

SEMIS,  
Practical Applications in Seeds  
HR Management  
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# Contents

- HR Issues in small, proprietary companies or in companies with less than 25 people
- Special HR skills required in the seeds business

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# HRM: Management of Seed Enterprises

## *Realities of running a small business*

- Most HR theories and text books are written for large companies with hundreds or even thousands of employees
- In start up companies, you are the company's CEO cum watchman / sweeper, all rolled into one!
- For small companies with less than 25 employees, it is difficult to hire highly qualified people because they just don't come. It is also not possible to advertise or spend money on search
- Conclusion: We cannot get what we like. So we must like what we get, by bringing them up to meet our needs

# HRM: Management of Seed Enterprises

- You have to depend on people known to you or known to your friends. You also have to hire from the same town or community
- Yet, you need to be able to trust them / be comfortable with them
- Most small Indian businesses hire relatives or friends' sons.
- I am not against hiring people known to you or hiring your relations (because often you don't get others) but the key is in “managing them”

# HRM: Management of Seed Enterprises

- The key is in “training them” to meet your needs
- Technical training is only a part of this training ..
- You need to train them in:
  - The way you think and want them to think,
  - Attitudes
  - Your company’s culture (or when you are just starting, the culture you want to develop) and
  - The company’s value systems

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- You need to make them feel for the company and for their colleagues in the company (Remember the Spanish football team at UEFA)
- You must create an environment where they want to give not only their brain and sweat to your company but even their hearts
- This can be done only if they believe that this is “their” company

# HRM: Management of Seed Enterprises

- To be able to achieve this you need to constantly communicate:
  - Your company's vision
  - Their targets (in writing) and review performance
  - The limits: what they can do and cannot do
- You need to motivate them
  - Involve them in decision making
  - Encourage them to take risk
  - Recognise good work publicly
  - Punish one on one
- Reward them (consider offering partnership in profits)

# HRM: Management of Seed Enterprises

## *Long learning cycle*

- In seeds, usually, there is only one production & sales cycle per year. So you can learn / teach only once a year
- But “every year is different” - It takes approx. five years to learn the basic seeds business
  - One season is too hot, the next too cold, third too wet and the fourth too dry. At times the season is very early and other times late. And when everything goes right, you have too much seed and the price crashes.
- And when you get too much, everyone else also gets too much and vice versa and almost invariably what one does not want ...
- Thus, it takes 4-5 years to learn the basic seed business



# HRM: Management of Seed Enterprises

## *Long learning cycle*

- The mentality required to manage long cycles is very different from a short cycle business. The best example is that of a share broker who is living minute to minute
- When the Viet Nam war negotiations were going on in Paris, the U.S. team hoped to close deal in weeks. So they travelled back and forth every week. The Vietnamese and Chinese teams relocated to Paris for two years
- When in 1980s, we went to take an order in Russia, on arrival in Moscow, the Russians asked about our schedule and found out when you were returning. They didn't discuss business for the whole week and then at the last minute, they produced a contract which you almost had to sign ...

# HRM in Business planning

## *Leaning to live with long planning cycles*

- The main raw material is the Foundation seed or Parent seed.
- And the raw material for the Foundation seed is the Breeder's seed or grand-parent seed.
- Each takes an year / a full production cycle to produce
- Therefore, in the seed business, one must plan production at least three years/cycles ahead.
- Ideally, plan a five year cycle
- Thus, you must plant in 2012 what you want to sell in 2013, before you have sold (in 2012) what you started to produce in 2011.

# HRM in Seed Production

## *Different mindset required to live with uncertainty*

- Seed production cycle takes from 6-18 months.
- It must be done at a fixed place & time
- It is not possible to increase production by running a third shift or working on a holiday.
- One cannot be sure of the quantity one will get (unlike a manufactured product viz. pharmaceutical or pesticide)
- It is said that nature if the General Manager, Production
- Therefore, in seeds, one has to be very flexible and keep fine tuning all the time e.g Sorghum production

# HRM in Seed Production

## *Learning to be alert and flexible at the same time*

- In seed production one has to keep eyes open all the time and constantly review / revise production forecast
- If you expect a shortage, you must quickly plan / acquire additional production
- If you feel that there will be a surplus you may have to plough down standing production plots and cut production by compensating farmers if required (cut losses)
- You may also have to consider selling part of the production as grain and cut packaging, certification and stock carrying costs. E.g. Situation in Tanzania in 2011-12

# HRM: In Seeds business

## *Applying different strategies and tactics*

- The strategies and tactics required to be adopted in shortages and surpluses are quite different
- One needs to quickly adapt with changes in season and rain pattern and accordingly change production and marketing plan
- The production quantities planned, product pricing, promotion, distribution has all to be quickly changed to meet the challenges of changing circumstances
- Examples: Cotton sales in 1992

# HRM in Seed Marketing

## *Broad and in depth knowledge required:*

- Seeds sales & marketing people must develop expertise in all aspects of cultivation from land preparation to post harvest.
- The relationship between a seed sales person and farmer is like a “family doctor and patient”.
- The expertise may narrow as the volumes grow
  - Field crops or vegetable crops
  - Within vegetables, tomato or pepper and so on

# HRM in Seed Sales

*You need people who can think and act fast*

- Usually, the seeds sales season lasts for a week to two weeks. A seed company places stocks with dealers in different markets prior to onset of the season
- Depending on rain, sales pick up in one market faster than others. The company must shift stocks to this market almost overnight to maximise sales
- If required the decision to cut price must be taken on the spur of the moment so as to liquidate stock
- In the seeds business, it is said that if you are going to have to regret then, “better sell and regret rather than keep and regret”

# HRM in Seed Business Management

*You need people who can measure risk*

- With changes in circumstances, I used to mentally recalculate my projected profit almost every day and decide on suitable action
- I was faster than the others and with this ability almost always made more money than the others
- Seeds is a high risk business
- I had to live with uncertainty and develop a mindset so as to make it possible for me to take risk



# HRM in Seed Business Management

## *Need to select team Players / avoid loners*

- It is important that all team members play well together – Research, Production, Processing, QA, Sales & Marketing and Finance. e.g tomato breeding
- Did you watch how the Spanish team was passing ball at UEFA 2012
- I always said,  
“We don’t want a team of champions.  
We want a champion team”

# HRM in Management of Seed Enterprises

- Training in culture, values
- Communicate, communicate, communicate
- Long learning cycle
- Long planning period
- Living with uncertainty
- Constant alertness and flexibility
- Quick response to external situation
- Broad, in depth knowledge
- Speed of Action
- Risk taking ability
- Team play