



# **Technology Challenges of Independent Seed Growers**

**& How CRM Can Help Overcome Them**

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**O**ne hundred and sixty-five years ago, the U.S. seed industry did not exist. Today, that industry is among the largest in the world. In just a few decades, seed manufacturers and distributors built a business model that evolved to the needs of an industrialized world — quite an accomplishment.

But, as the industry continues its path of growth, profitability is no longer a guarantee, especially for independent seed companies. Large corporations are using powerful market share and the latest technology to forge new paths, but that's only part of the challenge independent seed companies face. This paper will look at four major challenges facing these independent vendors and discuss how to use CRM technology to change that dynamic.

## **Challenge #1: Globalization**

At the dawn of the seed industry, and for many years after, seed companies were family-owned and operated. As the industry grew, global corporations bought the independent companies, and now those corporations are creating big challenges for the ones that remain. Take market prices for the United States' three biggest crops, for instance. Profit margins for these crops are a major concern, and larger corporations are positioning themselves to handle the fallout.

According to a July 2017 article on Agriculture.com, "Market prices for the three major U.S. crops — corn, wheat, and soybeans — set record highs following the 2012 drought and collapsed in 2013 as global output rebounded. They have run at comparatively low levels since, with few signs of a rebound in the near term...Low crop prices, a boon to livestock producers, have pulled down farmer income. Due to cash reserves built during the commodity boom that ran from 2006 to 2013, farm solvency remains strong, although the debt-to-asset ratio, a commonly used gauge of financial stress, is forecast this year to be the highest since 2002."

This dip in prices means many farmers are having to sell their crops for less than it costs to grow them. One solution from seed distributors could be lowering seed prices, but that means lower profit margins. Large corporations have more flexibility to drop prices and still turn a profit, but most independent companies are working with considerably tighter financial restraints.

Larger corporations are fortunate to have preconfigured software systems to predict these trends. With the ability to quickly pull up data related to purchase histories and year-over-year stats, global seed companies are reworking their sales and marketing plans in tandem with the changing market.

### **How CRM Can Help**

A globalized market means more aggressive competition, but affordable CRM is out there. Large corporations pay a lot of money for personalized CRM systems built on expensive platforms. Seed CRM software is built on one of the nation's top CRM brands, SugarCRM, but at a price that works for the little guy. With a straightforward, easy-to-use interface, this top-tier CRM platform is pre-configured for agribusiness needs.

SugarCRM prides itself on making CRM accessible to small and mid-size businesses. The flexibility of their platform means the system can be configured for a reasonable price and with minimal restriction.

## **Challenge #2: Sustainable Growth**

Although it ties into globalization, sustainable growth is its own obstacle for independent seed companies. Global demand for seed is strong, but because consumers' needs are so diverse from region to region, profitability is at risk. Seeds are perishable. Companies have limited time to develop the best plan to sell the right product. But what defines the right product? How do you know you have the best plan? Proper forecasting can find the answers, but it's complicated without the right tools. Smaller seed companies may manually categorize buying histories to predict trends, and while there is no tangible cost to manual calculation, there is a significant intangible cost – time. Time that could be better spent planning inventory, contacting customers, creating sales forecasts, and organizing marketing efforts. Sustainable growth is less feasible without the ability to forecast and plan.

### ***How CRM Can Help***

Seed CRM allows seed producers and distributors to create buyer history reports based on region, type, farm size, and other factors. Users can reference these reports to understand the trends by region and determine an approach for maximum profitability. With less time spent building the plan, more time can be spent executing it, and the entire team can feel confident in their path forward.

## **Challenge #3: Policy Restrictions**

As with any major U.S. industry, federal and state governments regulate the commercial and financial aspects of the seed industry. Seed certification is a prime example. As consumer demand for seed origins grow, so do the regulations around the disclosure of that information. Documentation of seed origin is required for many transactions, and companies must sign off on the authenticity and genetic type each time they make a sale. Meanwhile, farmers who are buying the seeds are restricted by their own set of regulations. Plant patents (aka breeder's rights) from big name companies like Monsanto, Dow, and Syngenta make it impossible for farmers to regenerate their own seeds. They must buy seeds new each year to avoid patent infringements. "Today, the seed industry is amongst the most concentrated branches of the agri-food system, with just four companies controlling 56% of the proprietary seed supply," according to a recent article on farmers' rights to replant.

As seed distributors purchase the patented seeds from big name companies and sell those seeds to farmers, they must keep proper documentation. Each sale involves the signing of multiple documents, from legal contracts, to authenticity certifications, every single year. Sellers should be able to quickly view a customer's information and know whether they've signed all the necessary documentation. Ideally this would be done in a secure digital platform.

Larger corporations have a technological advantage with the ability to manage data more effectively, which means they can push out more sales, faster, while adhering to all the policy restrictions that come with each sale.

### ***How CRM Can Help***

CRM innately offers functions for keeping notes and documents. Combine that with email integration and e-signature capabilities for an even more robust tracking system. With email integration, users can view the customer and see all the email conversations associated to that customer within the feed. When was your last contact? What did you talk about? Users can monitor the flow of emails to quickly realize the status. Seed CRM integrates with all major email providers, including Gmail, Microsoft Exchange, and Lotus Notes. This allows users to store all emails associated to an account in the shared CRM for simplified access and better organization.

When contract signatures are needed (especially if there are several contracts necessary for one sales transaction) e-signature integration with products like DocuSign make the process quick and secure. Sending a contract digitally means less downtime before the sale is finalized. It also allows you to track whether the person opened it and understand immediately if they've signed off. E-signature integration with Seed CRM then stores those documents with strict encryption to keep personal data safe. Users can tie the contracts to specific accounts so when they log into the CRM system, they immediately see the status of the contract. Most e-signature companies also will allow the creation of templates and rules associated to a contract to ensure compliance with any legal obligations. E-signed documents are recognized with the same legal binding as paper contracts.

## **Challenge #4: Digitization**

According to the [McKinsey Global Institute's Digitization Index](#), the agriculture industry is the least digitized of all major U.S. industries. A defining aspect of this lagging digitization is the gap in data collection and automation. Meanwhile, the companies making the move to digitization are single-handedly reshaping their industries to their advantage. They're pulling in greater market share, showing more profit growth, and forcing competitors to play on their level. Growing opportunity costs from digitization are putting independent companies at risk to fall behind.

### **How CRM Can Help**

Seed CRM captures your customer information, tracks buying histories, monitors trends and sales activities, and automates your processes to digitize your seed sales. Even if you're new to CRM, the proper training and onboarding can have your employees up and running with your system in a month.

Technology Advisors Inc. (TAI) has 30+ years of experience teaching people how to use their CRM systems. Our training strategies speed software adoption and create an environment for more effective use of the software. If complications arise, TAI acts as a single point of contact to resolve them. In addition, TAI regularly offers free educational experiences to help you make the most of your product. These web and live events teach valuable skills and give users direct access to our CRM experts.

With ongoing support and a full understanding of the importance of digitization, independent seed companies can continue to be profitable and personalized while empowering themselves to compete in the evolving marketplace.

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