

ENJOY

Strategic Planning and Management Method
Fava Neves and Gray (2020)

Prof. Dr. Marcos Fava Neves

Faculdade de Administração (FEA/RP) – Universidade de São Paulo, desde 1995
Escola de Administração de Empresas (EAESP/FGV), desde 2018
Center for Agricultural Business - Purdue University (Indiana/USA), desde 2013
PAA – FAUBA – Universidade de Buenos Aires, desde 2006
Criador da Markestrat (www.markestrat.com.br) em 2004
Especialista em planejamento estratégico no agronegócio

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1. WHERE ARE WE
NOW?



2. WHERE DO WE
WANT TO GO?



3. HOW TO GET
THERE?



4. WHICH STRATEGIC
PROJECTS?



5. HOW TO MAKE IT
HAPPEN?

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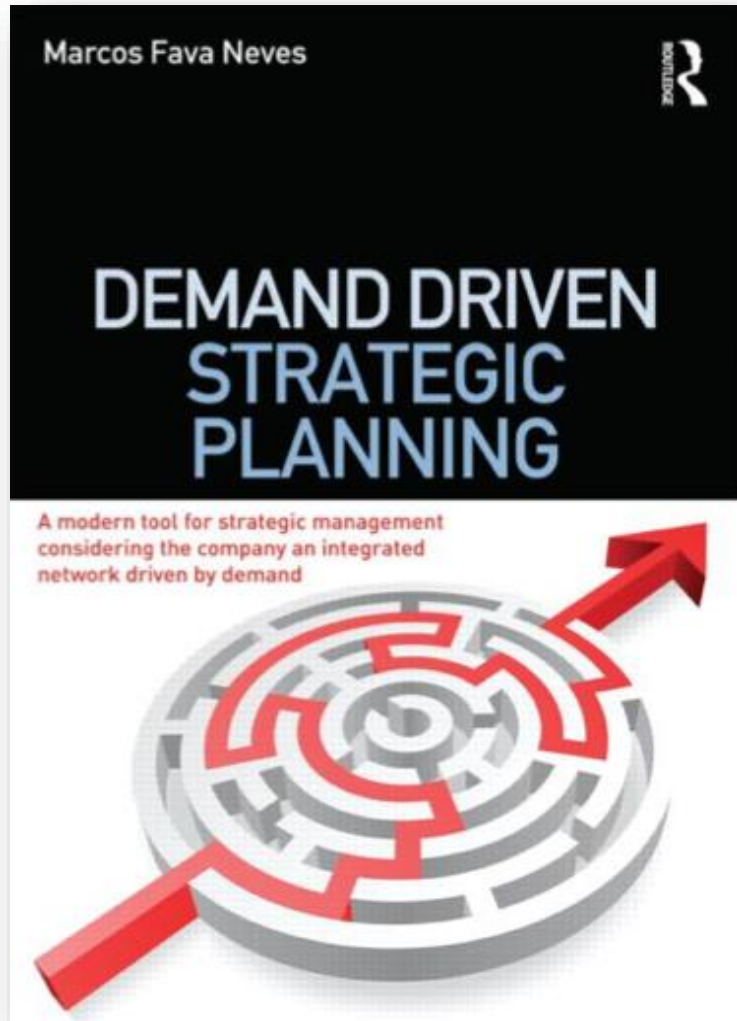
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Previous Strategic Planning Books Used to Build the ENJOY Method



2013



2005



2014

ENJOY - Strategic Planning and Management Method (Fava Neves & Gray, 2020)

1 - WHERE ARE WE NOW?

BASIC

- ✓ Company Network, History and Other Topics

EXTERNAL ANALYSIS

- ✓ Market Evolution and Economic Trends
- ✓ Consumer Behaviour and Trends
- ✓ Competitors and Rivalry Analysis
- ✓ Suppliers and Buyers Markets Analysis
- ✓ Political/Legal Environment
- ✓ Technological Environment and Substitutes
- ✓ Natural Environment and Risks

INTERNAL ANALYSIS

- ✓ Current Value Proposition and Target Segments
- ✓ Marketing Orientation and Relationships
- ✓ Organizational Culture and Human Resources
- ✓ Physical Assets, Infrastructure and Operations
- ✓ Financial Resources
- ✓ Costs Structure and Prices
- ✓ Company's Supply Chain (Suppliers)
- ✓ Technology, Alliances and R&D
- ✓ Portfolio, Services, Brands and Packaging
- ✓ Communications
- ✓ Company's Marketing Channels (Distributors)
- ✓ Sales Force
- ✓ Government, NGO's and Stakeholders Relations

Output: Final List of Opportunities and Internal Activities Needed

2 - WHERE DO WE WANT TO GO?

- ✓ Setting Quantitative Goals and Objectives
- ✓ Defining the New Guiding Philosophy
- ✓ Defining the new value proposition

Output: Final List of Objectives

3 - HOW TO GET THERE?

- ✓ Basic Strategic Definitions
- ✓ Choosing Market Segments
- ✓ New Markets (Channels) for Current Solutions
- ✓ Financial Strategies: New Partners, IPO...
- ✓ Business Diversifications
- ✓ Vertical (Supply Chain and Channels) Coordination and Integration
- ✓ Acquisitions or Mergers
- ✓ Selling or Renting the Business (Units or Others)
- ✓ Value Creation, Capture and Sharing (Relationship & Marketing)
- ✓ Collective Actions Strategies

Output: Final List of Strategic Projects

4 - WHICH STRATEGIC PROJECTS?

- ✓ Detailing the Strategic Projects Frame with Preliminary Budgets
- ✓ Prioritizing the Strategic Projects in Waves
- ✓ Structuring the Management Committee for the Strategic Plan
- ✓ Projects Team Definition (Internal Talents and Outsourced)
- ✓ Deeper Elaboration of Projects
- ✓ Mapping and Prevention of Possible Problems
- ✓ Rethink Prioritization Based on Budget Restrictions
- ✓ Plan is Ready to Go!

Output: Projects are Ready to Start

5 - HOW TO MAKE IT HAPPEN?

- ✓ Make it Happen – Start Projects and Committee Management
- ✓ Building a Winning Working Climate: "Enjoy" Process
- ✓ Discovering, Creating, Engaging and Improving Talents
- ✓ Rethinking the Plan

Output: Plan in Movement



CAREER FEATURE • 13 FEBRUARY 2019

How business-savvy scientists can find success in the risky start-up world

In the first of a three-part series on science start-ups, Nature Careers explores how scientists with a sound business idea can thrive as entrepreneurs, and why leaving academia isn't required.

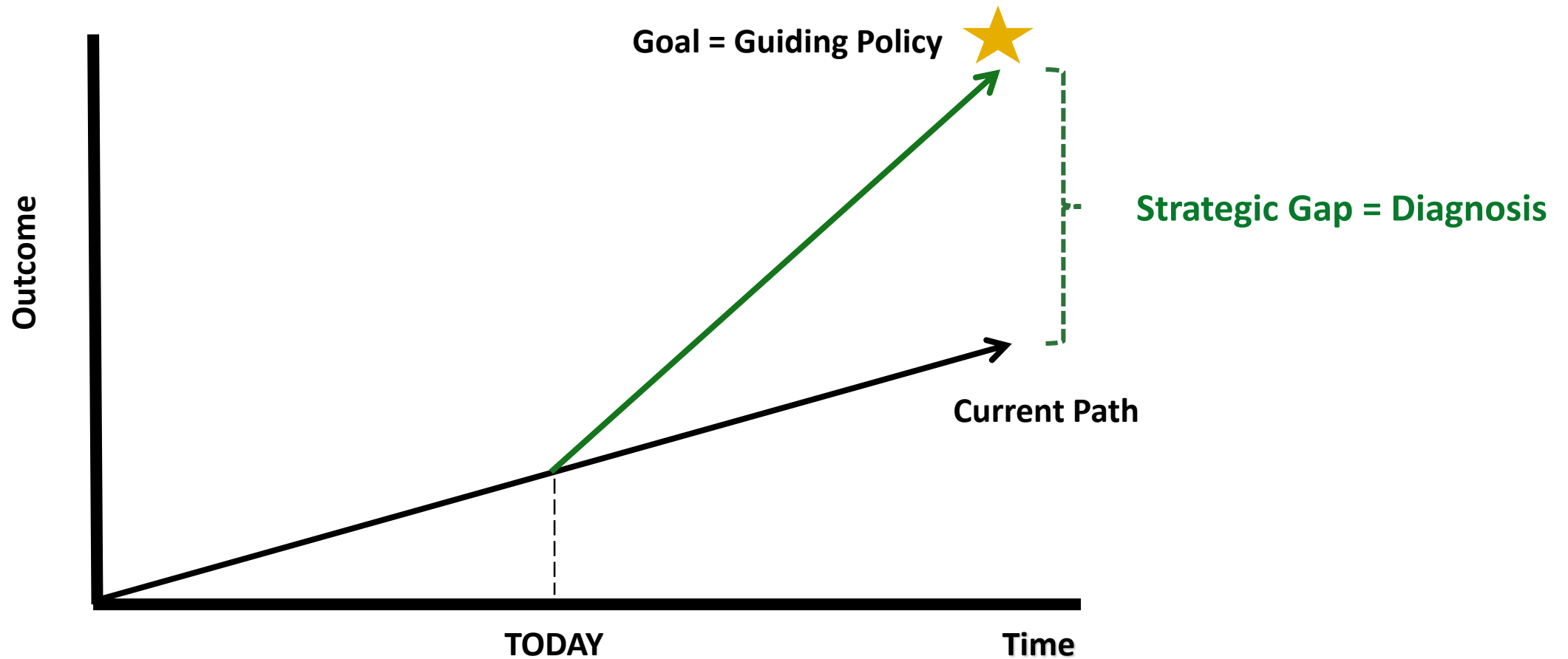


Geneticist Brittany Barreto (right), chief executive of dating company Pheramor, with her co-founders. Credit: Michael Starghill

Although there's no way to ensure that any new company will be a blockbuster, business-savvy scientists can maximize their chances of success. Marcos Fava Neves, an expert in business planning at the University of São Paulo in Brazil, has started several companies, including the business-consulting firm Markestrat in São Paulo. The companies that succeed, Fava Neves says, combine the ability to anticipate changes in the marketplace with a passionate and cohesive team and a desirable product. "We have to do what people want, not what we know how to do and think they want," he says.



What is Strategy? The Performance Gap



Clear Definition of Our Purpose

Mission: Our Existence Is For... (Motivation To Be In Business – To Achieve?)

Vision: We Want To... (What We Want To Become?)

Values: The Most Important Things We Believe And Behave...

	WHY DO WE EXIST? Our Objectives...	WHERE ARE WE? In the Marketplace	HOW DO WE WIN? Our Purpose
STRATEGY STATEMENT	<ul style="list-style-type: none"> ✓ How to maximize the value of the company...? 	<ul style="list-style-type: none"> ✓ Target markets that we serve, location of company and network integration ✓ Where will we play? 	<ul style="list-style-type: none"> ✓ How do we outperform? ✓ What is distinctive?

Winning Organizations

CONSISTENT GOALS
+
**COMPREHENSION OF THE ENVIRONMENT
(ANTECIPATE ALTERNATIVE FUTURES)**
+
PRESENCE OF RESOURCES



**IMPLEMENTATION CAPACITY
(USE OF RESOURCES)**

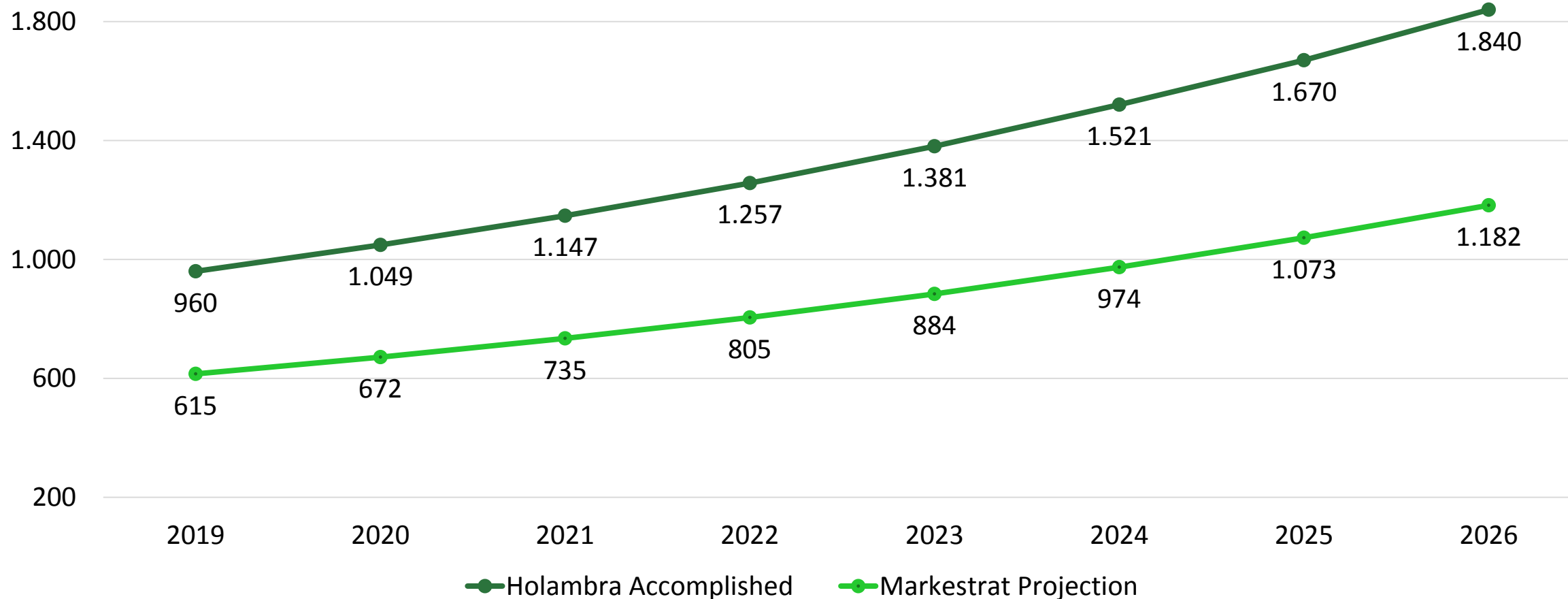


**PERFORMANCE
(CAPITALIZE)**

Worksheet Showing the Main Quantitative Objectives of a Company

Criteria	2021	2022	2023	2024
Income (\$) or Sales				
Profit / Net Income				
Margins				
Market Share				
Value of the Company				
Return per Shares				
EBITDA				
Others Specific Areas Objectives				
Others...				

Comparison of Expected Revenue - Strategic Planning (Thousand R\$)



Characteristics of the Objectives

CHARACTERISTIC	DESCRIPTION
Hierarchical	The objectives must be arranged on hierarchical scales, showing which have priority. It would also be interesting to clarify how the priorities were established.
Numbers must appear	Where possible, objectives must be quantifiable, allowing analysis of results over time.
Realistic	The objectives must be obtained from an analysis of opportunities and threats in the environment and from the strengths and weaknesses of the company, as well as the company's resources and not from the personal ambitions or opinions of executives and employees.
Consistent	A company may have several objectives and important challenges simultaneously; but they must be consistent with each other.
Clear	The objectives must be clear, simple to understand, understood by all involved in the process; and they should be in written form.
Communicated	The purpose and the content of the objectives must be communicated, direct or indirectly, to all staff involved.
Separated Into functional objectives	The corporate objectives of the company must be divided into specific objectives for each functional area of the company (marketing, human resources, finance, and production, etc.).
Motivators	They must motivate staff to develop and implement strategies in order to fulfill the objectives.

Table 4.1 Characteristics of the objectives.

Source: Adapted based on Oliveira (2002) and contributions of Kotler (1997).

Examples: Olam Strategic Plan 2019-2024

Aspiration			Goals	
			ROE * ≥ 12%	EBITDA/IC ** ≥ 13%
Governing Objective	Vision	Purpose		
To maximise long-term intrinsic value for our continuing shareholders	To be the most differentiated and valuable global food and agri-business (by 2040)	Re-imagine Global Agriculture & Food Systems	FCFE *** (+)	D/E **** < 2.0

Note: * ROE target ≥12% from 2021 ** EBITDA/Invested Capital (working capital + fixed capital); >13% from 2021 *** FCFE positive each year from year 2 (FY2020 onwards) **** Net Debt / Equity; < 2.0 throughout plan period

Summary:

Re-imagining Olam: Offering tomorrow's products & services

Why

Our Governing Objective

To maximise long-term intrinsic value for our continuing shareholders

Our Vision

To be the most differentiated and valuable global food and agri-business (by 2040)

Our Purpose

Re-imagining Global Agriculture & Food Systems

What: Our Goals

ROE *
≥ 12%

EBITDA/IC **
≥ 13%

FCFE ***
(+)

D/E ****
< 2.0

Where to Play

- ✓ 12 strong business platforms with **leading positions in attractive market segments** including global food ingredients, global agri-businesses, Africa **food**, and Africa Infra & logistics, etc
- ✓ Balanced capital allocation with selective integration in the value chain. Special thrust on **midstream & added value ingredients** (~50% of our IC allocated to midstream/ingredients in 2024 from the current 39%)
- ✓ Global presence & leadership to **serve global customers**

How to win

Leadership & Talent



Operational Excellence



1
Strengthen, Streamline & focus our portfolio

2
Improve margins

3
Offer differentiated products/services in existing & new channels

4
Explore investments in new engines for growth



Digital



Sustainability

Note: * ROE target ≥12% from 2021 ** EBITDA/Invested Capital (working capital + fixed capital); >13% from 2021 *** FCFE positive each year from year 2 (FY2020 onwards) **** Net Debt / Equity; < 2.0 throughout plan period

Prof. Marcos Fava Neves

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- ❑ Marcos Fava Neves is an *international expert* on global agribusiness issues and a part-time professor of planning and strategy at the School of Business (FEARP) of the University of São Paulo (USP) and FGV Business School, both in Brazil. He graduated as an agronomic engineer from ESALQ/USP - Piracicaba in 1991. He earned his master's degree in 1995 and his doctorate in management in 1999 from the FEA/USP School of Economics and Business – São Paulo. Marcos completed postgraduate studies in European agribusiness at ESSEC-IGIA in France in 1995 and in chains/networks at Wageningen University, in the Netherlands (1998-1999). In 2013 he spent the year as a visiting international professor at Purdue University (Indiana, USA) where he maintains the linkage as a permanent International Adjunct Professor. Since 2006 he is an international professor at the University of Buenos Aires, Argentina.
- ❑ He has *specialized in strategic-planning* processes for companies and food chains and works as a board member of both public and private organizations, being member of more than 10 international boards since 2004. Also in 2004, he created the Markestrat think tank with other partners, today employing around 60 people and doing international projects, studies and research in strategic planning and management for more than 250 agri-food business organizations. Some of these projects were very important in suggesting public policies for food chains that were implemented in Brazil with economic and social impacts.
- ❑ Also as an experience in the private sector, from 1992 to 1993 he worked in citrus juice exporter and from 1994 to 1995 in a veterinarian company. In 2008, he became CEO of Brazil's second-largest biofuel holding company, a position he occupied until 2009, when he returned to the University of São Paulo (USP) and Markestrat.
- ❑ At the academic side, since 1995 (when he was hired by USP), Marcos has advised more than 30 doctorate dissertations and master's theses and helped to form around 1200 Bachelors in Business Administration in Brazil with around 120 courses taught to undergraduates at USP.
- ❑ His writings are strongly focused on supplying simple and effective methods for business. He has published more than 100 articles in international journals and has been author and editor of 63 books by 10 different publishers in Brazil, Uruguay, Argentina, South Africa, Singapore, Netherlands, China, the United Kingdom and the United States. He is also a regular contributor for China Daily Newspaper and has written two case studies for Harvard Business School (2009/2010), one for Purdue (2013) and five for Pensa/USP in the nineties. Recognized as the Brazilian academic with the largest number of international publications about orange juice and sugar cane chain and one of the top 3 most cited Brazilian authors in the area of food and agribusiness. He has reached more than 4000 citations in Google Scholar index.
- ❑ Marcos is one of the most active Brazilian speakers, having done more than 1050 lectures and presentations in 25 countries. He received around 150 recognitions from Brazilian and international organizations, and is considered a "Fellow" of the IFAMA (International Food and Agribusiness Management Association), title received in Minneapolis - 2015.
- ❑ Coming from a family of farmers, he is a worldwide defender of agriculture and farmer's role in the development of the society. In the social side, together with his parents, Marcos is one of the creators and maintainers of Mucapp, a NGO that in 20 years has built more than 450 houses for families in Brazil that face very unfavorable conditions.