final report

Review of Marketing Alliances

Abbreviated Report Prepared for the 1999 BeefNet Annual Conference

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1. SUMMARY

Meat and Livestock Australia ("MLA") commissioned Gibson Associates to review the Marketing Alliances Program. We carried out an extensive consultative program within MLA, the existing alliances and red meat industry stakeholders. This summary of our findings is extracted from our report to MLA dated May 1999.

MLA has supported both horizontal (producer groups) and vertical (through chain) alliances, in order to demonstrate the benefits which may be generated for red meat producers by working in groups and for downstream value chain participants by working together with producers.

MLA's support of alliances over the last few years has encouraged the growth in alliance participation by producers and has resulted in demonstrable benefits to many members of alliances.

In horizontal alliances, these benefits include improved prices received by alliance members for product supplied through alliances. Other benefits identified by alliance members include access to skills, technical advice, group development initiatives, and interaction with other producers, improved relations with downstream participants and business support.

In vertical alliances, producers also indicate that benefits have been gained, again primarily through improved prices. Processor members indicate that some have received improved prices, but others indicate that they have not done so. It appears that other benefits are starting to be generated for processors in terms of more consistent product and in supply coordination.

The producer-processor interface is a key area where vertical alliance processes will continue to benefit from assistance. MLA's processes for assisting horizontal alliances will have application in this area of vertical alliance development.

Based on our research and analysis, we recommend that MLA should continue its support of alliances to the extent that funding is available, with the emphasis on funding for:

- **The start-up phase of new alliances through direct funding support**
  Alliances and their producer members overwhelmingly see MLA support as crucial to the establishment and development of alliances, particularly in the early stages.

- **Providing generic support materials via internet and other mechanisms**
  MLA should also coordinate development or collation of a suite of materials for alliances to use in their establishment and development processes, as well as providing an active management of the coordination of alliances and the delivery of assistance.

- **Supporting R&D demonstration projects through alliances**

  Vertical alliances have been valuable in the past in assisting development of through-chain concepts and in development of new objective measurement technologies. MLA can continue to benefit industry by using vertical alliances as vehicles for similar R&D projects in the future, on a project by project basis.

- **Extension of the BeefNet concept to the lamb alliances**

  A single AllianceNet entity could have both beef and lamb sections and relevant producer representation within an umbrella managed by MLA. Alliances consider that BeefNet has a key role as a contact point between alliances and with MLA.

- **Involvement in communications technology development for alliances**

  MLA is already involved at an industry level in these initiatives and should resume the development of a professional web site in order to assist alliances' access to generic support tools and cooperation with one another.

- **Assistance to further develop alliance marketing information systems**

  Alliances have indicated that they need generic education in the realities of the downstream marketplace and access to professional assistance in order to develop and implement practical market research and plans.

2. INDUSTRY OPINION SURVEY

As part of this review MLA surveyed a total of 104 people from beef and lamb industry organisations seeking their perceptions/views on key alliance program issues. 29 responses were received – a response rate of 28% which is not unreasonable for such a survey. The questionnaire and list of organisations surveyed are included in Appendix 5 (see the appendix for the detail of the questions). The survey results are summarised below:

Issue	Response		Our Interpretation
Q1 Awareness of Marketing Alliances.	Yes	100%	The survey was sent to those with knowledge of the issues involved.
Q2 Personal Experience of Alliances: - horizontal beef - horizontal lamb - vertical beef - vertical lamb	Yes Yes Yes Yes	52% 41% 60% 38%	The survey respondents have a good level of overall personal experience to support their views. The respondents cover all types of alliance in beef and lamb sectors.
Q3 Should alliances.			
Q3a market members' products.	Yes	81%	Alliances are formed to market products.
Q3b set specification and market only complying product.	Yes	71%	Some still consider that alliances should market whatever members produce.
Q3c help sell whatever members produce.	Yes	46%	As with question 3b above.
Q3d provide education to improve product quality.	Yes	96%	Education about meeting customer needs and improving product quality is well supported.
Q3e facilitate product performance feedback.	Yes	100%	Feedback is universally desired.
Q3f be assisted to start/ develop by meat industry.	Yes	71%	The majority favours seed funding for alliances, but many want to retain financial independence or see funding as inequitable.
Q3g be funded by the meat industry.	Yes	21%	There is very limited support for ongoing direct funding of alliances.

Q4 Are marketing alliances good for: - the beef/lamb industry - your own interests	Yes Yes	100% 92%	There is strong support for the concept of marketing alliances.
Q5 Alliance success factor importance.			
Q5a common vision/purpose.	Very	89%	
Q5b critical mass of members.	Very	58%	Some alliance benefits are not dependent on numbers of producer members. Some may not wish to be part of a larger alliance.
Q5c critical mass of product.	Very	69%	Most believe that critical mass of product sold is needed to obtain market credibility/power.
Q5d trust/frankness.	Very	93%	
Q5e a group leader.	Very	54%	This may reflect a desire for independence or equality within the group.
Q5f commercial return in reasonable timeframe.	Very	88%	
Q5g long term outlook by members.	Very	63%	Many have only a short term outlook.
Q5h external assistance to: - run alliance - market professionally - improve quality	Very	58%	Many alliances want to do these things themselves.
Q6a Support direct funding by industry of viable alliances.	Yes	54%	Some support for seed funding, but limited support for direct funding (viable alliances only).
Q6b Support generic programs and guides.	Yes	77%	Greater level of support than for direct alliance funding. Probably need to see these generic tools to form an opinion.

3. INDUSTRY STATUS SURVEY

A questionnaire was sent to the coordinator of each identified beef and lamb alliance (a total of 83 beef and 11 lamb alliances as listed in Appendix 6) and to two additional members of each alliance. This questionnaire was designed to obtain a mix of factual information and perceptions. The survey questionnaire and the results are summarised in the Appendix 6.

At the time of this analysis, responses from alliances were received as follows:

Responses (%)	Beef	Lamb
Vertical	10 (71%)	3 (100%)
Horizontal	31 (45%)	3 (75%)

There were a total of 52 responses, representing 44 alliances. 3 alliance responses covered beef and lamb, so the total responses above are shown as 47.

Whilst a 100% response rate at the time of this report was not received, MLA is pursuing further responses for its program management needs. The received responses were sufficient for us to draw the conclusions set out below.

Because of shortage of time, this survey was designed and issued before the success criteria for alliances were established, and the questions did not therefore directly address the now established criteria. Consequently, assessments of alliances against the success criteria (discussed in later sections) can only be derived by interpretation of the answers provided by alliances in this questionnaire.

The following table summarises the results from this survey. The results may not add to 44 for each question as some responses were incomplete:

Questions	Results		Our Interpretation
Q1b4 Alliance Duration.	0 to 1 years	9	Apart from the breed societies and some long-standing independent alliances, most alliances are less than 4 years old. This supports the impact that MLA alliance promotion has had on alliance formation. Many alliances are consequently going through extended start-up issues.
	1 to 3 years	21	
	4 to 9 years	9	
	10 years plus	3	
Q2b Alliance Members (number of producers).	1 to 10 (BeefNet minimum)	6	Apart from the larger breed societies, Q-Sun (S. Burnett Cooperative) and WA QLamb, most alliances are relatively small and localised. The active alliance members may be far fewer than
	11 to 30	20	
	31 to 50	9	
	51 to 100	4	
	100 plus	4	

			the figures quoted here.
Q2c Written Agreement for Membership	Yes	70	The majority of alliances have a formal member application form and/or agreement. Those that do not are likely to be less well developed and active.
Q3a Alliance Purpose	Premium/Profit	17	Commercial issues of price premiums are paramount concerns. Access to markets, quality improvement and breed promotion are also considered important alliance drivers.
	Market Access	11	
	Breed Promotion	3	
	Group Selling	3	
	Value Adding	3	
	Quality/Feedback	12	
	Supply Consistency	11	
	Production Efficiency	5	
	Skills Development	4	
	Integrated/VBM	6	
Q3b Communicating the Vision	Direct/Meetings	25	The preferred methods of communication are face to face (meetings, group activities). Newsletters are typical, as there is limited access/knowledge of electronic methods at present.
	Phone/Fax	5	
	Email/Internet	4	
	Newsletter/Mailouts	18	
	Group Training/ Field days	14	
Q3c Business Plan	Yes	56	Just over half of the groups have a formal business plan, often facilitated by a network broker using MLA funding. Some groups have not progressed to this phase or have decided to remain less formal.
Q4a/b Administrator/Coordinator	Yes	100	All alliances have an administrator or coordinator. In all horizontal and many of the vertical alliances, this person is a group member. Very often the group commercial activity or funding is inadequate to pay this person.
	Paid	50	
Q4c External Consultants	Yes	66	The external consultant in many cases has been the network broker, involved in start up and business planning activities.

Q4d Future Skills Needed	Live Assessment	5	The alliances consistently request more skills in marketing and greater knowledge about the downstream supply chain. Some alliances also have specific needs for skills in business/product improvement, electronic communications and group management, etc.
	Marketing	25	
	Computer/Internet	6	
	Business/Mgmt	5	
	Business Plan	2	
	Group/WIGS	4	
	Breeding/Production	3	
	QA	4	
Q5 Marketing Activities to date			
Q5a Delivering Product	Yes	89	Most alliances are delivering or have trialed product through the group, although very few have reached a commercial level of supply.
Q5b Receiving Feedback	Yes	90	Feedback methods range from anecdotal (comments from time to time by customer/agent) to more formal in vertical alliances.
Q5b Paid for Quality	Yes	66	Most are achieving premium prices (several cents higher/kg), others are working towards this.
Q5c Using Feedback	Yes	90	Being used to address quality issues for suppliers in the group, often orchestrated by a marketing coordinator.
Q5 Product Position (where are you marketing?)	Saleyards	10	Processors still retain the predominant role as the customer to alliances.
	Feedlot	12	
	Processor	25	
	Wholesaler	12	
	Retailer/Service	16	
Q5 Is this your desired position?	Yes	52	Many alliances seek to have direct contact with end-customers.
Q6 Members Quality Assured.	Yes	36	Only one-third have all or most members meeting recognised QA standards. Some others intend to do this, but have not yet made concrete plans.

Q7a Received Industry Assistance?	MLA/MRC	32	75% have received some form of MLA/MRC funding, usually seed funding for alliance start-up.
	State	3	
	Other	5	
Q7b Expect to be Self-sufficient?	Yes	93%	Most expect to be self-sufficient in around 2 to 5 years time.
Q7c Needs for Self-sufficiency	Markets/Volume	19	Increased product throughput and more members are seen as the keys to self-sufficiency in the long-term.
	More Members	10	
	Supply Stability	6	
	Funding	4	
	Price Premiums	3	
	Improved Alliance Mgmt	3	
	QA	1	
Q8a Achievements	Key Areas: alliance establishment, critical mass, specifications, access to downstream markets, group training/interaction, business plan		Alliances are at various stages of development and achievement. They are likely to have similar achievement goals in the longer-term.
Q8b Failures	Key Areas: obtaining sufficient funding, lack of producer commitment/ loyalty, slow progress, access to/ information on retail market, obtaining consistent supply at right quality, achieving price premiums, critical mass		As above. Some reinvention of the wheel and little effective communication between alliances to date.
Q11 Annual Conference Topics Proposed	Marketing downstream of processor, electronic communication, live assessment, MLA market research findings/predictions, group management issues, inter-alliance jv's, MSA		Alliance management techniques and marketing are most often quoted issues. Alliances want to learn from each other.
Q12 Lessons Learned	Need committed core group, shared vision/stay focussed, commercial incentive, need to formalise, need early successes, get financial commitment from members, need consistent quality, professional business plan, good market research,		We agree with all of this. See later in our report.

	long-term view.		
Q13a Future Assistance Sought	Facilitators/Experts Learn from other Alliances Grants/Funding QA Help Marketing help Benchmarking Vertical alliance help Internet setup help	5 5 23 3 11 2 3 4	Funding is most often mentioned in one form or another, followed by help with marketing.
Q13b MLA Role	Coordinator/Contact Point Advice/Information Funding Group Setup Assist Industry Level Role	6 8 17 6 11	MLA's role is seen in conjunction with BeefNet as serving alliances through an industry role, generic support and direct funding assistance.
Q13c BeefNet Role	Commercial trader Contact Point for groups Source of Info/Knowledge Lobby for support Administer funding IT Communications	3 21 10 4 4 3	The major role is seen as a point of contact between alliances, followed by a role as a knowledge source for groups.

4. SPECIFIC FINDINGS AGAINST THE TERMS OF REFERENCE

4.1 Success Criteria (ToR 1.1)

Only the alliances themselves can determine whether or not they are successful. This section sets out a framework for alliances to judge whether they are succeeding.

The following table is based on that included in a report prepared for MRC called *Review of Strategic Alliance Structures in Other Industries, April 1996*. This table has been amended to include issues specific to beef/lamb marketing alliances, as identified in this project.

Failed Alliances	Successful Alliances
Unrealistic goals and expectations.	Focussed and realistic goals, matched to the size and vigour of the group.
Unfocussed or absent leadership.	Effective leadership, either an individual or a core group, providing a realistic vision of success.
Low group vigour and commitment.	Group commitment responding to the leadership. Persistence in working towards the goals.
Confusion between marketing and selling.	Decisions based on detailed knowledge of customers, their operations and their requirements.
Lack of understanding of the wider commercial environment.	A good understanding of the industry as a whole and a realistic approach to the group's place in the industry.
Lack of knowledge of how to identify and address opportunities.	A focus on identified opportunities.
Lack of knowledge of downstream industry sectors, with a reluctance to engage downstream industry players.	Realistic engagement of the downstream customers: fatteners, feedlots, processors and retailers.
Lack of group loyalty and frankness.	A "whole of business" attitude to group involvement on the part of group members.
Dependence on subsidies/grants for survival.	An understanding of the ultimate commercial outcomes required.
Lack of a formal business structure.	Formalised as a commercial business.
Lack of management processes and systems.	Formal management processes and systems in place and regularly reviewed.

These characteristics suggest some basic achievement criteria to distinguish successful groups from unsuccessful ones. These proposed success criteria and their achievement measures are:

Success Criteria	Achievement Measure
Group leadership	• A commercially aware leader with broad group member support • Ability to make decisions quickly and with general member acceptance
Purpose and Goals - Focus on realistic identified opportunities	• Objective research of intended markets and realistic opportunities • Shared vision within the group • Group business plan prepared • Formal process for identifying and evaluating new opportunities
Industry, market and customer knowledge	• Formal process for education and training of members • Systems for monitoring industry/market trends
Member commitment and persistence	• Group membership stable or growing • Group member turnover low or falling • Group members all signed up to and following accepted rules of membership and behaviour
Effective quality management of the product – realistic customer engagement	• Customer specifications prepared • Formal product assessment process in place as part of delivery mechanisms • Formal product information feedback process • Formal long term supply contracts in place • Product quality assurance systems in place
Critical mass - Achieving a commercial result	• Increasing proportion of product delivered to specification • Increasing product throughput • Returns through group arrangements exceed alternative product disposal returns
Alliance formalisation and financial viability	• Formal incorporation with capital contributions from members • Process in place to fund group activities including trading activities • Management processes and systems in place
Understanding commercial outcomes	• Realistic commercial goals based on knowledge of supply chain economics • Mechanism to track group trading outcomes over time and compare group results with other trading options

4.2 Evaluation of Alliances (ToR 2.1)

In the timeframe available for this review, it was not possible to obtain all of the information necessary to comprehensively assess all existing registered alliances against the success criteria defined in this section. The survey instruments did not achieve a 100% response rate, responses to some questions were partial, and the survey questionnaire was prepared prior to the final success criteria analysis.

Nevertheless survey responses, coupled with outcomes of the interview and focus group meetings, provided a basis for interpretation of the survey results which provides some assessment of the alliances which responded to the status survey.

A total of 42 alliances provided information which could be assessed to provide an evaluation against the criteria, with one response covering two groups (but not separately identifying them), and one response from a dormant group. The evaluation was carried out by interpreting the information (where sufficient was available) as follows:

Success Criteria	How evaluated
Group leadership	Degree of establishment, stability, growth, initiatives
Purpose and Goals - Focus on realistic identified opportunities	Business plan prepared, plan review process
Industry, market and customer knowledge	QA attitude, involvement of coordinator or marketer, training if mentioned
Member commitment and persistence	Time established, growth, QA status and intentions
Effective quality management of the product – realistic customer engagement	QA status and intentions, involvement of customer in alliance, product specifications prepared
Critical mass - Achieving a commercial result	Size of group, growth, claimed benefits
Alliance formalisation and financial viability	Written agreement for members, formal structure, financial contribution, expectation of self sufficiency
Understanding commercial outcomes	not evaluated – no sound information provided due to structure of questionnaire
Stage of Development	Evaluation made on basis of foregoing and comments in responses

The many general comments made in the survey responses aided in evaluating these aspects of the alliances.

The evaluation of the 42 responses showed the following:

Success Criteria	Evaluations
Group leadership	"appears stable", "appears effective", "strong" – 19 alliances "provided by processor or retailer" – 3 alliances "emerging", "needs development" – 6 alliances "insufficient information", "no evidence" – 13 alliances
Purpose and Goals - Focus on realistic identified opportunities	"business plan with review process" – 13 alliances "business plan only" – 12 alliances "business plan in preparation" – 6 alliances "no business plan" – 10 alliances
Industry, market and customer knowledge	"reasonable", "adequate", " good", "shows mechanisms" – 21 alliances "developing" or similar – 5 alliances "limited", "weak", "recognised weakness" or "needs assistance" – 9 alliances Insufficient information – 6 alliances
Member commitment and persistence	Less than 1 year – 8 alliances 1 to 2 years – 13 alliances 3 to 5 years – 16 alliances > 5 years – 2 alliances Not stated – 2 alliances
Effective quality management of the product – realistic customer engagement	"strong", "formal engagement" or similar – 14 alliances "effective in limited scope" – 5 alliances "developing" or similar – 9 alliances "weak", "too early", "slow take up" or similar – 7 alliances Insufficient information – 6 alliances
Critical mass - Achieving a commercial result	< 10 members – 2 alliances 10 – 20 members – 16 alliances 20 – 50 members – 15 alliance > 50 members – 5 alliances Not stated – 3 alliances
Alliance formalisation and financial viability	"written agreement" or "formal structure" – 29 alliances "guidelines" – 1 alliance "no written agreement" – 8 alliances Nil or conflicting information - 3 alliances
Understanding commercial outcomes	Not possible to evaluate any alliance on this criteria

Stage of Development	Established and growing/developing – 5 alliances Established and stable – 11 alliances Establishing or developing slowly – 7 alliances Start up/early days – 9 alliances Insufficient information – 9 alliances Dormant – 1 alliance

4.3 Appropriate Industry Assistance (ToR 3.3)

Current support mechanisms, their perceived value and some potential MLA actions were discussed in the previous Section.

Based on the above, all the above types of industry assistance are seen as appropriate but with differing criticalities. Based on the above, priorities (also related to stages of development) are:

High priority:

- Provision of an active coordination resource to assist alliances to identify and access appropriate development tools at appropriate times (this includes the PDO's in the lamb alliances) – important through all stages, even mature groups benefit from external appreciation every so often.

- Access to direct funding to assist start up activity and access expert resources – early stage priority.

- Development of a suite of generic development tools for alliances during their startup and development phases – early stage priority.

- Marketing information services – increases in importance as groups become more sophisticated in the use of information.

Lower priority:
- BeefNet support – through all stages.
- Internet support – increases in importance as groups develop.
- ad hoc advice services – applies through all stages.

These priorities accord with comments made by groups on the survey responses. To the question "What kind of assistance should MLA provide to alliances?", responses were numerous (raising some issues beyond MLA's scope) and included:

- *Experience of other alliance members*
- *Trend data, marketing/alliance funding, QA help*
- *Lower interest rates. Fund for national trials of all breeds. Grant for IVF work*
- *Marketing*
- *Some benchmarking. Don't reinvent wheels*
- *Information from front gate of farm to dinner plate*

- *Financial assistance*
- *Market place assistance*
- *Continue to phase 3 of MLA funding. Help from MLA Japan at no cost. Help to change processor attitude. Training on the fundamentals of marketing*
- *$100,000*
- *Strategies. Funding to grow business and utilise outside support*
- *Financial support & pay for contractor who will assist in down stream systems*
- *free access to experts including WIGS seminars*
- *Once a market is identified some assistance is early pilot trial , evaluation ,travelling etc*
- *Part B funding.*
- *Linkages with other groups (supply assurance, sharing knowledge/experience)*
- *Not repeating other groups' mistakes - what is realistic/possible*
- *MLA funds to test alliance concept in practice. Funds for more workshops*
- *Funding for training to increase skills base*
- *Funding support for total alliance management*
- *Some financial aid to enter 2nd commercial co-op stage for finished (fat) product group. Advice on MSA accredited store sales*
- *Promotional assistance. Product development/HACCP. Small financial contribution*
- *Marketing and planning*
- *Marketing, promotional, knowledge/experience of people who can put together thru-chain alliance*
- *Financial assistance to set up & the latest communications Eg: internet, training, etc*
- *having a person to facilitate our group*
- *Help with market research, market contacts, product launching*
- *Loans passed on a return in 3-5 years , We could not access loan funds without directors guarantee each & severally for the full amount*
- *Financial help to set up*
- *Financial*
- *Management resources/consultants, market development, working capital*
- *Funding for marketing. Branding and value adding workshops. Funding for business planning, promotion and design. MLA market intelligence and export opportunities*
- *Communication structure through internet*
- *This group would like assistance with expansion and would like to be involved with other groups with similar objectives*
- *An experienced coordinator, in touch with beef industry. Funding to assist setting up in first 5 years*
- *Return of funds for further education of producers*
- *Targeted financial assistance with communication technology and market development*
- *Branded promotion. Measurement of quality and handling . Measurement of brand recognition*

Provision of financial assistance is a strong recurring theme in these responses, supported by a need to avoid other's mistakes, facilitation of group development processes generally, and access to specific skills and support as required.

4.4 The Role of BeefNet

BeefNet has recently developed a Business Plan that has defined for itself an enhanced role and program funding, including commercial trading activities and service delivery to alliances.

The majority of views expressed during this review on the role of BeefNet (and which would be logically extended to lamb alliance support) saw its contribution in terms of:

- maintaining a coordination role among groups including the annual conference
- identifying committed groups and assisting them to develop contacts with customers
- facilitating inter-group contact to further the strengthening of supply arrangements
- assisting producers to select themselves into groups by informing producers of the value of alliances.

The advantage of pursuing these goals through a producer organisation such as BeefNet is that producers become involved and have credibility with other producers.

BeefNet should develop into AllianceNet (combining BeefNet and LambNet sub-groups) and deal with species specific issues as a subset of the generic alliance issues. Some alliances cover both beef and lamb, and many producers (particularly in temperate Australia) produce both cattle and lambs on mixed farming properties. A single support network is a logical response to this situation.

AllianceNet should by common alliance request be primarily a producer-run communication and support forum for alliances. There was little support expressed to us for BeefNet to act as a commercial trader in the industry. Therefore, if BeefNet wishes to trade as a commercial entity, this should be done outside MLA's R&D program.

The expanded BeefNet needs to lower its costs of operation by meeting electronically (telephone conferencing initially then using the alliance web site). The annual alliance conference should be continued but possibly on a greater user-pays basis. Regional alliance meetings/field days (bringing together several alliances in a particular region) should be pursued.

AllianceNet should act as a conduit for defining alliance needs to MLA rather than as a service delivery agency, which is MLA's proper role – this approach will eliminate any possibility of service duplication. The AllianceNet committee should continue to be elected annually by alliance representatives at the annual conference. The performance of the elected committee should be judged against clear and achievable objectives jointly defined by MLA and the alliances.

In the light of these comments, a review of the BeefNet business plan (1998-2001) was undertaken. Page 7 of that plan contains a statement of how BeefNet will achieve its goals, and which appears to be broadly consistent with the views expressed above.

5. CONCLUSIONS

5.1 Pathways to Alliance Success

Given the variation in alliances and their objectives, alliances themselves and the MLA could consider using and further developing the Pathways framework presented on the following pages. This should become a core document for all alliances and may be launched at the next Annual BeefNet/LambNet conference.

Pathways for horizontal and vertical alliances are very similar and differ in minor aspects only. Both pathways frameworks are shown to provide a complete picture of the development process for alliances.

The purpose of the Pathways framework is to enable alliances to pursue development paths that are appropriate to their circumstances and to access generic alliance support resources specific to their needs. Details of the proposed alliance support resources (to be provided by MLA and/or others) are provided in the next section.

Producer Groups (Horizontal Alliances)

Key Success Elements	Start Up	Formalise	Achieve Consistent Supply	Expansion	Maintenance
Leadership	Find a motivated, committed producer with vision	Elect a leadership team	Persuade members to become involved/formally commit to supply	Reassess leadership team needs. Train/expand team as necessary	Plan for leadership team succession
Purpose/Goals	Discuss and listen to everyone	Develop a written, costed Business Plan			Formally update business plan on a regular basis
Market/Supply Chain Knowledge	Audit group knowledge and access available sources	Develop a strategy to obtain, interpret and communicate knowledge	Educate producer members about realities of market/supply chain	Investigate other opportunities alone or through inter-group effort	Reassess knowledge sources and revise strategy
Member Commitment	Encourage people to get involved, express their opinions	Require formal application and financial commitment	Demonstrate net benefits of committing to long-term supply		Demonstrate net benefits of alliance membership over long-term
Ground Rules	Be open and honest. Listen to all views	Formal policy for how the group is managed and how members should behave			Review policies for effectiveness
Quality Assurance	Investigate QA status, available systems	Adopt QA policy for the group	Assist members to become QA certified to group requirements		Reassess QA approach and status through regular audits
Critical Mass	Don't close off any	Sell the potential	Build product	Consider joining in	Evaluate all group

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	avenues. Get as much positive interest as possible	benefits of being in the group to enough members, but stick to the facts	throughput to achieve processor or meat trader commitment	joint ventures with other like-minded, successful groups	benefits and reassess. Communicate to members
Financial Viability	Seek seed funds from interested producers, supported by industry seed grant funding	Develop budgets and require initial member capital investment	Put supply transactions through group entity and charge on fair basis to cover costs	Become financially self-sufficient. Build up capital	Diversify to spread risk and reassess budgets. Must be long-term financially viable
Communication	Face to face	Assess communication capabilities and needs	Develop practical communications systems	Move towards electronic communications	Reassess communication needs
Specific MLA Involvement (in addition to active servicing and management of alliance development needs)	*How to guides Practical training Alliance advisers Market intelligence Education materials Start up funding*	*Standard checklists Pro-forma materials*	*Web site Communications tools Teamwork education courses*	*Inter-group opportunities forum*	*Updated generic material R&D Demonstration projects Market intelligence Supply chain lobbying*