Strategic Planning for Farmers Markets

Chapter 2: Organizational Blueprints for Farmers Markets February 2016

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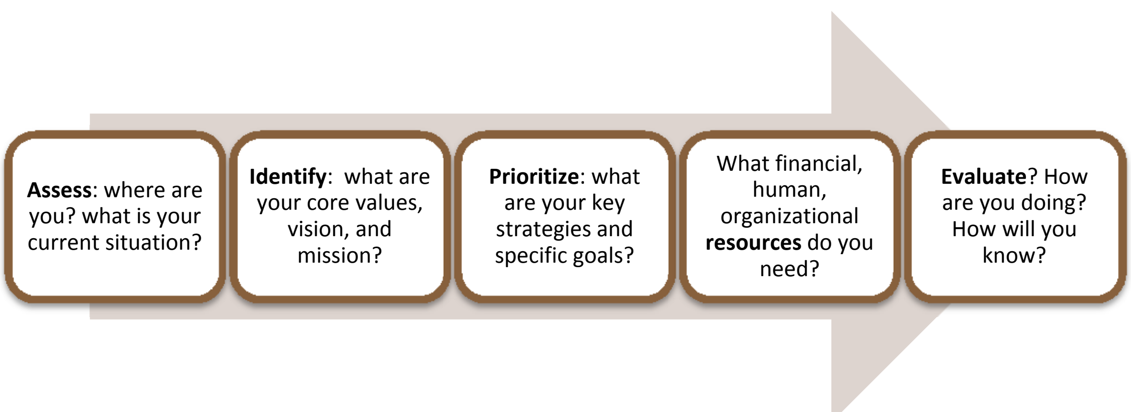
Strategic planning is a term that seems to provoke strong reactions. Some people may conjure up inconclusive and endless meetings. Alternatively, others are energized with the prospect of getting everyone on the same page and having a clear, thoughtful roadmap for moving forward. Once your market's leadership decides it would like to create a strategic plan, the trick is to design the plan in ways that make sense for your group, history and market size.

If you have a small, volunteer-run market, your process will be different than a larger market with a paid staff. If your market is a non-profit organization, then it will have a different approach than a market that is part of a City program or privately owned and operated. If you're in your second season, then your needs will be different than a market with twenty years of experience. How your farmers market is organized, whether as a non-profit, for-profit, or managed by a local governmental agency, will also make a significant difference to how you approach strategic planning.



At its most basic, a strategic planning process brings an organization's key leaders and stakeholders together to step back from the day-to-day operations so that they can assess their current situation, affirm their overarching vision, define priorities and goals, and decide strategies (including where resources will come from and how they will be

This publication is based on work supported by USDA's Farmers Market Promotion Program (FMPP) Grant Awards # 12-25-G-1205 and #14-FMPPX-WA-0173.

invested). Typically, a strategic plan is for a three to five year period. During a strategic planning process, an organization may revise (or create) a mission statement, vision statement, and agree on its shared values. Of course, few markets have the resources in-house to hire a facilitator and spend time researching and developing a strategic plan. Nevertheless, like other organizations and businesses, farmers markets need some sort of strategic planning to assure their long-term viability (Stephenson et al., 2006). The Portland Farmers Market completed a strategic plan for 2012-2014; a summary of their vision, mission, values, goals and strategies is available online (in the About Us section): www.portlandfarmersmarket.org.

OSU researchers Garry Stephenson, Larry Lev, and Linda Brewer have looked at why markets fail and recommend certain management structures depending on a market's size. Their work is important for markets to consider during any strategic planning as a means of assessing where you are as a market and providing a framework for your goals. For example, as markets reach a medium and large size, their tools and systems need to become more complex (Stephenson et al. 2006, 2007). This may include hiring a manager, increasing a manager's paid hours, and formalizing a division of labor by establishing board committees or hiring additional employees. Likewise, if we know the five factors among markets that fail, we can turn these around and plan proactively to avoid common pitfalls.

What is your market size?

Micro:	5 to 8 vendors
Small:	9 to 30 vendors
Medium:	31 to 55 vendors
Large:	56 to 90 vendors
Extra large:	Over 90 vendors

Source: Stephenson et al. 2006.

Challenge for Farmers Market (Stephenson et al. 2008)	**Possible Strategy**
1. Small size	Determine what your market capacity size and/or ideal size are and develop a plan to get there within a defined period of time.
2. Need for farm products	Assess your current farmer vendor pool and identify which product categories are most desired. Develop a plan to proactively recruit farmers in these categories. If needed, consider creative solutions such as co-operative vending if time and travel is a limiting factor for farms. If the limiting factor is insufficient shoppers, be sure to invest in marketing and creative partnerships to facilitate outreach.
3. Insufficient market revenue	This is a real challenge for almost every market size. Fully understanding your market's current financial standing is the first step:

	• What are your current fixed expenses? Total expenses? • What are your primary sources of revenue? (by dollar amount) Where is the greatest growth potential? • What level of investment do you need to sustain and grow operations? • What are your market's operational goals? Are they to be financially self-supporting? Or have you built community support into your fiscal model, either in terms of labor, donations, or shared expenses? Do you have additional programs or services that generate revenue to underwrite the market, if needed?
4. Volunteer or low paid manager	Start by understanding your market manager's goals in terms of his or her desired compensation. Remember motivation comes in many forms, not just monetarily. Once you know what your manager needs to stay engaged and performing at his or her best, work to create a realistic plan to get there within a defined period of time. Knowing that their work is appreciated and there are steps in place to meet their goals can go a long way towards sustaining an employee.
5. High manager turnover	In addition to the above, assess the market's ability to provide professional development, key training, and other tools to your manager. Is there a training that would be a win-win for both the market and the manager? Does your market manager have the budget needed to implement his or her ideas and help the market fulfill its potential? Is there board or other friction that is driving a manager away? Are there other unresolved issues that are causing stress? And finally, has your market been diligent about providing performance reviews, guidance and support to your manager?

Strategic Positioning

In the context of strategic planning for farmers markets, Sneed and Fairhurst (2010) suggest thinking about the market's "competitive advantage" (150). By this they are referring to either a "cost advantage" or a "differentiation advantage." A cost advantage means you are able to deliver the same products for less money. Whereas a differentiation advantage means that you are able to deliver greater benefits and value.

In the authors' view, farmers markets have an easier time (real or perceived) differentiating themselves from other food outlets in terms of greater benefits rather than lower costs. This would be thought about in terms of the market's "strategic position." Sneed and Fairhurst cite three types of strategic positions: variety, needs and access. Of course, each of these works in concert with the others in the real world. For the sake of strategic planning, it can be helpful to think about each one separately.

Variety-based positioning

Variety-based positioning focuses on distinguishing your market based on specific or specialized products. For example, markets organized by the Neighborhood Farmers Market Alliance pride themselves in celebrating local farmers and creating "producer only" markets. They do a great job of highlighting this distinction in their marketing. Other markets may distinguish themselves by only having farmers from a specific geographic region. The Vashon Farmers Market tends to only have vendors from Vashon. And yet other markets may see the combination of products as their distinction: at our market you can get groceries, gifts, and entertainment, for example.

Needs-based positioning

The need-based positioning focuses on fulfilling "a majority of the needs of a target group of customers" (Sneed and Fairhurst, 2010: 151). Examples for farmers markets may include shoppers who are looking for food safety, more natural production methods, allergy-free products, or organic. In some communities, the need may be for good value by being able to buy tree fruit, tomatoes, or peppers in bulk so they can preserve it. For others, freshness and produce picked at its peak may be a real need. The authors note that opening a market in a food desert is a form of need-based positioning in that there is an identified need for fresh food in a geographic area.

This concept can be applied temporally as well. One of Pike Place's Express Markets in Seattle is designed to meet the needs of Amazon employees who have a limited lunch break to shop. They have done this by planning the market hours accordingly and fitting the product mix to a lunch crowd. Likewise, they are working to meet these employees' need to pay with plastic. Another temporal example is the San Juan Farmers Market and how they sync up vendor and shopper needs with the ferry schedule. Whatever the need your market is best positioned to fill, the trick in strategic planning is to be mindful of what it is and orient your market to maximize this advantage.

Access-based positioning

As managers, you know how important location is to who shops at your market. The final type of strategic positioning relates to this and is “access-based positioning.” In this context, the authors are referring deliberate decisions to locate a market “with the express desire” of appealing to a certain group of customers. The example of a market with a strong food security mission being located in a food desert would apply here also. The Market on the Parkway might be another example. They are open on Fridays in downtown Richland precisely because Hanford workers have every other Friday off.

The trick is to reflect upon what features distinguish your market in comparison to other places your shoppers buy fresh food. From this strategy, you can then review your policies and other market activities to try and maximize the ways in which they reinforce each other.

Recommended resources

Ostrom, M. and Z. Lyons. 2012. Chapter 3.4 “Strategic Planning to Enhance an Existing Farmers Market” in *Washington State Farmers Market Manual*, Second Edition (2010).

Sneed, C. and A. Fairhurst. 2010. “From boardrooms to the farmers’ market: Using activity system mapping to explore a farmers’ markets competitive advantage” in *Journal of Agriculture, Food Systems, and Community Development*” (1:1).

Stephenson, G., L. Lev, and L. Brewer. 2006a. *Enhancing the Success of Northwest Farmers’ Market: An Executive Summary* (Oregon Small Farm Technical Report 22). Oregon State University, Extension Service.

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