Strategies and management instruments of
growing organic food businesses & initiatives
- preliminary results of case study analyses -

Anna Maria Häring
Core Organic II Project „HealthyGrowth - from Niche to volume with Integrity and Trust“, Biofach, Nuremberg, 11/02/2015

How to manage the growth process without loosing the „organic+“ values?

Farm shop: the „easy“ way of values-based organic food marketing

No „easy“ values – no premium prices
How to manage?
First results (1)

- Typical challenges of growing organic+ food chains:
  - Legal framework
  - Different marketing partners / channels
  - Cooperation partners
  - Personnel development

- Strategies to cope with these challenges are mainly developed during the process, by trial-and-error / learning-by-doing...

- Recognition of the need to adopt professional management structures often lags behind reality
First results (2)

- A variety of management strategies and instruments are used, in the areas: Leading – Planning – Organisation – Personnel – Controlling

- Implicit business strategies
  - Were the basis of a successful growth process.
  - Secured distinct values adapted to the chain and the type of products.
  - Realized a strong integration of production, processing & marketing.
  - Built on appropriate volumes of high-quality, differentiated, market-engaging food products.
  - Drive the chain’s development by trust, transparency and win-win relationships between chain partners.
  - Have a nucleus of successful businesses at the center of the value-chain – acting as driving force.

First results (3)

- Typical adjustments during growth phases of initiatives are, e.g.:
  - Start-up farmers’ groups focus on different aspects of cooperation, e.g. on joint processing
  - More mature farmers groups tend to function in economic association, e.g. focusing on product differentiation
A) Strong vertical integration

Objective
“Control” over chain

Strategy
“One for all” farmers - processors - consumers

Management
Suitable legal form
Efficient decision making structures
Efficient communication & feedback loops
Excellent planning and organisation of production and logistics

B) Independent enterprises

Objective
Vertical transmission of organic+ value

Strategy
All partners contribute to value conservation while following individual business strategies

Management
Formal and informal agreements
Quality control measures at all links in VC
Continuous vertical communication
C) Chain with “commons goals”

**Objective**
- ‘commons’ goals
  - e.g. 20% organic area

**Strategy**
- Linking organic consumption to regional organic production

**Management**
- Regional manager
- Public Private Partnership
- Efficient financial administration
- Planning of supply and demand

---

**Thank you!**

Anna Maria Häring
Anna.Haering@hnee.de
www.coreorganic2.org
www.hnee.de/HealthyGrowth