

Key Success Factors in the Seed Business

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Business Management Module

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Financial Dictionary

Definition: **entrepreneur**

A risk-taker who has the skills and initiative to establish a business.

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Financial Dictionary

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A risk-taker who has the skills and initiative to establish a business.

In our cases, a SEED business!

No single element of running a seed company is extremely difficult.

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No single element of running a seed company is extremely difficult.

The difficult part is that you need to do so many things at the same time!

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***Do you know how to
produce high quality,
cost-effective seed?***

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***Can you attract and keep
customers?***

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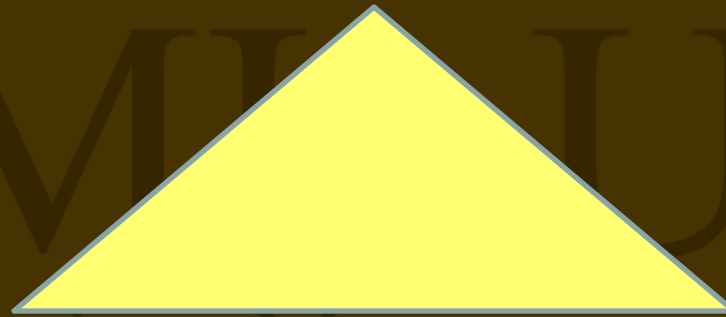
***Do you know how to keep
score?***

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Three Key Capabilities

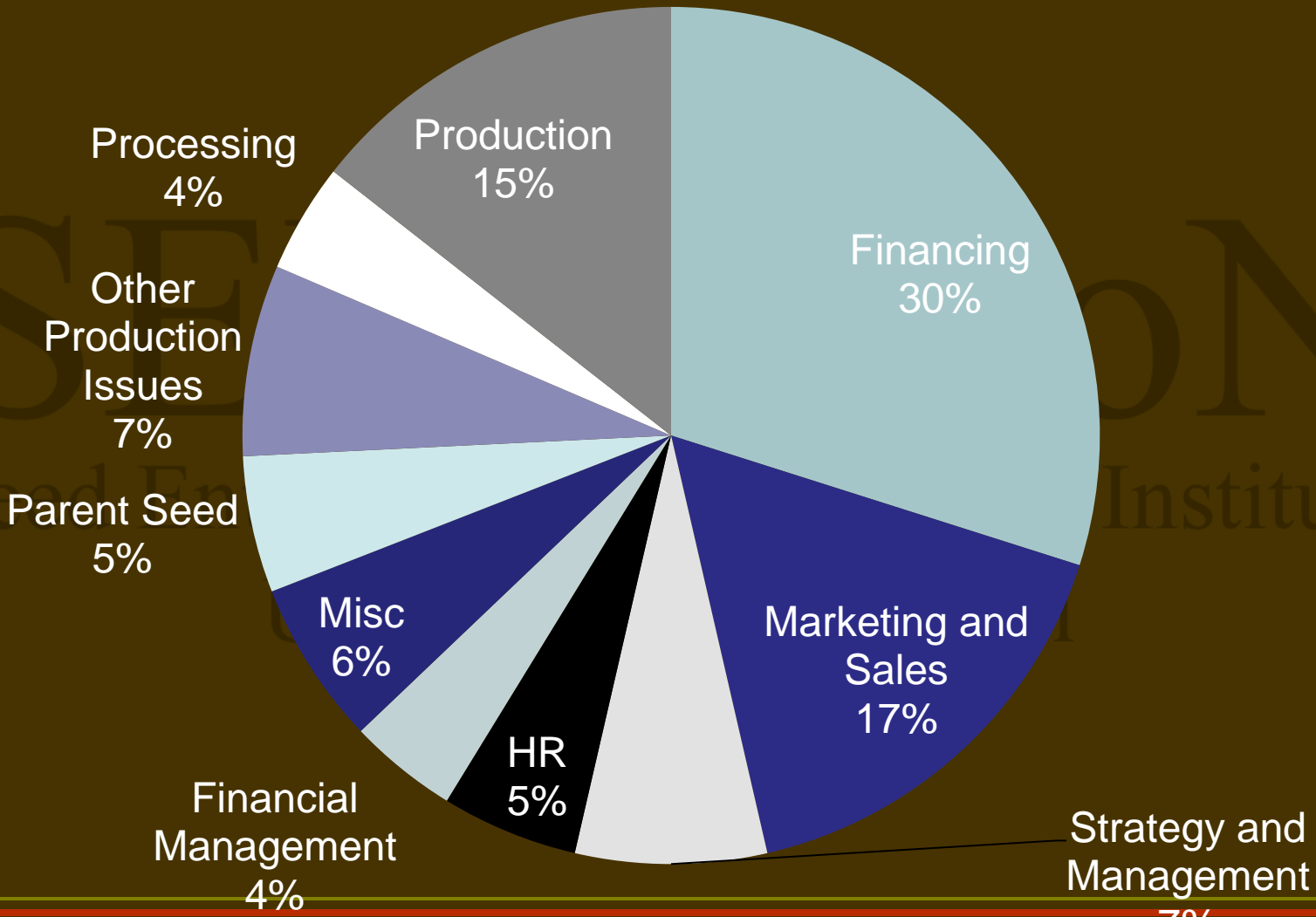
Production



Marketing

Financing

Major Challenges



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Key Success Factors

In the seed business, key success factors relate to these three functions – production, marketing, and financing – and how to accomplish them.

Accomplishing them well involves your team, your ability to plan, and your ability to execute.

#1: High Quality Production

You have to produce something in order to sell it!

It has to be very good for people to believe in you

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Tool #2: The Enemies of Seed Quality

#2: Cost Effective Production

Anybody can spend a fortune to produce high quality seed – but not everyone can produce high quality seed cost-effectively

Tool #7: 10 Major Production Bleeders

#3: Good Marketing

Customers must understand the benefits of your product in order to decide if is worth buying (or, in the case of seed, investing in.)



Farmers buy seed two ways:

Rational

Price

Performance

Convenience

Packaging

Data

'Academic'

recommendation

Emotional

Value

Trust

Person selling

Visual appeal

Choice of peers

"How I'm treated as
a customer"

Trust

- Doing what you say you are going to do
- Putting your customer first



Cannot over-emphasize

trust

in the seed industry

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#4: Financial Resources

Profits / Retained Earnings

Investors

Good banking relationship

Why are these so important?

#4: Financial Resources

1. Access to capital for FS, equipment, other
2. Climactic conditions
3. Technical skills – each person has different skills
4. Marketing seeds given low buying culture
5. Balancing financial constraints with seed production requirements
6. High competition
7. Low availability of BS
8. Lack of modern equipment
9. Planning and coordination
10. Executing plans
11. Cash flow/staying afloat

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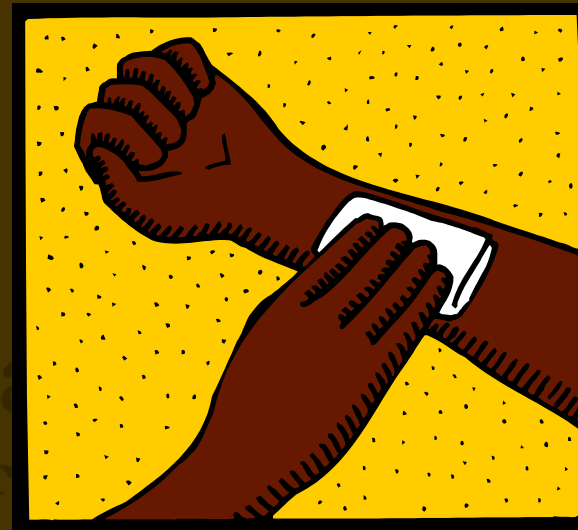
Know how to keep score!

Honesty before the numbers

Profit is like blood; without it
you will die

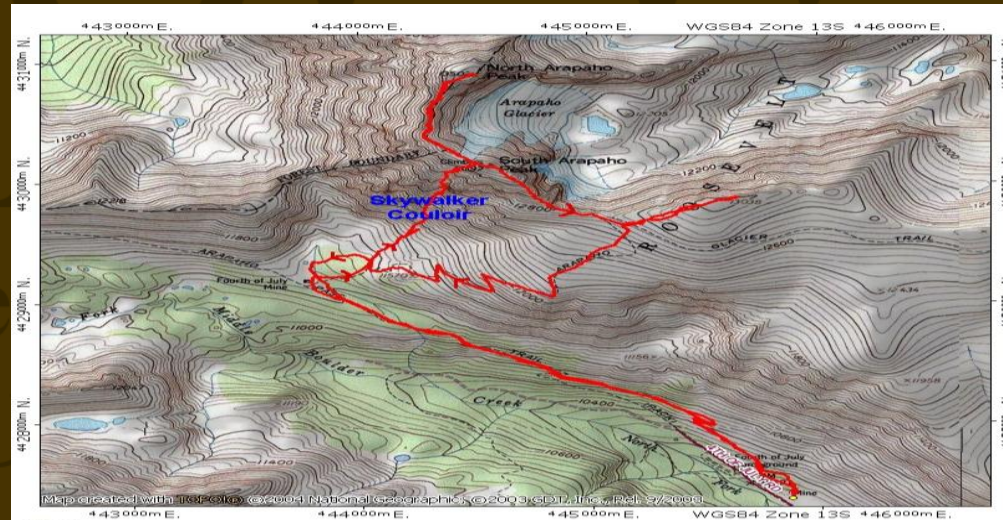
Cash Flow

Feeders and Bleeders



#5: *Good planning skills*

Have a plan for your safari.



Then make a new plan.

#4: Good Planning Skills

- ✓ Foundation seed planning
- ✓ Outgrower recruitment and training
- ✓ Production planning
- ✓ Input acquisition
- ✓ Demos
- ✓ Agrodealer recruitment
- ✓ Distribution
- ✓ Processing “bottleneck”
- ✓ Packaging decisions
- ✓ On and on...!

WHEN PLANNING, CLEAR
WRITING IS A SIGN OF
CLEAR THINKING

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KEEP IT SIMPLE

#6: Execution

Product execution

&

Business execution

Product... The Simple Rule

*It's not good enough if
you wouldn't plant it
on your own farm*

Business Execution...

Fortune magazine survey

Why CEOs Fail

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Fortune magazine survey:

What is the primary reason American CEOs get fired?

- a. Lack of strategy
- b. Poor financial results
- c. Incorrect vision
- d. Poor team-building
- e. Lack of execution



Why CEOs Fail

“It's rarely for lack of smarts or vision. Most unsuccessful CEOs stumble because of one simple, fatal shortcoming.”

Fortune magazine

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Why CEOs Fail

“It's bad execution. As simple as that: not getting things done, being indecisive, not delivering on commitments.”

“So how do CEOs blow it? More than any other way, by failure to put the right people in the right jobs—and the related failure to fix people problems in time”

#6: Execution

How much time do you spend on it?

Distractions –

too much travel and entertainment,

too much ‘advocacy/PR work’,

too much ‘acting like a CEO’ instead of

‘being a CEO’

Keep it real. Stay grounded, stay focused.

“There are no shortcuts to
anywhere worth going.”

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#7: Ability to build and keep a good team

Simple truth: YOU CANNOT DO THIS ALONE!!!

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Survey question:

What's most important in a job?

People responded they wanted to:

1. *Be on a good team*
2. *Have a voice in the decision-making*
3. *Know their efforts are appreciated*

Hire slow, fire fast

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In summary,
you are an *owner* who must
be able to implement these
7 Key Factors for Success

What Do Owners Do?

- ⇒ Transcend functional boundaries
- ⇒ Don't have the answers - find them
- ⇒ Deal in a 360° realm
- ⇒ Think long term
- ⇒ Know that their team drives success
- ⇒ Take personal risk
- ⇒ Are responsible for the “business score”

“Opportunities are usually disguised
as hard work, so most people don’t
recognize them.”

Ann Landers





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"Some people regard private enterprise as if it were a predatory tiger to be shot. Others look upon it as a cow that they can milk. Only a handful see it for what it really is -- the strong horse that pulls the whole cart."

Winston Churchill