



Australian Government

**Rural Industries Research and
Development Corporation**

New and Effective Leadership in Agribusiness Value Chains

RIRDC Publication No. 10/099





Australian Government

**Rural Industries Research and
Development Corporation**

New and Effective Leadership in Agribusiness Value Chains

by Dr Lawrie Dooley and Dr Elvira Luca

June 2010
RIRDC Publication No 10/099
RIRDC Project No. PRJ-000283

© 2010 Rural Industries Research and Development Corporation.
All rights reserved.

ISBN 978-1-74254-070-2
ISSN 1440-6845

New and Effective Leadership in Agribusiness Value Chains
Publication No. 10/099
Project No. PRJ-000283

The information contained in this publication is intended for general use to assist public knowledge and discussion and to help improve the development of sustainable regions. You must not rely on any information contained in this publication without taking specialist advice relevant to your particular circumstances.

While reasonable care has been taken in preparing this publication to ensure that information is true and correct, the Commonwealth of Australia gives no assurance as to the accuracy of any information in this publication.

The Commonwealth of Australia, the Rural Industries Research and Development Corporation (RIRDC), the authors or contributors expressly disclaim, to the maximum extent permitted by law, all responsibility and liability to any person, arising directly or indirectly from any act or omission, or for any consequences of any such act or omission, made in reliance on the contents of this publication, whether or not caused by any negligence on the part of the Commonwealth of Australia, RIRDC, the authors or contributors.

The Commonwealth of Australia does not necessarily endorse the views in this publication.

This publication is copyright. Apart from any use as permitted under the *Copyright Act 1968*, all other rights are reserved. However, wide dissemination is encouraged. Requests and inquiries concerning reproduction and rights should be addressed to the RIRDC Publications Manager on phone 02 6271 4165.

Researcher Contact Details

Dr. Lawrie Dooley
Department of Management
Monash University
27 Sir John Monash Drive
Caulfield East VIC 3145

Phone: 03 9903 2757
Fax: 03 9903 2718
Email: Lawrence.dooley@buseco.monash.edu.au

In submitting this report, the researcher has agreed to RIRDC publishing this material in its edited form.

RIRDC Contact Details

Rural Industries Research and Development Corporation
Level 2, 15 National Circuit
BARTON ACT 2600

PO Box 4776
KINGSTON ACT 2604

Phone: 02 6271 4100
Fax: 02 6271 4199
Email: rirdc@rirdc.gov.au
Web: <http://www.rirdc.gov.au>

Electronically published by RIRDC in June 2010
Print-on-demand by Union Offset Printing, Canberra at www.rirdc.gov.au
or phone 1300 634 313

Foreword

For many years research on marketing channel behaviour was focused on power and conflict between channel members. More recently, as a result of globalisation, firms have become more dependent on each other and more collaborative models of channel behaviour have developed to meet the demands of the global marketplace.

Research suggests that closer relationships involving trust, commitment, co-operation, co-ordination, and collaboration are needed between chain members to ensure the success of their value chains (Christopher 2005, Spekman et al. 1998b). The major challenge is to identify and develop leadership styles that foster efficient and collaborative value chains.

To date little research has been conducted to determine the leadership styles, skills and capabilities required by inter-organisational leaders, particularly in the agribusiness sector. This project is a step towards a better understanding of the leadership skills required to successfully manage agribusiness value chains.

The globalisation of agribusiness markets has made firms in the agribusiness value chain more dependent on each other and a new focus has emerged on the competitive advantage of collaborative linkages between the participants in the value chain. These inter-organisational links may require new forms of leadership to be developed, particularly when chains are moving from an adversarial orientation to a more collaborative model built on trust and transparency. This research provides a guide to successful inter-organisational leadership styles that build links between the participants in agribusiness value chains and proposes a new leadership style, **transfirmational leadership**, based on case studies of Australian agri-food chain leaders. Nine main elements of this **transfirmational leadership** style have been identified – championing communication, passion and clear vision, strategic focus, collaborative orientation, relationship building, developing leadership in others, networking and mentoring, seeking complimentary skills within the supply chain and developing a nurturing and supportive culture.

Aspiring chain leaders will find the research results of particular relevance in developing appropriate leadership styles that can increase the effectiveness and efficiency of Australian agribusiness value chains.

This report is an addition to RIRDC's diverse range of over 2000 research publications and it forms part of our Global Competitiveness¹ R&D program which aims to identify the impediments to the development of a globally competitive Australian agricultural sector and supports research investments on options and strategies for removing these impediments.

Most of RIRDC's publications are available for viewing, free downloading or purchasing online at www.rirdc.gov.au. Purchases can also be made by phoning 1300 634 313.

Tony Byrne
Acting Managing Director
Rural Industries Research and Development Corporation

¹ Now known as the Global Challenges Program.

About the Authors

Dr. Dooley has extensive research and teaching experience in Agribusiness including executive development programs in leadership and board governance. Recent research studies have included international benchmarking of Australian agribusiness value chains in the dairy, wine, grain, wool, horticulture and meat sectors

Dr. Luca has extensive experience in quantitative and qualitative research developed over more than 20 years in corporate research and consulting involving a variety of industries. Her PhD focused on leadership and was entitled “The relationships among transformational leadership, motivating language and organisational citizenship behaviour”.

Acknowledgments

We gratefully acknowledge all participants in the research study who gave their time and cooperation and freely provided invaluable insights.

Contents

- Foreword..... **iii**
- About the Authors **iv**
- Acknowledgments..... **iv**
- Executive Summary **viii**
- Introduction **1**
- Objectives..... **2**
- Methodology **3**
- 1 Innovation through a culture of empowerment along the supply chain..... 5**
 - Rakesh Aggarwal: Longwarry Food Park..... 5
 - Strategies for Success 7
 - Some further thoughts..... 9
- 2 The added value of supply chain success: Reinvigorating regional development..... 10**
 - Chris Clyne: Clyne Foods..... 10
 - Strategies for Success 11
 - Some further thoughts..... 14
- 3 The role of leadership in the value chain and commercialisation of intellectual property in the Australian fresh food industry 16**
 - Jon Durham: Pink Lady™ apple..... 16
 - Strategies for Success 17
 - Some further thoughts..... 21
- 4 Engaging with supply chain members to create a learning network 22**
 - Tony Esposito: United Dairy Power..... 22
 - Strategies for success..... 23
 - Some further thoughts..... 27
- 5 Maintaining the integrity of the product through ethics and loyalty along the supply chain..... 28**
 - Jodie Goldsworthy: Beechworth Honey Pty Ltd 28

Strategies for Success	29
Some further thoughts.....	32
6 Building a new supply chain model for the wool industry	34
Mark Mackinnon – The Merino Company	34
Strategies for success.....	36
Some further thoughts.....	39
7 Innovation and social responsibility drive this award winning value chain.....	40
Robert Radford: R. Radford and Son.....	40
Strategies for Success	41
Some further thoughts.....	44
8 Towards Fair Trade in Australia through an ethical supply chain in partnership with indigenous communities.....	45
Juleigh Robins – Robins Foods (incorporating Outback Spirit range).....	45
Strategies for Success	47
Some further thoughts.....	51
9 Leading the way in sustainable management of organic meat production	52
Simone Tully – OBE Beef Pty Ltd	52
Strategies for Success	54
Some further thoughts.....	57
10 New ways of doing business in the aquaculture industry.....	58
Serena Zipf: Rocky Point Prawns	58
Strategies for Success	60
Some further thoughts.....	62
Results	63
Major Themes - Strategies for Success	63
Leadership Style	67
Implications.....	71
Recommendations	73
Inter-organisational Leadership Development Program.....	73
Mentoring and Networking.....	73
Development of psychometric selection methods	73
References	74

Tables

Table 1	Key behaviours of Transformational Leaders.....	70
---------	---	----

Figures

Figure 1	Transformational Leadership: the intersection of participative, relational and - transformational leadership styles.....	68
Figure 2	Model of Transformational Leadership	69

Executive Summary

What the report is about

This project investigates the intersection of classical intra-organisational leadership styles with the emerging leadership styles in the inter-organisational context of Australian agribusiness value chains.

The study has identified a new leadership style to increase the effectiveness and efficiency of Australian agri-food value chains: the *transfirmational leader*

A model of this new *transfirmational* leadership style includes nine key elements: championing communication, passion and clear vision, strategic focus, collaborative orientation, relationship building, developing leadership in others, networking and mentoring, seeking complimentary skills within the supply chain, and nurturing a supportive culture.

The successful adoption of this new leadership style could have significant impacts on the efficiency and effectiveness of Australian agri-food value chains.

Who is the report targeted at?

Implementation of the results will be targeted towards participants in Australian agri-food value chains including producers, processors and retailers. In particular, aspiring chain leaders will find the research of particular relevance in developing appropriate leadership styles that can increase the effectiveness and efficiency of Australian agribusiness value chains.

Background

The globalisation of agribusiness markets has made firms in the agribusiness value chain more dependent on each other and a new focus has emerged on the competitive advantage of collaborative linkages between the participants in the value chain. These inter-organisational links may require new forms of leadership to be developed, particularly when chains are moving from an adversarial orientation to a more collaborative model built on trust and transparency. This research will provide a guide to successful inter-organisational leadership styles that build links between the participants in agribusiness value chains and provide models to be adopted by other aspiring chain leaders.

Aims/objectives

The major objectives of the project are:

- To determine the role of inter-organisational leadership in reducing transaction costs in Australian agribusiness value chains.
- To identify the specific leadership capabilities and skills such as trust building and transparency required in Australian agribusiness chains to enhance their global competitiveness
- To develop a model of successful inter-organisational leadership styles for Australian agribusiness value chains

Methods used

A series of case studies were conducted to fulfil the requirements of this project. In general, case studies are the preferred strategy when ‘how’ or ‘why’ questions are being posed, and when the focus is on a real-life contemporary phenomenon (Yin, 1994).

The process involved in-depth interviews with leaders who are recognised in the field. Potential interviewees were selected from a variety of sources including some of the winners from the Agribusiness Awards for Excellence. All interviewees are recognised by their peers for outstanding achievements in leadership of Australian agri-food value chains.

The concept of saturation was used, that is, leaders were interviewed until no new data emerged, indicating that the boundaries of the phenomenon have been reached (Guest et al., 2006). Saturation was determined through ongoing data collection and data analysis in which the substance and types of responses being obtained are monitored.

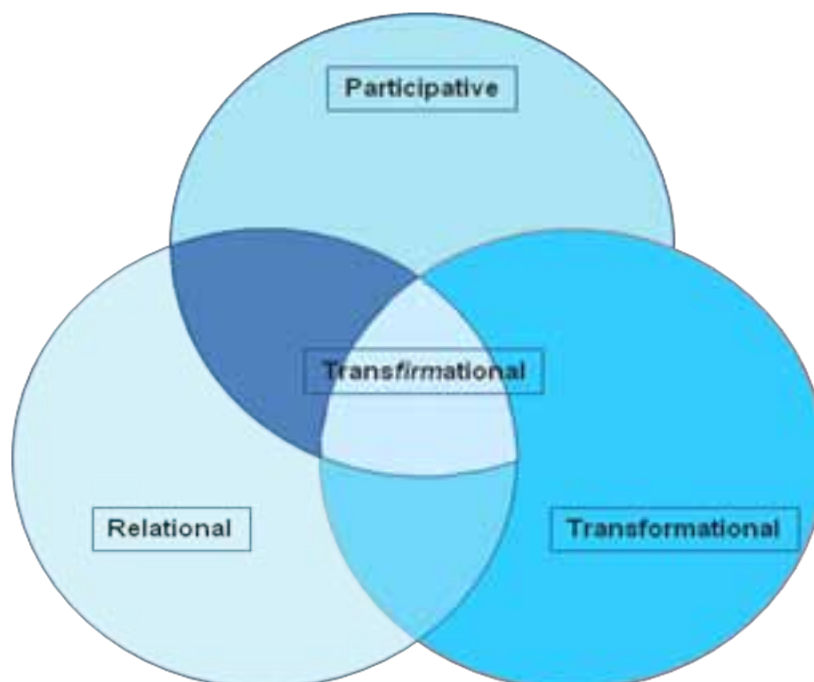
The interview data was transcribed verbatim and analysed using NVivo qualitative software. NVivo makes it possible to manage, access, and analyse qualitative data without losing its richness (Bazeley & Richards, 2000). The advantage of using NVivo is that it is useful for locating patterns or common threads, and can be used to develop finer or more subtle concepts (Bazeley & Richards, 2000).

Data were coded according to topics, themes, or issues using a generative approach in which the categories are derived from the data. A generative strategy avoids predetermined concepts and generates crucial concepts from the target population (Simon, Sohal, & Brown, 1996).

Results/key findings

The key finding from the project is a guide to effective leadership styles in the context of Australian agribusiness value chains. Analysis of the ten Australian case studies showed that they shared elements of three established leadership styles, namely participative, relational, and transformational. The intersection of these three established leadership styles suggest a new model of leadership which we term ‘*transfirmational leadership*’.

Transfirmational Leadership: the intersection of participative, relational and transformational leadership styles



As the name suggests, the behaviours which characterise this new model of leadership focus on inter-organisational collaboration, and have the ability to transform each firm within the supply chain towards a new way of thinking and doing. This style of leader has a clear and compelling vision which is pursued with passion and energy, and which appeals instinctively to supply chain members. With a focus on building strong relationships, this style of leadership builds trust and commitment, and nurtures a supportive culture throughout the value chain. Desired outcomes are dependent on all members, but in turn, all members share in the benefits that accrue from involvement in an effective and successful value chain.

A model of this new *transfirmational* leadership style includes nine key elements: championing communication, passion and clear vision, strategic focus, collaborative orientation, relationship building, developing leadership in others, networking and mentoring, seeking complimentary skills within the supply chain, and nurturing a supportive culture.

Model of Transfirmational Leadership



Detailed analysis of ten Australian case studies allowed the identification of key behaviours for *transfirmational* leaders and these are summarised in the table below.

Key behaviours of *Transfirmational* Leaders

Key behaviours of <i>Transfirmational</i> Leadership	
Communication Champion	<ul style="list-style-type: none"> • Advocates open and timely communication throughout Supply Chain • Articulates vision clearly • Uses two-way communication and listens
Passion and Clear Vision	<ul style="list-style-type: none"> • Clear long-term vision • Passionate about future • Vision extends beyond supply chain to industry
Strategic Focus	<ul style="list-style-type: none"> • Provides direction and inspiration • Focus on the long-term
Collaborative Orientation	<ul style="list-style-type: none"> • Encourages genuine participation • Prefers a team approach
Relationship Builder	<ul style="list-style-type: none"> • Focus on developing strong relationships • Prefers a personal style of interaction
Develop Leadership in Others	<ul style="list-style-type: none"> • Invests in human capital to build capabilities • Utilises training, delegation, and has succession plan for key roles
Networker and Mentor	<ul style="list-style-type: none"> • Broaden involvement beyond the Supply Chain to industry associations • Seeks advice when needed, and prepared to mentor others as needed
Seeks Complimentary Skills	<ul style="list-style-type: none"> • Understands strengths and limitations of self, supply chain, and industry • Recruits right person for the right job
Nurtures Supportive Culture	<ul style="list-style-type: none"> • Develops culture along supply chain that supports objectives • Highlights awareness of mutual goals and needs and importance of actions of all chain members

Implications for relevant stakeholders

Globalisation has increasingly seen inefficient parts of Australian agribusiness value chains either eliminated or moved offshore. Rural and regional communities can often suffer the economic impact of this restructuring of chains with job losses and economic decline. This research project develops an alternative to this decline based on collaborative value chains maintained by new models of inter-organisational leadership.

The successful adoption of this new leadership style could have significant impacts on Australian agri-food value chains including:

- Reduced transaction costs through reductions in the time and expense of negotiating, monitoring, and enforcing interfirm behaviour to prevent opportunistic behaviour by chain members who seek gain for the individual firm at the expense of the whole chain
- Increased agility of Australian agri-food value chains through information sharing among all participants in the chain
- Understanding and developing the skills and capabilities required to efficiently manage the linkages in agribusiness value chains so that Australia can share in the economic benefits of global agribusiness supply chains.
- Regional and rural agribusiness development is likely to be fostered by stronger inter-organisational linkages in the agribusiness sector and will positively impact on rural employment opportunities.
- Effective inter-organisational leadership will improve the efficiency of supply chains through more efficient use of scarce resources such as energy and water resources, and result in more sustainable practices.
- Opportunity for expansion of Australian agribusiness value chains by effective leadership during an era of increasing globalisation. The research specifically targets aspiring chain leaders and provides guidance on effective leadership styles for co-ordinating agribusiness value chains.
- Efficient agri-food chain management practices will reduce waste and environmental impacts of the agri-food industry. This could include reduced fuel costs, water use and packaging from chain leadership practices based on collaborative business models.
- Allows access to more sustainable opportunities for long-term development of each chain member and the chain as a whole.

Recommendations

The recommendations are targeted at organisations and individuals who have the aspiration to become the next generation of *transformational* leaders of Australian agri-food chains.

Inter-organisational Leadership Development Program

A constructive way of developing leaders is to develop training programs designed to specifically address the skills identified as effective in agribusiness supply chains. The nine behaviours identified in the *Transformational* leadership style provide a framework for developing relevant skills of our current and emerging agribusiness leaders. Programs which engage participants from throughout the value chain including input suppliers, producers, processors and retailers should be encouraged.

Mentoring and Networking

Consideration should be given to providing training for developing mentoring skills. This could be done in conjunction with broader communication skills training.

Companies could consider developing and implementing ‘in-house’ mentoring programs which match established inter-organisational leaders with emerging chain leaders.

Companies could consider developing cross-firm staff secondment programs, where key roles and skills are exchanged between closely linked firms.

Development of psychometric selection methods

Consideration could be given to develop a transformational leadership questionnaire, based on the nine behaviours identified in the study. This would assist in the selection and development of future *transfirmational* leaders in agribusiness. The instrument would be useful in identifying strengths and limitations and people most likely to benefit from the proposed leadership training programs.

The instrument could also be useful in selecting staff for cross-firm secondment and individuals with potential to become the next generation of *transfirmational* leaders of Australian agri-food chains

Introduction

Background to the project

The changing nature and increasingly competitive environment in the agribusiness sector presents new challenges for leaders and managers. Pressures such as globalisation, changes in consumer preferences and demands, industry adjustment, and technological change often require a different approach to organisational and leadership development. Although leadership research is one of the most widely researched areas, very little attention has been given to leadership in agribusiness. Given the importance of the sector, close attention needs to be given to understanding and developing the skills and capabilities required to successfully manage and lead sustainable agribusinesses. This project is a step towards a better understanding of the leadership skills required to successfully manage agribusiness value chains.

The globalisation of agribusiness markets has made firms in the agribusiness value chain more dependent on each other and a new focus has emerged on the competitive advantage of collaborative linkages between the participants in the value chain. These inter-organisational links may require new forms of leadership to be developed, particularly when chains are moving from an adversarial orientation to a more collaborative model that is built on trust and transparency. The focus on leadership is important because the literature suggests that supply chain effectiveness and survival is linked to leadership behaviour (Kotter, 2001, Mehta, Larsen, and Rosenbloom, 1995). In this new climate, leaders need to possess supply chain management skills and, perhaps more critically, the ability to establish and maintain effective networks (Fynes, Voss, and deBurca, 2005), particularly as supply chains evolve, resulting in new business models and relationships. In response to these challenges, our research investigated the skills and capabilities required by inter-organisational leaders in the agribusiness sector. The role models provided by our participants, all exemplars in supply-chain management in agribusiness, will provide timely guidelines for emerging leaders and others involved in this critical sector.

Objectives

The major objectives of the project are:

- To determine the role of inter-organisational leadership in reducing transaction costs in Australian agribusiness value chains.
- To identify the specific leadership capabilities and skills such as trust building and transparency required in Australian agribusiness chains to enhance their global competitiveness
- To develop a model of successful inter-organisational leadership styles for Australian agribusiness value chains.

Methodology

Research Protocol

The research involved in-depth interviews with key leaders who are recognised by their peers for outstanding achievements in leadership of Australian agri-food value chains. A purposive sampling strategy was used which, although not necessarily representative, provides examples which may have implications for other cases (Quinn and Dalton, 2009). This strategy was appropriate for the objectives of the study, which intends to uncover the skills and strategies used by recognised leaders in the field, therefore the subjects chosen were in the best position to provide the information required (Cavana et al., 2001), and was the most meaningful approach.

Sample

Potential interviewees were selected from a variety of sources including some of the winners from the Agribusiness Awards for Excellence. We used the concept of saturation, that is, leaders were interviewed until no new data emerged, indicating that the boundaries of the phenomenon had been reached (Guest et al., 2006). Saturation was determined through ongoing data collection and data analysis in which the substance and types of responses being obtained were monitored. Kuzel (1992) recommends six to eight interviews for a homogeneous sample and twelve to twenty interviews when trying to achieve maximum variation. Research by Romney, Batchelder, and Weller (1986) found that small samples, as small as four individuals, can provide complete and accurate information if the participants possess a certain degree of expertise and competence in the area or topic under investigation. From their research, Guest et al. (2006) found that saturation was reached after 12 interviews were conducted.

In this study, 12 interviews were conducted before saturation of information was reached. Participants cover a range of industries and include meat (2), wool (2), dairy products (2), honey, dried fruit, apple, aquaculture, native foods, and rice food products. In this final report we have included ten of the case studies with the most strongly demonstrated leadership characteristics. Participants included four females and six males, and were from three eastern States of Australia, Queensland, New South Wales, and Victoria.

We used an in-depth, semi-structured interview protocol with all participants. This approach allowed us to cover a broad set of questions relating to leadership approaches, underpinned by theory, while still allowing for unexpected insights and unique aspects of each of the supply chains. In this way, we were able to achieve commonality across the interviews while allowing the participants to expand on topics that were particularly relevant to them. In particular, industry participants had the opportunity to provide their own personal insights into value chain leadership based on their successful experience.

Interviews ranged from 45 to 90 minutes and were conducted by researchers meeting face-to-face with the participants at a location of their choice, typically their workplace. Two researchers were present for some of the interviews, and a single researcher conducted the remainder. The interview guide consisted of five broad areas of enquiry under which specific open-ended questions were posed: 1) Leadership style, for example, what skills were most important when establishing the supply chain; what other skills become more important as time progressed; 2) Enablers of successful supply chains, for example, what situation or conditions were critical in establishing a supply chain, what aspects were most important in developing the supply chain; 3) Barriers to successful supply chains, for example, what were some of the difficulties you encountered; How did you overcome these barriers; 4) Communication issues, for example, how do supply chain members communicate and how often; 5) Relationships, for example, what were the strongest influences on the development of your

relationships; followed by some general questions, for example, what advice would you offer others who are trying to establish a supply chain.

Interviews were recorded and then transcribed verbatim before being analysed using NVivo qualitative software. NVivo makes it possible to manage, access, and analyse qualitative data without losing its richness (Bazeley and Richards, 2000). The advantage of using NVivo is that it is useful for locating patterns or common threads, and can be used to develop finer or more subtle concepts (Bazeley and Richards, 2000). Data were categorised according to the topics, themes, or issues arising from the interviews using a generative strategy, which avoids predetermined concepts and generates crucial insights from the target population (Simon, Sohal, & Brown, 1996). A preliminary analysis was conducted after each interview to determine when saturation level had been reached. This process resulted in the identification of a new leadership style, namely *transfirmational* leadership, and the emergence of nine major themes associated with this leadership style.

1 Innovation through a culture of empowerment along the supply chain

Rakesh Aggarwal: Longwarry Food Park

Longwarry Food Park was established in 2001 in Gippsland by its parent company, the Saurin Group, through the purchase of a long-established dairy processing plant which had been decommissioned. Owner and Managing Director, Rakesh Aggarwal, had an ambitious plan – he knew there was a definite global demand for milk powders from Australia and he was aware that customers had often expressed a desire for an alternate supplier. Rakesh had worked in the dairy industry for some time and his entrepreneurial instincts told him that flexibility was the key: flexibility in customising the product, and flexibility in shipping arrangements. This flexible approach differentiates Longwarry Food Park from the dominant players in the industry and is a critical factor in the company's success. Rakesh's vision and the supportive culture that he has nurtured throughout the supply chain has produced remarkable results. In 2008, Business Review Weekly rated the company the fastest growing business in Australia, quite an achievement for a small regional dairy food processor.

The company produces milk powders, liquid products such as ultrafiltered, fortified milk for cheese factories, and dairy concentrates for yoghurt manufacturing. Rakesh knew that he had to offer something different, as he explains, "it is a full cream milk product, everybody else makes full cream milk product. And our product has good flavour and everybody else's product has got reasonable flavour too. So we have a 'me too' product basically." What Longwarry Food Park could offer was customisation of the product and flexible shipments that could change according to the customer's needs, something that the larger operators found too uneconomical to offer.

Rakesh's confidence in his vision was put to the test many times while the company was working towards its goals, but these challenges proved to be an additional motivator to do things differently across many levels. The first step was to convince farmers to join the vision and to trust that the company would deliver. As Rakesh explains, "Since we had no experience and no background in dealing with rural Victoria and those customers, that was a challenge. We tried to meet them in groups and there were times when few people would turn up. We organised a meeting and lunches were organised and we had five people or three people when we first started it. It was a difficult time." To break through the barriers, Rakesh recruited a former dairy farmer with in-depth knowledge of the industry environment to liaise with potential farmer suppliers. Using this approach, the vision for the company could be framed in the context of the realities of the present, thereby "stretching and challenging long-term aspirations anchored in the credibility and realism of the possible, if not the guaranteed" (Bell, 2007:20). Open and honest communication with the farming group was essential. As Rakesh says, "I think our communication with the regional community was really important and we went through many sessions. Thinking back on it, I think we were extremely successful at recruiting farmers in the first year because of our approach."

One of the selling points was the technical expertise Rakesh brought to the supply chain. The disused plant the company purchased had lain idle for seven years and required significant upgrading. The technical expertise that Rakesh brings to the company was utilised to convert the plant to a state-of-the-art facility with an additional overlay of eco-friendly features. As Rakesh explains, "we were able to bring up the plan which was all the latest technology, and very little investment was made because all the engineering work was done in-house. So that is something that we were able to do reasonably easily." The plant was fully re-commissioned in 2005, and Rakesh developed a production management team with the right skills and attitudes to take the vision further.

Being environmentally friendly was an integral part of the vision and was not negotiable. As processing milk is water intensive, efficiencies in water usage were essential. Through clever engineering and technology, water usage was reduced and some recycling and other efficiencies were introduced. Being good corporate citizens was always part of the plan and an important part of the overall vision. “We are very environmentally conscious and every day we make efforts to reduce energy consumption and water consumption for the town”. The plant is currently using around half of the industry standard for water usage, with more reductions planned. Rakesh is quick to point out the contribution of others, “This is something which doesn’t come from just one person, it is a contribution from all of us and that is why we are a very modern plant now”. The company’s leadership in environmentally sustainable practices has been acknowledged in a number of awards, including the BRW Environmental Excellence Award, 2008, and the Bendigo Bank Gippsland Business Awards - Environmental and Sustainable Business Practice, 2009.

Being good corporate citizens also made an impression on the community in Gippsland, a well-known dairy region. The company’s efforts to bring the plant back to life won a lot of support from the locals. According to Rakesh, “the local community was really happy because they thought that we were bringing jobs back to the region and we were reviving the town or reviving the factory, an asset of the community, that had been lying idle for a long time. We did get a lot of community support because of that.” The opening of the plant created opportunities for employment and wealth creation in the region. All staff working in the plant are from regional Victoria, as are the farmers, a win-win for all concerned and a boost for the region.

As Hoover et al. (2001:15) note, “marketing is about understanding the buyer’s buying process and stimuli, [and] the goal is to provide the customer with the right product and also with the right service”. To gain access to markets overseas, Rakesh relied on the expertise of commercial managers with local and overseas experience, as well as his own network of contacts built over the many years in the industry. Morrissey and Pittaway (2006) note that owner-managers tend to use social factors in commercial relationships to build trust and manage relationships. For Rakesh, open and honest communication was essential for connecting with buyers and the preference was for face-to-face interaction. The bi-directional flow of communication is advocated by many researchers because “it allows the supplier to reveal his offer and identify the customer’s needs and characteristics, and permit the customer to communicate them properly” (Cambra-Fierro, and Polo-Redondo, 2008:219), and none is more powerful than face-to-face communication. This was a good strategy for the company because, as Lamming and Harrison (2001) note, “a small company operating in a niche market or offering specific expertise to its customers may hold a more important position in the view of its larger supplier than may be expected given its size”.

Recognising your own strengths and limitations and surrounding yourself with the right people and building upon each person’s strength is a hallmark of an effective leader (Rath and Conchie, 2009). Encouraging others to build on their strengths is central to the culture that Rakesh has nurtured and is indicative of his leadership style. “The senior management that we have in the company, the commercial side, the factory side, and the management team as such, we talk about what areas the company can grow. And all of these people are welcome to bring up suggestions on where one could take the company or which products we need to develop or which markets we need to enter. And all of that is openly discussed and encouraged. And then we act on them if something looks feasible in the business.” This approach is applied along the supply chain with all stakeholders and employees of the plant able to provide feedback and suggestions for improvement.

An empowering culture requires a leader with a people centred approach. At Longwarry Food Park, the culture is imbued with strong values that promote flexibility, learning, and participation at all levels throughout the chain. Open and timely communication encourages and maintains a high level of trust among stakeholders, and a willingness to be actively involved in sharing ideas and perspectives. This style of leadership is often referred to as authentic leadership (George, 2003) and is characterised by a preference for empowering people to make a difference rather than seeking

power or prestige for themselves. They lead with purpose, meaning and values. Rakesh's participatory leadership style encompasses all of those traits, and he displays a high level of trust and confidence in those with whom he interacts.

According to Cangemi et al. (2008), when an environment is encouraging instead of discouraging, creativity and innovation can be furthered by the free expression of ideas. This has been the case at Longwarry Food Park and has led to many nominations and awards in recognition of the supply chain's outstanding achievements in business, products, exports and environmental performance, including nominations for the Governor of Victoria Export Award, 2007 and 2008, and the Baw Baw Shire Agribusiness Award, 2008. Under the leadership of Rakesh Aggarwal, Longwarry Food Park has grown quickly beyond initial expectations, and seems on the way to continuing its success well into the future.

Strategies for Success

Believe in your Vision

Yukl (2006:275) notes that 'it is not enough to articulate an appealing vision..., it is important to make a clear link between the vision and a credible strategy for attaining it.' Rakesh Aggarwal had a strong vision and a strong belief in its potential for success, as well as strong faith in himself. His conviction in the vision and his ability to communicate how the vision could be attained was a critical factor in attracting the right stakeholders.

'Essentially, you need faith in yourself to go through a difficult time and still keep the faith and thinking that yes, you will succeed at the end of it. And difficult times, in our case, were fairly long. The year we bought the factory was the year that the drought started in Australia, so we bought at the worst possible time one could buy a business. So, faith in oneself was, I think, really, really important'.

'I do I spend quite some time on the vision and working towards it and taking the team with me towards that vision. And communicating at all levels about the vision and where you want to go and how you want to get there'.

'If you speak to most of our employees, they would always say that the reason they have come on board is because they believe in the vision. They not only see where the company has come from but also strongly believe that it can grow the pace, the visual outlines. So I think that is very important'.

Develop a culture that supports your objectives

To promote and support innovation and risk-taking, leaders must encourage open communications from within and outside their organisations, especially upward, and they must encourage dissent (Cangemi et al., 2008). They need to hear opposing views to their ideas without creating fear in those whose perspective differs from theirs (Cangemi and Miller, 2007). Rakesh's leadership style is open and democratic, and he is interested in receiving input from anyone, regardless of the position they hold within the supply chain.

'The culture that we have developed in the business is a culture of openness and democracy. So everybody has got the right to say things that they want to say about the business and this feedback could be negative or positive. A criticism is equally welcome in this company. Then the people also have independence in their operation. So I don't interfere with them on a day-to-day basis'.

'A comment often made to me is that in this business, the decision-making is so quick it is sometimes scary. When we have to do something and we agree on it then you do it straight

away. There is very little red tape, there is very little hierarchy. And everybody has got access to me and everybody can talk to me and ring any time they want to’.

‘In fact, when an idea pops up and looks feasible, then I take it to the management team at a fairly early stage, even before we have thought about what sort of investment and what sort of market it is, just to get a feedback and sounding board from people in the company. To see if it is worth doing or if it is not even worth thinking about’.

Develop leadership in others

Part of the culture in Longwarry Food Park is to empower others to develop their own leadership skills. The positive environment has created a highly motivated supply chain that is continually learning and adapting to changing consumer needs. As Policy (2005) notes, motivation from associates can never be demanded and is highest when it comes from within, with a leader creating an environment where there is mutual trust and new ideas, and where high productivity can be developed and nourished. For Rakesh, developing people and building capabilities is an important part of his vision and is critical to long-term success.

‘I think part of our success has been that as time has progressed, we have allowed other people’s skills to flourish. We encourage others to develop their own leadership within their own areas. It is a very positive culture in the company. It brings a sense of ownership at practically all levels. The people feel committed to keep the business going in the best possible manner. I think an empowered workforce tends to be more committed, more productive, and more creative’.

‘Here, people are able to have more independence, so over time I have been able to let go of more control and rely on them and their judgement more so. Which is a good thing because it allows me to focus on other developments and strategic areas for the business’.

Communication

According to Daft (1999), the learning organisation encourages open communication where ideas can be shared throughout the organisation. One of Rakesh’s leadership attributes is the ability to listen to others and to engage them genuinely in meaningful dialogue. Communication is a focus of this supply chain and involves regular face-to-face communication, including conferences and on-site visits. Research has found that socialisation mechanisms, such as conferences and on-site visits, are an effective way of managing supplier relationships because they establish communication and information-sharing norms as a way of achieving integration (Cousins and Lawson, 2007).

‘We have a really, really active connection with our suppliers. Our field officer communicates with them almost on a daily basis. That makes us able to communicate the vision that we have for our business and the direction of the business and the direction of the world market because that affects our farmers quite remarkably. So we communicate all of the issues to our farmers on a very regular basis’.

‘Every three months, we have a conference or open session with the farmers. We also communicate what we do in the factory and what is happening around the world. Then we have two information sessions a year when we communicate what is happening for the next six months and give them a long-term formal view, and we do questions and answers where people can raise any concerns. Sometimes the questions are pleasant, sometimes the questions are not so pleasant but we take all of them. We also give them regular feedback on the quality of their performance and we assist them in overcoming any issues’.

‘The factory has a production meeting every week, so the commercial and field guys know what the factory is doing, plus the shop floor meeting with the staff every morning’.

'We have two people who maintain communication with the customers, which is mainly on a needs basis and it incorporates any business growth plans that we have, any awards that we win, any significant news. And anything they want to know about the business or about the product quality, all that is communicated on a regular basis'.

Some further thoughts

- 'The biggest thing I have found is having faith in oneself. I don't think there is anything more important than that. To use the phrase, it's mind over matter. Sometimes problems do seem insurmountable, and its only faith that gets you through those times of difficulty'.
- 'Remain very focussed on what you want to achieve. And share your vision with those associated with your company'.
- 'Have honesty when dealing with anybody, whether its banks, customers, or suppliers, or your employees. You have to be open and honest with them. Sometimes it's not pleasant but that is what you have to do. We don't want to deceive either our milk suppliers or our customers. We delivered what we promised and we promised what we could deliver'.
- 'I do think communication is very important. The more reliant you are on rumours the worse it is'.

Company contact details: <http://www.saurin.com.au>

2 The added value of supply chain success: Reinvigorating regional development

Chris Clyne: Clyne Foods

Clyne Foods is an Australian family-owned business producing high quality, Australian dried fruit for the local and international markets. Since it began in 2004, it has grown to become one of the biggest processors in the industry and is one of the success stories for both the industry and the regional area in which it is located.

Managing director Chris Clyne believes that Australia grows and processes the best dried fruit in the world and is proud that Clyne Foods uses 100% Australian produce. It was his concern about the increase in foreign ownership and the level of imports that initially led Chris to invest in the Australian product. His action in establishing the processing plant in Warracknabeal in Western Victoria has contributed significantly to the development of the region. The flow-on effect has added value to many other businesses in the surrounding areas that were experiencing hard times due to the drought and the general economic downturn. In recognition of their success in beginning the process of regional development, Clyne Foods was awarded the Business Achievement Award (2007), sponsored by Australia Post as part of the Regional Achievement and Community Awards. Clyne Foods was the winner of the 2008 Rural Enterprise Award, part of the NAB Agribusiness Awards, considered the premier national agribusiness awards in Australia. Effective market orientation, a supply-chain focus, a focus on quality and safety, and commitment to regional development were among the selection criteria.

What is striking about Clyne Foods' success is that they are a relatively new entrant in the industry. Chris Clyne's leadership has played a large role in reversing some of the negative aspects that had crept into the industry. As Chris noted, "When we came into the food industry, we found there was a lot more spin and not always a lot of truth in what was being said. So, we wanted to reverse that and we wanted to get back to building customer relationships. That is what we are very good at. That is what we built our business on in the past. So, for us, it was about going out to these customers and start to build relationships with them, long-term relationships."

Chris' leadership style is very hands-on and knowing how each aspect of the business operates is considered essential when decisions have to be made, for example, about automation. "It makes us understand the business a lot more, we're very proactive and very reactive to situations". By continually reviewing production and improving the processes, the output has almost doubled since the plant was established.

Utilising the latest technology delivers efficiencies to the supply chain and provides the opportunities for chain members and staff to upgrade their skills. Chris is frustrated that people perceive the business as a labourer-type business and constantly reminds people that his business employs food scientists, food technologists, buyers, quality assurance teams, marketers, accountants, and business managers. Clyne Foods also invests heavily in training so that staff are well equipped to keep pace with new technologies and processes. The implications for the region may be far-reaching. As Chris explains, "We would love to see more skilled people in regional or provincial Victoria, it is very difficult for highly skilled people. So we are working at the moment with some more of the trade-orientated businesses in the communities [to encourage them] to up-skill themselves. As new technology becomes more widespread among all businesses big or small, urban or regional, the need for specialised technicians will also grow, providing opportunities for local workers and already

skilled newcomers to regional areas”. Dealing with technological innovation can be challenging for agricultural companies, but as Boehlje et al. (2002:34) comment, “while the stakes may be high, the potential rewards can be substantial.” Chris’ view is that technology allows the chain to remain competitive on a global scale, while providing employment opportunities on a local scale.

Clyne Foods are now closely associated with Warracknabeal. When people talk about Warracknabeal, they talk about Clyne Foods because it is something unique to the area. And the town is also becoming better known through Clyne Foods entry into the European market. Currently serving around 20,000 bakeries in Europe, there are at least this amount of people overseas who know where Warracknabeal is, something that Chris Clyne is very proud of. “I think now we have shown people that you can bring something that had not been considered before for Warracknabeal, but it can come here, it can grow, it can succeed, there is no harm in trying. And you never know what other little associated companies might start up around you” All in all, the future looks promising for Clyne Foods and the region.

Strategies for Success

Build relationships

Building relationships is a leadership style that Chris Clyne has employed in business for a long time. As Chris says, “We were brought up with the old-fashioned style and old-fashioned values. We still, and we have been, I guess, a little naïve in some spots, but we still like to form that relationship with our people out there. So that has taken a lot of time and effort, but we wouldn’t do it any other way.” The competitive market has seen many companies adopt Chris’ approach and now the importance of relationship management is viewed as a key variable in supply chain success (Cousins, 2006).

‘We have customers that are now two, three, four years with our business. Especially this year, we are starting to see customers coming to us. We are not always the cheapest price in a lot of cases. But because we have been honest, we have been truthful, we have delivered the product on time, we have delivered the product full stop, price is now starting to become secondary to the relationships’.

‘Everything we do, it is all centred around us as a family business and us as an old-fashioned family culture. No matter how big the business gets, we have a belief that every part of this business is an extended part of our family. Because everybody who delivers to us, everybody who works for us, is working for the family and the benefit of our family. And we support that greatly’.

‘When we go and visit growers in their living rooms and have a coffee, they sit there and they say, “We can’t believe you are sitting here”. And we say, “But why? We are only people”. You don’t expect the CEO of BHP to visit all the shareholders but occasionally they should go out there and face the music. If you can’t face the music and you can’t accept that sometimes you might be wrong, you are never going to learn’.

‘As much as people say there is not a relationship with highly recognised, bigger corporates, we found the opposite. We have actually got some of the best relationships with the biggest players in the supply chain’.

Employ the right people

Initially, the biggest challenge was building trust and credibility to enable the creation of an effective supply chain. According to Chris Clyne, “we were a company that sprang from nowhere, had no experience in the dried fruit industry, yet we were trying to convince growers to sign contractors and come on board with us. We got around that by surrounding ourselves with experienced people, people that the industry trusted and who had been part of the industry for a long time.” Zornada

(2005) makes the point that good leaders surround themselves with people who have complementary skills and strengths instead of similar strengths. Employing the right people also means that the chain's credibility is enhanced and there is an opportunity to exchange information and improve skills.

'I think business is business, so when we transition from one to the other, the core business stays the same. We always thought we were very good at running a business. We still think that today otherwise we wouldn't do it. What we have always been good at is bringing people around us with skill. And we haven't been frightened to pay accordingly'.

'I went to a lot of meetings and didn't say a thing, because I didn't know what to say. I relied on these guys with their technical experience. I had to sit there and soak it all in and go on this massive learning curve over 12 months'.

'I think it is always important that you get good people around you in business. Not only is it good for your business, it gives the business a lot of credibility, especially when you are trying to start from scratch and you are trying to make an impact'.

Maintain the integrity of the product

The role of a leader in acting with integrity is to serve the interests of stakeholders but not at the expense of ethical decisions or practices (Barrile, 2002). For Chris, maintaining the integrity of the product is paramount to the continued success of the supply chain. Research suggests that ethical leadership in business practice has positive results including profitability (McCann & Holt, 2008). This has been the case for Clyne Foods, which has steadfastly refused to move away from using 100% Australian produce, a resolve which has resulted in a strong brand name and a reputation for quality product.

'We have done well through honesty, through family business, through good old-fashioned values. But most importantly, the product, we have stayed true to the product. The toughest decision we ever had to make was to stay 100% Australian. We could have walked away from that two or three times now. But we stayed true to it and now we are starting to see the benefits of it. Our exports have increased tenfold, and the retail side has grown 100%'.

'I think for us it is about maintaining good products, believe in what you are trying to sell because if you don't believe in what you are trying to put out there, you are never going to sell it to start with. So that is always a big part of our business.'

Believe in your vision and follow it passionately

The Clynes came into the business with some ideas and a great deal of energy. As Bell (2007) points out, vision breeds persistence. A clear vision and a strong commitment helped overcome the challenges and shaped the future for Clyne Foods and the supply chain.

'I think one of the big successes with our dried fruit business is we bring maybe 20 or 30 years' farming experience in and they [expert recruits] brought 100 years of tradition with them in the dried fruit industry. And we said, "we are now going to look at it from a different side of the fence". Now, our guys in senior management had a little bit of difficulty with that to start with. But I think we had a very good grasp of the business from old to maybe new. We implemented some new systems and some new ideas. Not everything we suggest is going to work, but the majority of the things we have done together, as a group, worked and worked really well, and still are working really well'.

'Our growers are third and fourth generation. Their farms have been handed down from generation to generation. They are passionate about what they do and they are passionate about their products and what they believe in'.

Communicate (interpersonal skills)

Information sharing is seen as an important aspect of collaborative inter-organisational relationships (Goffin, Lemke, & Szwejczewski, 2006; Sahin & Robinson, 2002) because it allows for better coordination and planning (Welker, van der Vaart, & van Donk, 2008). Looking beyond the task orientation, effective communication also helps strengthen relationships and creates a stronger supply chain. Chris uses a personal, face-to-face style whenever possible, which allows for instant feedback and interaction to establish understanding (Ambrose, Marshall, Fynes, & Lynch, 2008), all critical elements at the beginning of any working relationship, and as the relationship matures.

‘Communication is so critical. Being upfront and honest has always been a big policy of ours’.

‘What we have found we do very well is we get back to that one-to-one with them, we spend time with them, whether it is grower forums, grower functions. But more importantly every year, we make an effort to get out and see 30, 40, 50 growers on our grower base personally – sit in their living room, have a cup of coffee with them. We bring our family to them. And for us, they are an extension of the business; they are an extension of our family. Not only are we processors and packers, but we are also farmers and we can relate very quickly. So it works both ways. We can understand what they are talking about’.

‘I think being open and honest has certainly been a huge part of our business. And I guess where we differ a lot from a lot of other companies is we have to deal right at the base with our growers. So it is very sensitive and you have got to be open and honest with them. Sometimes they don’t want to listen to what you say because it is not what they want to hear. But be truthful and they will eventually come around or understand. I think that is a very big part of any business’.

Create a structure that is action-oriented

According to Tellis and Golder (1996), long-term leadership requires continuous innovation to cope with changes in consumer tastes, technology, and competition which, in turn, require firms to keep improving their products. Having the agility to move quickly to changing circumstances or needs is essential in today’s fast moving markets.

‘The other thing that I think is so good about our business is our ability to react to situations. We are a family business, we’re family management, family structure. And because our core group of people talk to each other daily, we are able to react very quickly to opportunity, we are able to react to problems, product issues, sensitivity with our growers. We can be frontline instantly within 24 hours. If you compare that with a typical company structure, the process they have got to get through to get the same result we can get in 24 hours, can take up to seven, eight, nine weeks’.

‘It is always a fine line in business if and how quickly you can fall off your perch. I am talking about keeping your eye on the ball all the time. Whether it is the grower base marketing, production staff. It is a continual work in progress’.

Invest in your staff

For many years, research has shown that for best results, companies need to treat investment in people in the same way that they treat investment in equipment and machinery (Holland, 1984). Clyne Foods is an advocate of that approach and has a clear succession plan and a training program that provides the company and staff with opportunities for growth.

‘The business has grown so quickly, we have identified our succession plan going forward. We are aware that some of our people will retire sooner rather than later. So now we have an understudy in the marketing position and now we have got secondary and third purchasing. The business is now going through a stage where we are starting to be very proactive in making

sure all our positions are secure in the fact that one or more people can take the role at any stage. So I think that was important for us to do that, whether it is tragedy, whether it is someone retiring or someone has had enough, there is no impact to the business’.

‘We have, at any one time, I think we have got 50% of our staff in some form of training to make them either better people or better skill them for better positions inside the business. Right from day one when people start with us, whether they are a Trades Assistant Labourer or they have got some qualification, the first thing we say to them when they are employed, it is up to you whether you want to better yourselves. We will help you with the training, we will fund the training. We have funded all training to date. Forklift licences, food handling certificates, it makes you a better person. And it gives them some goals. They just don’t turn up to be a Clyne worker any more; they have got to put some thought into what they do each day’.

‘We are also benefiting from their improved skills and their commitment improves. It works on all sorts of levels. And that is what we see with the successive planning that everybody who is in successive planning at the moment has come from inside the business. And that sends really strong messages to the other staff’.

Collaborate for win-win solutions

Leeuwis (2004) argues that if agricultural companies are to become more sustainable, farmers and other stakeholders’ need to take into account the complex knowledge relating to global and local processes and circumstances. He further argues that joint learning and negotiation between stakeholders will aid the emergence of new practices, and that leadership will be an essential ingredient in that process. Chris’ philosophy is that strong relationships within a supply chain will tend to result in collaborative approaches by the chain members, and that working closely together results in better solutions.

‘We work very closely with our suppliers these days. It works both ways actually. With suppliers into our business, manufacturers, cardboard, we regularly get together and talk about better new technology, better field practices, and how do we make it better. So we do a lot of R&D between ourselves, with our suppliers. With our customers, it is a similar situation. A good example of this is a big cereal manufacturer in Melbourne we formed a relationship with over the last four years. We are actually now doing more and more R&D with them and we are starting to show them some of our technology whether it be bin tippers, whether it be flow of product. So we are working with them now to make our product work better for them’.

‘And in return, we get the relationship, they have got the insight on some of the tricks to our trade, we have made their process better and more economical and more streamlined. And we are now starting to see the reverse of that again whereas they are now coming to us and they are going to do some R&D on maybe some cereal, muesli bars, that sort of thing. So the relationship between the two businesses is critical for us. When it comes to R&D, when it comes to product development, the whole bit that goes with that. That is a big part of that relationship building I was talking about’.

‘So what we are looking at the theory that what goes around comes around. One good turn deserves another and that has been our approach to our business. I think we are very, as a management style, very opportunist, we are very quick to react. A lot of it is about our style of business and whether it is myself or Dad, it has taken us a long way’.

Some further thoughts

- ‘We have very good staff loyalty and we don’t have a very big turnover of staff because I think everybody needs to be treated fairly. If you are good to them, they will give back to you and I think that has a very steadying affect on the ship. You seem to get the best out of them. So I think it is very important that you get that culture into the business’.

- ‘Try to keep up or even ahead of the pack in regard to knowing what is happening in your industry’.
- ‘Don’t underestimate the importance of succession planning’.
- ‘Encourage learning within the chain. It was huge for our key staff to bring that 30 years or 40 years of knowledge together and share it with the whole of the business’.
- ‘Quality is number one. Meeting customers’ requirements. Again, straight up there’.
- ‘You have got to be passionate. You have got to live and breathe what you do to be successful. We love what we do and you have got to be able to do that’.
- ‘Develop co-innovation with suppliers and buyers and treat this practice as the norm’.

Company contact details: <http://www.clynefoods.com>

3 The role of leadership in the value chain and commercialisation of intellectual property in the Australian fresh food industry

Jon Durham: Pink Lady™ apple

Although Australia has less than 1% of apple production globally, the Pink Lady™ apple is one of the most popular fresh apple products in the world. The Pink Lady™ apple is also recognised as one of the world's most successful examples of the commercialisation of intellectual property in the fresh produce industry.

Managing a trade mark brings a new dimension to managing a supply chain and it needs to be managed carefully. As the then chair of the Australian Apple and Pear Growers Association (AAPGA), now known as Apple and Pear Australia Limited (APAL), Jon Durham recognised there was an opportunity with Pink Lady™ and that AAPGA was the right organisation to manage it. Following on from the valuable foundation work undertaken by the Department of Agriculture, Western Australia, prior to assignment of the Pink Lady™ trade mark to AAPGA in 1998, Jon's vision for managing the intellectual property created a pathway for the product to gain global dominance in key markets, and international interest in the product continues to grow. Jon's deep understanding of the industry and the strong networks he had developed served him well in establishing the supply chain, and he is credited with making a significant contribution to the development internationally of the Pink Lady™ brand. Applied to apples from the Cripps Pink variety, the Pink Lady™ trade mark established quality standards which allowed growers to sell specific apples from the variety at a premium price. The Pink Lady™ trade mark is now registered in more than 70 overseas jurisdictions and is used under licence in over four continents with potential for further growth. Jon Durham is currently the General Manager of APAL's intellectual property arm, Coregeo® Australia.

While Jon is not obsessive about success, he admits he does not like to fail, and he is prepared to work hard to make sure of that outcome. Jon's strategy is to try to understand the issues from the other party's perspective. "I like to think that I can find innovative ways to solve problems by listening and hearing what people are telling me and sorting out the really important things from the less important things and then finding ways to address those that are really important. By that I mean, other people's important things. We will only succeed in this business if we take an inclusive approach".

Armed with a business plan for the management of the trade mark, Jon and his team consulted widely with key people in key production regions. From the outset, the strategy was to be inclusive in every territory. A network to oversee the intellectual property has been established and it has some involvement across the entire value chain, from nurseries and production areas, post-harvest packaging, export companies and import companies, and at the retail sector.

Managing a trade mark globally also presents a different set of challenges. "I suppose it's different to the corporate structure where a company will set itself up somewhere in the world and they are successful at what they do and they will say well now there's an opportunity to move abroad, we'll set up a branch here in the UK, and they set up a branch, put staff in, and so on. This is a completely different network to that. These companies [that we deal with] are all independent businesses and we manage them through contracts. So we have a master license agreement and the license agreement is the thing that governs the way they operate and the way we operate."

However, contractual arrangements are not the only consideration for Jon and the chain members. “You’ve got to be genuinely interested in your people. You can’t be interested in them only for what they can do for your business. You’ve got to be genuinely interested in your people to really have people who respect you as a leader and give you their best. So I am genuinely interested in the people who work with me, genuinely interested in what they do, not just when they are working, but what they do when they are on holidays, how their families are, the things that they like to do, their interests, and I think that counts for a lot in terms of being able to have people say well we really respect the person who leads this company because he respects us. You know in business you will get far more out of people if you respect them and treat them as you would like to be treated. Not everyone is the same but you treat people the same.”

“We never look at those agreements, by the way, they exist, but we don’t have any real need to sit down and read them every day to see whether someone’s complying. But if we got to the point where we just couldn’t achieve what we needed to achieve and the people that were working with us were not meeting their obligations then the contract becomes a really important tool.”

The analogy that Jon gives for the value chain is ‘a big family’. “The guys come with their wives, we know about their children and we dine in each other’s houses and sometimes we have been on holidays together. That’s part of it. So I see those things as being really important and I try to make sure that I truly engage with people. Look I genuinely enjoy doing it as well. I think if you are forcing yourself to do it, people recognise that. I genuinely enjoy doing it. Anywhere you go in life, if you can show that you are genuinely interested in people and the things that they do, the things that are important to them, they have far more respect for you as a leader, than if you are just there to do the job and once the job is done you disappear...”

The Pink Lady™ apple leads the market for both price and consistent quality and the current season’s global trade is worth around AU\$1.1 billion at retail. Starting with a small presence in the UK market, it is now marketed across Europe, and is established in almost all apple-growing regions in the world (Breakthrough 2009). Ownership of the brand and its management remains in Australia. Apple & Pear Australia Limited (APAL), which manages the Pink Lady™ trade mark, was awarded the 2008 RIRDC Agribusiness Value Adding Award for its outstanding work. The key selection criteria for this award were growth in sales of value added products (revenue and percentage of sales), value adding through customer focus, value shared along the agribusiness chain, development of sustainable competitive advantage through value adding, and development of strategic alliances to assist value adding.

This case study highlights the importance of having the right leadership style for the situation. Jon’s relational style of leadership has allowed him to successfully navigate the often murky waters of managing intellectual property, which requires a tight level of control while, at the same time, encouraging collaboration and innovation among the stakeholders.

Strategies for Success

Know your industry and product: vital steps for innovation and implementation

As a former apple farmer, Jon Durham knows the industry very well. Together with his long-standing involvement in the industry, Jon’s knowledge and reputation were essential in establishing the supply chain and gaining the commitment of members. As Kwon and Suh (2004) note, a partner’s reputation is critical when building trust among the value chain, and is an important ingredient in attaining commitment. Jon’s vision and his ability to implement ideas into actions arose from a deep love and passion for the industry, and a sharp eye for good ideas.

‘It would be difficult to have the appropriate empathy and understanding without a good basic knowledge of the business that you are involved in. And that’s not to say that you would have

to have had personal involvement in that industry but I think it would be really important that anyone who is embarking on a project such as this would need to have a really very solid grounding in what is the industry and how does it work and what are the functions of that now. So for me it's just come in a progression of steps but it's not to say that you couldn't have someone who is well trained and qualified and in the job but they would need a really solid background'.

'I think you've got to be innovative. I think just more of the same isn't good enough if you want to be at the cutting edge, and that's where Pink Lady™ has been so everybody in our business has had to be innovative. I'm not saying there's just one innovator, there's not, there are a number of innovators and we're really lucky that there's some really innovative thinking that comes out of those organisations [in the chain] that gets assimilated into the business. Not all of it, but certainly some of it gets assimilated into the business. I think there's got to be innovation. If you are not at the front of the pack, you are somewhere in the middle and you're on your way out the back so you've got to be innovative'.

'It's all very well to be innovative, come up with great ideas, but you've got to be able to follow through. I think a person in a leadership position has got to make sure that the people are around you to be able to take the innovation, implement it and get results and if you are not getting results then you've got to keep thinking about it, and people have got to all work together to do that'.

Communication

According to Kwon and Suh (2004:11), continuous two-way communication is necessary to lower the level of uncertainty in supply chain partnerships, and "frequent communications on important strategic issues pertinent to supply chain performance are not a privilege in the supply chain but essential requirements in the competitive environment". In addition, support for a decision, especially if risk is involved, is more easily obtained when consensus and/or inclusion is reached (Cangemi et al. 2008). Jon's inclusive approach lends itself to open, honest, and timely information exchange with value chain members and, for Jon, effective two-way communication is at the core of strong relationships among the chain.

'[you need] the ability to listen to people and the ability to not only listen to people but to listen and hear what they are saying, rather than just listening to people and then continuing on your own way, sort of trying to force your own views on people. So it's about listening, hearing, using a lot of thinking processes to find a pathway through to the end point, that isn't necessarily the simplest or easiest pathway that exists. I have learned to be more patient, to be more creative in terms of how to do those things'.

'If you've got something that's tough, you only make progress when you sit down with people face to face. I make a point of seeing people on a regular basis. There's always good reason to be in touch with people on a regular basis and I don't shy away from that. So I put a lot of emphasis on face to face, well actually meetings, relationships, that's when you make the progress'.

Jon uses a range of communication methods to keep the lines of communication open in the supply chain. Using the latest technology has meant that Jon is able to keep his finger on the pulse and effectively communicate with international partners when it is convenient for them.

'I get probably 50-60 emails a day on average because when you are involved in an international business, the email inbox ticks over 24 hours a day. You don't just get emails during business hours in Australia, you get emails 24 hours a day. So emails are an important means of communication but they can also be a curse. I just deal one on one with people, it's much better. But email is better than writing letters'.

'I do communicate with people just using the chat forums and I find that better than email. It's more like using the telephone and I would much prefer to use the telephone than use email

because you either get an answer or you don't, or you get the person you want or you don't get them, and you have an interactive communication so we know if there's a problem with this, how we are going to solve it. You can do that with chat because it's instantaneous and you are engaged. And it's very simple language. But even with Skype chat you retain a complete history of all those chats. You can print them out, put them on the file. So modern communications like chat, Skype, SMS, and email, make it much, much easier'.

Collaborate

Jon's preference for collaboration is an attitude that is required by leaders of supply chains, according to researchers. Giunipero et al. (2006) make the point that relationship management is becoming more important than 'price-based' thinking and supply chain managers of the future must be more strategic and need to possess a good combination of communication, technical, and financial skills. Jon's preferred leadership style has placed him and the value chain in a good position to tackle the challenges of today's competitive market and sees them well placed for any future challenges.

'I'm a very big advocate of the win-win formula which says for everybody there has got to be an up-side in everything that we do because if there's not, you are either going to have some enemies or it's going to damage your business. So we are always looking for an opportunity for everybody to have a win and for the key players to have some ownership as well. I try to be very careful to involve people so that at the end of the negotiation, the key people, the key thinkers, movers and doers feel as though they've been involved and they've got some ownership of the decision. It makes it very difficult then for people to go back to their previous position. So it's really about involving people and getting their commitment'.

'I am very deliberately inclusive. I think it's about having a balance of being inclusive, and it's about being focussed on the goal. Now, they [the chain members] wouldn't take a strategic initiative without making me aware of it before they took it or consulting with me and saying well we're thinking about doing this what do you think about it?'

Maintain your focus

For Jon, maintaining the focus does not mean being inflexible. Rather, the collaborative, inclusive approach means that there is genuine engagement with all relevant stakeholders. Nonetheless, the network needs to be managed strongly to enhance and protect the Pink Lady™ brand, and maintain its success in the marketplace. There are stringent and specific standards for apples sold under the trade mark, and the trade marks can only be used under licence.

'You need to be focussed. Don't lose sight of what the ultimate goal and objective is because there will be many deviations, in my experience, along the way and if you lose the focus you finish up in a different place. And not always in the place where you want to be. So, It's important.'

'I try and make sure that I'm very focussed on what we want to achieve, and include people along the way. There are times I have to be stubborn and forceful but I reserve those times for the big issues, the key items, so I can be enormously patient and include people, listen, try and find innovative ways to get around and do the things that we want to do, but there come times when you've got to be more assertive than that. So I am, but they don't happen every day, they don't happen every week, they happen every now and again and when I assert myself, usually people respect that, because it's not something that I do all the time. I am careful about really asserting my views and I save those times for the times when it's really important to get something done that might not otherwise get done. The other parties also have the opportunity to do that, to assert their position, and they do!'

Recognise the value of diversity and have good people around you

Having people with the right skills is important in any business and especially so in supply chains. Jon recognised quite early that the success of the supply chain was dependent on having the right key people in the business, which Harland et al. (1999) describe as making sure the ‘plumbing’ is in place. This was particularly important because of its international presence, and the need to have people who understood local cultures and who had credibility with local growers and market players.

‘There are probably less than five key people in the whole international Pink Lady™ network and of the five; everybody has quite different leadership styles, and leadership qualities. And I think you need all of those styles of people in a business like this. I think you couldn’t have a business like this and just have people like myself who try to be inclusive, try to encourage. You have got to have people that have got the personal characteristics that enable them to be tough, enable them to sit in front of someone and say you are not going to do that, it’s wrong, you’ve broken the contract and you’ve got to show good reason why we wouldn’t take that contract away from you. You know, a really powerful approach’.

‘I think it’s really important to understand that you are dealing with different cultures and therein lies a whole range of challenges. It’s about making allowances for the fact that different cultures have different ways of doing things so it’s important to listen and be patient because sometimes you are actually in the same place but you feel as though you are miles and miles apart and it’s a communication issue, or it’s a difference in cultures and you need to spend time to get to the point where you ultimately want to be. I know the detail is important and I require the business to be attentive to detail but it’s not me that’s going to do that. And I am much happier working out the strategic end and looking for opportunities and looking for any issues, finding ways to solve problems’.

‘I’m not very good at the operational level, my attention to detail is not good enough so we need people doing that who have got much better attention to the detail, and also know the local situation. You’ve got to find good people and recruit them into your team, into your business’.

Genuinely engage with stakeholders and foster relationships

Research suggests that closer relationships involving trust, commitment, co-operation, co-ordination, and collaboration are needed between chain members to ensure the success of their value chains (Spekman et al., 1998b). Jon’s relational leadership style and inclusive approach focuses on genuine participation and discussion among stakeholders and the forging of strong relationships, all recognised as aspects that contribute to the success of supply chain.

‘So my deliberate strategy was to have that inclusive strategy, so to involve all of those people in the project in an inclusive way, not in a domineering way where I would say, ‘we’ve got intellectual property, if you want to use it, these are the rules’. We didn’t take that approach we invited them to participate, we sat and we talked and we met with them all, we listened to them, and they told us what were important for them. We adapted our approach to manage the business in a way that would enable the things that were important to them to be dealt with within the business, effectively in a way that suited them and I really think that has been the key to the success of the business. Having the right leadership style is really critical’.

‘You have got to listen and hear and develop good relationships with people. People are critical, so foster those relationships. You’ve got to listen and hear the things that they say and you’ve got to make sure that you respond to the things that are important to the other people. That doesn’t mean to say you have to give them exactly what they want but you’ve got to respond in a positive way to those things. You may have to find another solution but you can’t ignore them’.

‘We have an international meeting every year where we bring all of our partners together and we sit down and we work on important policy matters. It’s part of the ownership thing. So

everybody comes together, everyone, from all the territories. It's people. Dealing with people. That's what leadership is about, leading people. And you've got to be able to manage that'.

Some further thoughts

- 'The critical things are physical things. You've got to have a great product. Or a great methodology or, you've got to be dealing with something that's got real value. We were lucky, we had a really good product'.
- 'Develop good relationships with people and when you need to communicate with them, do so in a personal way, not an impersonal way'.
- 'Be other oriented. You've got to listen and hear what people are saying and take notice of what is important to them'.
- 'Don't ignore the tough issues, deal with them. I guess the thing that I haven't said is you've got to deal with the tough issues first. You've got to absolutely focus on those. You can't ignore them. Every time you try and put the tough things off to one side, they'll finish up being even harder. So the best thing to do is get them out the way'.

Company contact details: <http://www.apal.org.au>

4 Engaging with supply chain members to create a learning network

Tony Esposito: United Dairy Power

United Dairy Power is a wholly owned and operated Australian company and since its inception in 1999, it has become the largest independent milk supply company in Australia, servicing the needs of small and large customers in the marketplace. The company's success is even more remarkable given that it is thriving in an industry that is rationalising. UDP has differentiated itself by understanding that demand for milk can vary enormously and that demand is not strictly tied to the annual milk production cycle, particularly for smaller manufacturers. Understanding these difficulties has resulted in innovative solutions and responsiveness for both suppliers and customers.

Tony Esposito, founding partner and managing director, is credited with being the driver of growth in the company. Tony's entrepreneurial flair, customer focus and innovation has seen UDP become the first Australian milk supply company to introduce weekly payments to farmers, the introduction of a fully serviced farm analysis tool for its suppliers and the development of alliances with a number of major milk processors. The company is committed to developing long-term relationships with its suppliers and customers, and prides itself on the close working relationships that have emerged.

Managing milk supplies can be a very difficult task because the demand fluctuates. By being adaptable and flexible, UDP has been able to win the confidence of the buyers. According to Tony, "it was sitting down with them and working out their total requirement and being adaptable for them. We gave them flexibility to run their business. If it meant giving them less milk in October and four times the amount in March, if that's their perfect world, let's see if we can make it work for them. That partnership approach has been a key to success. As Tony notes, "Respect gets respect, it's not just a pure business transactional approach". The strong commitment to the industry and UDP's stakeholders has resulted in longstanding contracts with buyers.

Suppliers have also been encouraged by the leadership shown by Tony and UDP. With 210 farmers on board, and many others wanting to join, this fast growing dairy company has surpassed companies that have been in business for 30 or 40 years. According to Tony, "You don't do that by making the wrong decisions or being unfair. You do that because you've earned your stripes".

Esposito's philosophy about leadership is simple and is an approach he developed by watching his father, a fruit and vegetable shopowner who regularly dealt with farmers. "Being around the market and watching the way he treated the growers that he dealt with, he just treated people the way he wanted to be treated in life and you don't need to complicate it more than that. I've brought that into what I do."

Tony's leadership style is consultative and inclusive, and is focussed on providing support and encouragement to stakeholders who are grappling with the challenges faced by the industry. "They've gone through a lot of changes since deregulation and they've had to change a lot as a business. I think we should be in there with them rather than just throw the new quality assurance book at them and say "this is what you have to do, do it or I can't pick up your milk". So it's a tough environment for them and we've gone in there and got dirty with them to make it work".

Studies have shown that 'the ability of leaders to energise others is paramount to achieve greater goals through teamwork rather than relying on individual self-interest' (Hult et al., 2007:400). In his supply chain, Tony has been able to transform entrenched attitudes and behaviours prevalent in the industry by persistently following a personal style of leadership, typically referred to as transformational leadership. Tony clearly articulates an appealing vision, is innovative in his ideas for the network,

provides support and opportunities for development and growth, empowers network members by giving them a voice, and consistently leads by example.

When applied to supply chain management, transformational leadership raises the awareness of the importance and value of desired outcomes, and alters or expands the personal abilities and needs of individuals (Hult et al., 2007). Tony's focus on the big picture and genuine concern for stakeholders has created a supply chain whose operation is quite unique in the industry. As Tony says, "I want to create a business that is friendly to the industry from both sides of the fence, from farm to customer. So even if I'm servicing a customer and they've got their own milk but they'd like me to process it, I'm happy to do that too and we've done that with our transport division that we've set up in the last 18 months."

Research suggests that closer relationships involving trust and commitment are the key to successful supply chains (Lee and Billington, 1992; Spekman et al., 1998a,b). Tony's leadership style exemplifies this approach, and is characterised by the attention given to the needs of both the inbound and outbound elements of the chain, and the desire to continually add value for all stakeholders. The lesson for leaders is to adopt a more cooperative or partnership approach with greater emphasis on participation if they wish to achieve sustainable, high performance (Walters, 2008).

Gandz (2009:12) makes a good point when he says, "for any leader, the challenge is to create a vision that reflects the wants, needs and aspirations of those who will be tasked with achieving it". Along with a compelling vision, Tony Esposito has demonstrated that persistence, coupled with openness and honesty in dealing with others, and a genuine commitment to the stakeholders and the industry as a whole, form part of the recipe for success. There is much confidence that UDP has the capacity to keep growing and that it will achieve continued success through fairness, integrity, and continual learning.

Tony's focus on continual learning encourages chain members to carefully review their processes, knowing they will be assisted along the way. This approach has resulted in innovative solutions which can be adapted by other members of the chain. By employing best practice techniques and introducing fair payment schedules for farmers, a new benchmark has been set for the industry.

A National Dairy Farmer survey in 2009 found that around 75% of dairy farmers were impacted by a decrease in prices, with the majority reporting it had a major impact on their business (cited in Dairy Australia, 2009). However, UDP has announced the highest dairy price of the season, well ahead of its competitors. This is due partly to UDP's approach of not relying on the commodity market to set prices. According to Tony, "We've been able to afford to pay so much because we don't push our product onto the commodity market." (7 July 2009, Victorian Country Hour) So far, Tony's strategy seems to be working.

Strategies for success

Use a personal approach with stakeholders and support them

Tony Esposito's strength is in his personal or relational approach to leadership. Developing strong relationships is considered important to the overall health of the chain and in gaining the commitment and satisfaction of individual members. Being open and honest and offering support where needed is a critical part of establishing good relationships.

'The most important skill for me was to be honest in talking to people, especially the agribusiness farmers. Farmers are very sceptical with the amount of different stories they're told over the time, whether they're true or false. My approach was to have a plan on how we were going to grow and how we could help them grow and really keep them in the loop of

exactly where the market's going, where the industry's going, what the pluses and minuses are and how we support them. Showing them support was a big focus of ours'.

'Also the service on the farm was a key point so we made sure we looked at some of the systems that were in the industry years ago and what was in the industry today. We brought back the old style of managing. We didn't want to corporatise it too much. With the corporate style, the field reps would average one field rep to 150 farmers. Our style is one field rep to 40 suppliers. Our field reps are on the road, and are on the farm monthly. They're working with the farmers. They get in and help the farmer. While they did that, my concentration was to work with customers and look at what their requirements were and try to marry both together'.

'I would prefer to pick someone up when they fall, rather than stand on them. I think you can get a lot more respect. You're going to have some that take advantage of it but that's life. I think it goes back to the simple treat people the way you want to be treated. Someone's got to start being fair so why not? If you start doing it, it might get catchy. It might catch on and others might do it as well'.

Encourage learning through collaboration

Researchers suggest that effective supply chain management requires a workplace that taps into the collective knowledge of all parties capable of providing constructive input (Quinn, 2001; Sengupta, 2004). In uncertain times, buyers and suppliers in a supply chain tend to heavily rely on cooperation to survive, knowing that by working jointly, they are better able to provide more product offerings and enhanced skills (Yang et al. 2008). Author Moss-Kanter suggests successful partnerships are able to manage the relationship beyond the focus on the business deal; a strategy she calls becoming best PALs, pooling, allying and linking (cited in Cousins, 2006:12). Tony's inclusive and supportive leadership style encourages members to approach problem solving as a learning experience, which although individual in approach, can be shared among the network.

'We want to give them a total business solution. So it's not just about buying the milk off them but if we can help them become efficient rather than tell them to become efficient like most of the companies are doing. They've had to live over the last 10 years knowing that they need to be efficient but no-one helps them to do it. Now maybe there is opportunity to be efficient on a farm – I'm sure there is – but wouldn't it be better to help them and show them where they can?'

'We brought a system in where rather than penalising them, we'll locate the problem, put a fair timeframe to fix that problem and let them use that money to fix the problem rather than just take it out of their pocket. It's a lot fairer. It's how they used to do it [before the corporate approach]. It works well'.

'What we do is we work with them to look at where their production is and we assist them in structuring the production to give them the best returns. That does mean moving calving patterns around to flatten the production but that takes two to three years. So what we will do, a lot of farmers come to us with bad production percentages so we will help them convert it but we will subsidise them with extra money while they get it. It's a three year process. So for three years we subsidise the return until they've got to where they need to be'.

Develop open communication

In studies on integration and collaborative inter-organizational relationships, information sharing is seen as an important aspect (Welker et al., 2008). But regardless of how much effort is put into cooperation among network members, the relationship will become ineffective if the information flow is imbalanced (Yang et al., 2008). Tony Esposito is well aware of this challenge and encourages all chain members to engage in active two-way communication. There are many advantages of using this type of communication approach, including better coordination and planning for the supply chain.

'We like to keep them [the farmers] in the loop in terms of what's going on in the industry. Market downturns, market upturns, key players in the market making significant moves in other acquisitions or strategic moves in the product range. We try to give them the big picture of the industry as a whole'.

'We have supply meetings with the farmers in the regions. That's a five day roadshow in each of the regions. So we come in and sit down, have a chat about where we're going, where the market's going and then we give the floor to them if they've got questions to ask. The response has been really good. So, the freedom to be able to actually stand up and ask a few questions, it really helps'.

'It has taken a while for them to understand that we are really giving them the information the way it really is. Sometimes that message might not be a good message but I'd rather still put it out there and be truthful'.

'Although they are not required to, but out of respect, they'll come to me and say "I'm looking to do this, should I" and then we look at the pluses and the minuses for them and what do they need to do to get there. Can they afford it or are they going to put pressure on themselves? I want growth from farmers but I don't want to do it where they're under pressure to be able to finance the growth. It's always a better way to do it'.

Develop trust from the outset

Trust is important in any relationship and is critical in a supply chain. As Yeung et al. (2009) note, supply chain integration is easier said than done. Trust is fundamental in maintaining cooperation and avoiding conflicts, facilitating confidence and commitment among members of the supply chain (Spekman et al., 1998a), and can significantly contribute to the long-term stability of the supply chain (Kwon and Suh, 2005). Tony showed respect by honesty and commitment and in turn earned the respect and trust of supply chain members.

'You need to earn their respect and be honest with them and call a spade a spade. The trust factor's enormous. The respect and loyalty from our farmers towards me and the company is phenomenal'.

'It's very much like a family. I don't put us on a pedestal. I put us on the same level. Even in supply meetings I don't sit at the top. I sit within the group. I respect that without them I haven't got a business and they understand that I respect that. I think that's been lost in the industry for a lot of businesses and that's all part of it'.

'There's no commitment that they [the farmers] have to supply us for 12 months, two years, one year, two months. It means you've got to be efficient and do the right thing, otherwise you won't have farmers. So to me it made us more efficient in how we look after them. If I'm efficient as a business and I treat you properly and I'm upfront with you and I am honest, that's better than a contract. I work harder for our interests and that's something that is attractive to those coming on board'.

Be persistent in approach

The literature suggests that vision, persistence, and commitment are necessary for long-term success (Tellis and Golder, 1996). Being persistent does not mean being inflexible. On the contrary, persistence is needed to overcome setbacks and to adapt to changing circumstances while being true to the vision. As Tellis and Golder (1996) suggest, persistence instead of sudden breakthroughs are a key to success. With clear goals and a commitment to protect the interests of the stakeholders, Tony's persistence in approach has enhanced the level of trust among stakeholders and contributed to the supply chain's success.

'I think you need to stick to basics all the way through and don't try and deviate too much. I don't want to be reactive. I want to be consistent in our marketplace and not move just for the sake of moving for a one year return. That's what I say to our farmers "we're not professing to pay you the highest return every year but what we can do is flatten it out so you can grow a business knowing that your variations are going to be very little'.

'I don't want to follow what other businesses do because we've got our business strategy and we'll stick to it. We look at what other companies are doing. We definitely look at what they're doing with their production and the marketplace they go to but we don't follow those. We won't follow it'.

'They [the farmers] question me on some of the things, "why do we do that" or "why do we go to this market, why don't we do this" and I'll tell them straight because I'd rather stay in the market that's consistent. They are starting to realise that consistency is better for them too'.

Know your strengths and weaknesses and rely on the expertise of others

A confident leader recognises that one person alone cannot provide all the skills and attributes needed to manage a supply chain successfully. By relying on the expertise of others, the core capabilities of the supply chain remain at an optimum and service the needs of supply chain members more effectively. Having people with specific expertise can also enhance the learning capabilities of the whole chain as knowledge is shared and processes improved.

'You've got to know your strengths and weaknesses. I think that's the biggest one. Understand where your strengths are or where your weaknesses are and put people in. Don't try and be everything in your business. You can't do it on your own'.

'You've got to listen too. You've got to listen and put people in the right areas. Have someone within your business that challenges your decisions. A devil's advocate. Someone that will challenge what you want to do even if you're right in the end but at least have someone that challenges before you make any serious decisions. I'm not saying that you're going to be wrong in your decision making but it's always good to have someone that you can run your ideas through and that will give you a challenge'.

Be proactive

Research shows that proactive behaviour is crucial to the innovation process and is a contributor to organisational effectiveness (Rank et al., 2004). When demonstrated in a dynamic environment, being proactive helps a company adapt and fosters creativity (Strauss et al., 2009). From a supply chain perspective, research suggests that proactive behaviour by leaders is likely to play an important role in developing proactive behaviour in others (Strauss et al., 2009), thereby strengthening the learning orientation of the entire chain.

'Yes we have programs that Dairy Food Safety needed to approve and rollout to farmers because they needed to be quality assured. We were really proactive in that. We paid someone external to do that for our business. It was an added bonus to customers that they knew it was being done by an external auditor. We were one of the first companies in the industry to have it implemented and every farmer approved a year before it needed to be done. We just felt that it's a job that has to be done. Let's not wait until the last minute. Some companies needed extensions in the end because they didn't have it implemented, so we were really proactive'.

'The minute we were putting the trucks into the business and setting up the truck division, it had to be efficient and we looked at all the companies that were doing transport and none of them looked at efficiencies of fuel. They just wanted to pass on extra costs to customers. I felt that their inefficiencies are going to cost other people especially customers and it just made sense to be proactive in that'.

Some further thoughts

- 'I may want to have a business but I need to look at what my marketplace requires, not what I want to do because it's the end person that's going to take the product, to buy the product'.
- 'Understanding your market, from both ends, suppliers and your customers. If you can find a medium in-between for both, then you've got more chance of success'.
- 'Don't follow. Don't copy what someone else is doing just because they're doing something. If you're going to do that, you're exactly that. You're a follower. You're always a step behind.'
- 'Always look forward, don't look back. You'll make mistakes. We all make them but you can't fix yesterday. Yesterday's passed. So if we look into the past all the time, we're not fixing today. We're not running today properly. So as disappointing as some days might be, don't let it roll into the next. Just like when you're walking down the street, it's one foot in front of the other and you need to run your business the same way. Just learn from your mistakes'.

Company contact details: <http://www.udp.com.au>

5 Maintaining the integrity of the product through ethics and loyalty along the supply chain

Jodie Goldsworthy: Beechworth Honey Pty Ltd

Beechworth Honey Pty Ltd prides itself on being 100% Australian, and through its well deserved reputation for quality and authenticity, it has become a well known Australian iconic brand. Honey has been produced and packed by Jodie Goldsworthy's family since the late 1880s but the current Beechworth Honey label was not developed until 1992 by Steven and Jodie Goldsworthy, who at the time were operating as a small primary production partnership. In 1999, Beechworth Honey Pty Ltd was formed as a company and since then, the Beechworth Honey brand has really made its mark. Now, seventeen years down the track, this innovative Australian company has received many Awards, the latest being the 2008 Australian Small Business Champions Award presented at the 2008 NSW and ACT Small Business Champion Awards. The Australian Small Business Champion Awards acknowledge the commitment and drive required to succeed in small business, and considers business strategies, customer service, vision, growth, and involvement with the local community when making the Award.

In 1999, the company was the winner of the 'Supply Chain Management Award', part of the Rabobank National Agribusiness Awards for Excellence, while in the same year Jodie received the Telstra NSW Young Business Woman of the Year Award. Jodie's leadership skills and her passion for the industry have helped create a successful supply chain and a product that consumers view as natural and healthy, with impeccable 'green' credentials. The overriding goals of the company are balancing profit with sustainability. This is achieved by putting the customer first, and developing and maintaining mutually rewarding relationships with Australian beekeeping families, the backbone of the industry.

Environmental considerations are increasingly relevant to companies these days, but these considerations have always been top of mind for Jodie Goldsworthy. According to Banerjee, Lyer, and Kashyap (2003), customer opinion and support and competitive advantage are key motivators of corporate environmentalism. For Jodie, taking care of the environment has always been viewed as vital to the long-term survival of the business. "We think, in terms of the environment and creating a better world for us all to live in, if we don't have economically viable Australian beekeepers, then we don't have a really good future. Food security, agricultural security, all of those things are just so dependent on honey bee pollination. And I guess I feel very privileged that we actually 'get it', and we are in a position where we can have a positive effect on people and positively influence our industry. That is exactly what we are all about".

Jodie's leadership approach is guided by authentic traditional values blended with a contemporary view of business imperatives. As Jodie explains, "the strongest influence is a very strong ethical and moral family upbringing, doing the right thing by people." Honesty and integrity characterise inter-relationships among the chain and extend to the customer through the integrity of the product. Jodie's long-term vision has inspired members of the chain, and has resulted in a greater market share, while at the same time, making a difference to many beekeeping families as well. As Jodie says, "our competitors have called me an idealist and I think they are probably correct in saying that because I strive very, very hard in trying to keep everybody happy. It doesn't matter whether it is staff, customers, or beekeepers, we work really, really hard to try and make sure everybody is happy. For me, it is actually about doing to others what I would be happy to have done to me. It is actually about,

again, it doesn't matter whether it is staff, customers or suppliers, it is really that ethical integrity that underpins it all".

Jodie is delighted to be a recipient of industry awards and believes the nominations have given her the opportunity to evaluate the present and to look to the future. "Because often when you are growing a business and you are building your own leadership skills, you don't get the opportunity to stop and analyse what you are doing. The most valuable part of the business awards, win, lose or draw, is the opportunity that it brings to force you to stop and question what you are doing, look at the questions that they are asking you, and actually say, "Well, why am I doing this and what are the enablers and what are the barriers? And if I focus a bit more on building my skills in that area that will be the result". As a result of the awards, Jodie was involved in the Australian Government's Regional Women's Advisory Council for six years, a role in which she was able to contribute as well as learn from others. And others get some credit as well, "the other thing in terms of my leadership is just knowing that I have this rock beside me in terms of the partnership that Steven and I have. I really say that part of the success in what we do is part of that relationship too."

The challenges for the future include encouraging a younger generation into the industry. Part of that process is looking at the barriers to entry and to being successful for a young person entering the industry, and to try to remove some of those barriers. While this problem is not unique to the honey industry, "if you are not proactive in looking at the issue, someone is going to wake up in 50 years time and wonder where all the farmers and beekeepers have gone, and we will be importing everything." Under Jodie's leadership, strong relationships have been forged and bold, new directions taken. Jodie's vision and inclusive style of leadership have consolidated Beechworth Honey's position in the marketplace, and created a positive outlook for a bright future ahead.

Strategies for Success

Have a vision and passion for what you are doing

According to Bornstein and Smith (1996), effective leaders are people with credibility which, in turn, is based on the conviction, passion and commitment the person demonstrates toward his or her vision. In Jodie's opinion,

'The vision is really important because it probably drives why you do it and what you do. And it drives those decisions, those little decisions you make about how much money to make versus how it might position the company in ten years' time. The vision for us is actually about creating a better future for Australian beekeepers. And that vision is linked to the fact that bees pollinate one third of the food that we eat. And so if we are at all interested in the future of the species.....'

'Having a family background gives us credibility to start with, certainly at the beekeeper end of the supply chain. We are not shiny suits in shiny shoes who know nothing about the industry. And it also gave us credibility and a point of difference at the sales end too because with all that history involved, there is a certain amount of credibility that goes with that. Definitely'.

Communicate, communicate, communicate (interpersonal skills)

One of the key challenges in supply chain management is managing the relationships among the trading partners (Giunipero, Handfield, & Eltantawy, 2006; Sahin & Robinson, 2002). Interpersonal skills and in particular, communication skills are generally recognised as a key competency required in leaders (Gilley, Gilley, & McMillan, 2009; Service, 2009). Effective leaders have strong character and consistently demonstrate integrity, honesty, respect, and trust in their interaction with their chain partners (Lu, 2004).

'I think honesty and openness is one of the key things that I have always believed to be really important. You have to be able to listen to what everyone in the supply chain needs. But then you have to be able to be really honest about what is possible and what is not possible. So, I think honesty and integrity and I guess underlying all of that is a pretty intense passion for what we do'.

'This place [The Beechworth Honey Experience] has actually created an opportunity for us to reach the consumer, which as I said, is the king of our supply chain. So we have implemented a customer newsletter and through trade show promotions and publicity events and things like that try to reach and communicate with that consumer. So I guess what I am saying is there is different groups within the supply chain that you can communicate differently with'.

Communication includes listening

One of the most useful skills any leader can have is good listening skills. The importance of listening is widely recognised in many situations, and particularly in the business context. Listening skills are also perceived as crucial to supply chain management (Giunipero, et al., 2006), and can be viewed as essential to collaborative arrangements where there is close cooperation between the members on aspects such as joint planning and information exchange.

'Other enablers were the critics as well. Because sometimes the critics make you analyse things more closely and prevent you from making mistakes or getting it wrong.'

'Sometimes you can think you have got it all right and you know it all and you are rushing in happily and someone will say, "That will never work because of this, this and this". And it nearly knocks you for six. But then you can take offence at that or you can actually take that away and go, "Gee, we haven't thought about it from that angle". So I think ... the dream takers have actually been the dream enablers in a lot of ways'.

Say what you are going to do, and do what you say

Trust and commitment are seen as the key to successful supply chains (Lee and Billington, 1992, Spekman et al., 1998b). Trust involves the belief that members of the supply chain will act in a consistent manner and do what they say they will do, and commitment is the belief that the members are willing to sustain the relationship dedicating resources to further the goals of the supply chain (Spekman et al., 1998b). Jodie believes in honouring her word and is committed to achieving the objectives she has set for herself and the supply chain.

'I have always said, you have actually got to have the skills to follow through too. You have got to have not only the communication skills but you have got to have the execution skills. So it is all very well to be entrusted the product by a group of beekeepers or win a contract from a customer. But unless you can then follow through and be organised, then it is just talk. People will give you breaks and people will give you opportunities but in building a relationship and growing a business and managing that supply chain, you have really got to work hard to make sure you get the results that are required. And I think exceed people's expectation, not just meet people's expectations. But it is the little things that count and that make the difference.'

'In any supply chain, the product is actually not the important bit. Anyone can sell honey, anyone can grow grain, anyone can sell land. Any agribusiness product, anybody can do that. But the really successful companies or the really successful members of the supply chain, are the ones that actually have a package that goes with that, even when their product often is a run of the mill product. And it comes back to the skill and that communication, and whether there is someone who can draw it all together'.

'Building confidence that you could actually do it is probably one of the things that you have to overcome. I mean sometimes you are your own worst enemy and you think, I think we can do

this but.... So, I guess [you need to] grow that confidence to actually be prepared to pop your head up or put your head on the chopping block’.

Know your industry and product

As a fourth generation producer of honey, Jodie Goldsworthy has always been fascinated by bees and the wonderful, natural food they produce. And although the company has come a long way from its humble beginnings in the gold fields in the 1880s, one thing that has remained constant is the integrity of the product, 100% Australian honey. Jodie also had an insider’s knowledge of the industry and knew the direction she needed to take to secure a better future for all stakeholders.

‘And as far as growing up in that industry too, it makes you appreciate how hard people work, and I think it makes you prepared to work really hard for their interests because you know what it is like’.

‘In many of the individual relationships, we have had customers come and say, “We want you to do this contract and this is the amount of volume”. And we have said, “Well, that is great but we think there is a potential problem with that volume. We can only commit to X amount”. Whereas in the past, they have had experiences where people have said, “Great, great” and then let them down with supply. And even with beekeepers, the market might have changed but we have already made a commitment so we can’t let them down. These things have defined and cemented a lot of those individual relationships which make up our supply chain. And even if it causes you a huge amount of annoyance or you lose money, you have honoured your deal and people respect you for that’.

Maintain the integrity of the product, no matter what

For Jodie, “It is not where people stand when times are good but it is where they stand when times are tough that actually defines things”. Maintaining the integrity of the product is always a prime consideration at Beechworth Honey, and it has been one of the reasons for its success in the marketplace.

‘We made a decision in the 2003/2004 drought to downsize our markets and delete some of our products out of the major supermarket chains because we couldn’t guarantee that we would have enough Australian honey to keep those markets going. It was a really tough financial decision because obviously we had just grown this business and then we were going to slash it in half. You have got the major supermarket chains saying, “When people in the food industry run out of Australian product, they just import it”. But that is not what we are all about. And we see this as real problems for our industry in doing that”. So at that time, we basically said, “No, we are not going to do it. Delete some of our lines and the risks in terms of quality assurance were too great for us as well”. So we made what was seen by some a ridiculous decision, by some a protectionist decision. And in the end there were problems with the imported honey in terms of quality And all the other major brands except our brand on the major supermarket shelves were all imported. And so, in the end, it ended up that we were the only trusted product on the shelf and we just earned all this credibility’.

‘It was very hard. At that time we didn’t know what our competitors were going to do either. Then the amazing thing that actually happened was the support that came from Australian beekeepers from all around the country. They saw that we were actually looking after the interests of Australian beekeepers’.

‘We were, at the time, able to go to the supermarket chains and say, “we have got this package that we can supply. Are you interested?” And they said, “Absolutely. Our preference is to support Australian products”. I always say that our story with supermarket chains is a pretty good one but I think it is because we play the game the way the game needs to be played’.

Collaborate for win-win solutions

Researchers have identified a paradigm shift when thinking about Supply Chain Management (SCM). Competition is now evaluated as a network of co-operating companies competing with other firms along the entire supply chain (Spekman et al., 1998a, b). The new networks are flexible, and chain members are encouraged to contribute new ways of thinking about their business and how they respond. In other words, it provides a business environment in which firms closely co-operate rather than compete to achieve mutual goals (Co and Barro, 2009, de Leeuw and Fransoo, 2009, Perks and Easton, 2000). At Beechworth Honey, Jodie's leadership approach brings a new dynamic to the industry, an approach informed by 120 years of family involvement and an understanding of the challenges faced by beekeepers and the logistical suppliers. According to Jodie,

'The Beechworth Honey approach has been completely at right angles to the historical approach to leadership within the industry. In a lot of ways, honey packers in the past have not shared a collaborative supply chain approach, although there have been some attempts. It has been all about profits, assuming that the supply of honey would always be there, assuming that Australian beekeepers would always be there. We don't make those assumptions, and profits, while important, are not the primary driver for us. We have a long-term vision and sometimes the decisions we make can affect the immediate profits. But we have support from the beekeepers and the market because of that different approach, it is a key point of difference'.

'It is getting people to realise that we all need to work together for a better result. It has actually been about getting them to realise that whether we like it or not we are all interdependent on one another. In the past it has been a multi-competitive approach, where each of the players has seen each other as the competitors, the enemy. We have moved away from that to a collaborative approach, and that is probably why we have been successful and grown as we have'.

'All parties in the chain influence one another, I influence them and they influence me. Because if you don't, then you haven't got a collaborative approach have you, an approach where you are all working towards a win-win solution. At the end of the day, the customer is king whether any of us like it or not because we can all do what we think but if it is not what the customer wants then it doesn't really matter. So if you wanted to say, is there anybody that is dominant, well essentially the customer is because they are the ones who pay the bills aren't they? And we look after the customer in ways that add value and make everyone's life a little easier along the way'.

Some further thoughts

- 'Communication really is the key. When you can, communicate predominantly one-on-one, which is incredibly time consuming but incredibly valuable, because people see the importance of the relationship'.
- 'Utilise that vision and probably try not to look at individual decisions but look at that decision from the longer-term view. So if you can maybe think a little longer term about things, I think that is beneficial'.
- 'Every problem is actually a gift for you in two hands. You have just got to work out how to turn that problem around'.
- 'Treat everybody in the supply chain like you would like to be treated if you were that member of the supply chain. And if you can't go to bed at night and go to sleep knowing that you have done that then chances are you probably haven't ... you won't in the long run get the best result. So honesty and integrity really feeds into that'.

- 'I think that the really good leaders, one of the qualities is their ability to be tolerant of diversity and to actually embrace diversity for all of the benefits that it brings in terms of different perspectives at looking at things. I just wonder if it is one of the things that we haven't kind of cottoned on to yet. And I don't say diversity as females versus males or anything like that. It is much broader than that. And you do rely on others and you have got to recognise and welcome that'.

Company contact details: [http:// www.beechworthhoney.com.au](http://www.beechworthhoney.com.au)

6 Building a new supply chain model for the wool industry

Mark Mackinnon – The Merino Company

The Merino Company was established in 2004 under the parent company Lempriere, a stalwart of the wool industry with over 150 years of commitment. The wool industry has had its share of turmoil over the years, and with many growers turning to alternative enterprises, the industry now is less than a third of the size it was 15 years ago. It was evident to growers and retailers alike that a new approach was needed if the trend was to be reversed and the sustainability of the industry protected. As the Working Group on Sustainability Frameworks (cited in Senge et al., 2007:47) suggest, “the sustainability challenge is fundamentally a learning challenge, a process that requires both ‘outer changes’ like new metrics and ‘inner changes’ in taken-for-granted assumptions and ways of operating.”

The Merino Company has challenged the existing industry structure and established a new supply chain model that better serves the interests of the stakeholders, with the customer the central reference point. As CEO Mark Mackinnon explains, “our model has been to build a business that speaks to retailers and goes through to growers and to coordinate the middle. To do that, therefore, we have to form more partnerships. We have to know a lot of different people and we have to be, generally, non adversarial. We have to actually get on with collaborative behaviour, which is not something that’s happened in our industry beforehand.”

The solution adopted by this new entrant is vastly different to the old ways of doing business in the wool industry where the grower had little connection with the end product and ultimately the consumer. Focusing on the retail side, and structured from sheep to shelf, it uses a demand-driven approach and assists growers to align their product to the end user. As Mark Mackinnon says, “we’re coming at the solution for the retailer from a completely different angle than anybody else, which gives us an advantage.” The growers, rather than being competitors, are valued for the individual strengths of their raw product, and are able to contribute to the marketing program on that basis. The strategy is based on finding the “right” suppliers for particular products, and by understanding what the customer needs and wants, innovative wool solutions can be found that benefit all stakeholders.

This approach is supported by Cambra-Fierro and Polo-Redondo (2008) who suggest suppliers need to understand the buyer’s objectives and strategy and adapt to the customer’s needs in order to maintain a positive, ongoing relationship. In particular, suppliers need to pay attention to on-time delivery, quality of materials, professionalism, and responsiveness to the buyer’s needs (Pressey et al., 2007), as well as relational aspects such as trust, commitment, communication and cooperation (Cambra-Fierro and Polo-Redondo, 2008).

The company has become well known in a relatively short space of time, partly through its connection to the Lempriere family. “There was an expectation that the company would behave with a high level of ethical behaviour and Lempriere have been doing it for 150 years. You have to have respect of the major processors and their customers. There was never a question on that front and it’s extremely important in setting up partnerships that you have that reputation and that you maintain it. It leads to trust”.

According to Boehlje et al. (2002), in a changing competitive market, maintaining a sustainable competitive advantage requires constant experimentation and risk-taking. This is particularly relevant for wool and is a view shared by Mark Mackinnon who says, “innovation is important particularly with wool because people have a certain view of wool, so you need to take them some products that

they haven't seen before". Focusing on consumer preferences has also resulted in the launch of a certified, traceable, non-mulesed merino wool brand, hailed as a 'world first'. The wool is sourced from growers with a long commitment to animal welfare and who have never used or have stopped mulesing. The product can be traced from source to shop, which provides consumers with surety in the integrity of the product.

Another innovation that distinguishes The Merino Company is the development of direct-supply arrangements through pooling instead of operating within the traditional auction system. This approach is seen as advantageous in two critical ways: it overcomes seasonal variation in quality while satisfying demand, and improves the cash flow for growers who receive 80 per cent of the payment for their contribution within 30 days of delivery. Part of the wool pool is then contracted directly to retailers, while the remainder is held to take advantage of peak prices. Importantly, growers maintain ownership rights right through to retail.

Improving response times in regard to production has also been a challenge, but since the purchase of manufacturing premises in New Zealand, the typical industry standard response of six weeks has been reduced to around two weeks. As Mark Mackinnon points out, "the absolutely critical point in terms of getting credibility with customers is being able to say, yes I can get you this product within your time frame, so speed of development, speed of response, having supply chains that are ready to act because they've got appropriate wool in the pipeline, all those sorts of things are critical." These initiatives have proved successful because as Morrissey and Pittaway (2006: 399) note, "when trading partners work together in a collaborative way, they aim to match supply and demand and increase mutual satisfaction."

Developing new products and renewing interest in wool as a versatile, natural product is at the core of The Merino Company's vision. An innovation centre has also been established at the New Zealand factory, and is producing around 40 developments a month. As Mark Mackinnon says, "wool is a fantastic product, you just have to put it in the right product and with the right story to help sell it". Mark realises that communication and persuasion skills are just as important as analytical skills in the success of the business, and as Boehlje et al. (2002:38) suggest, understands that "telling the story is as important as the story to be told". The focus for the Australian side of the operation is on the growers, while the sales infrastructure is based overseas. Regardless of the location, Mark's approach is to be open with everyone and explain how plans are progressing so that everyone can prosper, and to keep the information flowing. "Part of my role is to disseminate vital information that is going to keep growing the business and the industry".

A focus on teamwork is perhaps what characterises Mark Mackinnon's leadership style, an approach which Boehlje et al. (2002:39) view as "not part of the experience base in the more traditional agriculture of the past". As Mark says, "it's the people in the business that make the business. We have a young, relatively small team that we expect a lot out of and therefore, if you've got the right people, you've got to put them in the environment that works for them. It's stimulating. They get lots of opportunity and they get to do lots of different things". The teamwork extends to all the chain members, and is evident in the collaborations between retailers, growers, and the marketing arm.

"True systemic change means enacting new ways of thinking, creating new formal structures and, ultimately, transforming relationships" (Senge et al., 2007:51). Through its leadership and innovative vision for the industry, The Merino Company has opened new opportunities for growers and retailers alike, with the consumer the ultimate beneficiary. With interest from retailers increasing, and strong players in the industry seeking partnerships, it seems the wool industry in Australia is in the process of renewal.

Strategies for success

Have a clear strategy

Tell and Kleiner (2009) have suggested that organizational change should be aimed at maintaining traditional practices and removing blockages in the path of achieving quality and service. The Merino Company was established because of the perceived need to change the way the wool industry conducted business. As Mark Mackinnon says, “we started the business because we felt that the existing industry structure that feeds into the supply chain was failing. We knew what we wanted to achieve and we wanted to try a different model”.

‘We’ve always had a very strong view of what the organisation was there to do and without knowing exactly how it was going to turn out, what the business of it was. In reality we think five years down the track we’ve probably grown two or three years in advance of where we thought we would be’.

‘The further we go down, the clearer our original picture becomes and we think it all makes 100% sense to us whereas some outsiders find it a bit – they think we mightn’t be so sane but to us, it makes perfect sense. It’s very clear’.

Have a customer-focussed vision

Creating a visionary purpose goes well beyond creating “the vision,” as it is usually understood in organisational settings....we need something specific to aim at as well as a reason to care about making it happen (Khan, 2009). The Merino Company’s vision is firmly set on the consumer, and chain members understand what drives the business and what the company is trying to do and why.

‘Well the model is end to end, to come out with the right product. Whatever the customer wants is what they should get. Our job is to take them a product that we think is interesting to them and with an angle, a story that can help them sell it. That’s what we do and then we organise the rest whereas traditionally, they’ll get served up a whole lot of product and wool’s sitting next to cotton, sitting next to synthetics, and it’ll be just on price and feel’.

‘All the manufacturers involved tend to be passionate about wool. We have to have a sense of belonging. Everyone participates because they believe in the vision we’re offering the industry really. We sell a vision to the growers. It’s the same vision we sell to the retail brands that they immediately both understand the supply chain partners are similar and they have a similar vision. Most of them realise they can’t do it themselves. So they decide they’re happy to participate rather than say “no it’s a threat to me”. They can see some advantages in participating. That’s what we have to articulate. You have to be able to sell it – when it’s collaborative, you have to be able to sell it to everybody’.

Understand the supply chain

Cousins and Spekman (2003:19) have highlighted the importance of “enterprise wide thinking where functional units inside the firm and key suppliers from the firm’s supply chain all work in concert to bring value to the marketplace”. In order to do this, Mark Mackinnon believes you need to understand the supply chain from one end to the other. It requires a deep understanding of the company both internally regarding all key functions and externally with supply chain partners globally (Cousins and Spekman, 2003).

‘I think our great strength is we probably have an understanding end to end of the supply chain that most people don’t. I think we have been surprised at the lack of understanding within the industry’.

‘The thing about our business that’s probably different but not different to many of the other agricultural industries, we have hardly any customers in Australia. All our customers are overseas and we have to deal in all jurisdictions of the world. We have customers all over the world. We process in all sorts of weird and wonderful places. There’s a real skill set needed. To actually operate safely in those environments is an incredible skill set. We’re lucky, we have offices in most parts of the world, and we have locals in all of those environments. That’s extremely important as well’.

‘We’re not trying to propose ourselves as an industry solution. We’re a commercial organisation but our view is that the bit in the middle is the service provider to some degree. If we engineer the supply chain to meet the customers’ needs then almost always there’s a commercial outcome for everybody, which is important’.

Support and encourage active participation of supply chain members

To achieve supply chain objectives, it is important to build awareness of mutual goals and needs and the importance of actions to all chain members (Rao et al., 2006, cited in Cambra-Fierro and Polo-Redondo, 2008). The Merino Company actively encourages genuine participation by continually scanning the environment and reporting this information to growers and other relevant parties. In this way, synergies can be found between what the consumers and retailers want, and what the growers produce.

‘The retail brand doesn’t usually influence what the grower does. Having said that, the growers would love to see some influence because they desperately try to do something for the end product and so my job is to say, “well this is what the retailers are looking for and this is how we’re going to engineer the supply chain and growers, we would like you to do this to contribute”. It is more advisory than anything else’.

‘So what we tend to do is we encourage them [growers] to do it or in some cases offer incentives to change practice. We give them a financial incentive to become more environmentally friendly with the chemicals they use on their farm. So things like that, where we think we can get them a premium in the marketplace. We’ll often go to growers first and say, “right we’ll give you a premium if you produce this product and then we will take that product to the market” rather than wait until we get the premium and then go to the guys and say “now we will pay you the premium”. So we try to be very proactive in the way that we interact with the growers, basically feeding them back the market messages. Part of our business is to make sure the growers understand and get the information’.

Collaborate

Collaborative behaviour engages partners in joint planning and processes beyond levels reached in less intense trading relationships, and allows for joint actions to be taken to solve problems such as poor end-customer visibility and old products, among others (Wilding and Humphries, 2006). For Mark Mackinnon, collaboration was an essential component of the new model for doing business in the industry. Because The Merino Company operates on both sides of the supply partners, inbound and outbound, it always has to be a collaborative influence for synergies to occur.

‘We’re obviously dealing with agricultural products which are a bit different because you get a huge amount of variability which has to be managed and understood in the raw material. Because it’s a long way from one end of the chain to the other, you need to collaborate, and you need to have fairly open relationships. I don’t think you can get on in our industry without a very collaborative, open approach’.

‘We have many partners around the world where we understand what it is they are looking for their business. Where the business works together then we will do that together and they are happy when it doesn’t [fit] for us to go and do it with someone else. That’s great because you

know what it is they are looking for. Typically what we do is go out of our way to find business that suits their business model and actually utilise them for that type of business’.

‘It takes a long time to build up a good working relationship, whether it’s dictated or collaborative. But with collaboration you’ve just got to keep working at it because the person on the other end doesn’t have to do it. So you’ve got to give them a reason to do it’.

Create a culture that supports your objectives

A new way of doing business requires a new mindset and a culture that supports the activities and objectives of the supply chain. A culture which underlines flexibility and external orientation toward changes, and where creativity, innovation, and external growth are emphasized in response to the changing demands of the external environments, for example, customers and competitors, has been termed a developmental culture (Roh et al., 2008). The culture promoted by Mark Mackinnon to all levels within the Merino Company and externally involves entrepreneurship, a willingness to take risks, and passion and creativity for innovation and development, all characteristics of a developmental culture approach.

‘I think I’m very good at leading by example. I’m very good at teaching people how to get on by themselves without me having to do it. I’m happy to throw them in the deep end and help them out when they need help. Most of the people that we have don’t take long to learn to swim. They get up and about very quickly. Therefore, you have a great culture of people that find a way to make a solution. We don’t ever let anything go without saying “well how many different ways could we do this, what’s the best way, how can we make sure that we give this customer what they’re looking for”’.

‘William Lempriere is amazing at driving the team, not in a forceful way but saying, “look here’s an opportunity this year, there’s hundreds of opportunities now, it’s up to us to grab hold of them and make the most of it”. It does start to filter through’.

‘We’ve seen a lot of organisations where there is a very strong leader that has a very strong hierarchy and it tends to suppress communication. In our business that makes everything slow. We’re young. We need to be nimble and quick. We cannot have that type of culture if you want to be nimble and quick because nothing ever happens’.

Communication

Open communication, which is closely tied to flexibility and trust, “is one of the most difficult things for organizations to do in an interorganizational setting but it also seems to be a necessity if success is to be achieved” (Connelly, 2007: 1250). According to Mark Mackinnon, interpersonal relationships are the key, and it is difficult to maintain those relationships without face-to-face communication. “We don’t believe that there’s anything, any sale, that’s not a relationship based sale.... that doesn’t exist in the world.” Mark views communication as central to the collaborative approach, and promotes a strong focus on this aspect throughout the chain and beyond.

‘One of the large areas we focus on is communication with our growers. We have a permanent PR and her job is really to raise awareness of our brand in the marketplace through PR but we also run lots of grower events. We have regular newsletters and every two weeks an email snippet will go out to our growers. We have regular full performance reporting to broker partners every month. So there’s a lot of communication that goes on and in fact most of the activity that actually happens in this office is communicating to the growers, the inbound part of the chain. It’s massively important because the business relies on communication. Without the communication, the growers wouldn’t come back next year. So it’s one of the key selling points of our business’.

‘We try to be very open with all our communications and inclusive with lots of people whether they be competitors or not. We’re not typically frightened by competitors because no one’s

offering our type of business that I'm aware of. In fact, we'd quite like a couple of people to come and start doing the same thing because we think it would be good for the industry but at this point, it's not looking likely'.

Develop skills of people around you

'When we started out, we were very small. I mean Lempriere were big. But we run a company that's small. We built a team. I think the team is now nearly 100 people. Personally my approach is everyone's equal and we get on. We work hard and we expect to enjoy our work and have a lot of fun. My view is if someone wants to step up to the challenge then they get to have a go at it. If they don't wish, they don't have to but they will probably stay where they are. So here, they're growing. There's any amount of opportunity for everybody. It's up to them to step up and there's no excuses. They can't sit back and say "well you didn't give me opportunities". I say, "yes it's there, you've just got to step up".'

'We've got a young team. We have a few of the experienced people from Lempriere came across but generally, they're mainly young people that are probably from outside the industry, because we didn't really want to carry any baggage of some of the industry players. We have a different model to everyone else in the industry so we need people that have a different view'.

Some further thoughts

- 'You need an in-depth knowledge of the industry, including the industry politics, and the economics of how it runs. You have to understand the economics of the market, of the supply chain and globally, not just locally'.
- 'Get the strategy right before you pick your partners. Decide carefully and have a really good understanding because there may be barriers that seem illogical but if you're careful in your considerations, they become clearly visible'.
- 'If your model is collaborative, communication is king'.
- 'Honour your commitments. If you don't, you need to be seen to be doing whatever you can to honour them, even if it costs you. At the end of the day you've kept the customer and your integrity'.

Company contact details: <http://www.merinocompany.com>

7 Innovation and social responsibility drive this award winning value chain

Robert Radford: R. Radford and Son

Radford's meat processing business is credited with being primarily responsible for establishing both the business and the Gippsland (Victoria) region as a "Centre of Excellence" for meat processing in Australia. Established in 1946 in Warragul, the company has steadily grown in stature, both in size and reputation, for its innovation in 'state of the art' facilities and systems, and for its environmental and social responsible approach to doing business.

Robert Radford Jnr began his career with the company as an apprentice butcher and succeeded his father as Managing Director in 1993. Like his father before him, Robert has shown strong leadership in growing the retail, wholesale and abattoir operations of the business, and in leading the industry in new directions. For example, Radfords was the first domestic abattoir in Victoria (of only six in Australia) certified to process organic livestock for domestic consumption. International supply opportunities are also being canvassed. As Robert says, "we went left field. The certification process was very strict and a lot of training and expertise is required to run it. We are very proud of the integrity of our organic meat. It started off slowly, but now organics is a big growth industry". Another first is a 'cut to carcass' traceability system, which Radfords developed with support from the Department of Primary Industry, and which will be adopted by the red meat industry in Australia.

Leadership is recognized as the 'driver' of successful quality systems (Wong, 2001). Robert Radford provided new opportunities for the supply chain by investing heavily in new facilities and technology, such as state-of-the-art carcass and boned meat processing facilities and systems, and leading the way in industry best practice. As Robert explains, "as our business grew, we started to add a lot more infrastructure and working aids to our company, hydraulic operated equipment or air operated equipment, to reduce the physical aspect, and give staff the opportunity to multi-skill in a variety of areas". The company has also developed a closed-loop system approach to waste and energy management, and has been recognised for achieving continued growth while reducing their environmental footprint, including the Gippsland Business Awards for 'Environment and Sustainable Business Practice' in 2007 and 2008, and the Agribusiness Awards for Excellence, Australian Greenhouse Office 'Environment and Energy Management Award' in 2008.

Research suggests a major challenge for managers today is how to manage and utilize knowledge across organisational boundaries, with every member within the network needing to be aware of what the final customers want and what the competitors are doing (Lin and Chen 2007). Robert uses a number of ways to educate and inform members of the supply chain:

- Regular workshops and demonstrations at the plant, which he sees as critical in establishing and maintaining a strong network of producers,
- Carcass competitions such as the Lardner Park event, for which Robert is Chairman. For this event, different breeds of cattle graze in the same conditions for a period of four months so that the differences in results can be observed. "It's amazing how much people, professional breeders, take notice of the results, they can learn a lot from a steer trial. It's been going for 20 odd years."
- Robert also speaks at many forums where "they'll ask me what sort of cattle suit which markets and that's probably a good way to let them know that they need to breed stock to suit whatever market they're aiming for. It could be the export market, the domestic market, organic market, or the vealer market.

At the other end of the chain, the retailers and the wholesalers, it comes down to consistency and Robert believes there are three things that lead to success when supplying any market: “You’ve got to be competitive, your meat’s got to be consistent and your deliveries have got to be good. They’re the three key issues you must get right”.

Robert’s leadership approach at the Radford plant is empowering and team focussed. Operational decisions, including staff selection, are made by a consultative committee of middle management, leading hands and union representatives. Good employee relations at the company means that production has never been lost over an industrial dispute since the company started, a notable achievement for the industry. Extensive training opportunities are made available and compulsory courses on food safety and health and safety are supported. Radfords is one of the few plants in Victoria to operate five days a week for a continuous year, which gives the core staff job security. Job rotation and multi-skilling are also a feature of the workplace and contribute to the low staff turnover and high commitment from employees. Employees are viewed as an important part of the chain and its success, and Robert often acknowledges their contribution publicly.

Robert’s leadership and his commitment to the industry and region have been acknowledged in numerous awards, including Victorian Rural Achiever, Regional Achievement and Community Awards 2008. In 2009, Radfords won the Telstra Business Award (Vic) for Social Responsibility, as well as Telstra’s National Business Award for Social Responsibility, a significant achievement for the company. Perhaps the Award that delighted Robert the most was being inducted into Gippsland Business Award’s Hall of Fame in 2008, which reflects a sustained effort and achievement across all aspects of the business, and pays tribute to an outstanding role model for other regional businesses in Victoria and Australia.

Robert Radford’s leadership has positioned the company as an exemplar of a successful and sustainable regional business. In doing so, he has raised the benchmark for best practice in the industry and created long-term opportunities for his business, producers, and the wider community.

Strategies for Success

Use a team approach

Denning (2005) suggests that innovation requires leadership to move beyond the command-and-control mode of managing. Robert has never favoured a directive style and prefers to use a team approach to achieve short and long-term objectives. Allowing staff to have input into the decision-making process and encouraging their feedback has resulted in a highly supportive workplace and a highly committed and motivated workforce.

‘Since about 1998, we’ve had a consultative committee and that’s basically the whole middle management plus the leading hands on our processing floor, and it includes the unions. At meetings, all the issues are discussed, from wage conditions right through to hiring/firing, maintenance issues, quality assurance issues, and OHS issues. That’s the forum where everyone’s got a say, I’m just one part of that. Hardly ever do I override a decision that’s been made at that forum, even if everyone else wants to do it and I don’t. I think it’s very important that I give them autonomy at some level. If they want to change the way we do things and they make the decision, I’ll support them 100%. I think that gives them a sense of achievement. Staff are delegated certain responsibilities and pressures but anything major, we have consultative committee meetings for that’.

‘You need to give them the opportunity to present new ideas and new thoughts and new ways of improving our operations and encourage them to do that. If you get them involved, they can see they’re as much a part of this success as I am. Wherever I get the opportunity, if it’s press releases or photos in the paper or something then I’ll always mention the staff. They’re proud

to walk down the street in Warragul just as I am because they're part of an award winning company that's doing things a bit differently to anyone else'.

Broaden your involvement beyond the supply chain

According to Boehlje et al. (2002: 36), "all participants in agribusiness should be encouraged to become actively involved in trade association and other business meetings, to dialogue with industry leaders, to network aggressively, and to energetically seek out new ideas or insights that might promote an understanding of how the future of the firm and of the agricultural sector will unfold." Robert Radford has been actively involved in leadership roles in the industry including Chairman, Australian Meat Industry Council, Victorian Processors Council; Vice Chairman, Australian Meat Industry Council, Processors Council of Australia, Member of the State Government Advisory Committee of the National Livestock Identification System, and Member of the National Meat Association of Australia .

'Probably one thing that has helped is I'm heavily involved in the industry outside my company. That's probably been a real education for me because if I'm representing Victoria at a state level, I hear what's happening in the industry and in the different parts of Australia'.

'I think that the networking that I do by being on these councils has been a teacher for me and probably it's helped my training and given me a way of thinking and knowledge about what others do. Other people on the councils have also shared ideas from me as well'.

Assist your producers to continually improve

In today's supply chains, the flow of information between channel members to enhance organizational capabilities and decision-making has taken on increased importance (Dyer and Hatch, 2006). Robert has always been an advocate of open communication and invests much time and effort in educating and informing his producers on methods that will lead to better performance and maximise their market advantage.

'I let them [producers] come and have a look at their cattle hanging up. They'll see the shape, the fat depth, all sorts of things they can learn from so they can go back to their breeding program and adjust it accordingly. A lot of meat companies won't allow that or haven't got the time for that sort of stuff, but we think that sort of information is important to the producer. In the long run I can see the benefit for both of us because next year the cattle will be better than this year'.

'In our workshops, we open this plant to a lot of visitors. Now there might be a number of producers who will come, listen, and look. I don't run these workshops purposely for them to sell me cattle. I do it because I want them to produce the cattle that are going to suit the market. If they feel comfortable, they can ring me and that's how it works'.

Invest in training staff

Research indicates that sustainable chains invest in human capital, have human resource practices that increase employee well being and commitment, and maintain a culture that values people and the environment (Pagell and Wu, 2009). Robert makes sure that his staff work in a safe environment and are challenged and motivated by the tasks they are given. Training is a high priority and staff are developed through delegation and multi-skilling.

'It's in your own interests to make sure that your staff are properly trained, especially about safety issues. We haven't got any OHS issues here because the guys are well and truly trained by middle management prior to them being utilised fully. It's a very slow process, but it's a must-do'.

'We don't have a lot of staff turnover so therefore if a young guy comes from school he starts at the very basics and as his time goes on, he'll learn more and more tasks. With that flexibility, they enjoy their roles, get more job satisfaction because they're doing different tasks every day. Learning more keeps them interested but also it gives us the opportunity to give guys RDOs when they want it. If they're sick or take holidays you've got someone to cover them because if you've got a lot of multi-skilled staff around the place'.

'What we do here also is that every hour we change the whole staff around. They'll have a break. So they'll process for an hour and then they'll all change roles and that's something that's pretty unique to our plant'.

Communication

Research suggest that engaged employees contribute significantly to a company's ability to meet financial and other critical business goals, and interaction is essential to creating an engaged workforce (Grates, 2009). It is not surprising that communication skills are rated as an essential capability for managers. Robert communicates and engages with all stakeholders throughout the chain, and believes that open and timely communication is vital in maintaining the leading edge.

'Communication is probably the number one issue. That is, you've got to communicate with people. Even though I'm running a big company, I'm still hands on. I don't go on the processing floor but I'm actively involved in what's happening around me. Communication with my staff at a processing level or shopfloor level has been probably one of my biggest bonuses'.

'We have never had any industrial strikes and that actually is a one off in the industry. They are all part of the meat union, but the fact is that if you have an issue, you sort it out. You still have your flare ups where they're not happy about something but you sort it out. You don't let it fester. It all comes back to communication'.

'Communicate with your suppliers, customers, and staff. Make sure you're communicating and rewarding your producers to meet your specifications'.

Recognise your strengths and weaknesses and hire the right people

According to Boehlje et al. (2002:35), "With the profound changes occurring in the agricultural industry, an organization wedded to the past—whether it be in technology, in supplier and buyer relationships, in business arrangements, or perhaps even in customers—will face considerable challenges". An effective leader recognises the strength and weaknesses of the company's capabilities and takes measures to remedy the situation. Robert understood that the investment in state-of-the-art technology would require investment in specialised skills to take advantage of its potential. By hiring the right people, Robert's vision for modernising the plant became a reality.

'Earlier on as our business was growing, I could see that I was lacking a lot of skills myself. So I then had to make sure that I recruited some staff that had more experience in some areas'.

'We're very heavy into IT with scanning, with computers used for truck distribution and logistics. A lot of companies my size are still doing it by hand so we are five or 10 years in front of them in that area. That technology has come through because of some of the quality staff I have brought into my organisation. These staff taught me what we need to do to move forward and be in front of the pack. They've grown with the company as well'.

Some further thoughts

- 'Make sure you know what the industry is about. You've got to look at market changes. You've got to look at consumer changes. You've got to look at doing things smarter, and value adding your product or changing your product to suit the new preferences of people'.
- 'Get involved with networking either through networking groups or producer groups to start with, just to feel your way'.
- 'Communicate with everyone, that's your customers at one end and your producers at the other end, and your operational staff in the middle'.

Company contact details: <http://www.radfordmeats.com>

8 Towards Fair Trade in Australia through an ethical supply chain in partnership with indigenous communities

Juleigh Robins – Robins Foods (incorporating Outback Spirit range)

Robins Foods is a producer, manufacturer and marketer of Australian native food products. This innovative and pioneering company pushed the boundaries of our culinary repertoire by introducing Australian native bush foods, with their distinctly Australian flavours, into our kitchens. For Juleigh Robins, together with business partner Ian Robins, the journey has been long and challenging and continues to this day. Their interest in Australian native foods has grown to a deep and passionate interest in preserving our native food industry and to promote and contribute to the wellbeing of the indigenous communities who form part of the supply chain.

According to Juleigh, “we made a decision that if we were going to develop a business based on indigenous food, we had to have something in place to do the right thing with the indigenous people. It just didn’t sit well with Ian and I that we would build a business up and some way try to bring indigenous people into the work. Now, we didn’t expect the venture to be very big but we felt it was important to always try. So the plan has always been to have this ethical component to our business even though we’re a very small business.”

From a planning perspective, an ethical approach has helped Robins Food stamp a strong identity and differentiate itself in the marketplace. From a leadership perspective, it has enabled Juleigh to demonstrate to others that a model based on understanding, genuine collaboration, and cultural sensitivity are keys to success in supply chains involving non-traditional stakeholders. As Juleigh comments, “Our thinking is we’re at the very beginning of a potential industry in Australia which is indigenous food. If we are one of the leading companies, albeit we’re only a tiny company because it’s a very tiny area, but if we get the structure right and we succeed with that structure then one would hope that from there, there is that model.”

Building a basic supply chain was not a task for the faint-hearted. Much of the produce is from wild harvesting where harvesters go out into the desert and hand harvest. For many years, Juleigh travelled far and wide in her search for native foods, and made contact with many indigenous communities along the way. “A lot of indigenous groups have got so many plants and access to things but the problem is they haven’t been commercialised in any way. It’s so hard to take a plant from the desert that grows wild and you’ve got to get all that work done to get your provenance. We’ve been working on the bush tomato for years and years and years. It’s like every other plant in the food industry has got thousands of years of history. We’re trying to do it all in a decade.”

Juleigh’s persistent interest and her culturally sensitive and supportive approach encouraged many indigenous groups to embrace her vision. From the start, her ethical approach to business allowed the company to slowly develop some credibility with their indigenous partners. “It’s taken a long while for them to understand where we’re coming from but people from Desert Knowledge (a national organisation that supports business and other opportunities for indigenous desert people) did all their due diligence and thought we had the right model.” The ethical approach was also an attraction to Coles (supermarkets) who is now a major supply chain partner. Coles recognised the potential growth of this niche market and the opportunity to invest back into indigenous communities to help them grow their businesses around native food. In 2001 Coles became a philanthropic supporter of the

chain by partnering Robins Foods in the Coles Indigenous Food Fund, where a percentage of each Outback Spirit product sold in Coles is put back into the communities.

Part of Juleigh's vision was to seek continual involvement of Aborigines in the industry, and she has actively devolved some of her roles along the chain. For example, the procurement of native foods for the Outback Spirit supply chain was overseen by Indigenous Australian Foods Ltd (IAF), which is owned and operated by indigenous groups. They were responsible for procurement of wild harvest and cultivated crops. "In a lot of ways we were able to hand a lot of that to them, and that was good. So people are able to do a lot of what I was doing so I was able to pull back a bit on that. So I think this added depth and strength to the chain where it's not all what I'm doing or what Ian's doing. It's starting to develop a bit of its own momentum. IAF has now taken a different path to procurement for Robins Foods and as a result we, Robins Foods, have now established Outback Spirit Foundation, which is an independent philanthropic entity. The Outback Spirit Foundation is all about assisting Aboriginal Communities develop businesses based on Indigenous Foods and then working within that Community to support other Community projects identified by Community members."

"The Indigenous food projects within Communities that the Outback Spirit Foundation supports, are developed using Fair Trade principles such as an agreed negotiated wage or price per kg for harvested crops. Also any surplus funds from the sale of the crop is put back into Community projects that Outback Spirit Foundation further supports. Importantly the Outback Spirit Foundation is also able to raise funds through donations which means more can be done at Community level."

Having won the indigenous communities trust by doing things in the traditional way, the communities are now prepared to try new ways of contributing to the supply chain. The challenge is to shape the communities' involvement in ways that suit them as they change and grow. For example, these days, the younger women in the communities are not so interested in wild harvest. Juleigh hopes that by introducing cultivation as well, "it gives us surety of supply and it might interest the younger people to have more involvement." The move from wild harvest to agronomy, while still in infancy, may provide the opportunity for young indigenous entrepreneurs to maintain links with the land and their culture, while at the same time establishing environmentally sustainable agricultural practices that will serve them well into the future. So far, small plantations have been established in Alice Springs, and a community level plantation is soon to be established in the Northern Territory. Although the plantations may be small, perhaps a couple of hectares, they have the potential to produce high yielding crops of high value. Juleigh's plan is to have a group of communities involved in projects, and "we might try and set up some sort of central value adding in Alice Springs or something which will give more employment to people."

Robins Foods have also aligned themselves or made partnerships with groups like the Desert Knowledge Cooperative Research Centre. Together, they are doing a lot of research on domesticating the bush tomato for the central desert. Robins Foods has also established the Outback Spirit Foundation to assist communities who are interested in taking up the challenge and to help with funding. Robins Foods have recently joined forces with Ward McKenzie, one of Australia's largest and best known manufacturers and exporters of herbs and spices, and the partnership is expected to increase dramatically the bush foods industry and job creation for indigenous communities.

The most challenging and yet rewarding journey has been towards attaining Fair Trade certification. Typically, fair trade only operates in third world countries on particular crops. In October this year (2009) the Fair Labelling Organisation and the World Fair Trade Organisation have announced that they have agreed to work together on a feasibility study to determine if a Fair Trade Certification may be developed for traditional Aboriginal foods or products grown or made by Aboriginal people on Aboriginal land. Juleigh was given the honour of announcing this initiative at a major conference examining ethical value chains in France in October. Juleigh is hopeful that the potential certification will provide the breakthrough that will assist Robins Foods further expand the market both in Australia and especially in the export arena, and assist other companies to follow in those

footsteps. “If you get the foundations right and the relationships right, then hopefully that expectation will be there for other companies to have to try and do that on the same path. In that way we hope that once we get certification, other people in Australia will start looking and thinking ‘oh that’s something we could do too.’ “I think if we do this here it’ll be really significant for Indigenous people and ourselves. There’s fair trade in India and Africa and South America but nothing here because we’re not seen as a third world country. We’re not but our indigenous communities are living in third world conditions or worse.”

Juleigh’s leadership has been recognised in a number of nominations and awards. In 2003 Robins Foods won the RIRDC Agribusiness Value Adding Award for pioneering the entry of Australian native food ingredients into mainstream food markets through its Outback Spirit brand. Juleigh was a founding member of the federally funded Australian Native Bushfoods Industry Committee (which has since disbanded), and has published three books which highlight the use of native ingredients, *Wild Classics*, *Wild Lime*, and the recent *Wild Food*.

Today, the Robins deal with a much more sophisticated outbound chain, including major supermarkets, and a sophisticated market with awareness of native foods. Export potential is starting to be realised and future growth in demand internationally is expected. Twenty-three years after pioneering the native foods industry in Australia, Juleigh’s leadership continues to inspire members of the chain to develop and innovate to meet growing market demand for native products, and to build ethical and sustainable practices for the future.

Strategies for Success

Passion and Perseverance

Steve Jobs once said that you need to create a cause, not just a business (cited in Khan, 2009). For Juleigh Robins and her partner Ian Robins, it was the cause that inspired her to create a business. Her commitment to the cause has resulted in advancement of the native foods industry in Australia, to the benefit of the indigenous communities involved in the supply chain, and to the benefit of consumers who enjoy the flavours and health-giving properties of our uniquely Australian foods.

‘I think you have to be absolutely convinced within yourself that what you’re doing is the right path and you have to just absolutely stick with it. That perseverance is crucial. You have to be prepared, I suppose. It’s a very high risk sort of thing we are doing. I think you have to be fairly optimistic about whether you can achieve anything’.

‘You’re establishing something from what was commercially nothing for a start. You’ve got a product that doesn’t even have a market and there’s no market awareness. With trying to get a market for products that are not traditional, [you need] a lot of communication, a lot of persuasion, a lot of perseverance, never give up’.

‘Then when we made this quite strong commitment to Indigenous people and working with Indigenous people, we were also told that we were mad. But from the time we really committed to doing or trying to do or develop an ethical supply chain, I have been amazed by how other people have responded to that. In fact I wonder if we hadn’t done that, I don’t know that we would’ve survived because it’s such a difficult little area to be in. So in a way, it’s probably been the best thing we’ve ever done commercially but we didn’t actually do it for commercial reasons but it’s actually turned out to be commercially a very smart move. So that just reinforces our resolve to do that’.

‘I think that because we are truly passionate about what we do, I think that does come across when we talk to people because it’s not something we try. I think from looking at how we relate over the years, I think it comes out in the way we operate and I think people pick up on that. Maybe it’s as simple as that, that it was just a very positive attitude we have’.

'You've got to keep following up. You've got to keep following up all the time. You've got to be there. You've got to spend the money. It's like developing an export market. You've got to be there. You've got to show that you're serious. And after over 20 years I've obviously shown the communities that we are there for the long haul. It really takes that long'.

Have a clear vision and strategy

A vision is seen as compelling when followers believe that it serves their needs and that the leadership can deliver it (Gandz, 2009). From the outset, Juleigh's vision and strategy clearly focussed on the well-being and advancement of the indigenous communities she encouraged into the supply chain, and her willingness to learn from them displays true leadership. As noted by Haslam (2004), a leader who is only interested in advancing his or her personal interests will not display leadership, just as a follower who does not share a sense of common purpose with the leader will not display followership. Juleigh's approach goes beyond that and she does not see the supply chain in terms of leaders and followers, but as a partnership based on mutual benefits.

'You've got to have a vision. You've got to have the long term vision of where you're going to go with this. If you're talking about me or our company as the instigator of this chain in the first instance, if you don't have that vision then no-one else is going to follow you. So I think that for me, you've just got to know exactly what you want 20 years down the track. I know that sounds grandiose when you're a little company but I really firmly believe that'.

'When we set Outback Spirit up as a brand I think what bush food has lacked in the past is a coherent branding presence in the market. I think it's been a lot of little companies all out there trying to do this and that and it needed a real market focus. So we started with Outback Spirit. We did a lot of work on the brand. We had to think a lot about it and speak to a lot of people and get their advice. Then it became apparent to me that if we were really going to make this chain work and pull through the demand – because that's what this is about from the inbound side – this brand had to be bigger than just one little company. So we've actually planned that it would be an umbrella brand. Now it's taken me eight years to get to the point where that's actually now happening. I've had this in my mind for a long time, because I know that native food can go in many different ways'.

'I think Ian and I both are very, very clear about where it is we want to go. We want our business to be commercially successful obviously and profitable but we're very clear about we want this to be done the right way so that at the end of the day, not only does this brand survive and the brand represents a certain supply chain but that the structures we put in will last and something good at the end of the day will come out of it. I think that's really what drives us, yes'.

'Our ambition is to get a raft of companies that we can expand the brand into other categories but the criteria for that is, it's got to be something we know will suit. It's got to be a category where we know we can have an impact in, that the products will suit and the relationship's got to be right. It has to have that consistency and cohesion of vision. If people are on board with the philosophy then it all falls into place'.

'I try to set a plan. I do try to write a business plan every couple of years. We do plan long term. We do have long term strategies, yes. I mean it's not as formal as a big company but we do have that. We have a lot of meetings about that amongst ourselves and other partners. It might be informal but we're still talking about the strategy'.

'Of course it's really important when communicating to people that you're trying to encourage into this chain to show that you do have that strategy. You really have to have it. You can't just say you've got it. You've got to be able to articulate that to your partners. I do plan and I am fairly strategic. I have a very clear idea of where I'm going and I do actually formally plan. I set targets'.

Communicate

Communication is a critical skill for a leader of any business, however, it becomes more important when trying to establish a supply chain with people who have not been exposed to commercial operations. Generally, successful communication has become more critical as managers' roles move from controlling to facilitating (Storey, 2001). Juleigh was aware how important effective communication was to getting the support from stakeholders, particularly the Indigenous communities, and maintained an open and honest approach, and the willingness to be adaptable.

'That's where communication came in because I had to actually explain to people what I was looking for and get networks established from the ground, even down to as basic as identifying plants or the material I was after because a lot of people I was actually talking to don't have English as their first language and the Indigenous names are quite different from say the botanical names. Trying to get that basic communication, there was a lot of that in the beginning. Persuasion came into it too, and I suppose hooking people into [my] own enthusiasm, getting them enthusiastic about the idea. The biggest thing is keeping that communication open between the people that you're dealing with and constantly keeping in touch and constantly encouraging them'.

'There's also a lot of communication in the beginning about actually getting across your expectations about how things have to come in as well. It's a lot of a very basic communication about how you want things to be packed and cleaned. The whole concept actually in some of the communities about doing this sort of trade is new to them'.

'Another skill I think is important is listening. When you're dealing with the Indigenous communities, they don't run to a normal business model. At the end of the day it's still about relationships and communication over and above everything and your enthusiasm'.

'I think I'm a fairly inclusive person. I'm happy to listen to a lot of people. At the end of the day though I can be quite stubborn if I think I've got the right path but I would say overall I tend to listen to people. I try to take on board what people say but at the end of the day I'm definitely a person who will take a risk and make a decision'.

'I think communication is the key. It's the key to everything as far as I'm concerned. We use email, SMS, I've used Skype overseas. We don't have formal meetings – I know there are some chains out there that work very formally and have chain meetings. That was originally the way we wanted to do it. We tried to do that in the beginning and it just didn't work. We had to pull away from that. It's hard to bring everybody from all over the country to one spot and we tried it a couple of times. It's extraordinarily expensive. I don't think the communication is as meaningful when you're taking people from Arnhem Land and Broome. We decided that it was better to go there. So that's a tactic that changed because we felt it wasn't financially viable. It was very expensive and really the communication is more meaningful when we spend time going there'.

See things from a supply chain stakeholder perspective

Because stakeholders already have opinions, it is better to learn and understand what those opinions are, and learn to collaborate in order to improve the outcomes for all concerned (Khan, 2009). Keeping an open mind is a trait that Juleigh drew on heavily in her dealings with stakeholders. Having awareness and acceptance of cultural differences were essential building blocks to developing mutual trust and respect.

'With Indigenous people you have to actually wait for them to decide whether they're going to get involved and then something else will come up that will be more important than you. The priorities are quite different culturally. We're all about business and deadlines and the way we work. Indigenous people are much more about community, about their ceremony. If there's a funeral then everything would stop. I've been to meetings we've organised in Arnhem Land and I've gone up to Darwin from Melbourne. We've booked a charter flight and we've got

there and there's a funeral and there's not a soul to be seen. You need patience, perseverance, listening and learning about another culture and understanding that if we're going to go down this path, my culture is not necessarily going to be the dominant one if I want to be successful'.

'Look, it takes years and years and building trust. Building trust, I mean that's the case in any supply chain but with an Indigenous community it's years of effort. It's not done over the phone. It's not done by the fact that you might offer a supply agreement and you honour it or whatever. It's about physically going and putting your face there and constantly so they get to know who you are. It's all about relationships much more than about business. So it's quite a commitment in time and in money and in intent'.

'This is something that I have learnt. If you're going to deal in this area, you can't impose and you've got to listen and figure it out. I've seen where governments or bodies have gone in and they've set up market gardens and they've spent a fortune. They think this will be great for the Community. They can get fresh fruit and fresh vegetables. Then the whole thing just collapses because no-one has actually asked them "do you want this." Well we wouldn't succeed in what we do if we weren't [culturally aware]. We just would not. We wouldn't be there'.

'I think in the inbound side, the Indigenous side, I think you make the effort and go out there and you are genuinely interested, right, you are really genuinely interested. They're very proud of their culture and they're very generous and they're very keen to share it with you. I think that genuine interest in what they have is a good start'.

'I think that you have to invest quite a bit in trust. I think that it can often be abused but if you're going to succeed, I think you have to not recoil and you have to leave yourself open and keep trying. I don't think you can get anywhere with, in my opinion, the supply chain we have without that ability to allow yourself to try and trust people and expect that they're going to have the same [trust]'.

Be ethical in your dealings with others

According to Roberts (2003:160), "ethical sourcing initiatives are often promoted as the solution to managing supply network sustainability issues, yet take-up by companies has been patchy." This has not been the case with Robins Foods, and ethics has been integral to the establishment and maintenance of the supply chain. Indeed, ethics was the guiding light of the vision and influenced the direction and intent of the way the supply chain. Juleigh's leadership style gained her a reputation as a genuine person which became a key enabler. As Dowling (2000, cited in Roberts, 2003:160) highlights, "a good reputation enhances the value of everything an organisation does and says. A bad reputation devalues products and services and acts as a magnet that attracts further scorn. And there is evidence that a good corporate reputation can lead to bottom-line benefits (Roberts, 2003). Gaining Fair Trade Certification is the next stage of development for the supply chain, an Australian first.

'From a planning perspective, for us it's the way we feel comfortable about what we're doing and it's always been a very big part of what we do to make sure we do the right thing. Then over a period of time, I think personally that's the way we can identify or put ourselves into a niche market, if you like, as well. So that planning has been very strong to, I suppose, keep strengthening that role or that ethical base. Now I'm working with the Fair Trade movement (a Swiss International Fair Trade Accreditation agency) and hopefully we should get a fair trade certification soon. That's in our planning and that's why we're working to that now with the two communities. So the plantation will be done to fair trade standards and we're operating a fair trade anyway but it's just the documentation'.

'I'm careful about raising expectations particularly with the indigenous part of the supply chain because I think that's one of the worst things you can do is raise unrealistic expectations you can't reach. We have made that mistake in the past, where our intentions have been good but the reality of the market place just didn't allow us to meet the expectations and this is a painful lesson to learn. It hurts everyone in the relationship and it's never what you intended'.

'Our ethical approach influenced the overseas markets. Overseas they're definitely interested in that. So it's brought us a lot of things too to our chain. It strengthened it definitely'.

Have a hands-on approach and remain involved

Connelly (2007:1248) made the point that "that alliances do not emerge from nothing; they must be nurtured and, in turn, they will pave the way for future initiatives." Juleigh's commitment has always been demonstrated by a hands-on approach, and is one of the reasons for the chain's success. Now that the chain has matured and many of the functions delegated to indigenous partners, Juleigh remains a strong driver within the chain. Strong relationships have been formed among the chain members, a sign that commitment is shared amongst them. As Morgan and Hunt (1994) suggest, a committed party believes the relationships endure indefinitely. As Juleigh comments, "we're very enthusiastic still. I can't really explain it. It's become Ian's and my life's work, I suppose."

'We've sort of driven this from the beginning and it seems to me that even though we've got this chain developing, the drive is still from here'.

'I'm on the phone to our suppliers in season and out of season. I just ring them up to see how they're going. I visit. It's ad hoc but then of course when the season is about to start, it's obviously much more intense but I'm working all the time between because I'm trying to help these things happen like the cultivation, like the foundation. So even with the foundation I will keep in touch with all these people, even though the foundation are taking a lot of work off my shoulders. The personal communication for me will always be there where we keep in touch with people all the time. We've become friends. Maybe it's just the way we are but I would have to say that most of the people we deal with are friends of ours now'.

'Well the successful parts of the chain, the relationships become more like friends. We're colleagues. I always use the term partners when I refer back to my suppliers and my customers because I think we truly are. We're all on the same path. I think out of it, we have developed a lot of friendships. So I think where we've been successful, we have actually developed friendships that have actually lasted over a period of time. They've become true friendships. It's not just purely business. It's friends as well. I mean we go up there and it's like catching up. There's hugs everywhere and it's lovely'.

'My observation is I think it's possible to be both professional in the business side of things while still developing genuine relationships. It enriches what you're doing and going to work is less about going to work. It's about a much richer experience. So when you come to work and do what you're doing, it's something that you really want to do'.

Some further thoughts

- 'Have a long term vision and be persistent yet flexible. Seek consistency and cohesion of vision as you develop'.
- 'Make communication a priority, and use a personal approach.'
- 'Trust others and give them reasons to trust you'.
- 'Seek input from all your stakeholders.'
- 'Never underestimate the importance of relationships'.

Company contact details: <http://www.outbackspirit.com.au>

9 Leading the way in sustainable management of organic meat production

Simone Tully – OBE Beef Pty Ltd

Simone Tully, co-founder and CEO of OBE Beef, has long recognised the potential of the Australian outback to provide a unique agricultural environment well suited to changing consumer preferences for organic food and ethical food production. As a fourth generation beef producer, Simone was also interested in finding new opportunities that would encourage and inspire future generations of farmers to stay in the business. “One of the reasons OBE was formed was looking at the future and realising that not everybody is going to just ride around on motorbikes and do the hard work. The next generation are highly educated, with almost all being university educated. So not all of them are suited to just the physical side of it but they are much more hands-on with managing.” Career opportunities extend beyond the paddock to areas such as marketing and logistics.

OBE Beef was established in 1996 by a group of beef producers from the unique Channel Country region in south-west Queensland and north-east South Australia. Often referred to as ‘nature’s feedlot’, the Channel Country provides the ideal natural environment for organic beef production, something the producers wanted to protect as well as exploit. As Simone says, “I think managing the environment is important but managing the environment and being profitable, that’s the goal. I don’t think it has to be managing the environment at the expense of business livelihood. In the main farmers are very good at looking after their own properties, multi generational farms particularly because they have a long-term vision.”

Zamani and Karami (2006:228) suggest “sustainable agricultural development requires a powerful community of farmers to solve problems and develop their physical, social and economic well-being. This can happen only if there are motivated and committed rural leaders who keep the momentum going.” The producers understood that responsible management of their environment was essential to maintain a viable industry well into the future. With cattle grazed on property filled with native shrubs and herbs, the farmers were already producing quality beef for the market but wanted to stem declining returns and create a brand for their premium product. As Simone recalls, “you don’t know what’s going to happen, you just pick up the phone and ring people and say ‘what do you think of the idea of organic beef?’ and you find out whether it is of interest to people. Our own instincts said that the environment is valuable to consumers but how do you reach those consumers? To take advantage of the emerging global market for organic food, the first step was gaining certification as an organic beef production supply chain to comply with Australian standards for organic and bio-dynamic produce and standards imposed by the Australian Quarantine and Inspection Service (AQIS) for the export of organic products. Simone says, “well in ten years the organic market has certainly matured around the world, in various categories and various parts of the food cycle”.

Success in any collaboration rests on the quality of relationships that shape cooperation, trust, mutuality and joint learning (Senge et al., 2007). As Simone explains, “In the 1990s we didn’t really know each other that well but we had mutual respect and from that there is a lot of trust involved. It’s very hard to get people to invest when there is a lot of financial risk involved but we managed. I think that was because we had people that are happy to take a risk and see where it goes. A lot of people when they go into supply chains perhaps want a return too early.”

Simone’s passion and persistence endured throughout the long process of certification and establishing markets for their product. Typically, it takes around three years for properties to meet the standards set by the International Federation of Organic Agricultural Movements (IFOAM) and the National Association for Sustainable Agriculture in Australia (NASAA). “I’m quite determined so

when you get an idea you believe is going to be a success, that's part of the staying power. So you've got to have that personality that can handle the difficult and the good times and the bad times as well." The producers already had a strong commitment to sound farming practices and were able to adapt to strict organic management practices relatively easily. There were no standards for off-farm activities, so OBE Beef had to devise standards that would be approved by IFOAM and NASAA. Careful attention was then required when selecting partners for the transport and handling, processing, and logistics elements of the supply chain because international standards for organic produce applied to every step of the OBE supply system. All had to meet the rigorous criteria required under certification, therefore a high level of collaboration and collective commitment was essential if the supply chain was to succeed. However, supply chains that do not have the challenge of certification would also do well with this approach. As noted by Fawcett and Magnan (2002), supply chains fail because partners take a short-term view, even in times of marketplace complexity and uncertainty, and limit the extent of their collaborative focus.

A grant from the Federal Government's 'Supermarket to Asia: The Delicatessen Program' helped fund market research and identified opportunities in Japan. Although Japanese consumers can be demanding, OBE believed their product was a good fit because of its quality and traceability. The marketing advantage and credibility gained by organic certification proved successful in gaining the confidence and business of Japanese retailers and consumers. The confidence strengthened when the first sample shipment of beef to Japan was accompanied by a delegation of OBE producers ready to talk about their product and farming ethos, an approach not often seen in the industry.

Today, OBE Beef continues to export to Japan, one of its most important markets, as well as to Hong Kong, Korea, Singapore, Taiwan, Malaysia, Indonesia and China. To strengthen relationships with these growing markets, a regional manager is now based in Hong Kong. Inroads have also been made in the USA and UK markets. OBE Beef has come a long way since it pioneered the organic beef industry in this country, and is now Australia's largest producer and processor of organic beef, representing the interests of more than 30 producers who manage more than seven million hectares of land in the Channel Country.

One factor that distinguishes OBE Beef from other meat producers is the important role played by women. "For whatever reason, in OBE we've employed all women and I didn't mean that to happen but it's actually been quite a good point of difference in the beef industry, as you travel the world. There's actually not many women in the business. No other beef exporter has an all women team like we do". The women on the land, wives and partners of farmers and managers, are also recognised as playing a pivotal role, both on the land and in promoting the OBE brand. Women are actively involved in managing the farm and are often responsible for finances and reporting requirements, and consequently have a wealth of knowledge and information to contribute. OBE Beef has been represented in Hong Kong and Taiwan by all-female delegations from Channel Country properties. An advantage for the producers to become involved in the delegations is that they are able to see the final destination of their produce. As Simone says, "We hope we'll get a few more of the producers, including the blokes, overseas to see where their meat is going because they get a great sense of satisfaction from it".

Doing business this way is part of the philosophy of OBE, which is to have involvement from the paddock to plate, a clear break from the structure of traditional supply chains in the meat industry. This ability to reconceptualise the supply chain is a distinguishing feature among exemplars of sustainable supply chain management (Pagell and Wu, 2009), and has played a large part in OBE Beef's success. OBE Beef has been recognised for its achievements in a number of awards, including the Monash University Export Award at the NAB Agribusiness Awards for Excellence in 2006. The Export Award recognises excellence in market oriented export behaviour, product development for export markets, quality of export marketing plan, profitable entry into a new market, and assesses the impact of exports on overall business performance, including growth in exports, revenue, and percentage of sales.

Having marketing as a core activity sets OBE Beef apart from traditional meat supply chains. One of Simone's strongest leadership skills is her ability to sense market opportunities and to convert an idea into a compelling vision. As Ibarra and Obodaru (2009) suggest, as practical futurists, leaders test new ideas against available resources and work with others to develop ways to reach objectives. Simone's ability to provide creative ideas and suggest ways the supply chain can respond has resulted in the inclusion of value-added products to the range. OBE Beef designed, developed and now markets fully traceable, 'paddock to plate', certified organic beef products such as beef patties and meatballs, and in 1999 was the first Australian company to introduce a fully branded Australian beef program into the USA. The credibility that OBE Beef has established can be measured by the recent invitation to join the largest organic cooperative in the US. The company prides itself in pushing the boundaries of possibility. As Simone says, "We are just a very small business but for the scope of things I think I get a lot of satisfaction about doing something new, breaking new ground. You get a great sense of satisfaction from that". Not content to rest on their laurels, the company has turned its focus on expanding the network to include organic lamb, which it will operate under its rigorous organic management system.

A sustainable supply chain is one that performs well on both traditional measures of profit and loss as well as on an expanded conceptualization of performance that includes social and natural dimensions (Pagell and Wu, 2009). So far, OBE Beef has performed well on the traditional and expanded views of sustainability. Its market continues to grow globally and locally, and the opportunities created have strengthened the social and economic wellbeing of some of our most remote rural areas. In many ways, this is just the beginning for this vibrant, innovative supply chain, and OBE presents a good role model for other organic – as well as traditional - producers in Australia.

Strategies for Success

Long-term Vision for Sustainability

According to Bell (2007:18), "an effective vision does not predict the future; it shapes it. It is about defining a future you believe in, a compelling future that genuinely drives you and others". The vision shared by Simone Tully and her co-founders involved more than just doing well as a business. It was about the sustainability of the industry, protecting the unique environment of the area, and providing economically viable solutions for this generation of farmers and the generations to follow.

'That's probably where our passion for the business comes from because we do feel that we are doing something great for the environment and we are providing opportunities for our next generation of people. And that's important. You know you can't just farm to make a quick buck over a ten year period. You've really got to farm for a 100 year period'.

'You have got to be in it for some reasons other than money because it's not always easy. There's always give and take, even in our business, we have a diversity of markets so our producers can't aim for the top market only because different markets get different prices. A producer can't aim solely for the top market every time, it doesn't work that way'.

'I am very much always looking ahead. But the potential weakness to always looking ahead is that you might forget to bring up the rear. You have got to keep everybody moving with you, otherwise you end up too far ahead. So you've got to make sure they all are ready to take the same financial risk for example'.

Understand the industry

Having a family background in cattle farming has been an advantage for Simone Tully because it has equipped her with a deep understanding of the industry, the environment in which she works, and the challenges faced by the stakeholders. Research involving high performing companies in Australia

found that leadership revolves around in-depth knowledge of the business (Cocks, 2009). Simone's understanding of the industry helped determine the potential of innovative solutions for sustainable management, as well as providing insight into how best to deal with the challenges of establishing and successfully managing a global supply chain.

'My family have been farmers as long as we can remember, since three or four generations ago. It's that real understanding if for whatever reason, let's say the cattle don't come in, I don't have a heart attack, I don't stress out, this is just the way it is. Let's look at another way of finding the solution. So you've got to have that, there's no good getting upset about it. My producers do absolutely everything they can to do what they need to do, but I never make them feel like they are letting me down, or letting the business down, because that's the way it is in the bush. Our business has got those far flung stations. There's a lot of logistics involved'.

'In agriculture there's always some drama, somewhere in the world that can affect anybody's business. We have to contend with weather patterns and other environmental factors that other businesses may not have to, to the same extent'.

Have a clear strategy and show leadership

As well as needing deep knowledge of the business, Cock's (2009) research found leadership benefits from having a clear and fuzzy strategy. A strategy needs to be clear but can be fuzzy at the edges "to take advantage of incremental opportunities, even if they lie just outside their current clear strategy" (Cocks, 2009:19). Simone's leadership has propelled OBE into exciting new ways of organising a supply chain and, by continually scanning the environment for emerging trends, she has kept the organisation ahead of the pack with innovative solutions to consumer preferences.

'The next 30 years, I think there is real change happening. You have upheaval and out of upheaval often comes innovation and a willingness to take a bit more risk. I think agriculture needs it. There's a few barriers to trade for Australia but we're going to break that down too I hope'.

'Well I think I have a bit of a strategic thinking brain that puts the pieces into place and I think I probably am still quite good at seeing the opportunities and getting the resources to make it work'.

'I don't know whether the business has been going in one direction or whether it has been meandering, you know. You might say well to go direct to what you are doing, and show continuous growth is the most efficient way to grow a business, but that may or may not be the case. We keep our eye on the main game but we always have these little offshoot things happening at the same time'.

Communication

Information sharing is the most important factor for successful supply chain management and has been linked to improved chain performance (Lee and Whang, 2000). After all, "the best idea in the world can fail if it's not communicated effectively" (Hattersley and McJannet, 2005: 3). As Novak (2009) notes, open information exchanges are becoming increasingly transparent and build sustainable trust because they provide information about sourcing, partners and the entire value chain. For Simone Tully, open communication has been crucial in developing the supply chain and continues to play an important role as on-going engagement and collaboration among stakeholders is viewed as the norm.

'It's like an information dissemination centre here. We provide any support we can because paperwork can be a bit daunting and because we are dealing with the other farms, and because we know each other well now, or we share information, we can say that's what that person is doing, don't panic, this is what you do, this is plan A, B or C'.

‘At the beginning of the supply chain, I’m talking to all of those people on a regular basis, once a month, or once every three months. I would usually be talking to the people at that end of the chain at least several times a year and my management team are emailed all the time, but I speak to each one of them at least once a week. We stay in touch with our logistics people, at the same time I’m always looking at the new markets’.

‘If you are talking about people in the bush. If you have 10 people, they are going to have 10 different points of view generally and they are going to have different levels of knowledge. So you have to clarify a lot. You have always got to be educating the people that are making decisions with you, so you are at the same speed. I just think it’s so imperative that everyone is keeping pace and that’s why open communication is so important. Producers share a lot of information with me about their properties. So over the years now I know a lot about the different stations and staff management’.

Collaborate

As well known management guru, Peter Drucker (1992) commented, ‘focused and deliberate collaborative innovation among all stakeholders is now a required business competence’ (cited in Novak, 2009:19). Collaboration was key to setting up the OBE Beef supply chain, and it continues to be the way the company operates. Research suggests that women as leaders focus on relationships more than task-oriented behaviour, and have a tendency to include everyone in group work and decision-making (Easterly, 2008). This has certainly been the case in OBE Beef, but the company’s approach also indicates widespread willingness to engage in collaboration, regardless of gender.

‘I would say I’m a collaborative person. I’m attracted to being in a team. I can easily work alone, I work alone a lot, but I get the one plus one equals three factor. I get a lot of enjoyment from getting across the line as a team. So, if you are in a game, you know all the group counts. There’s a lot of independent thinking in the business. And nobody just agrees with me because I’ve been doing it for a few years longer than they have or anything like that. That’s important’.

‘I think of collaboration as a risk management strategy. I mean two people making an important decision is much better than one and with four people you are more likely, if you have a set of circumstances, to navigate the situation better than if you are just calling on one person’s view point’.

‘That collaboration is really right across the chain. If somebody has a concern about something they will ring each other and have a chat about whatever it might be. And that comes from mutual respect and just the transparency of information’.

Recognise importance and encourage diversity of skills

Simone Tully recognises the value of diversity in the supply chain and believes in making sure that complementary skills are available within the chain. To better understand her own skills as well as the skills of others, Simone has conducted psychometric testing of key individuals, including herself, and strives to maintain a balanced set of skills and attributes within the chain. Harmonizing the skills is challenging, but it has proved to be one of the strengths of the company.

‘It’s recognising our differences in our personality and accepting them. You really can’t change what people’s strengths and weaknesses are and you just utilise their strengths and compensate for their weaknesses. Special skills are required to actually keep the momentum going and to satisfy everyone’s needs and to keep it successful. Family businesses that are the most successful in agriculture are the ones that get it. And they do put people in the right roles and they understand human resource management’.

‘Everyone needs to worry about their corporate memory and making sure you’ve got some depth of people in your organisation. Whether it’s on farm or off farm. Yes so I’m into having

that diversity in skills within the business and making sure that one person is not trying to do too much. I'm one of those people who just do a little bit of everything but that suits me but that doesn't suit some people'.

'Lots of supply chains have just fallen away due to the lack of ability perhaps, to set up proper finances, proper responsibilities, proper staff. Self management is quite difficult because you actually already have your own businesses to run. So it's letting go of your own business in order to further the goals of the supply chain you are setting up. So I think that other people do find it hard to redefine their different roles in the group'.

Networks and Mentors

Strategic analysis demands a solid grasp of what is happening outside your group and firm, and a good external network is the first line of defence against insular thinking (Ibarra and Obodaru, 2009). In the same vein, Marsden et al. (2000) claim that networking both horizontally and vertically are critical for the success of the suppliers of organic products. Simone recognises the importance of networks in keeping her up-to-date with what is happening in the industry and with what competitors are doing, both locally and globally. Mentors also proved invaluable to Simone as her leadership skills developed and as new challenges were faced.

'We've got the industry network that you have got to stay in touch with, be sure you are familiar with any changes in the industry and the legislation. I need to know what my competitors are doing, from different countries, as well as within Australia. Where the meat is moving around the world. You need to have a broader picture'.

'I am still out there finding new relationships. I mean I know I could easily be set with my same mentors and the group that I deal with but I still thirst for new projects and new people so that's something that I enjoy. And I think that brings something to the business.

I haven't lost that enthusiasm. I've improved my skills. I certainly have broadened my network of people I can ring for advice, and that comes through meeting different people through the executive programme so you do, you just pick up a network of mentors that are important, informal, but important. And of course, I hope I am also a mentor to others'.

Some further thoughts

- 'We are producers and we own our supply chain but that doesn't mean to say you can't be a processor or you can't be a shipper, or you can't be an importer and also set up the supplier chain. Sometimes they work and sometimes they don't work and it depends on how you structure your management, as top down or bottom up'.
- 'Integrity is important, doing what you say you are going to do'.
- 'In agriculture, there are farmers who might have a lot of common interest but they may be too competitive or have other things that are limiting factors. They could be a great success if they all swam in the same direction, even for part of the year, just swam in the same direction. Well it certainly works in our case'.
- 'We spent a lot of time finding solutions that were equitable, that didn't require a particular director to risk more than somebody else. We had to work with those decisions and then whatever the directors decided to do, they had to be pretty comfortable. They had to really know what they were getting themselves into'.

Company contact details: <http://www.obebeef.com.au>

10 New ways of doing business in the aquaculture industry

Serena Zipf: Rocky Point Prawns

Rocky Point Prawn Farm has been called the champion of prawn farming in Australia through its pioneering work in establishing export markets, particularly in Japan, and its involvement in cutting-edge research and development, which has brought new life to the industry. The leadership shown by the company has resulted in many breakthroughs in the use of new technologies and sustainable and environmentally sound practices, and has placed the Australian seafood industry among the best in the world. As Serena Zipf, co-owner and Director, explains, “we knew we had the ability to do something new, and we saw an opportunity to grow a market that had endless potential. We also knew we had the ability to do some really innovative things with the product as well.”

Rocky Point Prawn Farm was established in 1984 in south-east Queensland by the Zipf family, third generation cane farmers who took the bold step to diversify from the ailing sugar cane industry. Converting their cane farm to aquaculture ponds was not the only challenge facing the family, as the prawn farming industry was also undergoing considerable turmoil. At that time, the auction market was the only system of sale available to Australian prawn producers, and with the system biased toward the buyer, it left the producers in an unenviable position. There was little opportunity to grow the business because producers, in effect, were allocated a fixed volume for supply, and the changes in demand and supply caused unpredictable price fluctuations, often daily. As Serena Zipf explains, “It was the way they’d done business for the last 100 years, but the system had to change if the industry was to remain sustainable”.

Many prawn producers had already left the industry, unable to maintain a viable business under the system, with others destined to follow unless a new approach was used. Thinking they had nothing to lose, the Zipf family took the courageous step in leading the way to a more sustainable approach, both for their business and the industry. Serena says, “what we did was risky, there was no question about it, but I felt as though we had no choice. It was better to see if our solution worked, then make a decision about our future in the market”. The challenge was confronted in two ways: Establishing a supply chain with direct links to the customer was a way to overcome the limitations of the auction system; and engaging in research and development and adopting environmentally sustainable practices was a way to revive the industry and reach new markets.

While local markets dominated their interest initially, the company quickly changed its focus to the emerging overseas market demand for high quality product. Despite doomsayer predictions, it secured a contract to export frozen black tiger prawns to an exclusive restaurant in Japan, which was prepared to pay a premium price for a premium product. By 1993, the company was value-adding by growing kuruma prawns, one of the most highly prized seafoods in Japan, and entering the live prawn export market. Rocky Point Prawn Farm is now Australia’s leading aquaculture producer and exporter of prawns, in particular the kuruma prawn. The kuruma prawns are harvested, air freighted and sold live to the top sushi restaurants in Japan.

Extensive research was undertaken to investigate market demand for prawn species and the processes needed to deliver a premium product. Over the years, the company has invested strongly in R&D, and has formed partnerships with a number of research agencies, including CSIRO and Australian Institute of Marine Science (AIMS), with spectacular results. Some of the innovations and accreditations that have resulted from these collaborations include:

- In 1994, gained International Standards Organisation (ISO) 9001 quality assurance accreditation, through being the pilot farm in Department of Primary Industry project,
- In 1997, first live prawn farm in the world to gain the internationally recognised Quality Assurance accreditation ISO 9002,
- The first in the world in aquaculture to receive international environmental accreditation, (ISO 14001) for its environmental management program, setting a benchmark for the industry, with funding from the Environmental Protection Agency (EPA),
- Developed innovative packing technology to successfully improve live prawn packaging, in partnership with Queensland Department of Primary Industry,
- The first in the world to develop the biotechnology and a process to grow pedigree prawns, through a breeding program that enables farmers to produce their own elite broodstock, thereby creating a reliable source and better performing stock, in partnership with CSIRO's Food into Asia project, and Australian Institute of Marine Science (AIMS).

The objective of these collaborations was to achieve a sustainable and viable aquaculture industry in Australia, and the results of their work is shared openly with industry. The groundbreaking achievements of Rocky Point Prawn Farm have made the company a model for other aquaculture farmers, who have benefitted by adopting the innovative solutions pioneered by the Zipf family. Far from being in the doldrums, the aquaculture industry in Australia is experiencing increasing demand for its quality products from top-end markets around the world.

One of the first challenges that Serena faced was overcoming the limitations of the auction system then in place. Serena wanted to build relationships with her customers, which meant that an alternative to the system had to be found. Through its involvement with the Prime Minister's Supermarket to Asia Program, the company developed a whole of chain approach to the Japanese market. The aim was to move away from the commodities-based approach and directly supply restaurants, hotels, supermarket chains, markets, and other consumers based on demand and through marketing. Selection of trading partners was critical at this early stage. As Serena recalls, "I used to think that big was better. So when we started building our new supply chain we went for the big and the famous, and they didn't want to know us because we are too small. So then we re-evaluated and looked for people who could grow with us, so there was a mutual benefit. They needed us as much as we needed them. And that has worked very, very well for us. Now, I have clients who pay on time and don't make me wait 75 days. I get a higher premium and I get instant feedback from the client and we can grow our business together." The Zipf operation is now made up of three businesses - Rocky Point Prawn Farm, Rocky Point Hatchery, and Rocky Point Foods Japan, and operates as a totally integrated supply chain, dealing directly with its customers.

In many ways, the Zipf family has been responsible for re-invigorating aquaculture in Australia through its innovative approach. The significant contribution has been recognised by several awards, including Premier of Queensland's award for excellence in agribusiness exports 1997, Queensland-Japan Chamber of Commerce and Industry's Supreme export award 1997, Queensland Minister for Primary Industries' award for excellence in marketing 2001, and Australian Institute of Management's (AIM) owner/operator manager of the year 2002, which recognised Serena's contribution and her leadership ability within the business, industry and community.

As Champy (2006) notes, with a globalised market comes a heightened level of competition but also access to new markets, which may require companies to embrace a new business model, new operational principles, and a new way of pricing. Serena has embraced all of those challenges but her leadership does not stop at the supply chain level. She is willing to share her knowledge and experience by undertaking committee work and accepting board appointments that benefit the industry

as a whole. In turn, Serena acknowledges the valuable advice and support she received from her mentors.

As Melnyk et al. (2009:4643) point out, “the future of supply chain management is strategic. It deals with not only execution but also with product design; it is strongly global in nature; it is highly adaptive to changes in both supply and in demand; it recognises the presence of risk (and that risk is more than simply supply chain disruption) and it plans for and manages risk appropriately.” Further, it requires a shift from cost minimisation and product delivery to generating value through designing and delivering products and services that satisfy new and emerging demands (p.4645). Serena has always taken a strategic and innovative approach. In fact, you could say Serena is leading the ‘supply chain of tomorrow’ today.

Strategies for Success

Seek advice from others and be flexible

“Good leaders have the willingness to confront reality all the time, year after year. Good leaders know how to listen to the criticism that is helpful, ignore the criticism that is not, and be able to tell the difference between the two” (Manfredi, 2008:93). Serena understands the importance of good communication, especially listening, and is not afraid to seek advice from others. Part of this approach is to avoid having rigid views and, instead, having a flexible and adaptable mindset within the context of the key overall objectives. According to McKenna and Rooney (2008), wise leaders need to see the world in different ways, and they need to act on this understanding, while Bennis (2007) adds that adaptive capacity or resilience is the single most important quality in a leader.

‘Because we were creating a brand new chain, we had to really listen to other people’s opinion. There were significant risks for us because we had been warned not to attempt it, really. There were several ways we could have formulated the chain so we listened to what people had to say about how to do it. Listening was always important because you can’t be fooled by your success but to continually be on the look-out for better ways of doing things and just be willing to know when you are wrong’.

‘You also need the ability to let go of something you have worked so hard to establish. Initially the chain that we formed had to evolve into different chains, that was just part of the process. So it is critical to not be so enraptured by your original concept or baby that you can’t move on and develop it further and even change it so dramatically that it doesn’t look anything like the original one to start with’.

‘I think a lot of businesses see the end coming but they are too scared of the change and so they still stick to what they know, knowing that the end is coming. Instead of holding that rigid idea that this is what I wanted, this is what I’m going to follow no matter what, we were adaptable and flexible. And then we had the courage to just go and do it. And we have survived’.

Network and mentors

Research suggest that having mentors, participating in professional forums such as conferences, and being part of informal industry networks helps entrepreneurs identify viable business opportunities and increases their belief that they can successfully accomplish tasks they undertake (Ozgen and Baron, 2007). Serena credits some of the company’s success to the mentors who steered her in the right direction and provided valuable advice as well as a sounding board for ideas. In turn, Serena contributes to the industry through her advocacy work and through committee work for the State and Federal governments, “It’s been something that I have really enjoyed getting my teeth into. Two things that are not just operational but on a level that really affect the industry on a large scale”.

'I keep in close contact with one of my mentors. And basically when I have a problem I ring him, and we just talk and he'll give me something to think about. He really mentored me along the way quite heavily as well'.

'I think when you are younger you think you know everything, but as you get older, you start to really recognise that there is a wealth of wisdom, particularly from people who have been in this industry for much longer than you. I have really drawn on that a lot more in the last few years. I'm really interested in people who have made a success, or made breakthroughs and how they did it and what drives them'.

Do not be afraid to lead

Strong, committed leadership is crucial to successful change (Daft, 2005), and Serena has clearly demonstrated strong leadership in guiding the company and industry through uncharted waters. Her tenacity and willingness to make tough decisions have led to critical improvements in the way the industry conducts business and in world breakthroughs in prawn farming. As Daft (2005) reminds us, courageous leaders create opportunities to make a difference to the company and broader community by breaking traditions, reducing boundaries, and not conforming to outdated models which no longer serve the purpose.

'I'm not the kind of person to struggle with competing values or anything like that. So my staff know exactly where I will stand on any issue. They know that if there is a quality problem, I would rather not send one single bit of product out. I suppose when I get let down by people who don't follow what they know I want them to do and the brand name gets damaged, I am not happy about that. But I'm the one that still ultimately has to own that. The buck stops with me'.

'In a way I take more calculated risks now. In the beginning, I think there was a certain amount of youthful bravado, go there and hope for the best. I don't do that so much any more. On the other hand, I am trusting my instinct more about people that I deal with. Now, I consider the impact of my decisions as a leader. Not just in a very narrow sense any more, but in a much broader sense'.

'We are proud that we are employers that are different because we have managed to retain all our key employees, even when we went through very uncertain times. Because they know what we represent and they know that we would have their interest at heart. For example, we work out rosters that are basically sympathetic to everybody while still getting the job done. And they share in the rewards as well financially. So it's always been made very clear to them that they get paid a wage no matter what and a bonus based on how well we have done. We're the only ones in this industry to do that'.

Relationships built on trust

Research suggests that trust among supply chain members is directly related to the increase of capabilities in the buyer-supplier relationship, and strong relational ties, particularly trust, are linked to beneficial performance outcomes (Panayides and Lun, 2009). One of Serena's objectives in establishing the supply chain was to forge close relationships with the customer and consumer. This was a clear break from the past where farmers had no contact or knowledge of where and to whom their produce was sold. Developing mutual trust with buyers was a central feature of the relationships Serena nurtured, and continues to be the way the company conducts business.

'One of the ways we changed the way the supply chain operated was in the relationships that we built with the people in the chain. There is enormous trust between our company and our partners, because if I committed to do something, they knew I would do it, even if it cost me on occasions. Trust is so important in any relationship, but particularly when you are dealing in Asia and forming a business relationship because it is not really focussed on signed contracts. And because of that trust, you can't help but become like a strong group, and it's like a family'.

‘There was a period where all of us, all the producers, went through quite a tough time simply because the market was on a downward trend. However we were the only ones to pull through with considerable help from our trade partners. Because that was the strength of the relationship that we had, and the faith they had in us. It was a really big call but that got us through and no other producer [in Australia] survived that time’.

e don’t operate on a hierarchical level. Our senior managers actually see a lot of the financial information as well.

Communication

A communication champion is firmly of the belief that communication is essential to building trust and gaining commitment to the vision (Daft, 2005). Serena is an advocate of open and honest information and views communication as vital to the effective operation of the supply chain, and for maintaining strong relationships.

‘Usually I prefer to communicate face to face. It’s easier to read the nuances because sometimes a yes isn’t really a yes. So when we were exporting I would be there every second month, but I’d be on the phone every day’.

‘I’m the kind of person who hates fighting stupid political battles. If there was a problem, I’d rather know about it straight up and deal with it and then just move on. It’s pretty much two way communication between members of the supply chain’.

‘The supply chain is seen really as a relationship where the more information we exchange, the more we are going to benefit each other’s businesses. If one member of the chain has something new to say, or something to add, that information is spread along the chain, usually by me. It definitely helps with problem-solving and innovation’.

Some further thoughts

- ‘Gather good information before you start and keep gathering information along the way, don’t stop’.
- ‘Get a mentor, at least one, who you can call on when you get in a pickle’.
- ‘Have the courage of your conviction’.
- ‘You have to communicate, and keep communicating’.

Company contact details: <http://www.rockypointprawns.com>

Results

Major Themes - Strategies for Success

A number of common themes emerged from the interview data, and reflect the 'strategies for success' utilised by the leaders participating in this research project.

Communication

The theme that emerged most strongly through the interviews was the importance of communication. It is only through communication that the other strategies are able to be realised and, for this reason, is considered a key to success. As Lee Iacocca once said, "You can have brilliant ideas, but if you can't get them across, your ideas won't get you anywhere". Our leaders recognise the crucial role communication plays, and as Rakesh Aggarwal from Longwarry Park comments, "communication is very important because it makes people involved in what you are doing at all levels." The ability to articulate and promote the vision and to suggest ways to achieve it is at the core of successful leadership.

Regular and open communication along the supply chain is advocated by all our leaders, and they mean two-way communication where all stakeholders have input and express their feedback and ideas. In keeping, leaders also emphasised the importance of listening. As Jon Durham from Apple and Pear Australia Limited's intellectual property arm, Coregeo® Australia, notes, "You have to listen and hear and develop good relationships with people. People are critical, foster those relationships. You've got to listen and hear the things that they say and you've got to make sure that you respond to the things that are important to the other people." This comment highlights the emphasis placed on relationship building by our participants and their willingness to be open-minded to opinions from others.

Our leaders prefer a personal, face-to-face approach to communication, and encourage others within their chain to do the same. When this is not possible, a variety of other methods are used including newer technologies such as chat forums and Skype, and of course, email and SMS. Regardless of the methods used, frequent communication is recommended by our leaders and is seen as a way to build social capital within the supply chain through strengthening relationships.

Passion and clear vision

It is often said that a person with vision and passion can achieve great things. Our participants are passionate about their vision and are clear about how they see the future for their company and the supply chain. As Juleigh Robins from Robins Foods says, "you've got to have a long-term vision. If you don't have that then no-one else is going to follow you. You've just got to know exactly what you want 20 years down the track."

Kouzes and Posner (2003) suggest that only challenge produces the opportunity for greatness [and] it's about challenge with meaning and passion. To make incremental progress towards a long-term vision requires commitment and perseverance. Passion provides the impetus for commitment and perseverance, attributes which many of our leaders found necessary to overcome the challenges, particularly at the beginning of their journey when their tenacity and vision were repeatedly tested.

For most of our leaders, their passion and vision extended beyond their supply chain to the industry as a whole. Simone Tully from OBE Beef pioneered the organic beef industry in Australia and broke through the barriers to export markets. Considered an exemplar of sustainable supply chain management, opportunities for future generations was an integral part of the long-term vision. Mark

Mackinnon from The Merino Company challenged the traditional ways of operating and introduced a new supply chain model for the wool industry. A core objective is renewing consumer interest in wool, which will benefit all stakeholders and the industry in general.

Having a clear vision does not mean being inflexible. In fact, flexibility and adaptability are often necessary to achieve long-term goals. Serena Zipf from Rocky Point Prawns saw her original concept evolve many times but considers it part of the process to finding the best solution and outcome. For Serena, being adaptable and flexible are critical to survival and long-term success.

A strategy is a must-have

A related theme to passion and vision to emerge related to strategy. A vision needs a strategy if it is to be realised. This may seem evident, but it surprising to find that many companies neglect to put much time into this vital component. Hubbard et al. (2002) found that most organisations do not take plans or strategy seriously, and that there is a lack of commitment to taking the required action. Our participants do not lack commitment and show strategic leadership by providing the direction and inspiration necessary to sustain the organisation and the supply chain.

The strategy is designed to guide the supply chain to where it sees itself in the ‘big picture’ view in terms of individual companies that form the supply chain, the chain itself, the industry in which it operates and ultimately the customer or consumer. Overall, it helps maintain the focus of all the stakeholders. For Juleigh Robins from Robins Foods the strategy was to create a market focus and umbrella brand for the Outback Spirit range of products, a process that took many years but provided a guiding light for the stakeholders. According to Juleigh, “Of course it’s really important when communicating to people that you’re trying to encourage into this chain to show that you do have that strategy. You really have to have it. You can’t just say you’ve got it. You’ve got to be able to articulate that to your partners. I do plan and I am fairly strategic. I have a very clear idea about where I’m going and I do actually formally plan. I set targets.”

Collaboration and building relationships

In keeping with the relational approach adopted by our leaders, collaboration and building relationships were a key focus. The leaders believe that collaborative efforts lead to better solutions and outcomes, thereby improving their competitive edge, and helps to keep all members of the chain firmly on track and committed towards reaching objectives. Collaboration also provides the ideal environment for strong relationships to develop and flourish, an aspect that is a driving force for our leaders. Strong relationships are developed and maintained through trust, commitment, and co-operation which, as Christopher (2005) reminds us, are imperative to successful supply chains.

Relationships were viewed as the greatest contributor to success by all the participants. Strong relationships with customers and suppliers were viewed as critical and there was a willingness to continually review and improve those relationships. For many participants, the relationships among the partners created a supply chain that is unique, opening opportunities for all members. As Tony Esposito from United Dairy Power says, “because we have focused on building relationships, they [the farmers] do not view themselves in isolation, but truly view themselves within a bigger picture, and along the way we have been able to build efficiencies into their business, and that has only strengthened the relationship.”

Tan and Tracey (2007) suggest that collaboration can assist the process of innovation, and that cross-firm thinking can have long-term advantages for the supply chain, particularly when early participation by all parties occurs. This has certainly been the case for Mark Mackinnon of The Merino Company, who involved all members of the supply chain when introducing his ‘sheep to shelf’ approach, which was different to the traditional method employed in the industry.

Encourage participation

Participation is at the heart of collaboration. For our leaders, the views of members of the value chain were considered important, and rather than imposing a dominant viewpoint, time was spent in aligning vision and in reaching genuine agreement. Such a cooperative approach allows all members to feel valued and promotes the sustainability and well-being of each member of the value chain. For example, Rakesh Aggarwal from Longwarry Park believes in being open and has adopted a democratic style of leadership, and is genuinely interested in receiving input from anyone regardless of the position they hold within the chain.

Team approach

A team approach is also linked to a collaborative approach and is used extensively by our leaders. For Mark Mackinnon from The Merino Company, teamwork extends throughout the chain to all members, and involves collaborations between retailers, growers and the marketing arm. Robert Radford from Radford and Son also advocates a team approach and utilises a consultative committee for solutions to issues.

The overall lesson for leaders is to adopt a more cooperative or partnership approach with greater emphasis on participation if they wish to achieve sustainable, high performance.

Understand the Supply Chain and industry

Our leaders were diverse in terms of the time they had spent in the industry with which they are associated. Some like Robert Radford from Radford and Son and Simone Tully from OBE Beef, and Jodie Goldsworthy from Beechworth Honey, followed in their families footsteps and had a life-long exposure to their particular industry. Others like Serena Zipf from Rocky Point Prawns and Chris Clyne from Clyne Foods transitioned from one business and industry type to another. However, all understood the importance of having a ‘finger on the pulse’ in regard to the intricacies of their supply chain and how the industry operated, and its strengths and limitations.

How can a new entrant, or an established entity for that matter, keep a ‘finger on the pulse’ when their own knowledge may be lacking? Our leaders did not assume they knew everything, which leads to our next point – hire the right people.

Know your strengths and weaknesses and employ the right people

The leaders in this study refrain from thinking that they know it all and instead are acutely aware of the strengths and limitations of themselves, their company, and the supply chain. Their strategy is to find the right people matched for each task, and bringing them together as a team. For companies that are introducing new processes or new technologies, such as Robert Radford from Radford and Son, investing in people with the right skills and attitudes was essential to achieving the technological advances required for modernising the plant and realising key objectives for the supply chain.

Bringing in people with expertise can have many advantages. The knowledge that they bring can be shared across the chain, they help the leaders update their own skills, and they bring a sense of capability and confidence throughout the supply chain. As Chris Clyne from Clyne Foods says, “here was our company that sprang from nowhere, had no experience in the dried fruit industry, yet we are trying to convince growers to come on board with us. But we recruited people with purchasing and other experience around us, people that the industry trusted who had been part of the scene for a long time. We were also able to get a marketer with 20 years experience in our industry and with contacts all over the world. That was a big break to get him on board.”

Understanding your strengths and weaknesses provides opportunities for developing your own strengths and those within the supply chain, while addressing and remedying the limitations. One of the ways limitations can be minimised is by developing the skills of those around you.

Develop people along the supply chain

Research by Pagell and Wu (2009) suggests that sustainable chains invest in human capital, and work to build and maintain a culture that values people and the environment. For our leaders, this concept was considered important in regard to developing skills of their own employees, and also included assisting members of their supply chain to initiate improvements as well.

In many ways, our leaders have created 'learning chains'. Tony Esposito from United Dairy Power believes in continual learning and actively encourages and assists chain members to find innovative solutions to improve processes. These solutions are then available to other chain members to adapt to their particular circumstances. Chris Clyne from Clyne Foods has a comprehensive training program, allowing staff to improve their skills and apply for better positions within the company. Chris also has a succession plan for all key roles, which provides additional opportunities for staff. Learning within the chain occurs through collaborative R&D with suppliers and customers.

Network and Mentors

Another theme that emerged strongly was the benefit of networking and having mentors. Given the rapid changes in the agribusiness sector, it is critical to constantly stay in touch with new developments and market trends, and to understand the dynamics of the new agriculture industry. Many of our leaders are actively involved in Industry Councils and State and Federal committees, as well as networking on a smaller, more personal scale. As Anand and Conger (2007) note, an effective networker has fair exchanges with others, and invest in their relationships instead of simply taking from the relationships. This is the ethos of our participants, who seem to be prepared to give of their time and knowledge to further the interests of their supply chain and industry. Boehlje et al. (2002) recommend leaders should broaden their perspectives and move outside their industry to network because there is much to learn from others.

A more personal benefit was gained through mentors, although the advice may have been applied to a business concern. Mentors provide a sounding board for ideas, and provide guidance advice, support on a range of issues, and when they are knowledgeable about the relevant industry, the insight they can provide from historical and other perspectives are invaluable.

Supportive culture and structure

Culture, like communication, is closely linked to the themes previously presented and warrants particular attention. Having the 'right' culture makes collaboration and relationship building possible, and the same can be said in regard to developing people, utilising a team approach, and most of the other themes presented. Culture is something that is driven from the top, and therefore relates to the leader's attitudes and beliefs.

Roh et al. (2008) maintain that the majority of highly effective supply chains involve leading organizations that shape and influence the supply chain practices, and that has been the case for the participants of this study. Our leaders encourage a supportive culture, which again, is linked to the participative and relational leadership styles they demonstrate. Mark Mackinnon of The Merino Company has nurtured a culture that encourages entrepreneurial activity, and its associated risk-taking behaviour, which support the overall objectives of the company and supply chain. Rakesh Aggarwal has nurtured a culture which empowers others and allows for people within the chain to grow professionally and personally, a culture that is supported by his democratic leadership style. The

culture that Jodie Goldsworthy of Beechworth Honey encourages has had profound effects on the industry and its core players, the beekeepers. Jodie has maintained the integrity of the 'all Australian' product despite commercial pressures to do otherwise, and has nurtured a culture of honesty, integrity and genuine consideration for all the stakeholders.

Together, these nine themes provide a framework for others to follow. The leader participants in this study have shown that new ways of doing business can achieve great things, bringing benefits across the chain and ultimately, to the end user, the consumer, whose engagement is necessary for sustainable, long-term survival. In some cases, the innovative solutions have helped renew and invigorate struggling industries. All these elements bring a sense of hope and confidence that the agribusiness sector in Australia is still a force to be reckoned with in the global marketplace.

Leadership Style

In his book, *Good to Great*, Collins (2001), made the point that great companies were not necessarily led by high profile leaders, instead by humble and self-effacing people with a strong desire to succeed. The participants in this study were also modest about the role they play and perceive that the skills and attributes they bring to the role as 'just what you do'. Yet, each participant was inspirational in their attitude and approach to the challenges they faced.

The dominant leadership approach was people oriented. Consultative, empowering, participative, inclusive, and team oriented were some of the key themes that emerged. A review of the leadership literature suggests three leadership styles that are appropriate to the findings: relational, participative, and transformational leadership.

Relational approach

A relational perspective views leadership as a process of social construction and focuses on a better understanding of the relational dynamics or the social processes that comprise leadership and organizing (Uhl-Bien, 2006). This approach views leadership as a social influence process through which emergent coordination (i.e., evolving social order) and change (i.e., new values, attitudes, approaches, behaviours, ideologies, etc.) are constructed and produced throughout the organization. It is not surprising that this style of leadership emerged in supply chain networks, where the success of the chain is linked to the trust and commitment of the members, and where collective interest and identity develop.

Participative approach

Participative leaders are consultative and tend to share work issues with their followers, solicit their suggestions, concerns, and recommendations, and take them into account in the decision-making process (Hughes, Ginnett, and Curphy, 2006). For this reason, this style is sometimes referred to as trickle-up leadership, and is increasingly being viewed as crucial as those closer to the front-line can offer valuable insights into developing effective strategies (Dubrin, 2004). At the extreme of this approach, democratic leaders confer final authority on the group, and there was evidence of this style among our participants. When applied to a supply chain, participative leaders encourage collaboration, develop leadership in others, and increase commitment and trust.

Transformational leadership

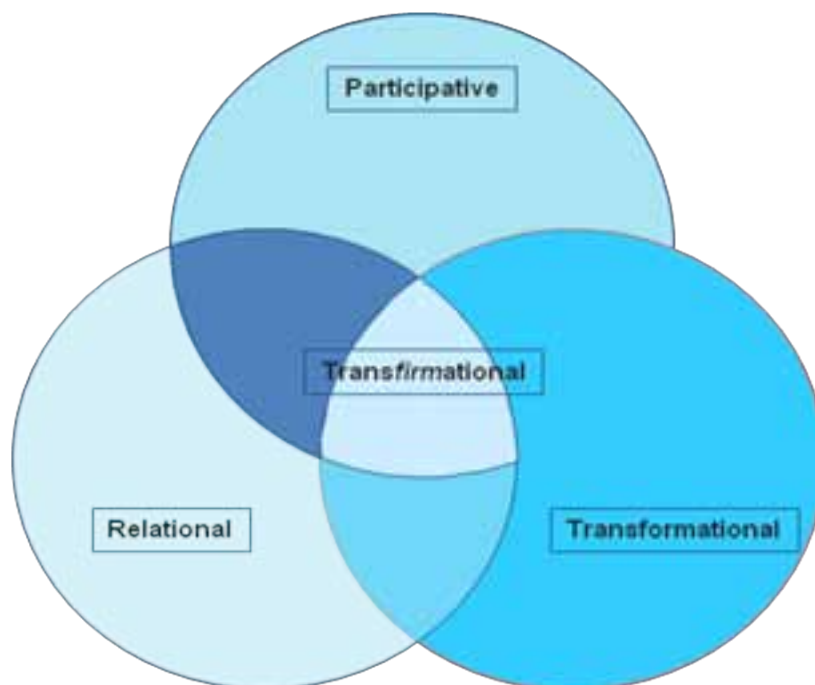
Transformational leadership can be summarised by six behaviours, i.e., identifying and articulating a vision, providing an appropriate model, fostering the acceptance of group goals, high performance expectations, providing individualised support to staff and intellectual stimulation (Podsakoff et al., 1990). When applied to supply chain management, transformational leadership raises the awareness

of the importance and value of desired outcomes, encourages supply chain participants to transcend their own self-interests, and alters or expands the personal abilities and needs of individuals (Hult et al., 2007). Importantly, transformational leadership was found to be the most appropriate style to guide behaviours and activities in the overall supply chain, and not just in simple dyadic relationships. Its suitability to supply chain management is promising given the positive research findings by Hult et al. (2007), supported by the findings of this research project.

Transfirmational leadership

The intersection of these three leadership styles suggest a new model of leadership which we term ‘*transfirmational leadership*’.

Figure 1 Transfirmational Leadership: the intersection of participative, relational and transformational leadership styles



As the name suggests, the behaviours which characterise this new model of leadership focus on inter-organisational collaboration, and have the ability to transform each firm within the supply chain towards a new way of thinking and doing. This style of leader has a clear and compelling vision which is pursued with passion and energy, and which appeals instinctively to supply chain members. With a focus on building strong relationships, this style of leadership builds trust and commitment, and nurtures a supportive culture throughout the value chain. Desired outcomes are dependent on all members, but in turn, all members share in the benefits that accrue from involvement in an effective and successful value chain.

A model of the *transfirmational* leadership style is shown below and includes nine key elements: championing communication, passion and clear vision, , strategic focus, collaborative orientation, relationship building, developing leadership in others, networking and mentoring, seeking complimentary skills within the supply chain, and nurturing a supportive culture.

Figure 2 Model of Transfirmational Leadership



A summary of the key behaviours for each of the nine elements of the model of *transfirmational* leadership is provided in Table 1. These key behaviours are the major focus for the ten *transfirmational* leaders profiled in this study and provide a guide to aspiring chain leaders.

Table 1 Key behaviours of Transfirmational Leaders

Key behaviours of Transfirmational Leadership	
Communication Champion	<ul style="list-style-type: none"> • Advocates open and timely communication throughout Supply Chain • Articulates vision clearly • Uses two-way communication and listens
Passion and Clear Vision	<ul style="list-style-type: none"> • Clear long-term vision • Passionate about future • Vision extends beyond supply chain to industry
Strategic Focus	<ul style="list-style-type: none"> • Provides direction and inspiration • Focus on the long-term
Collaborative Orientation	<ul style="list-style-type: none"> • Encourages genuine participation • Prefers a team approach
Relationship Builder	<ul style="list-style-type: none"> • Focus on developing strong relationships • Prefers a personal style of interaction
Develop Leadership in Others	<ul style="list-style-type: none"> • Invests in human capital to build capabilities • Utilises training, delegation, and has succession plan for key roles
Networker and Mentor	<ul style="list-style-type: none"> • Broaden involvement beyond the Supply Chain to industry associations • Seeks advice when needed, and prepared to mentor others as needed
Seeks Complimentary Skills	<ul style="list-style-type: none"> • Understands strengths and limitations of self, supply chain, and industry • Recruits right person for the right job
Nurtures Supportive Culture	<ul style="list-style-type: none"> • Develops culture along supply chain that supports objectives • Highlights awareness of mutual goals and needs and importance of actions of all chain members

Implications

Globalisation in agribusiness has increasingly seen inefficient parts of Australian agribusiness value chains either eliminated or moved offshore. Rural and regional communities can often suffer the economic impact of this restructuring of chains with job losses and economic decline. This research project develops an alternative to this decline based on collaborative value chains maintained by new models of inter-organisational leadership.

Globalisation and new models of strategic advantage based on cooperation have challenged older models based on single firm competition and adversarial relationships in the value chain. Modern business strategy is focusing on the integrated value chain of producers, processors and retailers as the unit of competition rather than the single firm. For Australian agri-food leaders to be successful in this new paradigm they need leadership skills that transcend the boundaries of their own firms and allow them to successfully develop globally competitive value chains.

This report, in the main, is targeted towards participants in Australian agri-food value chains including producers, processors and retailers. In particular, aspiring chain leaders will find the research results of particular relevance in developing appropriate leadership styles that can increase the effectiveness and efficiency of Australian agribusiness value chains.

The main output from the project is a guide to effective leadership styles in the context of Australian agribusiness value chains. This study has identified a new leadership style to increase the effectiveness and efficiency of Australian agri-food value chains, namely, *transfirmational* leadership.

A model of this new *transfirmational* leadership style includes nine key elements: championing communication, passion and clear vision, strategic focus, collaborative orientation, relationship building, developing leadership in others, networking and mentoring, seeking complimentary skills within the supply chain, and nurturing a supportive culture.

The successful adoption of this new leadership style could have significant implications for Australian agri-food value chains including:

- Reduced transaction costs through reductions in the time, and expense of negotiating, monitoring, and enforcing interfirm behaviour to prevent opportunistic behaviour by chain members who seek gain for the individual firm at the expense of the whole chain
- Increased agility for Australian agri-food value chains through information sharing among all participants in the chain
- Understanding and developing the skills and capabilities required to efficiently manage the linkages in agribusiness value chains so that Australia can share in the economic benefits of global agribusiness supply chains.
- Regional and rural agribusiness development is likely to be fostered by stronger inter-organisational linkages in the agribusiness sector and will positively impact on rural employment opportunities
- Effective inter-organisational leadership will improve the efficiency of supply chains through more efficient use of scarce resources such, as energy and water resources, and result in more sustainable practices.
- Opportunity for expansion of Australian agribusiness value chains by effective leadership during an era of increasing globalisation. The research specifically targets aspiring chain leaders and provides guidance on effective leadership styles for co-ordinating agribusiness value chains.

- Efficient agri-food chain management practices will reduce waste and environmental impacts of the agri-food industry. This could include reduced fuel costs, water use and packaging from chain leadership practices based on collaborative business models.
- Allows access to more sustainable opportunities for long-term development of each chain member and the chain as a whole.

Recommendations

Inter-organisational Leadership Development Program

The important point to remember is that leadership skills and styles can be learned. Leaders are not born with a certain style (Nicolaou-Smokoviti, 2004). The guidelines highlighted by the exemplars presented in this study should encourage others by creating an awareness of the importance of leadership and leadership style, and increase their understanding of the strategies needed to effectively engage and manage a successful value chain.

A more constructive way of developing leaders is to develop training programs designed to specifically address the skills identified as effective in an agribusiness supply chain. The nine behaviours identified in the *Transformational* leadership style provide a framework for developing relevant skills of our current and emerging agribusiness leaders.

Mentoring and Networking

It is evident that people gain considerable assistance and insight through industry and personal mentors, and through effective networking, both within the industry and external to it. In consideration of the tyranny of distance and, in the current age, the tyranny of time, utilising new technologies provide a way forward for our leaders.

Electronic networking platforms may offer a cost and time effective solution for networks and new communities of practice to emerge and be sustained in the long-term. Nonetheless, new technologies should not replace face-to-face communication; instead they should supplement the richer experience of personal face-to-face communication and networking.

Consideration could be given to providing training for developing mentoring skills. This could be done in conjunction with broader communication skills training.

Companies could consider developing and implementing 'in-house' mentoring programs which match established inter-organisational leaders with emerging chain leaders.

Companies could consider developing cross-firm staff secondment programs, where key roles and skills are exchanged between closely linked firms. This could be effective for agribusiness supply chains.

Development of psychometric selection methods

Consideration could be given to developing a *transformational* leadership questionnaire, based on the nine behaviours identified in the study. This would assist in the selection and development of future *transformational* leaders in agribusiness. The instrument would be useful in identifying strengths and limitations, and people most likely to benefit from the proposed leadership training programs.

The instrument could also be useful in selecting staff for cross-firm secondment and individuals with potential to become the next generation of *transformational* leaders of Australian agri-food chains

References

- Ambrose, E, Marshall, D, Fynes, B, & Lynch, D 2008. 'Communication media selection in buyer-supplier relationships', *International Journal of Operations and Production Management*, Vol. 28, no. 4, pp. 360-379.
- Anand, N, & Conger, J 2007, 'Capabilities of the consummate networker', *Organizational Dynamics*, Vol. 36, no. 1, pp. 13-27.
- Banerjee, S. B, Lyer, E. S, & Kashyap, R. K 2003, 'Corporate environmentalism: Antecedents and influence of industry type', *Journal of Marketing*, Vol. 67, no. 1, pp. 106-122.
- Barrile, S 2002. 'A question of ethics', *Business Date*, Vol. 10, no. 2, pp. 1-4.
- Bazeley, P & Richards, L 2000, *The NVivo Qualitative Project Book*, Sage Publications, London.
- Bell, A 2007, 'Using vision to shape the future', *Leader to Leader*, Summer, pp. 17-21.
- Benda, D. 2008, September 9, 'Green cows beef up dry land', Retrieved from <http://trustorganicfood.com/green-cows-beef/>, 20/9/2009.
- Bennis, W 2007, 'The challenges of leadership in the modern world', *American Psychologist*, Vol. 62, no. 1, pp. 2-5.
- Boehlje, M. D, Akridge, J. T, & Kalaitzandonakes, N. G 2002, 'Preparing for success in the agribusiness market place', *Journal of Agribusiness*, Vol. 20, no. 1, pp. 31-39.
- Bornstein, S. M, & Smith, A. F 1996. 'The puzzles of leadership', in F Hesselbein, M Goldsmith & R. Beckhard (eds), *The Leader of the Future*, San Francisco, Jossey-Bass.
- Breakthrough Newsletter 2009, Vol. 2, retrieved from http://www.griffithhack.com.au/news/nwu_viewArticle, 12/08/2009.
- Cambra-Fierro, J.J & Polo-Redondo, Y 2008, 'Creating satisfaction in the demand-supply chain: The buyers' perspective', *Supply Chain Management: An International Journal*, Vol. 13, no. 3, pp. 211-224.
- Cangemi, J.P, Burga, B, Lazarus, H, Miller, R.L, & Fitzgerald, A 2008, 'The real work of the leader: A focus on the human side of the equation', *Journal of Management Development*, Vol. 27, no. 10, pp. 1026-1036.
- Cangemi, J. & Miller, R 2007, 'Breaking-out-of-the-box in organizations: structuring a positive climate for the development of creativity in the workplace', *Journal of Management Development*, Vol. 26, no. 5, pp. 401-10.
- Cavana, R, Delahaye, B.L, & Sekaran, U 2001, *Applied Business Research: Qualitative and Quantitative Methods*, John Wiley & Sons Australia, Milton, Qld.
- Champy, J. A 2006, 'Leading the real global enterprise', *Leader to Leader*, Summer, pp. 27-30.
- Christopher, M 2005, *Logistics and Supply Chain Management: Creating Value-Adding Networks*, Pearson Education, Harlow.
- Co, H. C & Barro, F 2009. 'Stakeholder theory and dynamics in supply chain collaboration', *International Journal of Operations and Production Management*, Vol. 29, no. 6, pp. 591-611.
- Cocks, G 2009, 'High performers down under: Lessons from Australia's winning companies', *Journal of Business Strategy*, Vol. 30, no. 4, pp. 17-22.
- Collins, J 2001, *Good to Great*, Harper Collins, NY.
- Connelly, D.R 2007, 'Leadership in the Collaborative Interorganizational Domain', *International Journal of Public Administration*, Vol. 30, pp. 1231-1262.

- Cousins, P.D & Lawson, B 2007, 'The effect of socialization mechanisms and performance measurement on supplier integration in new product development', *British Journal of Management*, Vol. 18, pp.311-326.
- Cousins, P. D 2006, '*Developing collaboratively competitive inter-firm business relationships*', White Paper, Manchester Business School.
- Cousins, P.D& Spekman, R 2003 'Strategic supply and the management of inter-and intra-organisational relationships', *Journal of Purchasing and Supply Management*, Vol. 9, pp. 19–29.
- Daft, R.L 2005, *The Leadership Experience (3rd Ed)*, Thomson South-Western, Mason, Ohio.
- Daft, R.L 1999, *Leadership Theory and Practice*, Dryden Press, Orlando, FL.
- Dairy 2009, *Situation and Outlook Summary Report*, retrieved from www.dairyaustralia.com.au/.../2009/Dairy-2009-Situation-and-Outlook-Summary-Report.ashx, 12/08/2009.
- de Leeuw, S & Fransoo, J 2009. 'Drivers of close supply chain collaboration: One size fits all?' *International Journal of Operations and Production Management*, Vol. 29, no. 7, pp. 720-739.
- Denning, S 2005, 'Transformational innovation', *Strategy and Leadership*, Vol. 33, no. 3, pp. 11-16.
- Dowling, P 2001, *Creating Corporate Reputation. Identity, Image, Performance*, Oxford University Press, Oxford.
- Drucker, P 1992. *The Age of Discontinuity: Guidelines to our Changing Society*, Transaction Publishers, .Piscataway, NJ.
- Dubrin, A.J 2004, *Leadership: Research Findings, Practice, and Skills (4th Ed)*, Houghton Mifflin, Boston, USA.
- Dyer, J & Hatch, N 2006, 'Relation-specific capabilities and barriers to knowledge transfers: Creating advantage through network relationships', *Strategic Management Journal*, Vol. 2, pp. 701–719.
- Easterly, D 2008, 'Women's ways of collaboration: A case study in proposal development', *The Journal of Research Administration*, Vol. 39, no. 1, pp. 48-57.
- Fawcett, S. E & Magnan, G. M 2002, 'The rhetoric and reality of supply chain integration', *International Journal of Physical Distribution and Logistics*, Vol. 32, no. 5, pp. 339-361.
- Fynes, B, Voss, C & deBurca, S 2005, 'The impact of supply chain relationship dynamics on manufacturing performance', *International Journal of Operations and Production Management*, Vol. 25, no. 1, pp. 6-19.
- Gandz, J 2009, 'Compelling visions: Content, context, credibility, and collaboration', *Ivey Business Journal*, Vol. 73, no. 2, pp. 8-13.
- George, B 2003, *Authentic Leadership: Rediscovering the Secrets to Creating Lasting Value*, Jossey-Bass, San Francisco.
- Gilley, A, Gilley, J. W & McMillan, H. S 2009, 'Organizational change: Motivation, communication, and leadership effectiveness', *Performance Improvement Quarterly*, Vol. 21, no. 4, 75-94.
- Giunipero, L, Handfield, R. B & Eltantawy, R 2006, 'Supply management's evolution: Key skill sets for the supply manager of the future', *International Journal of Operations and Production Management*, Vol. 26, no. 7, pp. 822-844.
- Goffin, K, Lemke, F & Szejczewski, M 2006, 'An exploratory study of 'close' supplier-manufacturer relationships', *Journal of Operations Management*, Vol. 24, pp. 189-209.
- Grates, G. F 2009, 'Engagement: Why it shouldn't be forgotten', *Strategic Communication Management*, Vol. 13, no. 1, p7-7.

- Guest, G, Bunce, A & Johnson, L 2006, 'How many interviews are enough?: An experiment with data saturation and variability', *Field Methods*, Vol. 18, no. 1; pp. 59-82.
- Harland, C. M, Lamming, R. C & Cousins, P. D 1999, 'Developing the concept of supply strategy', *International Journal of Operations and Production Management*, Vol. 19, no. 7, pp. 650-673.
- Haslam, S. A 2004. 'Let's go the extra mile: Social identity and the link between leadership and followership'. *Leadership Matters*, Vol. 2, pp. 6-7.
- Hattersley, M.E & McJannet, L 2005, *Management Communication: Principles and Practice*, McGraw-Hill, Boston, MA.
- Holland, G 1984, 'Investing in People: A New Direction for Boardroom Policy', *Industrial and Commercial Training*, Vol. 16, no. 6, pp. 7-10.
- Hoover, W, Eloranta, E, Holmstrom, J & Huttunen, K 2001, *Managing the Demand-Supply Chain: Value Innovations for Customers' Satisfaction*, John Wiley and Sons, New York, NY.
- Hult, G. T. M, Ketchen Jr, D. J & Chabowski, B. R 2007, 'Leadership, the Buying Center, and Supply Chain Performance: A Study of Linked Users, Buyers, and Suppliers', *Industrial Marketing Management*, Vol. 36, pp. 393-403.
- Hughes, R.L, Ginnett, R.C & Curphy, G.J. 2006, *Leadership: Enhancing the Lessons of Leadership*, (5th ed), McGraw-Hill, New York, NY.
- Ibarra, H & Obodaru, O 2009, 'Women and the vision thing', *Harvard Business Review*, Vol. 87, no. 1, pp. 62-70.
- Khan, O 2009, 'Liberating passion: How the world's best leaders produce winning results', *Leaders to Leader*, Spring, pp. 18-22.
- Kotter, J 2001, 'What leaders really do', *Harvard Business Review*, December, pp. 85:90.
- Kuzel, A 1992, 'Sampling in qualitative inquiry', in *Doing Qualitative Research*, B Crabtree and W Miller, Sage, Newbury Park, CA.
- Kwon, I. G & Suh, T 2004, 'Factors affecting the level of trust and commitment in supply chain relationships', *The Journal of Supply Chain Management*, Vol. 40, no. 2, pp. 4-14.
- Lamming, R & Harrison, D 2001, Small customers and larger suppliers: The potential for strategic purchasing, *Proceeding of the 10th International IPSE Conference*, Jonkoping International Business School.
- Lee, H. L & Billington, C 1992, 'Managing Supply Chain Inventory: Pitfalls and Opportunities', *Sloan Management Review*, Vol. 33, no. 3, pp. 65-73.
- Lee, H.L & Whang, S 2000, 'Information Sharing in a Supply Chain', *International Journal of Technology Management*, Vol. 20, no. 3/4, pp. 373-387.
- Leeuwis, C 2004, *Communication for Rural Innovation: Rethinking Agricultural Extension*, Blackwell Publishing, Oxford.
- Lin, B-W & Chen, C-J 2006, 'Fostering product innovation in industry networks: The mediating role of knowledge integration', *International Journal of Human Resource Management*, Vol. 17, no. 1, pp. 155-173.
- Lu, X-A 2004, 'Surveying the topic of effective leadership', *The Journal of American Academy of Business*, Vol. 5, no. 1/2, pp. 125-129.
- Manfredi, J.F 2008, 'Selecting leaders who make a difference', *International Leadership Journal*, Vol. 1, no. 1, pp. 1-103.
- Marsden, T, Banks, J & Bristov, G 2000, 'Food supply chain approaches: Exploring their role in rural development', *Sociologia Ruralis*, Vol. 4, no. 40, pp. 424-38.

- McCann, J & Holt, R 2008, 'Ethical leadership and organizations: An analysis of leadership in the manufacturing industry based on the perceived Leadership Integrity Scale', *Journal of Business Ethics*, Vol. 87, pp. 211-220.
- McKenna, B & Rooney, D. 2008, 'Wise leadership and the capacity for ontological acuity', *Management Communication Quarterly*, Vol. 2, no. 4, pp. 537-546.
- Mehta, R, Larsen, T & Rosenbloom, B 1995, 'The influence of leadership style on co-operation in channels of distribution', *International Journal of Physical Distribution and Logistics*, Vol. 26, no. 6, pp. 32-59.
- Melnyk S. A; Lummus, R. R, Vokurka, R.J, Burns, L.J & Sandor, J 2009, 'Mapping the future of supply chain management: A Delphi study', *International Journal of Production Research*, Vol. 4, no. 16, pp. 4629-4653.
- Morgan, R.M & Hunt, S.D 1994, "The commitment-trust theory of relationship marketing", *Journal of Marketing*, Vol. 58, No. 3, pp. 20-38.
- Morrissey, W. J & Pittaway, L 2006, 'Buyer-supplier relationships in small firms: The use of social factors to manage relationships', *International Small Business Journal*, Vol. 24, no. 3, pp. 272-298.
- Nicolaou-Smokoviti, L 2004, 'Business leaders' work environment and leadership styles', *Current Sociology*, Vol. 52, no. 3, pp. 407-427.
- Novak, D 2009, 'An open collaborative approach to attracting and retaining clients', *People and Strategy*, Vol. 32, no. 2, pp. 16-20.
- Ozgen, E & Baron R.A 2007, 'Social sources of information in opportunity recognition: Effects of mentors, industry networks, and professional forums', *Journal of Business Venturing*, Vol. 22, pp. 174-192.
- Pagell, M & Wu, Z 2009, 'Building a more complete theory of sustainable supply chain management using case studies of 10 exemplars', *Journal of Supply Chain Management*, Vol. 45, no. 2, pp. 37-56.
- Panayides, P.M & Lun Y. H 2009, 'The impact of trust on innovativeness and supply chain performance', *International Journal of Production Economics*, Vol. 122, pp. 35-46.
- Perks, H & Easton, G 2000, 'Strategic alliances: Partner as customer', *Industrial Marketing Management*, Vol. 29, pp. 327-338.
- Podsakoff, P. M, MacKenzie, S. B, Moorman, R. H & Fetter, R 1990, 'Transformational leader behaviors and their effects on followers' trust in leader, satisfaction, and organizational citizenship behaviours', *Leadership Quarterly*, Vol. 1, no. 2, pp. 107-142.
- Policy, A 2005, 'Theory "P" and trust', in J Cangemi, C Kowalski, R Miller & J Holloper (eds), *Developing Trust in Organizations*, McGraw-Hill, New York, NY.
- Pressey, A, Tzokas, N & Winklhofer, H 2007, 'Strategic purchasing and the evaluation of problem key supply relationships: What do key suppliers need to know?', *Journal of Business and Industrial Marketing*, Vol. 22, no. 5, pp. 282-94.
- Pullman, M, Maloni, M.J & Carter, C.R 2009, 'Food for thought: Social versus environmental sustainability practices and performance outcomes', *Journal of Supply Chain Management*, Vol. 45, no. 4, pp. 38-54.
- Quinn, L & Dalton, M., 2009, 'Leading for sustainability: Implementing the tasks of leadership', *Corporate Governance*, Vol. 9, no. 1, pp. 21-38.
- Quinn, F. J 2001, 'A new agenda for the decade', *Supply Chain Management Review*, Vol. 5, no. 6, pp. 36-40.
- Rank, J, Pace, V. L & Frese, M 2004, 'Three avenues for future research on creativity, innovation and initiative', *Applied Psychology: An International Review*, Vol. 53, pp. 518-528.

- Rath, T & Conchie, B 2009, *Strengths-Based Leadership*, Gallup Press, New York.
- Roberts, S 2003, 'Supply chain specific? Understanding the patchy success of ethical sourcing initiatives', *Journal of Business Ethics*, Vol. 44, pp. 159-170.
- Roh, J.J, Hong, P & Park, Y 2008, 'Organizational culture and supply chain strategy: A framework for effective information flows', *Journal of Enterprise Information Management*, Vol. 21, no. 4, pp. 361-376.
- Romney, A, Weller, S & Batchelder, . 1986, 'Culture as consensus: A theory of culture and informant accuracy', *American Anthropologist*, Vol. 88, no. 2, pp. 313-338.
- Sahin, F & Robinson, E. P 2002, 'Flow coordination and information sharing in supply chains: Review, implications, and directions for future research', *Decision Sciences*, Vol. 33, no. 4, pp. 505-536.
- Senge, P. M, Lichtenstein, B. B, Kaeufer, K, Bradbury, H & Carroll, J.S 2007, 'Collaborating for systemic change', *MIT Sloan Management Review*, Vol. 48, no. 2, pp. 43-53.
- Sengupta, S 2004, 'The top 10 supply chain mistakes', *Supply Chain Management Review*, July/August, pp. 42-49.
- Service, R. W 2009, 'The leadership quotient: Measuring toward improve', *Business Renaissance Quarterly*, Vol. 4, no. 1, pp. 125-158.
- Simon, A, Sohal, A & Brown, A 1996, 'Generative and case study research in quality management, part 1: Theoretical considerations', *The International Journal of Quality and Reliability Management*, Vol. 13, no.1, pp. 32-42.
- Spekman, R. E, Forbes III, T. M, Isabella, L. A & MacAvoy, T. C 1998, 'Alliance management: A review from the past and a look to the future', *Journal of Management Studies*, Vol. 35, no. 6, pp. 747-772.
- Spekman, R. E, Kamauff Jr, J. W & Myhr, N 1998, 'An Empirical investigation into supply chain management: A perspective on partnerships', *Supply Chain Management: An International Journal*, Vol. 3, no. 2, pp. 53-67.
- Strauss, K, Griffin, M. A & Rafferty, A. E. 2009, 'Proactivity directed toward the team and organization: The role of leadership, commitment and role-breadth self-efficacy', *British Journal of Management*, Vol. 20, pp. 279-291.
- Storey, J 2001, *Human Resource Management: A Critical Text (2nd Ed)*, Thomson Learning, London.
- Tan, C. L & Tracey, M 2007, 'Collaborative new product development environments: Implications for supply chain management', *The Journal of Supply Chain Management*, Vol. 43, no. 3, pp. 2-15.
- Tell, R & Kleiner, B 2009, 'Organizational change can rescue industry', *Industrial Management*; Vol. 51, no. 2, pp. 20-24.
- Tellis, G. J & Golder, P. N 1996, 'First to market, first to fail? Real causes of enduring market leadership', *Sloan Management Review*, Vol. 37, no. 2, pp. 65-76.
- Uhl-Bien, M 2006, 'Relational leadership theory: Exploring the social processes of leadership and organizing', *The Leadership Quarterly*, Vol. 17, no. 6, pp. 654-676.
- Victorian Country Hour, transcript of 'Highest dairy price of the season, retrieved from <http://www.abc.net.au/rural/vic/content/2009/07/s2619129.htm>, 7/8/2009
- Walters, P.G.P 2008, 'Adding value in global B2B supply chains: Strategic directions and the role of the internet as a driver of competitive advantage', *Industrial Marketing Management*, Vol. 37, pp. 59-68.

- Welker, G. A, van der Vaart, T & van Donk, D. P 2008, 'The influence of business conditions on supply chain information-sharing mechanisms: A study among supply chain links of SMEs', *International Journal of Production Economics*, Vol. 113, pp. 706-720.
- Wilding, R & Humphries, A. S 2006, Understanding collaborative supply chain relationships through the application of the Williamson organizational failure framework', *International Journal of Physical Distribution and Logistics Management*, Vol. 36, no. 4, pp. 309-329.
- Wong, A 2001, 'Leadership for effective supply chain partnership', *Total Quality Management*, Vol. 12, no. 7/8, pp. 913- 919.
- Yang, J, Wang, J, Wong, C. W. Y & Laic, K-H 2008, 'Relational stability and alliance performance in supply chain', *Omega*, Vol. 36, pp. 600-608.
- Yeung, J. H. Y, Selen, W, Zhang, M & Huo, B 2009, 'The effects of trust and coercive power on supplier integration', *International Journal of Production Economics*, Vol. 120, pp. 66-78.
- Yin, R. K 1994, *Case Study Research: Design and Methods (2nd ed)*, Sage Publications, California.
- Yukl, G 2006, *Leadership in Organisations (6th ed)*, Pearson Education, New Jersey.
- Zamani, G.H & Karami, E 2006, 'Rural leadership and sustainable agriculture: Criteria for recruiting leaders', *Journal of Food, Agriculture & Environment*, Vol. 4, no. 3&4, pp. 228-234.
- Zornada, M 2005, 'Defining the skills of a leader', *paper presented at the Institute of Administrative Management, (IAM), 90th Anniversary Conference, London.*

New and Effective Leadership in Agribusiness Value Chains

by Dr Lawrie Dooley and Dr Elvira Luca

Publication No. 10/099

Through analysis of ten Australian case studies, this study has identified a new leadership style to increase the effectiveness and efficiency of Australian agri-food value chains: the transformational leader.

A model of this new transformational leadership style includes nine key elements: championing communication, passion and clear vision, strategic focus, collaborative orientation, relationship building, developing leadership in others, networking and mentoring, seeking complimentary skills within the supply chain, and nurturing a supportive culture.

RIRDC is a partnership between government and industry to invest in R&D for more productive and sustainable rural industries. We invest in new and emerging rural industries, a suite of established rural industries and national rural issues.

Most of the information we produce can be downloaded for free or purchased from our website <www.rirdc.gov.au>.

RIRDC books can also be purchased by phoning 1300 634 313 for a local call fee.

Most RIRDC publications can be viewed and purchased at our website:

www.rirdc.gov.au

Contact RIRDC:

Level 2
15 National Circuit
Barton ACT 2600

PO Box 4776
Kingston ACT 2604

Ph: 02 6271 4100

Fax: 02 6271 4199

Email: rirdc@rirdc.gov.au

web: www.rirdc.gov.au

Bookshop: 1300 634 313



RIRDC Innovation for rural Australia

SPINE

New and Effective Leadership in Agribusiness Value Chains RIRDC Publication No. 10/099

