-OM is an evaluative management process. R-OM, like evaluation is about learning and feedback. Measuring progress provides the learning you need to incorporate in your planning process. Learning demands objective analysis of past events and feedback demands using what is learned in future plans. As such evaluation is an integral part of the UES.

Figure 18 illustrates the process you need to go through to evaluate. It involves:

- *Assessing progress.* Are you making progress toward overcoming your constraints?
- Understanding why there was progress or lack of progress. If you are making progress, why was that?
 - What contributed to the progress?
 - Can you link it to activities?
 - Or was it the result of some other external factor?
- If you are not making progress, why was that?
 - Were your activities ineffective? Did you get to your targets? Did you get your message to your targets? If not, why not? Was it poor planning or poor implementation? Or did some external factor prevent the achievement of your objectives?
- Although much of our attention in this guide focuses on the progress being made at constraint level, it is essential to follow progress at the activity level as well. This is the only way to assess whether the planned activities have really contributed toward overcoming identified constraints.
- *Checking whether the basic assumptions of the program are sound and still hold.* Do your underlying assumptions hold (your activities worked well, but it did or did not have any effect on the constraint)? If not, why not?
- *Are the identified constraints still relevant?* To what extent are you attacking the right constraints? Is there any evidence that other factors now prevent you from achieving your goal?

The main focus of this R-OM guide is on putting your plan together, but it can also provide the foundations of a comprehensive program evaluation.

Figure 18: The evaluation process



USING A KEY ACCOUNT SYSTEM TO MEASURE SUCCESS OF COMMUNICATION WITH THE TRADE

Introduction

Market development resources are typically limited. Consequently, priorities must be identified - target markets, market segments, and leading sector participants that represent the best opportunity to effectively utilize available resources.

Market development activities in most cases are communication efforts that involve conveying a range of messages aiming to enhance the opportunities for selling US-origin product. Therefore, it is essential to identify specific communication targets and tailor the messages to their particular needs and interests, so that the chances to drive use of US products are maximized.

The importance of precise targeting is hard to underestimate. A key factor to consider when dealing with limited resources is that one cannot reach and effectively influence too many individual targets. Furthermore, not all potential targets will have equal validity and relevance. Deciding which targets (companies or individuals) justify greater attention depends on the constraint being addressed and the characteristics of the market and the product. Thus, for example, success in communicating the attributes of meal from crushed US-origin soybeans to the larger feed companies is likely to have a greater impact than seeking to change the decisions of many smaller firms. Or, successfully communicating the benefits of carrying US higher-value food products to several key supermarket chains will have greater impact than trying to reach numerous 'mom and pop' shops. However, in some markets, the two or three largest market players may understand the attributes of the US-origin product and consequently may not justify intensive communication effort, and it may be beneficial to focus efforts on a 'second tier' of smaller or regional players.

With programs focused on communicating with trade targets, companies must be identified as key accounts. In general, a relatively small number of organizations have a disproportionate influence on an industry. The 80:20 rule (or Pareto principle) reflects the general observation that 20% of the players in a market account for 80% of sales. While dangerous to apply without careful review, the 80:20 principle is a useful rule of thumb in many markets; larger companies tend to dominate the market and have a disproportionate influence on outcomes.

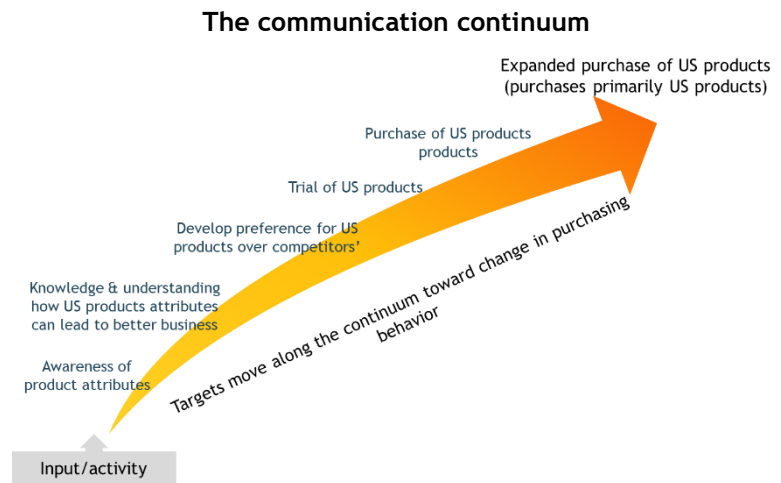
A key account system and performance measurement

Most market development organizations work with several broad groups that are their main targets in each market. These could be traders (importers/distributors), retailers (mostly supermarket chains), HRI operators, and processors and other product users. Sometimes organizations might also work with relevant government institutions, mostly to keep them informed about US systems and practices (e.g. the safety of the US system and its veterinary and sanitary standards). The purchasing and sourcing decisions that each of the target groups make influence the level of US product exports. Their needs and the factors influencing their purchasing decisions vary. Therefore, it is important to:

- Understand the purchasing decision process of your targets and the main factors which influence their purchasing decisions - this is critical to the success of any market development program;
- Based on this understanding of the purchasing decision process, develop a communication program that will change purchasing behavior - this will involve raising awareness and understanding of US products and developing preference by illustrating their value in trade or in use;

- Develop communication activities that will incorporate specific messages that encapsulate the points of value of US products to change purchasing behavior in their favor.

The successful communication program involves increasing awareness, knowledge, and preference for US products (changing attitudes) and motivating purchases of US products (changing purchasing behavior). While the message might vary depending on the specific target group, market segment, and geographical market, the stages through which the targets would be moving are the same and follow the communication continuum illustrated in the figure. Successful transition of the targets from one stage to the next would be a measure for the success of the organization's market development strategies.



However, continuous monitoring of progress among all targets would in most cases need significant resources which are rarely available. And, even if available, it is questionable whether intensive monitoring will be productive and meaningful. An effective solution to the problem is the establishment of a formal key accounts system.

Key account systems serve to develop and monitor relationships with leading current and potential customers. A key account system allows a third party, such as the organization's local representative, to establish close relationships with key targets, develop understanding of their needs, and be in a better position to offer solutions. It also offers the opportunity to improve understanding of the market and to improve the effectiveness of communications. Finally, it offers a means of developing sound performance measures that facilitate pragmatic measurement of progress of the entire program.

Identifying key accounts

The first step is to identify who the key accounts are. The criteria for selecting them will vary by product and market, but clearly you need to be focusing on those that will have greatest sustainable impact on your market position.

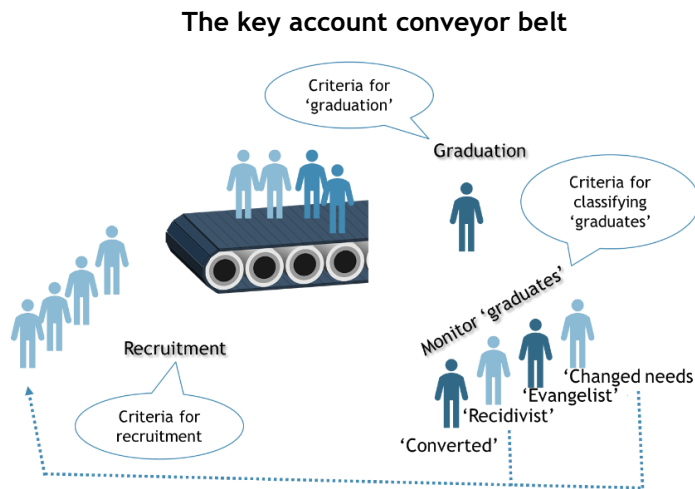
The number of companies named as key accounts should cover the main players within the broad target audience, but it should also be small enough to ensure regular servicing and to be manageable for the local representative given the available resources.

The key accounts are the companies that should be included in all relevant activities and the ones to develop closest relationships with. They are also the baseline for measuring progress. Clearly, you should monitor the 'pulse' of the market and supply basic servicing to a broader target group (e.g. respond to inquiries, disseminate information etc.) and you will need to be considering potential future key accounts. However, these are likely to be of only secondary focus for the program.

The process of naming the key accounts prompts you to refine the definition of your target audience. For example, are you interested in smaller niche players or in larger organizations that move the volume (it will vary by market and product)?

The key account conveyor belt

An important characteristic of the key account system is that it is not static. In effect, using a key account system for measuring progress is like assessing items on a conveyor belt. The process is illustrated in the following figure. Some items come onto the conveyor belt and others drop off. Thus, measuring the situation in any given year is a snapshot of what is on the conveyor belt at any time. It is critical therefore, that one carefully defines who comes onto the conveyor belt and monitors who goes off. Through measuring the performance, you will identify those who have reached a status that qualifies them for ‘graduation’.



Graduates from key account systems can be either powerful allies (evangelists for US products), or recidivists (being tempted by cheaper offerings without seeing the value of US product), or their circumstances may change (they may need to learn about new US value propositions). Some measurement of the progress of key account graduates is an essential component to using key accounts as a performance measure. As circumstances and markets change, this justifies graduates being subject to continuous attention and re-recruitment. For example, staff turnover could mean that new key decision makers need to be exposed to the message.

As some companies graduate from the key account system, new ones may be identified to join the list of priority targets.

Measuring performance

Once the key accounts are identified, develop a database of companies. The data collected will vary, but consider their purchasing status, how much product they use, the sources they purchase from, level of awareness of your products and messages, preference for and usage of your products, share of your products used/purchased, perceptions about your origin/products/service. Once you have established this baseline, then it will be relatively easy to follow their progress

Assessing key accounts purchasing status

	Number of key accounts		
	Regular purchaser	Occasional purchaser	Non-purchaser
Raise targets' awareness of product attributes	Stage 1		
Targets like/prefer US product and its attributes	Stage 2		
Targets make a trial purchase of US products	Stage 3		
Targets purchase (regularly) US product	Stage 4		
Targets purchase primarily US product	Stage 5		

along the communication continuum from awareness to regular purchases. Assessments can be made during regular trade servicing visits or meetings at events.

Measuring progress and capturing changes

In the following table we suggest some performance measures that could be used to measure progress and capture changes. This list should be finalized after internal discussion assessing its appropriateness and the level to which it could be accomplished. Developing and setting up a good key account system is a process that may take some time. Management time needs to be invested in developing something appropriate for your product and markets, and all representatives should see the benefit in providing more convincing evidence of the progress they make. While anecdotal evidence of progress may still feature, key account performance measurement systems offer a systematic and more formalized approach that carries more weight.

Suggested performance measures	Base-line	Year 1	Year 2	Year 3
<i>Key accounts</i>				
Number of key accounts				
Number of key accounts aware of product and its attributes				
Number of key accounts who purchased some product during the year				
Number of key accounts who regularly purchase your product				
Number of key accounts who are ready to 'graduate'				
Number of key accounts that have moved to a higher level of purchasing status				
<i>Graduated key accounts</i>				
Number of graduates				
Volume/value of purchases of product ^{1/}				
^{1/} For graduates it is not necessary to look for increased purchases of your product, but to monitor whether their purchasing behavior changes negatively and assess the reasons. This could be an indication of the need to return this company to the group of key accounts.				

GLOSSARY OF TERMS

<i>Activity level</i>	The bottom level of the R-OM hierarchy of objectives
<i>Communication continuum</i>	A series of successive stages which link a specific communication action to changed behavior (i.e. awareness, understanding, liking, preference, trial and purchase). We distinguish between a consumer continuum and a commercial continuum, although the basic elements are the same.
<i>Constraint</i>	Something which stands in the way of you achieving your goal. In R-OM, the constraints we define can always be influenced directly or indirectly by the FAS industry partner.
<i>Constraint/ opportunity level</i>	The middle level of the R-OM hierarchy of objectives.
<i>Drill down</i>	The procedure which moves from a broad core constraint to a specific constraint, usually with a target and a message, which applies specifically to the situation faced in a market.
<i>FAS industry partner</i>	An organization which participates in one or other of the FAS market development programs.
<i>FAS industry partner community</i>	All those organizations which are in partnership with FAS to develop export markets.
<i>'Hanging' activity</i>	An activity that does not address an identified constraint.
<i>Hierarchy of objectives</i>	A logical three-level hierarchy of program objectives which reveals program structure and rationale and is a central R-OM concept. At the top of the hierarchy is the goal, a second level comprises the constraints and opportunities which have to be overcome or captured to achieve the goal, and a third level comprises the activities which address the constraints or opportunities.
<i>Key account client management system</i>	This is a system of client servicing which provides focus to a marketing and selling campaign. It is based on identifying and developing relationships with the most important clients to the mutual benefit of both parties.
<i>Leverage</i>	The potential return you can get per unit of marketing effort. You seek to work where the leverage is greatest in the marketing chain.
<i>Multi-purpose activity</i>	An activity that addresses more than one constraint.
<i>Opportunity</i>	Something which opens up possibilities for FAS industry partners to achieve their goals. In R-OM, the opportunities we define can always be influenced directly or indirectly by the FAS industry partner.
<i>Outcome</i>	The UES name for the performance measure at the constraint level. At the constraint level you should aim to have performance measures which show changed behavior.
<i>Output</i>	The output defines what you actually did at the activity level (e.g. two seminars, newsletter sent to 1,000, etc.). The output does not indicate change in understanding or attitude and should not be used as a meaningful measure of progress at either the activity or constraint levels.
<i>Performance measure</i>	Generally, these are indicators of progress. In the UES and with R-OM, the term is used to indicate progress in overcoming a defined constraint or opportunity.

<i>'Push' or a 'pull' strategy</i>	A characterization of different strategies often used together: the 'pull' strategy involves working with retailers or consumers at the end of the value chain to create incentives which generate demand; the 'push' strategy involves working with those higher up the value chain and seeks to develop incentives to promote product down the value chain.
<i>Result</i>	The UES name for the performance measure at the activity level. At the activity level you should aim to have a performance measure which shows changed knowledge or attitude.
<i>Relationship marketing</i>	A marketing approach which facilitates close and mutually advantageous relationships with clients so that you understand their needs and they know how you can satisfy their needs.
<i>Results-Oriented Management</i>	see R-OM.
<i>R-OM & R-OM process</i>	Results-Oriented Management, the process of developing plans to provide learning and feedback using the top-down approach built around the hierarchy of objectives, specific constraints and opportunities and performance measures.
<i>Single activity constraint</i>	A constraint which is addressed by a single activity. In these cases, the performance measures for the constraint are the same as the activity.
<i>SWOT analysis</i>	SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis examines the internal environment (the strengths & weaknesses) and the external environment (the opportunities and threats). This tried and tested method provides a simple and useful analytical structure to begin the identification of a strategy.
<i>Top-down</i>	Developing plans by beginning with defining your goals, then identifying constraints and opportunities which you need to overcome or seize to achieve your goal, and only after that to plan for activities which will address the constraints and opportunities.
<i>UES</i>	Unified Export Strategy: the structure for presenting your market development plan and the basis for applying for FAS funds.
<i>Unified Export Strategy</i>	see UES.
<i>Underlying assumptions</i>	The basic assumptions of a program (i.e. that the chosen constraints hinder achievement of the goal, that the chosen activities will overcome the constraints) which reveals the thinking underlying a program.

ABOUT AGRALYTICA

Providing solutions for agricultural organizations for over 30 years.

We provide strategic marketing, business, economic, and policy consulting globally. For over 30 years we have been tracking changes in the food and agricultural sectors across the world. Our clients span the food chain, from grower associations, to private industry, to government.

Working for industry organizations engaged in export market development for US food and agricultural products has been a special focus of our work. We have completed over 200 projects for such organizations that have covered market assessment and opportunity identification, strategy development, market prioritization, and program evaluation.