



**THE UNIVERSITY OF ZAMBIA**  
**SCHOOL OF AGRICULTURAL SCIENCES**  
**DEPARTMENT OF ECONOMICS & EXTENSION**  
**AGRIBUSINESS MANAGEMENT – AGE 4211**

**GROUP 1 – STRATEGY AND THE SMALL BUSINESS (UNIT 1)**

## **1. THE STRATEGIC MANAGEMENT PROCESS**

### **Explanation:**

This involves analysing the internal and external environment of the business, formulating strategies, implementing them, and evaluating their effectiveness.

### **Importance:**

Explore how strategic management helps small agribusinesses navigate challenges, seize opportunities, and achieve long-term success.

### **Adaptation:**

Investigate how small agribusinesses can tailor strategic management processes to suit their unique characteristics, such as limited resources and niche markets.

### **Integration of entrepreneurial creativity:**

Examines how small agribusiness managers can encourage creativity and innovation within the strategic management process to drive growth and competitiveness.

### **Strategic thinking and visionary leadership:**

Explore how visionary leadership contributes to strategic thinking in small agribusiness, shaping a clear vision for the future and guiding strategic decisions.

**Balancing long-term vision with short-term objectives:**

Discusses the importance of aligning long-term strategic goals with short-term objectives in small agribusinesses to ensure consistency and progress. (Kaplan, 2008)

## **1. ENTREPRENEURSHIP AND THE STRATEGIC MANAGEMENT PROCESS**

Entrepreneurship is the ability and readiness to develop, organize, and run a business enterprise, along with any of its uncertainties in order to make a profit. We can say the most prominent example of this is the starting of a new business.

It involves combining innovation skills, and a vision to develop new products, services or ideas that meet market demand and create value for a target market or audience.

Entrepreneurship demands specific management behaviours and these include;

- **Adaptability**: being able to quickly adjust and respond to changes in the business environment
- **Risk taking**: being willing to take calculated risks and make bold decisions
- **Problem solving**: being able to identify and solve problems creatively and efficiently
- **Networking**: building and maintaining relationships with customers, suppliers and other stakeholders
- **Continuous learning**: being open to learning and acquiring new skills and knowledge to stay ahead

**Entrepreneurial strategies:**

These are intentional, planned out acts used by business owners to accomplish their goals and acquire a market advantage. Some of these strategies include:

- **Deliberate strategies**: these are well carefully planned approaches that businesses use to achieve specific goals. These strategies arise from conscious, thoughtful and organized action of a business. For example, one is when a farmer grows different types of crops or raises different animals to reduce risks. Another strategy is when a farmer does not only grow crops but also processes and sales the final products directly to customers.
- **Emergent strategies**: these are strategies that evolve as the business progresses or grows, this results in increased ideas for organic growth thereby attracting new clients and creating new market interests. It encourages innovations so as to meet different customer needs. An example could be when a company starts off with a specific plan but ends up adapting and changing their approach based on unexpected opportunities or challenges that arise. For instance, a company that initially planned to focus on growing and selling specific types of fruits and vegetables. However, as they started operating, they noticed a growing demand for organic produce in the market. They then decided to seize that opportunity and shifted their strategy to include organic farming practices and offer a wide range of organic fruits and vegetables.
- **Realized strategies**: this is usually a composite of both the deliberate and emergent strategies. It is crucial to appreciate that the entrepreneur's character or passion is a key driver to these strategies. The objectives remain that of driving the business into a profit but also the entrepreneur's vision contributes positively to its success and sustainability. What does this really mean? So, we have two types of entrepreneurs and these are the

ambitious one (those that gravitate towards detailed planning) and the opportunists (those that embrace emergent strategies).

### **Strategic management:**

This is an art or science of formulating, implementing and evaluating decisions that enable an organization to achieve its objective.

It answers the following questions:

- Where is the organization at the moment?
- Where does it want to go?
- How will it get there?

All this leads to a process called the strategic management process which is a systematic way of performing strategic planning in an organization through initial assessment, through analysis, strategy formulation, its implementation and evaluation.

This process has several steps:

#### **i. Business**

Begins by asking;

What business are we in specifically?

What products do we sell?

Where do we sell them and how do our products or services differ from our competitors?

**ii. Environment**

Are we in the right business given our strengths and weaknesses and the challenge that we face? To answer this, managers audit or study the firm's environment and the firm's internal strengths and weaknesses.

**iii. New business**

The task here is to decide what the new business should be, in terms of what would be sold, where it will be sold and how the products differ from competitors' products and services.

**iv. Vision**

This is a general statement of the firm's intended direction. It shows in broad terms what the company wants to become

**v. Mission**

Whereas the vision statement describes in broad terms what the business should be, the company's mission statement summarizes what the main tasks are.

**vi. Goals**

Here the company translates the desired new direction into strategic goals.

### **The relationship between entrepreneurship and the strategic management process:**

In Agribusiness we can say that these two are closely linked. Entrepreneurship involves identifying opportunities and taking risks to create and grow a business. Strategic management on the other hand focuses on setting goals, making decisions and allocating resources to achieve these goals.

So, entrepreneurship provides the drive and innovation, while strategic management helps in planning and executing strategies to effectively manage the business.

They work hand I hand to drive success in agribusiness management.

## **2. COMPETITIVE ADVANTAGE IN AGRIBUSINESS**

### **What is competitive advantage?**

Competitive advantage refers to the ways that a company can produce goods or deliver services better than its competitors. It allows a company to achieve superior margins and generate value for the company and its shareholders.

A competitive advantage is something that cannot be easily replicated and is exclusive to a company or business. This value is created internally and is what sets the business apart from its competition.

Competitive advantage in agribusiness can stem from various factors such as technology adoption, sustainable practices, market differentiation, and supply chain efficiency. Utilizing precision farming techniques, innovative crop varieties, and efficient distribution channels can enhance productivity and reduce costs, leading to a competitive edge. Additionally, implementing sustainable practices not only improves environmental stewardship but also meets consumer demands for ethically sourced products. Market differentiation through organic certification, fair trade labelling, or niche product offerings can also attract consumers and command premium prices. Efficient supply chain management, including timely harvest and distribution, minimizes waste and ensures product freshness, further strengthening competitive positioning.

### **Components of Competitive Advantage**

For a competitive advantage to be established, it is important to know the following:

- Value proposition: A company must clearly identify the features or services that make it attractive to customers. It must offer real value in order to generate interest.
- Target market: A company must establish its target market to further engrain best practices that will maintain competitiveness.
- Competitors: A company must define competitors in the marketplace, and research the value they offer; this includes both traditional as well as non-traditional, emerging competition.

To build a competitive advantage, a company must be able to identify its value proposition that will be sought after by the target market, which cannot be replicated by competitors.

### **Building a Competitive Advantage**

Michael Porter, the famous Harvard Business School professor, identified three strategies for establishing a competitive advantage: cost leadership, differentiation, and focus (which includes both cost focus and differentiation focus).

#### **i. Cost leadership**

The goal of a cost leadership strategy is to become the lowest cost manufacturer or provider of a good or service. This is achieved by producing goods that are of standard quality for consumers, at a price that is lower and more competitive than other comparable product(s).

Firms employing this strategy will combine low profit margins per unit with large sales volumes to maximize profit. Companies will seek the best alternatives in manufacturing a good or offering a service and advertise this value proposition to make it impossible for competitors to replicate.

## **ii. Differentiation**

A differentiation strategy is one that involves developing unique goods or services that are significantly different from competitors. Companies that employ this strategy must consistently invest in R&D to maintain or improve the key product or service features.

By offering a unique product with a totally unique value proposition, businesses can often convince consumers to pay a higher price which results in higher margins.

## **iii. Focus**

A focus strategy uses an approach to identifying the needs of a niche market and then developing products to align to the specific need area. The focus strategy has two variants:

- Cost focus: Lowest-cost producer in a concentrated market segment
- Differentiation focus: Customized or specific value-add products in a narrow-targeted market segment

## **Why Competitive Advantage Matters in Agribusiness**

- Challenges in the agribusiness industry

- Importance of staying ahead of the competition
- Benefits of having a competitive advantage

### **Factors Influencing Competitive Advantage in Agribusiness**

- Access to resources
- Technology and innovation
- Supply chain management
- Market knowledge

### **Challenges in Sustaining Competitive Advantage**

- Market fluctuations
- Competitive response
- Changing consumer preferences

### **What is the Importance of Competitive Advantage?**

A competitive advantage is what sets a business apart from its competitors. It is essential in order for a business to succeed, whether it's by ensuring higher margins, attracting more customers, or achieving greater brand loyalty among existing customers.

Higher margins, a better growth profile, and lower customer churn tend to also be very popular among both investors and creditors — making capital more readily available (and cheaper) for firms that are able to maintain a strong competitive advantage among their peers.

### **3. THE AGRIBUSINESS VENTURE IN THE 21<sup>ST</sup> CENTURY**

In the rapidly evolving agribusiness landscape of the 21st century, companies are confronted with unprecedented challenges and opportunities. To thrive in this dynamic environment, agribusiness ventures must adopt a dual approach to building dynamic capabilities: internal and external.

Internally, organizations are leveraging the creativity and knowledge of their employees to innovate and adapt to changing market demands. This involves fostering a culture of continuous learning, encouraging cross-functional collaboration, and empowering employees to experiment with new ideas and technologies. By tapping into the collective intelligence of their workforce, companies can develop unique insights and solutions that drive competitive advantage.

Externally, agribusinesses are seeking complementary competencies beyond their existing capabilities through strategic partnerships, alliances, and collaborations. This could involve partnering with technology start-ups to integrate cutting-edge solutions such as precision agriculture into their operations. By forging strategic alliances with suppliers, distributors, research institutions, and other stakeholders, companies can access new markets, expertise, resources, and technologies that enhance their ability to innovate and create value.

Entrepreneurs, recognizing opportunities and believing in the venture's success, often attribute this belief to the uniqueness of the idea, the strength of the product, or their unique knowledge and skills.

By embracing both internal and external approaches to building dynamic capabilities, agribusiness ventures can adapt to the evolving market landscape, seize new opportunities, and sustain long-term growth in the 21st century.

#### **4. VENTURE STRATEGIES**

We look at strategies that help agribusiness ventures to succeed, starting with establishing strong foundation for growth, followed by tactics that can help businesses survive in a competitive market, the factors that can lead to the closure of young businesses along with ways to mitigate those risks, then after, dive into the important '3 Ms' of management, marketing, and financial management. Lastly, we look at advanced strategies for sustained growth and market prominence.

##### **4.1. NEW VENTURE STRATEGY**

- It involves putting together strategies that will help an agribusiness establish strong foundation for growth. These are as follows;
- Liability of newness refers to the challenges faced by ventures when new in the market.
- This can be overcome by building partnerships with established players and focusing on niche markets.

#### **Networking**

- Networking is all about building connections and relationships with others in the industry. Here are some of the importance.
  - i. Knowledge and Expertise.
  - ii. Partnerships and Collaboration.
  - iii. Market Opportunities.

### **Collective activities**

- As a new venture, you can engage in several activities that can better your agribusiness.
- Activities include networking events, industry associations, mentorship programs, and partnerships.

### **Resource optimization**

- This is making the most of the limited resources available to a new business.
- By doing so, you can maximize efficiency, reduce costs, and improve overall performance.

### **Marketing and branding**

- This strategy is about creating awareness, building brand identity, and attracting customers to your agribusiness.
- This can be achieved through market research and identifying customers, designing of a catchy logo, and using social media and other platforms to promote your brand.

### **Market research and analysis**

- This involves gathering and analysing information about the market, customers, and competitors to make informed business decisions.
- In doing so, consumer needs, preferences, and trends can be identified, allowing you to develop products or services as per demand.

#### **4.2. SURVIVAL STRATEGY**

Small agribusinesses often prioritize survival strategies over competing with larger enterprises due to various factors inherent in their operations and market dynamics. Here are several reasons why survival strategies take precedence:

- Limited Resources:** Small agribusinesses typically have limited financial resources, manpower, and access to technology compared to larger competitors. Thus, their primary focus is often on ensuring the viability and continuity of their operations rather than engaging in aggressive competition.
- Market Challenges:** Small agribusinesses may face challenges in accessing markets dominated by larger players. They might lack the distribution networks or marketing budgets necessary to compete effectively. As a result, they concentrate on maintaining their market presence rather than attempting to outperform larger competitors.
- Risk Management:** Survival strategies often involve risk management measures to protect against market fluctuations, environmental uncertainties, and other external factors that could threaten the business. Small agribusinesses prioritize strategies such as diversification of crops or products, investing in resilient farming practices, and securing insurance to mitigate risks.

- iv. **Local Focus**: Many small agribusinesses operate within local or niche markets where they have a competitive advantage over larger corporations. Rather than expanding rapidly or trying to dominate broader markets, they concentrate on serving the needs of their local community or catering to specific consumer preferences.
- v. **Long-Term Sustainability**: Small agribusinesses may prioritize long-term sustainability over short-term growth or profitability. They often emphasize practices such as organic farming, conservation agriculture, or community engagement to build resilience and ensure the viability of their operations for future generations.
- vi. **Government Support and Regulations**: Small agribusinesses may navigate regulatory challenges and seek government support to sustain their operations. They focus on compliance with regulations, accessing subsidies or grants, and building relationships with local authorities to facilitate their business activities.
- vii. **Adaptation to Change**: Survival strategies entail the ability to adapt to changing market conditions, consumer preferences, and technological advancements. Small agribusinesses often prioritize flexibility and innovation, seeking to evolve their practices and offerings in response to emerging trends and challenges.

## **STRATEGIES:**

- i. **Diversification**: Small agribusinesses can diversify their product offerings to reduce dependence on a single crop or livestock species. This can involve growing a variety of crops, raising multiple types of livestock, or even branching out into related activities such as agro-tourism, value-added processing, or agro-tourism.
- ii. **Value-Added Processing**: Adding value to agricultural products through processing or packaging can increase profit margins and create new market opportunities. Small agribusinesses can explore options such as canning, drying, juicing, or creating artisanal products to differentiate themselves and capture higher prices.

- iii. **Direct Marketing**: Cutting out intermediaries by selling directly to consumers through farmers' markets, community-supported agriculture (CSA) programs, roadside stands, or online platforms can improve profitability and build customer loyalty. Direct marketing also provides valuable feedback and connections with consumers.
- iv. **Partnerships and Collaborations**: Collaborating with other small agribusinesses, local cooperatives, or community organizations can provide economies of scale, shared resources, and access to new markets. Cooperative marketing, joint purchasing, or collective bargaining can help small businesses compete more effectively.
- v. **Focus on Niche Markets**: Identifying and catering to niche markets with specific preferences or needs can create opportunities for small agribusinesses to thrive. This could involve producing organic, specialty, or heirloom varieties, targeting ethnic or gourmet markets, or serving niche segments such as restaurants or institutions.
- vi. **Technology Adoption**: Embracing appropriate technology solutions can improve efficiency, reduce costs, and enhance productivity for small agribusinesses. This could include adopting precision agriculture tools, using mobile apps for market information or farm management, or investing in irrigation and energy-saving technologies.
- vii. **Financial Management**: Implementing sound financial management practices, including budgeting, cost control, and prudent investment decisions, is critical for the survival of small agribusinesses. This may involve seeking financial advice, accessing microfinance or credit facilities, and maintaining accurate records.

- viii. **Sustainable Practices**: Adopting sustainable farming practices not only helps conserve natural resources and protect the environment but also enhances the resilience of small agribusinesses to climate change and market uncertainties. Practices such as organic farming, conservation agriculture, and water-efficient irrigation can improve long-term viability.
- ix. **Customer Engagement**: Building strong relationships with customers through personalized service, transparency, and communication can foster loyalty and repeat business for small agribusinesses. Engaging customers through social media, farm tours, educational events, or community involvement can create a loyal customer base.
- x. **Continuous Learning and Adaptation**: Remaining agile and adaptable in response to changing market conditions, technological advancements, and regulatory requirements is essential for small agribusiness survival. Investing in ongoing education, training, and networking can help small business owners stay informed and innovative.

By implementing these strategies, small agribusinesses can enhance their competitiveness, resilience, and long-term sustainability in the face of challenges and uncertainties.

#### **4.3. CRITICAL FACTORS IN THE CLOSURE OF YOUNG BUSINESSES**

A number of crucial elements, many of which are interconnected and can change depending on the particular setting and circumstances, are responsible for the closure of growing agribusinesses. Here are a few crucial elements:

- i. **Financial Management**: One of the most frequent causes of closure is inadequate financial control. This covers problems including poor cash flow management, insufficient capitalization, and inability to obtain funds or investment. For instance, a young agribusiness may underestimate production costs or neglect to adequately budget for unforeseen costs, which could put financial burden on the enterprise and ultimately force it to close.
- ii. **Market Factors**: The viability of agribusinesses can be greatly affected by market dynamics. Young agribusinesses may find it difficult to stay profitable due to a variety of factors, including competition, fluctuating commodity prices, and shifting consumer tastes. For example, if market prices for a single crop fall because of overstock or shifting customer preference a young agribusiness that depends on that crop may have to close.
- iii. **Limited availability of high-quality inputs**; including equipment, fertilizers, and seeds, can negatively impact the competitiveness and productivity of young agribusinesses. For instance, low-quality seeds or inconsistent availability to irrigation equipment might result in lower yields and financial losses, making it harder for the agribusinesses to thrive.
- iv. **Policy and Regulatory Environment**: The closing of young agribusinesses may also be influenced by the regulatory environment. Complex regulations, inconsistent policies, and bureaucratic red tape can pose difficulties for aspiring young agribusiness owners. For instance, complex land tenure rules or long licensing procedures might affect the growth and long-term viability of agribusinesses.

- v. **Environmental variables**: Agribusiness viability can be greatly affected by environmental variables, including pests and diseases, climate change, and natural disasters. For example, if drought, flooding, or a pest outbreak affect crops, a young agribusiness may have to close, resulting in crop failure and financial losses.
- vi. **Market Access**: New agribusinesses may find it more difficult to grow and turn a profit if they have limited market access. Agribusinesses may find it challenging to contact customers and offer their goods at competitive pricing due to factors like inadequate infrastructure, a lack of market information, and a lack of market relationships.
- vii. **Abilities and Capacity**: The success or failure of young agribusinesses can also be influenced by the management teams and employees' skills and capacities. For instance, agribusinesses may find it more difficult to innovate, adjust to shifting market conditions, and expand sustainably if they lack agribusiness management abilities, agronomic understanding, or marketing skills.

#### **4.4. MANAGEMENT, MARKETING, AND MONEY ('3 M's)**

The three 3 M's: money, marketing, and management — are critical elements of early-stage agribusinesses that demand careful consideration and successful tactics to succeed. Let's examine each of these elements in detail using real-world examples:

- i. **Management of Human Resources**: Effective human resource management is essential. This includes employing qualified staff, offering education programmes, and fostering a healthy work atmosphere. To

improve staff competency in crop management or animal husbandry, for instance, a young business can sponsor education programs.

- ii. **Management of Operations**: Improving processes is essential. This includes organizing, carrying out, and managing manufacturing processes. A developing agribusiness, for example, may increase output and optimise resource utilization with advanced agriculture techniques.
- iii. **Monetary Control**: Sustainability depends on good financial management. This covers risk management, financial reporting, and budgeting. A young agricultural business, for instance, can assess profitability and identify areas for development using financial analysis methods.
- iv. **Research in the Market**: It's critical to comprehend consumer preferences and market trends. In order to identify competitors and potential clients, market research must be done. For example, a young agribusiness may employ focus groups or surveys to obtain information on consumer preferences for organic products.
- v. **Marketing Plan**: Reaching target markets requires creating a solid marketing plan. This covers promotion, advertising, and branding. A young agricultural business, for instance, might use social media sites to interact with clients and market its goods.
- vi. **Access to Market**: Market accessibility is essential. Establishing relationships with producers and consumers as well as determining ways of transportation are necessary for this. For example, a young agricultural enterprise may collaborate with nearby supermarkets to market and sell its goods.

- vii. **Capital Expenditure**: Sufficient funds are required to launch and expand the firm. This involves obtaining funding from grants, loans, or investors. For instance, a young agribusiness may be able to obtain financing in order to grow or buy new machinery.
- viii. **Money Management**: It is crucial to plan your finances properly. This entails preparing financial records, and budgets. A young agribusiness, for example, would make a budget to keep track of its costs and returns.
- ix. **Revenue Potential**: Maintaining profitability is essential for long-term success. This entails managing cash flow, competitively pricing products, and cost analysis. For instance, in order to optimize profits, a young agribusiness can alter its pricing strategy in response to market conditions.

### **STRATEGIES BEYOND SURVIVAL**

Moving beyond mere survival in a small agribusiness involves strategic planning and implementation. Here are some strategies to consider:

- i. **Market Diversification**: Explore different markets for your products such as local markets, online sales, or specialized niche markets. Diversifying your customer base can reduce risk and increase stability.
- ii. **Value Addition**: Add value to your products through processing, packaging, or branding. This can differentiate your products in the market and allow you to command higher prices.
- iii. **Partnerships and Collaborations**: Form partnerships with other businesses in the agricultural value chain such as suppliers, distributors, or retailers. Collaborating with others can help reduce costs, increase market reach, and access new resources.

- iv. **Technology Integration**: Embrace technology to improve efficiency and productivity. This could include using precision agriculture techniques, adopting digital marketing strategies, or implementing farm management software.
- v. **Sustainable Practices**: Implement sustainable farming practices to reduce environmental impact and meet growing consumer demand for eco-friendly products. This could involve organic farming, water conservation measures, or renewable energy adoption.
- vi. **Continuous Learning and Innovation**: Stay updated with industry trends, new technologies, and best practices. Invest in ongoing training and encourage innovation within your business to remain competitive in the market.
- vii. **Customer Relationship Management**: Build strong relationships with your customers through excellent customer service, personalized communication, and loyalty programs. Satisfied customers are more likely to become repeat buyers and recommend your products to others.
- viii. **Financial Management**: Maintain a strong financial management system to monitor cash flow, control costs, and plan for future investments. This may involve seeking financial advice, optimizing pricing strategies, and managing risks effectively.

By implementing these strategies, small agribusinesses can not only survive but thrive in today's competitive market environment.

## 5. **A COMPOSITE MODEL OF SUCCESSFUL STRATEGIES**

The preceding sections have delved into the diverse factors influencing the survival of a new agribusiness venture, with a dedicated focus on survival discussed in Section 2. These influences are categorized into external and internal factors, including those that specifically impact high-growth enterprises.

Some of these strategies that have been talked about includes:

- ✓ **Venture strategies** (Networking, collective activities, resource optimization, marketing and branding, market research and analysis etc.)
- ✓ **Survival strategies** (Risk Management, Local Focus)
- ✓ **Strategies beyond survival** in small agribusiness (Market Diversification, Value Addition, Technology Integration, Customer Relationship Management, Continuous Learning and Innovation etc.)

### **A Composite Model of Successful Strategies**

Refers to a theoretical framework that integrates various successful strategies from different fields or disciplines to create a comprehensive approach for achieving success. This model combines elements from multiple sources to form a cohesive and effective strategy that can be applied in various contexts. By drawing on the strengths of different strategies, a composite model aims to maximize the chances of success by leveraging diverse perspectives and approaches.

One key aspect of a composite model of successful strategies is its **adaptability and flexibility**. By incorporating elements from different sources, this model can be tailored to specific situations and goals, allowing for a more customized and targeted approach to achieving success. Additionally, a composite model can provide a more holistic view of success by considering multiple factors and perspectives that may not be addressed by a single strategy alone.

Another important feature of the composite model is **the focus on alignment and coherence**. Successful strategies are not developed in isolation but are integrated with the organization's overall vision, mission, values, and goals. By ensuring alignment between strategic objectives and organizational priorities, the composite model helps organizations achieve synergy across different functions and departments, leading to more effective implementation and execution of strategies.

Overall, the composite model of successful strategies offers a comprehensive and integrated approach to strategic management that can help organizations navigate complexity, uncertainty, and change. By combining the best practices from various strategic theories and frameworks, organizations can develop a customized strategy that is well-suited to their unique circumstances and aspirations.

### **Practical examples:**

- i. **Integrated Pest Management (IPM):** IPM is a holistic approach to pest control that combines multiple strategies to minimize the impact of pests on crops while reducing reliance on chemical pesticides. A composite IPM model may include techniques such as crop rotation, biological control using natural predators, trap cropping, and the use of resistant crop varieties. By integrating these diverse strategies, farmers can effectively manage pest populations while promoting ecosystem health and reducing environmental risks.
- ii. **Integrated Marketing Communications (IMC):** IMC combines various communication tools and channels to deliver a consistent message to target audiences. A successful IMC strategy may include elements such as advertising, public relations, direct marketing, social media, and sales promotions. By integrating these

different components, companies can ensure that their messaging is cohesive and reaches consumers through multiple touchpoints.

- iii. **Monetary Policy and Fiscal Policy Integration:** Combining the use of monetary policy tools by central banks with fiscal policy measures by governments can create a more robust economic stabilization framework. By coordinating interest rate adjustments with government spending policies, this composite model can effectively manage inflation and unemployment levels simultaneously.
- iv. **Agroforestry Systems:** Agroforestry is a composite model that combines elements of forestry and agriculture to create a sustainable land-use system. This practice involves growing trees and crops together on the same piece of land. The trees provide shade, improve soil fertility, and offer additional sources of income through timber or fruit production. Agroforestry integrates successful strategies from both forestry (tree cultivation) and agriculture (crop cultivation) to enhance overall farm productivity and sustainability.
- v. **Conservation Agriculture:** Conservation agriculture is another example of a composite model in agriculture that combines successful strategies such as minimal soil disturbance, crop rotation, and soil cover maintenance. This approach aims to improve soil health, reduce erosion, conserve water, and enhance crop yields sustainably. By integrating these different strategies into a cohesive system, conservation agriculture provides farmers with a comprehensive approach to sustainable land management.

## **6. ACHIEVING ENTREPRENEURIAL LEADERSHIP IN THE NEW MILLENIUM**

Entrepreneurial Leadership is organizing a group of people to achieve a common goal using proactive entrepreneurial behavior by optimizing risk, innovating to take advantage of opportunities, taking personal responsibility and managing change within a dynamic environment for the benefit of the organization.

**ENTREPRENEURIAL LEADERSHIP** can be defined as a style of leadership characterized by innovation, risk-taking, vision, and the ability to drive change within an organization or a venture.

The concept of entrepreneurial leadership was introduced in 2000 by McGrath and MacMillan who suggested that in dynamic markets where there is increased uncertainty and competitive pressure a new type of leader is required. They described this as the "entrepreneurial leader". These fast-changing markets or situations give those with an "entrepreneurial" approach the ability to exploit opportunities to gain an advantage for their organization faster than others.

Entrepreneurial leadership as a prerequisite for organizational development, on the importance of the entrepreneur being a (visionary) leader, and on the parallels between leadership and entrepreneurship as fields of research and practice.

**The main characteristics of the style of entrepreneurial leadership should include the following:**

- Public interests are above all
- Social identity of the leader

- Conscious perception of goals and means of achieving them
- Ability to work in a team
- Ability to demonstrate leadership qualities
- Ability to evaluate actions according to ethics and morality
- Initiative and activity
- Innovation and creativity
- Volunteering
- Strategic vision
- A broad worldview of social and ecological direction
- Ability to see business opportunities

## **PRINCIPLES OF ENTREPRENEURIAL LEADERSHIP**

### **i. The NEED for Achievement**

The need to succeed and push for personal accomplishment. Every person competes against selves and holds standards that do not involve competition with others.

### **ii. The NEED for Power**

The push to influence others. It's the motivation that propels you to use your platform for the good of business.

### **iii. The NEED for Affiliation**

It is our biological need for social belonging, it involves building relevant relationships in the area of Agribusiness.

#### **How can it be achieved in the 21st Century?**

The 21st century is known to be a very competitive landscape in the corporate world due to revolutionary changes, of uncertainty and unpredictability, in today's fast-paced economy. How can a small-agribusiness grow in such an environment of a continuous technological advancement?

Developing a new competitive mindset of **FLEXIBILITY, SPEED, INNOVATION & STRATEGIC LEADERSHIP** is of high value.

Under **ENTREPRENEURIAL LEADERSHIP**, we can get two key measures of leadership in order to advance and achieve success.

Entrepreneur leadership capabilities in the 21st century should be divided into two groups: tactical and strategic leadership

- i. Tactical leadership capabilities are based on personality-cognitive and interpersonal capabilities.
- ii. Strategic leadership capabilities provide effective teamwork based on the vision of the development prospects of an entrepreneurial organization.

## **A. TACTICAL LEADERSHIP**

- i. Personal capabilities** (being true to one's personal values & ethics, remaining calm under pressure or when things take an unexpected turn, understanding my personal strengths and limitations, energy and passion for L&T, admitting to a learning from my errors),
- ii. Interpersonal capabilities** (being transparent and honest in dealings with others, empathizing and working productively with staff and other key players from a wide range of backgrounds)
- iii. Cognitive capabilities** (identifying from a mass of information the core issue or opportunity in any situation, making sense of and learning from experience, thinking creatively and laterally, diagnosing the underlying causes of a problem & taking appropriate action to address it),
- iv. Skills and knowledge** (being able to organize my work & manage time effectively). Such a distribution points to the importance of taking into account the key aspects of emotional intelligence to increase the efficiency of individual work

## **B. STRATEGIC LEADERSHIP**

Strategic leaders must:

- i. Develop and communicate a vision
- ii. Build dynamic core competencies
- iii. Emphasize and effectively use human capital,
- iv. Invest in the development of new technologies,
- v. Engage in valuable strategies,

- vi. Build and maintain an effective organizational culture,
- vii. Develop and implement balanced controls,
- viii. And engage in ethical practices.

The combination of tactical and strategic leadership capabilities is an important element for ensuring effective leadership. Such form of management will help to accurately determine the direction of entrepreneurial organization development, to focus on achieving the goals set, to develop competitive advantages of the organization, to develop skills and abilities of employees, to use the strategy of raising the value of employees, to balance entrepreneurial opportunities and costs for their implementation.