

**THE FSIP FOODVIEW:**  
BUILDING A FRAMEWORK FOR STRATEGY (PART 2 OF 3)

**HOW EVIDENCE-BASED RESEARCH IS A KEY INGREDIENT IN A STRONG STRATEGIC PLAN**

*By Tim Powell, Managing Principal*

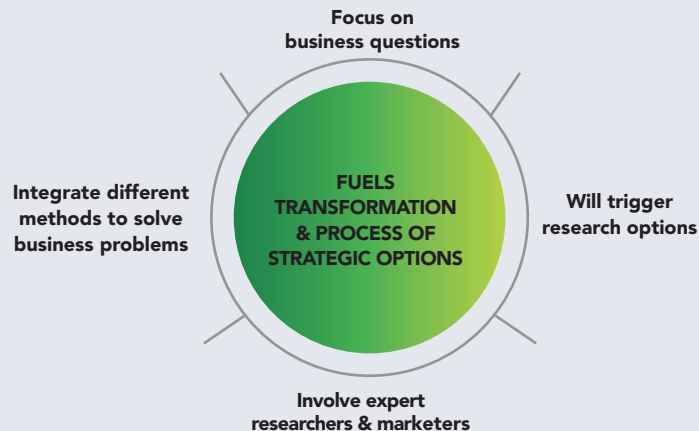
As outlined in our previous *Foodview*, there is often confusion about what business strategy is. What distinguishes it from all other kinds of business planning is competitive advantage. We have learned that corporate planning staff often fail to take competitive advantage into account, but without competitive advantage, there would be no need for strategy.

In order to determine strategic options, a foodservice firm must perform a successful external and internal analysis that is both directed and purposeful (for relevance and brevity, we will save internal analysis for another time but it is equally critical.)

There is always the danger “research” will become an endless process resulting in an excessively descriptive report. Without discipline and direction, volumes of descriptive material can be generated easily, but remain useless.

However, using the framework of Research-Based Planning, the possibility of ambiguity and cataloging is greatly reduced, as shown below.

**USING BUSINESS QUESTIONS TO STRUCTURE EXTERNAL RESEARCH**



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An external analysis can contribute to strategy indirectly by identifying significant trends and future events, threats and opportunities and strategic uncertainties that could affect strategy outcomes.

For example, a significant trend or event, such as concern plant-based meats may contain carcinogens or a technological disruptor such as driverless delivery — can dramatically affect the evaluation of strategic options. Similarly, strategic uncertainties are a particularly useful concept in conducting an external analysis. If you could know the answer to one question prior to making a strategic commitment, what would the question be? What field analysis is ideal to answer the question?

Strategic Uncertainties	Evidence-Based Research Methods
Will a major firm enter?	Competitive intelligence
Will a plant-based yogurt be accepted?	Foodservice consumer testing
Will delivery remove brick and mortar restaurants?	Foodservice consumer surveys of current and projected delivery usage
Will the dollar strengthen against an offshore currency?	Secondary analysis of global markets and projections
How sensitive is the market to price?	Consumer and operator price-gap analysis through surveys and modeling

There is often a tendency to relegate the external analysis to an annual exercise. However, a substantial risk exists in maintaining external analysis as an annual event. Because customers and the market have such a direct relationship to a firm’s operation, they are usually a rich source of relevant operational opportunities, threats and uncertainties.

The need for strategic review and change in evidence-based research must be ongoing.

In part three, the next and final chapter of this series, we will focus on strategy identification and selection within foodservice business units.

## NEXT STEPS

**Looking for help with developing a strategic plan for your firm or foodservice division?** You’ve come to the right place. Foodservice IP is a research-based management consulting firm that specializes in strategic planning for foodservice companies. Let’s build a better strategy together! Contact a FSIP team member today:

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