



ALIGNING YOUR AG BUSINESS

Aligning Your Ag Business: Grower Segmentation

Challenges are facing the agronomy industry. It is critical to evaluate, rethink and align your business to meet those challenges. Significant business may be lost if appropriate changes are not made.

“How do we structure and position our agronomy business model, sales model and sales positions to align with the needs and expectations of growers who are expanding acres, while continuing to maintain strong relationships with our current customers who are primarily traditional growers?”

Our Expert for the Grower Segmentation article is Kevin Eye. Kevin’s career in agriculture has spanned over 40 years. He served as Vice President, Northern Sales Business Unit and Vice President, Agronomy & Product Development at Winfield United from 2013 to 2018. Kevin is skilled in understanding the agricultural segments from B2B to the end-user and providing information and insight to the marketplace related to new technologies, products, sales, and alignment practices.

We have identified Five Key Actions that we believe are necessary to minimize erosion of sales and profits and to position agronomy businesses for growth and prosperity in the future. Where do we start? What would be the first action?

Grower Segmentation: Segmenting your grower’s is the best way to meet their needs. And for your business to be more successful in developing a win-win business relationship. Invest in understanding what the progressive growers in your market area want from their agronomy supplier and agronomy & seed salesperson.

What are questions that agronomy business leaders will want to ask and answer about the grower segments?

How closely aligned are you with your grower’s crop input needs? Do their needs differ from each other? Do your grower’s needs change from year to year?

What are the grower segments / characteristics?

Typically, there are 3 grower segments/characteristics:

- Traditional—loyal, maybe your main customer base, <750 acres, age 50 and older.
- Progressive—1,000 acres + and growing, leading edge, willing to try new things, manage with data, ROI focused, 30-50 age bracket.
- Transactional—size of operation is not a factor, owns application equipment, price driven, buys products on-line and/or tin-shed businesses.

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What are progressive growers wanting and needing from their ag services provider?

The “progressive” grower likely has the most business growth opportunities for your agronomy business. Generally, what this grower segment is wanting and needing from their Ag service provider is:

- A “trusted advisor” that keep them informed on trends, new products, data, supplies, etc.
- Digital Ag technology tools and able to help sort out the data for making better decisions on each of their fields.
- Provides on-farm consulting and crop monitoring services.
- Understands my needs. Delivers win-win solutions and focused on my ROI.
- Competitive pricing (considers overall value).
- Timely digital communications on crop input planning and in-season crop conditions, (text messaging, web site, emails, etc.).
- Easy to do business with.

Why is “How we Communicate” with progressive growers important in building and maintaining a “trusted advisor” status?

The progressive segment, and especially younger growers, want timely digital communications on crop input planning and in-season crop conditions, (text messaging, web site, emails, etc.).

What are examples of communication tools to use with Progressive Growers?

As an example, texting to a grower (or post on YouTube) a 2-minute video, weekly on current crop conditions (in the field), builds that trusted-advisor status. And valuable information for your growers

What are the important actions to take?

- It is important you identify the current growers and potential new grower prospects that fit this progressive segment. This is an important segment for your business to grow and gain future new business.
- Also, it is critical to assign specific agronomy sellers to this grower segment and perhaps other agronomy sellers to the traditional grower segment.
- Whether they are a current customer or potential new customer, your assigned sellers should schedule a “needs assessment” meeting with each of their assigned grower’s. These one-on-one meetings can build upon the trust and business relationship between your seller and the grower. And things change, so it is important to keep up to date on their needs, issues, and opportunities.

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