

Strategic Issue Identification among Agribusiness Firms

R. E. Westgren
S. T. Sonka
K. K. Litzenberg

Identification of strategic issues is a key managerial task. This study reports on an exploratory survey effort to identify strategic issues as perceived by managers of a diverse sample of agribusiness firms. The results suggest that both strategic management and strategic issue identification are important to agricultural managers. In general there was considerable commonality of interest expressed relative to individual strategic issues. However, the existence of key differences in concern were documented based on structural characteristics of the firm.

INTRODUCTION

The 1970s and 1980s have been a period of change and instability for American agribusiness. To illustrate this point, consider four examples. The fertilizer industry has been forced to deal with massive and sudden shifts in both potential availability and price of petroleum products. Producers of hybrid corn were abruptly faced with a massive decline in potential market due to the PIK program of 1983 and subsequent farm program acreage reductions. The grain trade has had to accommodate sharp increases in levels of foreign trade in the early 1970s, followed by much weaker demand in the 1980s. Within this same time period, agricultural lenders have experienced economic environments where the collateral of their farmer borrowers first skyrocketed and then plummeted.

R.E. Westgren is an Assistant Professor at Santa Clara University, Santa Clara, California.

S.T. Sonka is a Professor at the University of Illinois at Urbana-Champaign.

K.K. Litzenberg is an Associate Professor at Texas A & M University, College Station.

The existence of this turbulent economic environment in agriculture is now widely accepted.¹ But this turbulence has not been solely restricted to agriculture. Rather the growing need for managers to be increasingly aware of the potential impact of the external environment is a relevant theme for managers throughout the economy.²⁻⁴

Agricultural economists have heard several calls for their research efforts to expand to include those elements of the agricultural systems beyond the farm gate.^{5,6} Understanding the economic environment and developing means for agribusiness managers to cope with an increasingly turbulent environment present especially attractive research opportunities. King and Sonka⁷ suggest that managing innovation and change, managing risk, and organizational design in an uncertain environment are three areas in which effective research by agricultural economists could greatly assist agricultural managers. Westgren and Cook⁸ identify the strategic management process as a means by which managers can span the boundaries between the firm's activities and its broader environment. They also note that agricultural economists may have considerable comparative advantage in several aspects of strategic thinking—"...the process of continual evaluation of strategic position and alternatives" (p. 485).

There are several exciting topics within the broader strategic management area that seem of particular relevance for agribusiness. For example, because of the major importance of the external environment, development and maintenance of strategic databases⁹ are activities consistent with the traditional Land Grant mission.¹⁰ Identification of strategic groups—a grouping of firms within an industry whose strategic decisions can not be readily imitated by firms outside of the group¹¹—would seem to be able to usefully draw on the industrial organization heritage within agricultural economics.¹²

Although research in agricultural economics has much to offer, effective strategic management research must be focused on needs relevant to agribusiness managers.⁷ Therefore it is critical to understand the perceptions of actual managers relative to strategic issues and their importance. The research discussed in this article illustrates that strategic issues are recognizable and important to agribusiness managers. Because the agribusiness sector is made up of firms with many diverse characteristics, this investigation explicitly attempts to elicit responses from a broad range of agribusiness firms.

Documentation of the importance of specific strategic issues is a key step in research and educational activities aimed at improving the strategic management processes within agribusiness. Once strategic issues are identified, scholars in agricultural economics can provide valuable assistance in gaining information and developing decision procedures to better cope with those issues. Further, identification of strategic issues as viewed by actual managers may assist researchers and managers in recognizing critical gaps in their perceptions of the environment.

OBJECTIVES

Strategic issue identification is believed by academics to be important. However, if agricultural economists are to undertake useful research and educational activities on this topic, it is imperative that we understand the attitudes and con-

cerns of actual agribusiness decision makers with respect to strategic issues. Although an exploratory effort, this study strives to achieve the following two objectives:

- (1) to determine if specific strategic issues are regarded as important and if priority concerns can be defined by a sample of agribusiness decision makers, and
- (2) to investigate the possibility that the relative concern for strategic issues may vary across important firm characteristics.

STRATEGIC ISSUES IN THE STRATEGIC MANAGEMENT PROCESS

Although a number of specific definitions for strategic management exist, a general strategic management relates to the "fit" between an organization's internal capabilities and that organization's external environment.^{13,14} The firm's external environment can be further subdivided into the industry environment, basically comprised of the firm's competitors¹⁵, and the general business environment.² An essential feature of strategic management is its orientation to change and the necessity of the firm to continually adapt.¹⁶ Therefore strategic management within an organization should be viewed as a process of continually reassessing the firm's "fit" with the current and likely future external environment.

The concept of strategic management must be implementable if it is to be useful. Early research in strategic management tended to evaluate planning processes at a very general level and attempted to correlate the degree of planning with performance. As noted by Rhyne¹³ and others, these results did not delineate the individual features of planning processes that made them effective. Alternative depictions of the processes involved in strategic management are available. For example Fredrickson¹⁷ suggests six distinctive behaviors that are associated with strategic decision making:

- (1) proactively initiating the process,
- (2) attempting to achieve specific goals,
- (3) identifying goals prior to evaluating the means for achieving them,
- (4) objectively choosing among many alternatives,
- (5) being comprehensive in making individual decisions, and
- (6) integrating decisions into an overall strategy.

Alternatively, Bourgeois¹⁸ suggests that strategy includes:

- (1) environmental scanning,
- (2) objective setting,
- (3) distinctive competence selection (choosing appropriate tools to negotiate with the environment),
- (4) power distribution with the organizational subunits,
- (5) resource allocation, and
- (6) monitoring and control of outcomes.

Comparison of these characterizations indicates their similarity, in addition to being lists of six. Other listings of the strategic management process would generally contain these or similar elements.

Both of these characterizations imply an ongoing process and both suggest that a key step is continually testing the "fit" of the firm with its environment. The appropriateness of that "fit" can be enhanced or can deteriorate due to events occurring in the general business environment, the industry environment, or within the firm itself. But all possible events that could occur in those three arenas should not evoke a strategic response. Instead a key part of the strategic management process is identification of issues that warrant consideration and analysis, i.e., those which are strategic. King¹⁹ defines strategic issues as those which are potentially important to the firm's overall performance, are controversial in that individuals could have differing assessments of the impact of the issue, and imply that pursuit of differing strategies should be considered by the firm. Ansoff²⁰ provides an alternative but similar depiction of a strategic issue as a forthcoming development that is likely to have major impact on the firm's ability to achieve its objectives. Those forthcoming developments could occur either inside or outside of the organization.

The process of identifying strategic issues has been of considerable interest to academics and managers interested in strategic decision making. The importance of strategic issue identification led to implementation of formal environmental scanning units within a number of larger corporations.^{21,22} The actual effectiveness of those formal units has been called into question, however. Recognition has emerged as to the need for a better understanding of how identification of strategic issues should lead to effective analysis and response to those issues. Alternative approaches suggested include strategic issue diagnosis,²³ strategic issue analysis,¹⁹ development of strategic data bases,⁹ and strategic issue management.²⁰

Although certainly not the only characteristic of strategic management worthy of research, strategic issue identification would seem to be of particular relevance for agricultural economists. First, agricultural economists have a long tradition of scanning the agricultural environment and suggesting issues for consideration to agricultural decision makers. Even if packaged with a less elegant name, a significant portion of effective outlook education has been focused on scanning the longer run agricultural environment. Second, the fragmented nature of a number of the industries within the agribusiness sector suggests that evaluation of the industry environments within agriculture may be distinctive. For example, within the food processing sector the coexistence of large multinational corporations, relatively small closely held firms, and grower-owned cooperatives presents a number of issues not faced in an industry entirely composed of large corporate entities. Potential competitive responses may be much harder to discern in a fragmented industry such as food processing.

The research presented in this article is focused on strategic issue identification and the perceptions of actual agricultural managers as to the relative importance of specific potential issues. Dutton and Duncan have shown that assessment of the importance of an issue is a key factor in the process of strategic issue identification. Therefore, the study's survey respondents were asked to assess the relative importance of alternative issues. Discerning which issues are strategic would seem to be a key element in the ability of managers to practice strategic thinking

rather than partaking of strategic management as a mechanical process.²⁴ If agricultural economists are to assist in the evaluation of strategic issues, the perceptions of decision makers need to be well understood. Part of this understanding involves determining the uniformity of those perceptions within the agribusiness community.

STUDY DESIGN

This study used a personal interview survey. Interviews were held with the CEO or designated planning officer of 18 diverse California agribusinesses over the period November, 1986 to April, 1987. The small sample size reflects the exploratory nature of this research. There is no established pattern for strategic management studies across industries and no research history among the agribusiness industries.

The instrument had two parts. The first established whether the firm had a formal strategic planning process. Degree of formality was a function of whether a written plan existed, if it was updated, if planning was cyclical or ad hoc, and whether the plan was tied to annual operating results. The second section asked the respondent to rank the importance of 13 strategic issues relating to the general business environment, 10 strategic issues related to its industry environment, and 10 strategic issues related to internal resources. Respondents were asked to indicate if each specific issue was very important (a ranking of 4), important (ranking of 3), somewhat important (ranking of 2), or not important (ranking of 1). In addition, the interviewer profiled the firm with regard to size, mission, and product lines.

The sample firms represent a wide range of agribusinesses. Included in the group are six ranching operations with varying degrees of forward integration into packing-shipping and broadly divergent product lines; two food processors with industrial, private label, and branded products; four marketing cooperatives; two nursery grower-wholesalers; two agricultural chemical firms; a large specialty crop processor; and a plant biotechnology firm.

SURVEY RESULTS

The first part of this section will briefly describe the strategic planning processes currently in place in the study's sample of agribusiness firms. The remainder of the results section will focus on the respondents' attitudes towards strategic issues. In addition to detailing how the overall sample prioritized specific issues, the extent to which certain firm characteristics affected that prioritization will be investigated.

Planning Processes

Although not the primary focus of this study, valuable insights into the strategic planning processes actually used by agribusinesses were obtained. Of the 18 firms, seven had formal written strategic plans, six had planning processes in place but no written plan, and five had no long run planning mechanism. Strategic planning

appears to be an important activity for many of the firms within the sample but often is conducted informally. The existence of a significant number of firms with planning processes in place but not having the formality of a written plan is consistent with Robinson and Pearce's²⁵ findings relative to small businesses in general.

The 13 firms with strategic planning processes in place were queried as to the component parts of those processes. The number of firms conducting each of six common strategic planning elements are as follows:

Analysis of competitors	10
Competitor future strategies	9
Potential industry entrants	9
General business environment	12
Trends in industry	12
Firm resources available	11

In general these findings suggest a somewhat stronger orientation to analysis of the general business environment than to the task (or industry) environment among these firms.^{25,26} As will be discussed at length later, failure to subdivide the sample can lead to imprecise generalizations. In this case, firms whose output has a product rather than commodity orientation do not follow the general pattern just noted. For them analysis of competitor actions is as important as evaluation of the general environment.

The president/CEO of the firm was the major individual with responsibility for the strategic planning process. For the sample, over 40% of the total effort devoted to planning was done by the president/CEO. Other corporate officers contributed another 45% of the effort. Industry consultants comprised slightly less than 10% of the total and members of the board of directors and others made up the remainder of the effort. The contribution of industry consultants exceeded 15% of the total effort among smaller firms but was negligible among the larger firms in the sample.

Overall Prioritization of Strategic Issues

The survey respondents were asked to consider strategic issues in three categories; general business issues, competitive issues, and internal issues. Items included in the first category correspond to the general environment as defined by Wack.²⁶ The latter two categories relate to factors that would typically be considered as within the firm's task environment.²⁵ Table I lists the specific issues each respondent was asked to consider.

As shown in Table I, the average level of concern for each category was relatively similar. For specific issues within each category, however, considerable difference of perceived importance was noted. For the general business category, environmental regulation both at the federal and state level was of strongest concern. Interest rates were also of considerable concern. Tax and trade policies, when the group was considered as a whole, received relatively lower rankings.

Table I. Average Responses and Ranking of Issues within Each Category for All Firms in the Sample.

Category	Average Response	Ranking within Category
<i>General Business Issues</i>		
Environmental regulation		
Federal	3.33	2
State	3.39	1
Farm Income	2.89	5
Inflation rate	2.61	10
Interest rate	3.28	3
Labor relations	2.89	5
Tax policy		
Federal	2.83	8
Foreign	1.33	13
State	2.36	12
Trade policy		
Federal	2.50	11
Foreign	2.72	9
US farm prices	3.06	4
Value of Dollar	2.89	5
Average response	2.78	
<i>Competitive Issues</i>		
Bargaining power		
Customers	3.28	2
Suppliers	3.00	6
Identification of		
New market opportunities	3.00	6
Major product rivals	3.33	1
Minor product rivals	2.22	10
Raw material access	2.83	8
Rivals		
Change in number/size	3.06	3
Goals and objectives	2.83	8
Mergers/acquisitions	3.03	4
Strategies	3.03	4
Average response	2.96	
<i>Internal Issues</i>		
Balance sheet		
Current	3.78	1
Projected	3.39	2
Income statement		
Current	3.33	3
Projected	3.17	4
Leverage ratio	2.89	7
Liquidity	3.06	5
Research and development		
Manufacturing processes	2.17	9
Products	2.11	10
Return on investment	2.78	8
Return to Shareholders	2.94	6
Average response	2.96	

The level of concern for competitive issues was somewhat higher than for general business issues. Interestingly, the range of average responses for the specific issues in the category is very narrow. Raw material access and the goals and objectives of rivals were tied as the next to least important issues in this category. Their average response level (2.83) was within 15% of the average response for identification of major product rivals, which received the highest ranking within the category.

With respect to internal issues, the respondents displayed considerable concern for the financial position of their businesses. The current balance sheet received the highest average ranking of the 33 specific issues noted. The projected balance sheet, current and projected income statements, and the firm's liquidity ratio were also of major concern. Conversely, the respondents as a group showed relatively less concern for research and development as a strategic issue.

Not surprisingly, the group averages of Table I mask considerable diversity of interest among the study respondents. One goal of this exploratory effort was to determine if concern for specific issues differed across types of agribusiness firms. If so, important research implications for the identification of strategic groups within the agribusiness sector might be obtained. Three comparison groupings, based on characteristics of the firms in the study, were defined. These are: (1) the extent of strategic planning currently being conducted, (2) the size of the firm's management cadre, and (3) the commodity versus product orientation of the firm's output. The remainder of this discussion highlights a number of strategic issues for which interesting divergences of interest were noted.

Degree of Planning

The information obtained as to the type and extent of strategic planning currently being conducted in each firm was used to divide the sample respondent firms into two groupings. One group, which contained nine firms, is characterized by a low orientation towards strategic planning and is called the informal planning group. No firm in this group had a written strategic plan. The second group, also containing nine firms, had more extensive planning processes in place and is called the formal planning group. Based on these groupings, rankings for individual issues within each category are provided in the first two columns of Table II.

There are many similarities between the overall rankings and the rankings sorted by degree of planning. These indicate that some degree of consensus exists among these diverse agribusiness firms. Of the three characteristic differentiations considered here, degree of planning tends to have the least divergence of opinion. This suggests that regardless of the formality of the firm's strategic planning process, strategic issues represent concerns to the firm. This finding is very consistent with Robinson and Pearce's²⁵ work for small banks in the Southeast.

Within the internal issues section, an interesting divergence relating to the concern for future versus current performance measures emerges. The formal planning group assigns significantly greater concern to the projected balance sheet, and somewhat more emphasis to return to shareholders than does the informal planning group. Conversely, the informal planning group indicates a sharply higher level of concern for the current leverage ratio and somewhat higher con-

Table II. Rankings of Specific Strategic Issues for Three Structural Dimensions of the Firms in the Study.

Category	Ranking within Each Category					
	Degree of Planning		Commodity vs. Product		Size of Mgt. Cadre	
	Informal	Formal	Comm.	Prod.	Small	Large
<i>General Business Issues</i>						
Environmental regulation						
Federal	1	3	1	2	1	7
State	1	2	1	1	1	1
Farm Income	7	5	7	4	5	7
Inflation rate	9	9	10	8	9	10
Interest rate	1	4	1	4	3	1
Labor relations	4	9	6	7	7	1
Tax policy						
Federal	6	7	4	9	5	11
Foreign	13	13	13	13	13	13
State	9	12	12	12	9	12
Trade policy						
Federal	8	11	10	11	9	7
Foreign	9	6	7	9	9	1
US farm prices	9	1	4	2	4	1
Value of Dollar	5	7	7	4	8	1
<i>Competitive Issues</i>						
Bargaining power						
Customers	3	1	1	2	2	3
Suppliers	5	5	4	6	4	7
Identification of						
New market opportunities	9	3	8	3	6	5
Major product rivals	1	2	1	1	1	1
Minor product rivals	10	10	10	10	10	9
Raw material access	5	8	8	8	3	9
Rivals						
Change in number/size	2	7	3	6	4	5
Goals and objectives	5	8	4	9	8	7
Mergers/acquisitions	3	6	6	4	6	4
Strategies	5	4	6	4	8	2
<i>Internal Issues</i>						
Balance sheet						
Current	1	2	1	1	1	3
Projected	5	1	6	1	3	1
Income statement						
Current	2	5	3	4	2	5
Projected	4	3	4	5	3	5
Leverage ratio	6	6	4	8	6	5
Liquidity	3	8	2	9	5	9
Research and development						
Manufacturing processes	10	9	10	7	10	4
Products	9	10	9	10	9	10
Return on investment	7	7	7	6	7	5
Return to Shareholders	7	4	7	3	8	1

cern for the current income statement. This suggests a differing orientation to management within the two groupings, with concern for future performance being greater in the formal planning group. Possibly the differentiation with respect to strategic planning is reflective of an underlying difference in sophistication of management skills between the groups.

Commodity versus Product Orientation

A factor that could affect a firm's concern for specific types of strategic issues is its relative orientation towards production of commodities versus production of identifiable products. The output of the firms included in the study ranged from bulk agricultural commodities, such as tree fruits, to specific brand name products. Therefore it seemed interesting to divide the firms into two groups based on the character of their output. Rankings for specific issues for the commodity oriented group (with 11 firms) and for the product oriented group (with seven firms) are given in the middle two columns of Table II.

Both groupings concurred in being very concerned about state and federal environmental regulations. Commodity oriented firms, however, were equally concerned about the level of interest rates. Commodity oriented firms also displayed a sharply higher interest towards federal tax policies. This may have resulted from the loss of preferential tax treatment for capital assets due to the recent federal tax law changes. Product oriented firms indicated a somewhat higher degree of concern for the value of the dollar than did the commodity oriented firms. At first glance one might expect commodity oriented firms to be more attuned to changes in the value of the dollar because of its potential effect on exports of agricultural products. However, the product oriented firms, particularly for California agricultural products, may be concerned with the value of the dollar and its effect on imports of agricultural products with which they compete.

Both groupings express considerable agreement as to the relative importance of competitive issues. A most interesting divergence does emerge with respect to identification of new market opportunities. Product oriented firms see this issue as very important while commodity oriented firms indicate only a low level of interest in this topic. This divergence suggests a most important dichotomy of attitude within these two segments of agribusiness.

Commodity oriented firms are much more concerned about their current liquidity and leverage positions than are the product oriented firms. This may indicate a greater reliance on debt capital by the commodity oriented firms and is consistent with their greater concern for interest rates noted previously.

Size of Management Cadre

Most of the agribusiness firms included in this study had managerial staffs which are comparable in size to the typical nonfarm small business. Four of the firms had rather large management cadres (i.e., 25 to over 200 individuals performing in some managerial capacity). Because the strategic management process is often felt to differ significantly by size of firm, it is of interest to determine if the respondents concern for strategic issues differed by size of management cadre (a proxy

for firm size). Rankings based on the categories of small versus large management cadres are given in the third set of columns in Table II.

Although not noted in Table II, the firms with a larger management cadre consistently indicated a heightened level of concern for strategic issues than did the firms with smaller management cadres. The average level of response for all three issue categories was higher for the larger management cadre group. This suggests that additional managerial personnel may lead to specialization of functions, allowing the firms with greater numbers of managerial personnel to focus more attention on strategic issues.

For the larger management cadre grouping, six issues tied for most important in the general business category. This probably is more of a reflection of the small number of firms in this category rather than a substantive difference due to size of firm. An interesting difference does emerge in that the smaller firms ranked foreign trade policies and the value of the dollar as much less important than did the larger firms. Both groups ranked federal (US) trade policies relatively lower in importance. The larger firms may compete with foreign imports to a greater extent and, therefore, be more concerned with unfair trade practices of nations that import agricultural products to the US as well as the dollar's role in determining the competitiveness of imports.

The two groupings display a somewhat surprising general level of agreement with respect to issues in the industry environment. A major difference does emerge for the issue of access to raw materials, with smaller firms displaying much greater sensitivity to that issue. The larger firms may feel that their greater market power as a purchaser insulates them from unexpected shortfalls in raw material availability. Relative to internal issues, the two groupings are generally consistent in their opinions except that the larger firms display a much higher concern for returns to shareholders.

SUMMARY AND IMPLICATIONS

Management in an increasingly turbulent environment requires that the agribusiness manager acquire additional skills and tools. One of these needed skills is the capability to identify and monitor strategic issues of most concern to the firm's livelihood. Prioritization of issues is essential as limited managerial time and attention require that the issues for which analysis is initiated generally be those which will affect the firm's long run well being. Research relating to strategic issue identification and strategic management in general has been of considerable interest in the general business community and among general business scholars. Relatively little work, however, has been done which addresses the distinctive needs of the agribusiness community.

The effort described here is an exploratory attempt to determine if strategic issues are of concern to agricultural managers and to investigate the possibility that the relative concern for specific strategic issues varies across structural dimensions of agribusiness firms. Data from a sample of 18 firms are analyzed. These firms have a geographical commonality in that they all have significant levels of operation within California. The specific products produced by these firms, however, cover a broad spectrum of agricultural interests.

Strategic planning processes currently exist in the majority of the firms studied, however, only seven have the formality of a written strategic plan. The firm's president/CEO is the single individual with primary responsibility for planning in these firms. Of the firms with strategic planning processes of some kind, there is a greater orientation to including elements within the plan that relate to the general business environment rather than to the industry environment.

The study results strongly suggest that agribusiness managers are concerned with strategic issues and that, despite the diversity of firms represented, a number of common interests are identifiable. For example, the study firms are quite sensitive to state and federal environmental regulations, bargaining power of their customers, identification of major product rivals, and their current financial position. Conversely the study respondents ranked foreign and state tax policy and new product research and development as relatively lessor concerns.

These results also indicate, however, that structural dimensions of the firm can be associated with differing levels of interest in specific strategic issues. Product oriented firms tended to be much more sensitive to the potential for identifying new markets than were commodity oriented firms. Firms with more formal planning systems were more concerned with future financial performance whereas those firms with informal planning systems focused relatively more on current measures of financial position. Finally firms with larger management cadres tended to have more interest in foreign trade policies and the value of the dollar than did firms with smaller management cadres.

Although based on a small sample size, these results suggest that research relating to strategic management in general and strategic issue identification in particular can generate information of interest to agricultural managers. The findings do caution, however, that care must be taken to consider differences in firm structure when conducting research and educational programs relating to structural issues in agribusiness.

REFERENCES

1. J. Havlicek, "Megatrends Affecting Agriculture: Implications for Agricultural Economics," *American Journal of Agricultural Economics*, 68, 1053 (1986).
2. H. I. Ansoff, *Implanting Strategic Management*, Prentice-Hall, Englewood Cliffs, NJ, 1984.
3. R. M. Kanter, *The Change Masters*, Simon and Schuster, New York, 1983.
4. J. Naisbitt, *Megatrends*, Warner Books, New York, 1982.
5. L. Polopolus, "Agricultural Economics Beyond the Farm Gate," *American Journal of Agricultural Economics*, 64, 803 (1982).
6. C. B. Baker, "Agricultural Effects of Changes in Financial Markets," *American Journal of Agricultural Economics*, 66, 541 (1984).
7. R. P. King and S. T. Sonka, *Management Problems of Farms and Agricultural Firms*, Discussion Paper No. 44, Strategic Management Research Center, University of Minnesota, Minneapolis, MN, 1986.
8. R. E. Westgren and M. L. Cook, "Strategic Management and Planning," *Agribusiness*, 2, 477 (1986).
9. W. R. King and D. I. Cleland, "Information for More Effective Strategic Planning," *Long Range Planning*, 10, 59 (1977).

10. G. E. Schuh, *Revitalizing the Land Grant University*, Discussion Paper No. 36, Strategic Management Research Center, University of Minnesota, Minneapolis, MN, 1984.
11. J. McGee and H. Thomas, "Strategic Groups: Theory, Research and Taxonomy," *Strategic Management Journal*, 7, 141 (1986).
12. B. W. Marion, "Interrelationships of Market Structure, Competitive Behavior, and Market/Firm Performance: The State of Knowledge and Some Research Opportunities," *Agribusiness*, 2, 443 (1986).
13. L. C. Rhyne, "The Relationship of Strategic Planning to Financial Performance," *Strategic Management Journal*, 7, 423 (1986).
14. C. W. Hofer and D. Schendel, *Strategy Formulation: Analytical Concepts*, West, St. Paul, MN, 1979.
15. M. E. Porter, *Competitive Advantage*, Free Press, New York, 1985.
16. B. S. Chakravarthy, "Adaptation: A Promising Metaphor for Strategic Management," *Academy of Management Review*, 7, 35 (1982).
17. J. W. Fredrickson, "Strategic Process Research: Questions and Recommendations," *Academy of Management Review*, 8, 565 (1983).
18. L. J. Bourgeois, "Strategy and Environment: A Conceptual Formulation," *Academy of Management Review*, 5, 25 (1980).
19. W. R. King, "Using Strategic Issue Analysis," *Long Range Planning*, 15, 45 (1982).
20. H. I. Ansoff, "Strategic Issue Management," *Strategic Management Journal*, 1, 131 (1980).
21. C. Stubbart, "Are Environmental Scanning Units Effective?," *Long Range Planning*, 15, 139 (1982).
22. P. S. Thomas, "Environmental Scanning—The State of the Art," *Long Range Planning*, 13, 20 (1980).
23. J. E. Dutton and R. B. Duncan, "The Creation of Momentum for Change Through the Process of Strategic Issue Diagnosis," *Strategic Management Journal*, 8, 279 (1987).
24. M. Porter, "Corporate Strategy: The State of Strategic Thinking," *The Economist*, 17, May 23, 1987.
25. R. B. Robinson and J. A. Pearce, "The Impact of Formalized Strategic Planning on Financial Performance in Small Organizations," *Strategic Management Journal*, 4, 197 (1983).
26. P. Wack, "Scenarios: Uncharted Waters Ahead," *Harvard Business Review*, 63, 72 (1985).