



## The Next Steps

This FY2012 – 2016 Long Range Plan has been developed from a convergence of learnings and insights acquired through a comprehensive marketing and consumer research program; successes achieved and difficulties encountered through implementation of the strategies developed over the prior twelve years; and an extensive industry input process.

From these experiences a robust strategy has been crafted that is designed to understand the business environment for potatoes, and empowered by that new understanding, shape the future of the industry. Our strategy remains focused on the activities with the greatest upside potential to increase the demand for potatoes and advance the industry. It is through the successful implementation of this strategy that we will achieve our ultimate goal:

---

# Maximizing Return On Grower Investment

---



# Strategy

Strategy creation is the most important undertaking for the United States Potato Board (USPB). It is through this process we make the critical choices of what we will and won't do. It is our game plan. Our strategy communicates a vision for achieving future performance for the potato industry that is dramatically better than the present. Strategy development requires a strong process and a solid understanding of the business and the critical issues that affect it. Through this strategy, we identify what is critical to the future of the potato industry and create a road map for navigating that future. It is a strategy of experimentation, built around the core competencies of the USPB and our role as a catalyst for positive change in the industry. Through experimentation, we will test specific hypotheses about where future opportunities for the industry may be found and reduce the risk of pursuing those opportunities for everyone in the industry

*The development of this strategy utilized the combination of several tools :  
Strategic Narratives, Simple Rules, the Balanced Scorecard and Strategy Maps.*

A **STRATEGIC NARRATIVE** describes difficult situations and provides innovative solutions. It shows how our strategies will change the basis of competition in the industry. It is a story that defines relationships, a sequence of events, causes and effects and establishes a priority among those items. It allows everyone in the industry to understand our strategy and to find themselves in the story.

**SIMPLE RULES** help sort through opportunities by providing guidelines that establish how-to rules, boundary conditions, priority rules, timing rules and entry and exit rules.

The **BALANCED SCORECARD** is a new kind of management system – one designed to create and measure strategy. It describes and communicates strategy in a consistent and insightful way and focuses every resource of the USPB on the strategy. It enables our strategic hypothesis to be described as a set of cause-and-effect relationships that are explicit and testable. It reveals the drivers of long-term value creation and competitive performance and enables us to report measurable return on investment to the industry from implementing this strategy.

**STRATEGY MAPS** are one of the key components of the Balanced Scorecard. They are a logical and comprehensive architecture for developing and describing strategy, utilizing quantitative measures of strategy such as innovation, partner acquisition, new product development and concept testing.

# Maximizing Return On Grower Investment

## *Background*

---

The USPB was created in 1971 by the potato industry to put into place a national effort to increase demand for potatoes. The initial focus was to overcome a negative nutritional image of potatoes, follow on strategies expanded into international market building activities and domestic marketing initiatives, all designed to increase demand for US potatoes and potato products.

## *Challenges*

---

In November 1999, the USPB developed a new strategy which positioned the USPB as “a catalyst for positive change in the industry”; to understand the business environment for potatoes and shape its future; to develop new markets; to identify the competitive requirements that will be required of the industry to be successful going forward; to take the risks that growers and shippers can't or won't to discover these competitive requirements; and to function as the industry's “venture capital group” by testing new concepts to bring innovation to potato offerings and marketing.

From this work a volume of crucial information has been amassed for the potato industry by the USPB. It is in this role that the USPB can deliver a substantial return on grower investment as it identifies critical information that individual potato businesses are not focused on in their day-to-day activities and, through this information, reduce the risk of identifying new opportunities in a very turbulent business environment. Potato growers, shippers and processors must utilize this information to expand their markets, add value to their customers and connect with consumers.

## *Resolution*

---

*Growth will come from innovation, consumer-based offerings developed from research and new markets; without innovation and new markets, there will be few growth opportunities.*

USPB's strategy identifies that to create growth, the growers, shippers and processors in the potato industry must alter their business models, driven by the USPB's consumer and market research insights and analysis, to connect potatoes to a dramatically changing consumer and marketplace. The bottom line for the US potato industry is that it must face the reality that without growth, its future will be that of a mature industry marketing to a changing consumer who is moving away from its traditional offerings.

The detailed strategies of how the USPB plans to achieve this vision are unfolded in this Long Range Plan. They were crafted utilizing cutting-edge strategy development tools and extensive industry input, debate and discussion among the USPB management team and industry leaders to identify what really matters to achieve a successful future for the potato industry through increasing demand, and in turn, the maximum return on growers' investment in the USPB.