

Knowledge Insider

Where business meets opportunity | **Agribusiness by design**



Farm Credit Canada
Advancing the business of agriculture

Canada



“Traditionally, managers have been equated with ship captains, peering through a telescope deep into the future, setting a long-term vision, and proceeding steady as she goes.

In the new normal, however, managers must proceed through an impenetrable fog that obscures any view of the future.

By building the organization’s strategic, portfolio, and operational agility, managers can position their companies to succeed, come what may.”

– Donald Sull, professor of Management Practice in Strategic and International Management, London Business School

Table of contents

3 | Redesigning your business for the future

The art of redesign	3
---------------------------	---

7 | Why consider redesigning?

External drivers	7
• Consumer trends	9
• Changing marketplace conditions	9
• Innovations in agricultural products and services	11
• Shifts in the agriculture industry	12
Internal drivers	12
• People	12
• Values	13

15 | How to redesign for success

Enhance your vision	15
• Diversification	15
• Differentiation	19
Enhance your management skills	22
• Managing people	22
• Managing assets	22
• Managing risk	25
Enhance your relationships	25
• Relationships with customers	26
• Relationships within your value chains	26
• Relationships within your operation	31

34 | Final thoughts

35 | Tips, tools and strategies

Business insight from FCC

Make better decisions with better information. Use Knowledge Insider to help track global shifts and industry trends. For more knowledge that you can use to plan for success in your business, visit www.fcc.ca/learning.

Farm Credit Canada is proud to present Knowledge Insider, a semi-annual publication offering thought-provoking information to producers and other agriculture entrepreneurs. Trends described in this document are supported with facts and figures and examined in the context of what's on the horizon for Canadian agriculture.

Please direct questions and comments to FCC's Customer Service Centre at 1-888-332-3301 or email csc@fcc-fac.ca.

Knowledge Insider is produced by Strategic Intelligence at FCC.

Our special thanks for contributions from all of our FCC partners and industry experts who generously contributed their time, talent and knowledge to the creation of this document.

This report presents forward-looking statements and is intended for educational and general reference purposes only. The authors have attempted to provide useful information and analysis. However, FCC does not guarantee accuracy or necessarily share the views of authors. Links to other websites are offered as reference to the readers of this report, based on the information provided. The report is not intended to be used as a substitute for professional advice.

© 2010, Farm Credit Canada
All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, without the prior written permission of Farm Credit Canada.

Cette publication est également offerte en français.

Redesigning Simply Spuds for the 21st century

Looking ahead to 2020

AGENDA

Enhancing our vision8 – 10 a.m.

Discussion items:

- What are the trends and forecasts for our external business environment?
 - Does our vision reflect our customers' long-term needs?
 - What would it take to achieve a quantum shift in our product design, marketing, research and development, customer satisfaction, etc.?
- Blue-sky session – all ideas welcome

Break10 – 10:30 a.m.

- Guest speaker via webinar – Antioxidant benefits of coloured potatoes and possible nutraceutical applications

Lunch.....noon – 1 p.m.

Enhancing our management skills.....1 – 3 p.m.

Discussion items:

- What do we do well? What expertise resides within our team?
- Where do we have gaps? Who can we learn from?
- Are joint ventures an option for leveraging needed talent?

Pre-work: Bring names of consultants (from universities, private industry, industry associations, etc.) who can help us explore opportunities in alternative energy, nutraceuticals, biochemical products and green chemistry products.

Break3 – 3:30 p.m.

Enhancing our relationships.....3:30 – 5 p.m.

Discussion items:

- Who do we want to be working with in five years? Ten years?
- How can we strengthen communication and loyalty with our value chain partners?
- What are best practices for employee engagement? What do we want our work life to be like in 10 years?

Suggested pre-reading: The Breakthrough Company by Keith R. McFarland and The Design of Business by Roger Martin

Redesigning your business for the future

Successful agribusinesses – which range from input suppliers and producers to processors – recognize that the world is not standing still and manage their operations accordingly. By monitoring shifting trends and incorporating new business practices, they remain productive, profitable and relevant to customers. Agribusiness leaders stay ahead of the game by understanding competition, consumer trends, advances in technology and evolving government regulations. They constantly enhance their management skills and, when necessary, redesign their businesses.

This edition of Knowledge Insider examines how and why agribusinesses are redesigning. It profiles companies that proactively chose to redesign how they do business to shape their futures for profitability and growth.

In this edition:

- Today's agribusinesses operate in an increasingly complex environment.
- Outstanding business leaders regularly review their vision, management skills and relationships to enhance efficiency and profitability.
- Redesign can range from modifying your processes to changing product lines to overhauling your business strategy.
- Businesses may redesign multiple times to respond to changing environments, prepare for new market opportunities and increase profitability.
- Not all agribusinesses need to redesign today. Understanding broad trends that affect your sector and monitoring external and internal drivers can help you decide when to redesign.

Opportunities and risks are plentiful in an era marked by market shifts. Whether you produce food, fuel, fibre, health products or ecological products, or offer some type of service, you face the same questions: When should I redesign my business, and how?

As you read through this edition of Knowledge Insider, look for opportunities to adapt your business to the changing world. If you are already on this path, how can you stay prepared for the future?

The art of redesign

“Design-thinking firms stand apart in their willingness to engage in the task of continuously redesigning their business. They do so with an eye to creating advances in both innovation and efficiency – the combination that produces the most powerful competitive edge.” – Roger Martin, professor and dean at the University of Toronto's Rotman School of Management and author of *The Design of Business* and *The Opposable Mind*³

You likely already monitor trends that affect your business by talking to value chain partners, following the news and surfing websites and blogs. It is no longer a question that the world is changing. How you prepare for an unpredictable future is key. Only you can determine when and how to redesign. By examining external and internal drivers in your business, you can decide how to best enhance your vision, management skills and relationships for success.

REAL BUSINESSES AROUND THE WORLD REDESIGN FOR SUCCESS



FROM FARMERS MARKETS TO VENDING MACHINES

EUROPE – Faced with increasing competition from multi-national businesses, farmers from Switzerland, Germany and Spain are selling fresh produce (including eggs, meat, dairy and vegetables) in vending machines. By choosing a new marketing technique, they are saving time and labour costs, while providing a quality, fresh product to customers 24 hours a day.

FROM TRADITIONAL FLOORING RETAILERS TO ZERO-IMPACT FLOORING COMPANY BY 2020

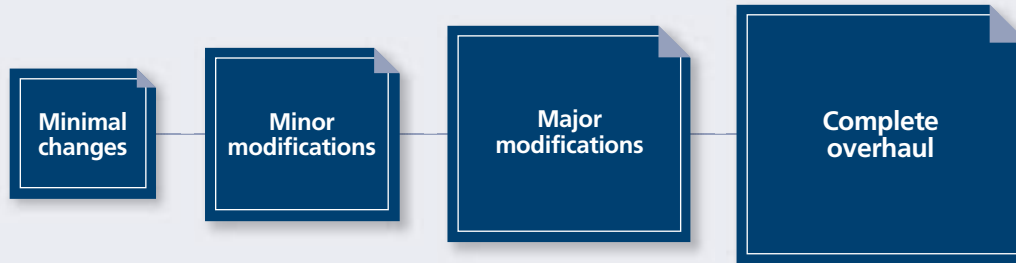
U.S.A. – With tight profit margins, Interface, Inc. in Atlanta, Georgia, was encountering pressures from customers with environmental concerns. Recognizing a need for change, the company overhauled its vision and committed to eliminate any negative environmental impact by 2020. According to its global EcoMetrics assessment, the cumulative avoided costs from waste elimination activities have been over US\$433 million since 1995. Interface, Inc. is currently researching carpet made from the carbohydrate polymers in vegetable matter.

FROM TRADITIONAL, SEASONAL GREENHOUSE OPERATION TO YEAR-ROUND, HIGH TECHNOLOGY GREENHOUSE OPERATION

CANADA – Faced with phytosanitary concerns, Quebec-based Les Serres Lefort Inc. redesigned its seasonal business into a high technology, year-round operation. It now sells more products, employs a full-time agronomist and has incorporated traceability systems and automated technologies, including Quebec's first cascading floor system that quickly and effectively irrigates plants from the ground up. The new technology uses more energy, so Les Serres Lefort Inc. is considering a future redesign to use biomass energy to reduce its operating costs.



How much change does your business need?



There is no single, correct approach to redesign your business. There are many theories and tools available. You may choose to learn more about business models and strategic planning. You may decide to work with consultants and advisers to redesign your business. You may already have the resources in place to redesign on your own.

According to Harvard Business Review, success does not start by thinking about business models. Instead, it starts by focusing on the opportunity to satisfy a customer who needs a job done.⁴ What do you know about your customers' future needs that can help you redesign? What risks do you face if you do not redesign your business to respond to changing customer needs and changing environments?

Some agribusinesses are re-evaluating who they work with and how they do business. Some are changing what they produce and deliver. Others are formally changing their legal structure or business plan, and require legal consultation and advice. Would you be more effective as a sole proprietorship, limited partnership, corporation or member of a new generation co-operative? Should you become vertically integrated or change your relationships within your value chains? How would you challenge your company if you were your smartest competitor? Asking questions like these will help you decide when and how to redesign.

According to Harvard Business Review, successful new businesses redesign their business models approximately four times before becoming profitable. It recommends that companies with new business models should be patient for growth and impatient for profit. It suggests allowing new markets to open up while also watching for indications that the model works. In its words, a "profitable business is the best early indication of a viable model."⁵ How will you know that your design meets your standards and those of your investors and value chain partners for growth and profitability? What is your litmus test for readiness? When do you expect to have to redesign again?

Did you know?

There are many resources available to help you learn more about redesigning your business for success.

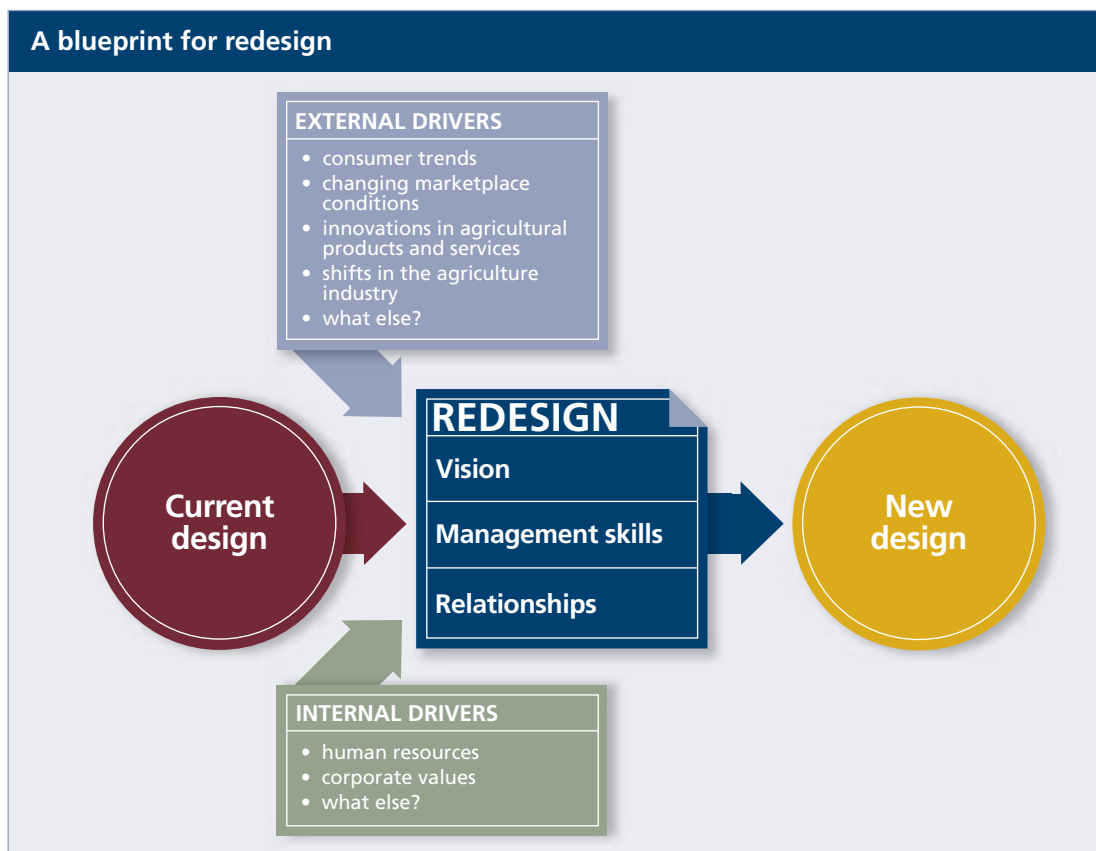
Here are a few to get you started:

- Alexander Osterwalder's website www.businessmodelalchemist.com
- David Kohl's seven models for agribusiness⁶
- FCC business plan guidelines www.fcc.ca/en/LearningCentre/business_plan_e.asp

Grant and Colleen Dyck, owners of Artel Farms Ltd. in Manitoba, redesigned their business through diversification. (see page 15)



Why consider redesigning?



Many factors can affect your business and prompt you to consider redesigning. Whether facing challenges or opportunities, understanding external and internal drivers allows you to assess the timing and extent of redesign that best meet your needs. Understanding the interplay between these drivers today and their possible effects tomorrow can help you ask the right questions to find the best answers for your business.

External drivers

Depending upon your industry, you may face growing challenges and multiple opportunities. External factors that influence your decision to redesign can range from changing consumer trends

and volatile input costs to international pressures, such as competition and trade barriers. By examining your external business environment, you may encounter threats or uncover opportunities. What is driving you to consider redesign?

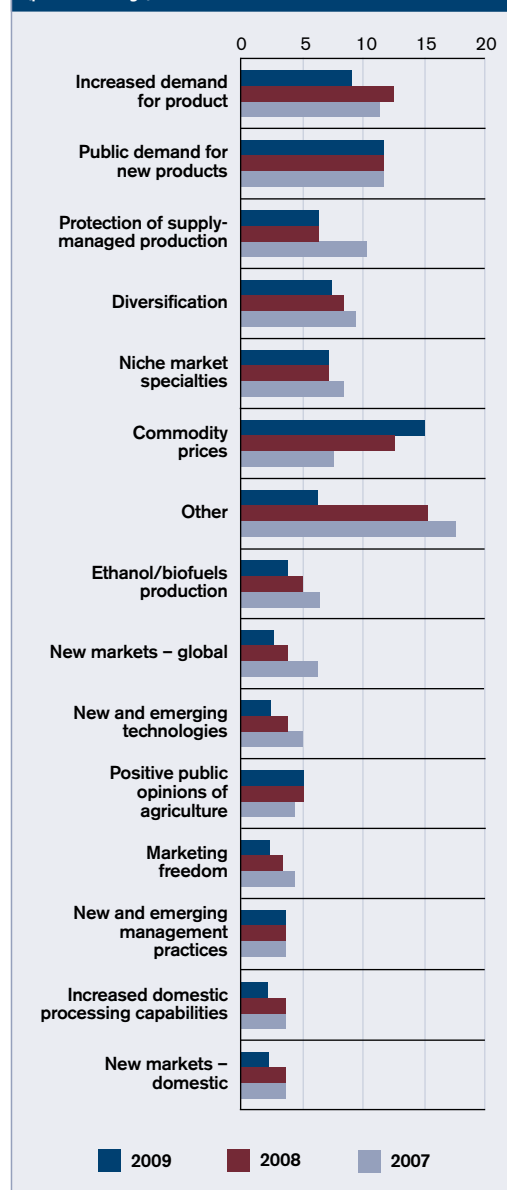
In 2009, FCC asked its 9,000-member national research advisory panel about the greatest challenge facing agriculture over the next year. Twenty-six per cent of Vision panel respondents ranked rising input costs as the greatest challenge, which, as figure 1 indicates, is significantly fewer than 2007 and 2008. Another 25 per cent cited making a profit as the greatest challenge, which is significantly more than the past two years. What are your greatest

Figure 1: Greatest challenges in agriculture
(per cent change)

Source: Optimism in Canadian Agriculture survey, FCC Vision panel results, 2009

challenges? How have your challenges changed over time?

FCC also asked its Vision panel what it considers to be the greatest opportunity in agriculture over the coming year. The respondents ranked increased

Figure 2: Greatest opportunities in agriculture
(per cent change)

Source: Optimism in Canadian Agriculture survey, FCC Vision panel results, 2009

demand for product and public demand for new products as the top two opportunities (see figure 2). Where are your opportunities?

In a business environment marked by volatility and uncertainty, businesses that are agile, flexible and

prepared for change are finding success. Margaret Walton, a partner at Planscape – a team of professionals in Ontario that plans sustainable communities – predicts that the following external marketplace drivers will affect agriculture in the next few decades: international competition and emerging markets, scale of operations, increased farming of rented land, complex legal requirements and an aging workforce.⁷

To prepare for unpredictable business environments, it is important to be aware of what is changing, improve your readiness and ability to adjust to these changes and proactively redesign your business in anticipation of unforeseen factors. What external factors present risks and opportunities for your business in a volatile marketplace? What is driving you to rethink how to best design your business? Examples of external drivers that may affect your decisions are consumer trends, changing marketplace conditions, innovations in agricultural products and services, and shifts in the agriculture industry.

Consumer trends

Successful value chain partners and agribusiness owners make decisions based on changing consumer trends. FCC's consumer trends edition of Knowledge Insider shows that, broadly speaking, consumers worldwide want food products that are convenient, tasty, fresh, nutritious and affordable. A mix of mass and niche markets presents multiple opportunities to tailor your business lines. Understanding demographic forecasts in your markets can help you adapt product lines and marketing campaigns to effectively target key consumers.

For example, a growing number of people want products that promote health and longevity and are produced through sustainable practices. Lifestyles of health and sustainability (LOHAS) refers to a US\$209 billion marketplace in the United States for goods and services focused on health, the environment and sustainable living. LOHAS consumers, who seek products and services that support their values, represent approximately 19 per cent of U.S. adults.⁸ Learn about the developing

Canadian LOHAS marketplace at www.lohaswire.com.

The Value Chain Management Centre at the George Morris Centre in Guelph, Ont. profiles case studies in leading-edge value chain approaches. The Little Potato Company, based in Edmonton, is featured for successfully achieving a unique consumer value proposition by transforming a former waste item into a new category in the fresh vegetable market – the little potato. In doing so, the company responded to consumer demands for products that are fresh, convenient and healthy. The Little Potato Company has proprietary rights to six varieties of potatoes and annually produces millions of pounds of tiny potatoes that command a premium price and are widely distributed in Canadian markets.⁹

Consumer trends can affect agribusinesses that do not sell directly to the end-user. Your business plans may be affected by customer needs anywhere along your value chain. How are your value chain partners preparing for changing consumer trends? How can you and your value chain partners provide a unique value proposition to consumers? As agribusinesses around you redesign to better meet changing consumer needs, what is your edge?

Changing marketplace conditions

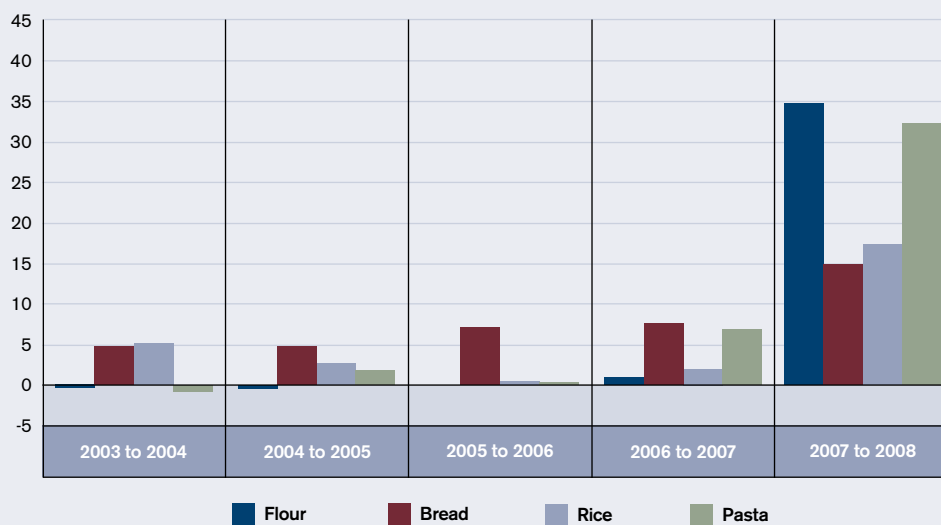
Markets for Canadian agriculture products have been unpredictable in the past decade. Monitoring price fluctuations for products within your industry can help you determine the best steps for your business to remain competitive and increase profitability. For example, markets for beef, pork, chicken and milk have shown considerable volatility over the past nine years, whereas flour, bread, rice and pasta markets have shown a considerable increase in pricing over a single year (see figures 3 and 4). Canadian food wholesalers and distributors saw overall growth in total operating revenues of more than \$25 billion between 1999 and 2007, yet experienced a decrease of 0.8 per cent in net revenues, largely due to increased operating expenses.¹⁰ How do markets for other commodities affect your product lines?

Figure 3: Annual changes in the consumer price index for livestock-based food products in Canada (per cent change)



Source: Statistics Canada, 2009

Figure 4: Annual changes in the consumer price index for wheat-based food products and rice in Canada (per cent change)



Source: Statistics Canada, 2009

Unpredictable markets and pricing have sparked greater interest in risk mitigation strategies. An Ipsos Reid survey commissioned by Agriculture and Agri-Food Canada (AAFC) shows that 97 per cent of agricultural producers consider input costs (such as fertilizers, fuel, chemicals, interest rates and labour) as the main risk to their operations and 89 per cent see market prices as the main risk.¹¹ What can your business do to guard against or profit from volatility? In anticipation of continuing volatility, how can you best capture value for the future?

Innovations in agricultural products and services

The products and services you produce and what they are used for is changing. During a presentation in Alberta in 2009, John Oliver, chair of Flax Canada 2015 Inc., suggested that Canadian agriculture must become the foundational industry to provide solutions in areas like water management, biofuels, greenhouse gas capture and quality nutritional products for preventative medicine.¹²

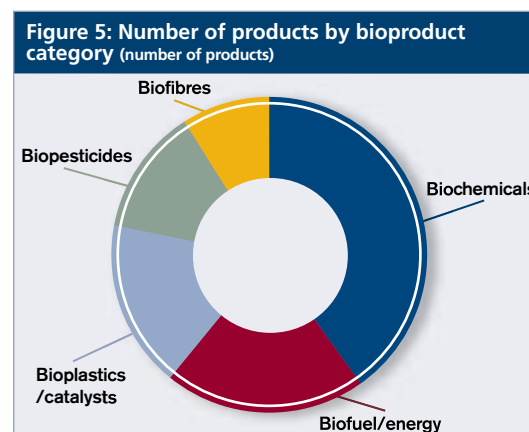
According to Michael Boehlje, a distinguished professor in the department of agricultural economics at Purdue University in Indiana, agriculture is shifting from an industry producing food as a commodity to one that includes a focus on the “biological manufacturing of specific raw materials for nutritional, pharmaceutical and industrial produce end-users.”¹³ Evidence of this solutions focus already exists. For example, there is already increasing interest in the functional attributes of foods, from omega-3 enriched dairy and eggs to the development of nutraceuticals intended to enhance longevity, relaxation, energy and heart health.

According to AAFC, while it is challenging to quantify the future markets for nutraceuticals and functional foods at this early stage, they represent a significant opportunity for farmers and food producers in Canada with current demand estimated at \$1 billion to \$2 billion.¹⁴ Many industries are also searching for non-food products like fuel, fibre and bioproducts to replace products made from dwindling non-renewable resources.

The bio-economy includes any economic activity that uses renewable bioresources and bioprocesses in producing energy, industrial products and other bioproducts, such as biofuels, bioplastics, biochemicals, biofibres, functional foods, biopharmaceuticals and nutraceuticals. AAFC states that the 2003 global market for bioproducts was approximately \$70 billion and the market is estimated to reach \$500 billion by 2015.¹⁵

While much attention has been paid to biofuels, the majority of the 2003 global market for bioproducts was for biochemicals (see figure 5). Knowledge of how to turn biomass into bioproducts is still in its infancy. Some businesses got in too early and experienced losses. Are there opportunities for your business to develop products for use in the bio-economy? What information do you need to monitor, both within and outside of your industry, to make strategic decisions about timing and readiness?

New developments in innovative products and services are a significant opportunity and a strong driver for redesign for Canadian agribusinesses. For example, FCC’s finding value in green edition of Knowledge Insider discusses green chemistry while the consumer trends edition touches on developments in nutrigenomics – the ability to tailor food products to each individual’s specific genetic needs. What do you need to know to redesign your business to take advantage of growing



Source: Statistics Canada, Bioproduct Development survey, 2003

interest and demand for innovative agricultural products? What services can you provide using your current resources and expertise to expand your business? Are there advances in technology and science that can provide opportunities for your business to pilot new products?

Shifts in the agriculture industry

The journey from subsistence farming to modern agriculture has uncovered many innovations and has changed the way we do business. The move from small-scale farming toward the mass production of commodities has changed the face of agriculture (see figure 6). Now the industry is changing again and looking to a future where agriculture can contribute to providing solutions to improve human, animal and environmental health. We are moving out of the industrial era, which found solutions to meet mass market needs through large-scale production, into a mix of local and mass markets and traditional and new technology. In a world where competing trends coexist (like the local food movement and mass markets), there are opportunities for agribusinesses of all sizes. What is your edge? What differentiates your business in the new world of agriculture?

According to Lowell Catlett, dean and chief administrative officer of the College of Agricultural, Consumer and Environmental Sciences at New Mexico State University, a revolution is occurring in agriculture unlike any seen before. In his view, not only will agriculture need to produce more food in the next four decades than it has in the previous 6,000 years, it will also be integrated with health care, ecology and energy through policies, practices

and technological developments. He believes that success in the new world of agribusiness is not about being bigger; it is about being smarter.¹⁶

In Canada, the Canadian Agri-Food Policy Institute is forwarding the case to link agriculture and health policy with the goals of improving the health of Canadians, reducing health-care costs, stimulating innovations in agri-food and improving the economic viability of the agri-food industry. The August 2009 discussion paper on this topic is available online.¹⁷ How will future changes to agricultural products be influenced by advances in science, changing policies and innovators like you?

Internal drivers

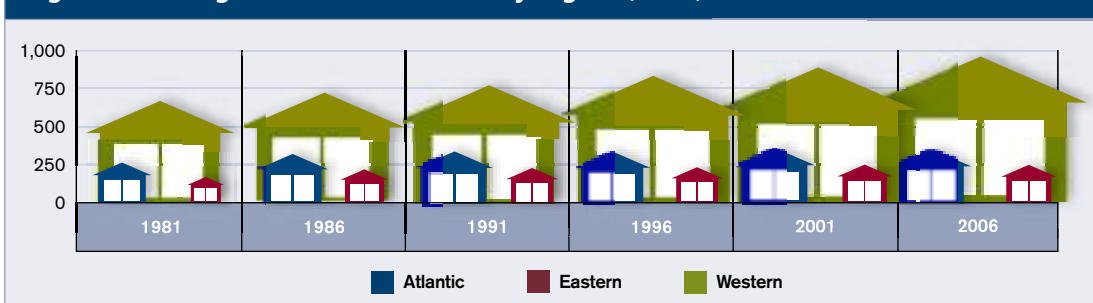
Your business is unique in many ways. Although the internal factors that motivate you to redesign may not be the same as other businesses, all businesses redesign to remain competitive, productive and profitable. Two internal factors that drive many businesses to redesign are people and values.

People

People are an integral part of your business. Taking a closer look at your people resources can open up opportunities to redesign. Do you currently or do you expect to have difficulty finding skilled labour in the future? Do you have bench strength today? How critical is succession planning to the future success of your business?

Businesses across industries understand the need to work with skilled people. In 2008, IBM surveyed 1,130 CEOs from around the world, 69 per cent of whom are planning to implement extensive changes

Figure 6: Average Canadian farm size by region (acres)



Source: Statistics Canada, 2007

to their current business models over the next three years. Figure 7 shows that the Canadian CEOs surveyed expect people skills to be the most significant pressure they will face over the next three years.¹⁸

What you do to meet your internal human resource needs should be customized to your specific business. For example, The Little Potato Company tailors its employee retention programs to meet the unique needs of its workforce — 72 per cent of whom are visible minorities from over two dozen countries. Some of its programs, like English as a second language training, help employees adjust to their new lives in Canada. It also has a third-party service that links new Canadians into local cultural organizations and personally follows up with each employee to ensure that he or she feels comfortable with the new job and surroundings.¹⁹ Your human resource needs may present you with both challenges and opportunities to redesign for employee retention and engagement. How could these potential pressures translate into a competitive advantage for your business?

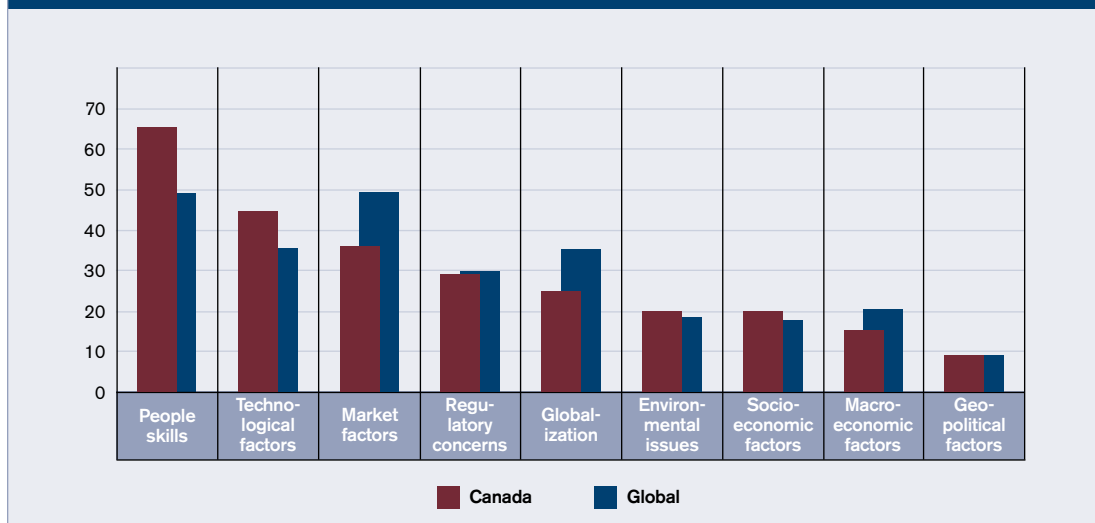
Values

Some businesses are incorporating their values and their consumers' values into their redesigns. In

2006, David Lauzon, president and founder of Lauzon Distinctive Hardwood Flooring in Quebec, restructured his hardwood floor manufacturing business into a vertically integrated corporation with a strong emphasis on environmental sustainability. Consumer and corporate values were internal drivers in the redesign. Already a successful international business, the company implemented measures throughout every stage of its operation from the growing and harvesting of trees to the end product to minimize negative environmental impacts. When interviewed for this publication, Lauzon noted that one of the company's corporate goals is to help reduce global warming. Could values be a stronger driver for your business? How can you ensure profitability when redesigning into a values-based corporation?

People and values are just two of the internal drivers that may motivate you to redesign your business. You may want to leverage your skills and knowledge to create new products and services. A growth strategy could help you expand your market share. Could changing who you do business with capitalize on the skills of others? Take the time to consider your internal motivations and chart your course for greater future success.

Figure 7: Pressures affecting business models according to CEOs (per cent)



Source: IBM CEO survey, 2008

Redesigning your business may include creating multiple uses of your assets.



How to redesign for success

After interviewing agribusiness owners for this edition of Knowledge Insider, it was evident that they monitor industry and global trends, read management books and are forward-thinking. They exhibit flexibility, risk awareness, entrepreneurial savvy and agility. While each business owner chose a path that fit his or her distinct needs, they all redesigned their businesses in three key areas: vision, management skills and relationships.



Enhance your vision

"A corporation is a living organism; it has to continue to shed its skin.

Methods have to change. Focus has to change. Values have to change. The sum total of those changes is transformation."²⁰ – Andrew Grove, former CEO, board chair and president of Intel Corporation

In an industry challenged by volatility and increasing complexity, a well-defined vision can provide strategic direction and inspire growth and development. A vision that is written down, widely shared and revisited often provides team members, value chain partners and customers with direction and clarity. If your vision is outdated, inflexible, unable to respond to unforeseen changes or not prepared to take advantage of emerging opportunities, it can become a liability. Even the best planned businesses may not foresee the impacts of events like industry mergers, changing weather patterns or food-borne illnesses. A well-designed vision provides clear direction and the ability to be flexible when needed.

Many agribusinesses are expanding product lines or moving into new markets. Some are consulting with scientists and researchers to pilot innovative products and forge new frontiers. Some are focusing on growth strategies. Others are

diversifying or differentiating their operations to meet changing consumer needs. Do you make decisions based on a clear, articulate vision of the future of your business? When you consider new approaches and initiatives, are they aligned with your vision?

Diversification

Some agribusiness leaders have enhanced their vision to include a diversification strategy to ensure flexibility in the face of unpredictable markets. By expanding their product lines, piloting new crops or plant varieties or partnering with other businesses, they aim to mitigate risks, increase profitability and fulfill their corporate visions. What risks do you currently face that could be minimized by revisiting your vision? Is diversification an option for your business?

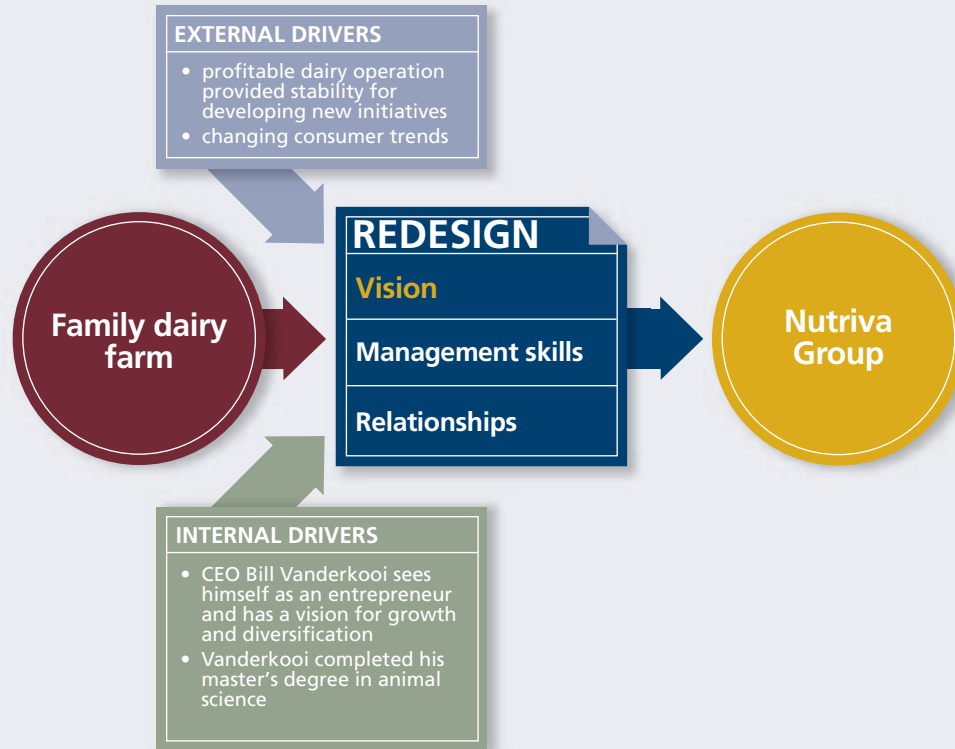
Did you know?

By diversifying operations through manufacturing a variety of products, investing in multiple securities, selling different types of merchandise or growing a variety of crops, businesses attempt to minimize the impact of a failure or an economic slump affecting a single aspect of their operations.

Some companies diversify to mitigate risk and capitalize on future trends. Grant and Colleen Dyck, owners of Artel Farms Ltd. in Manitoba, were recognized through Canada's Outstanding Young Farmers program in 2009. To redesign the vision for their grain and oilseed operation, the Dycks used a diversification strategy and planted more crop varieties and created two new companies: one to develop an all-natural energy bar and the other to transform reclaimed wood and diseased elm

(Continued on page 19)

Making it work – Nutriva Group



Making it work – Nutriva Group

Nutriva Group, in Abbotsford, B.C., focuses on nutrition innovation. Originally focused on dairy farm operations in the 1990s, its divisions now include dairy, laying hens, specialty feed ingredient distribution, consulting, agri-tourism, retail farmers market, functional foods, lab services, and research and development. CEO Bill Vanderkooi says that the company's growth has been good, but it has not always been easy. "It requires more capital and labour than anticipated. You need the right team in place with the right personal styles for their jobs." The company is developing internal rules when

expanding, including research into risk, rates of return and reaching benchmark goals. Vanderkooi's visionary approach is apparent in Nutriva Group's purpose, which is "developing and managing whole food value chains that begin with progressive, environmentally responsible farm practices and end with functional food products that embody natural nutrition innovation to improve the health and well-being of Canadians." For Vanderkooi, a self-described serial entrepreneur, having the motivation to keep moving toward success is key. "I encourage people to have a vision for themselves and for the future."

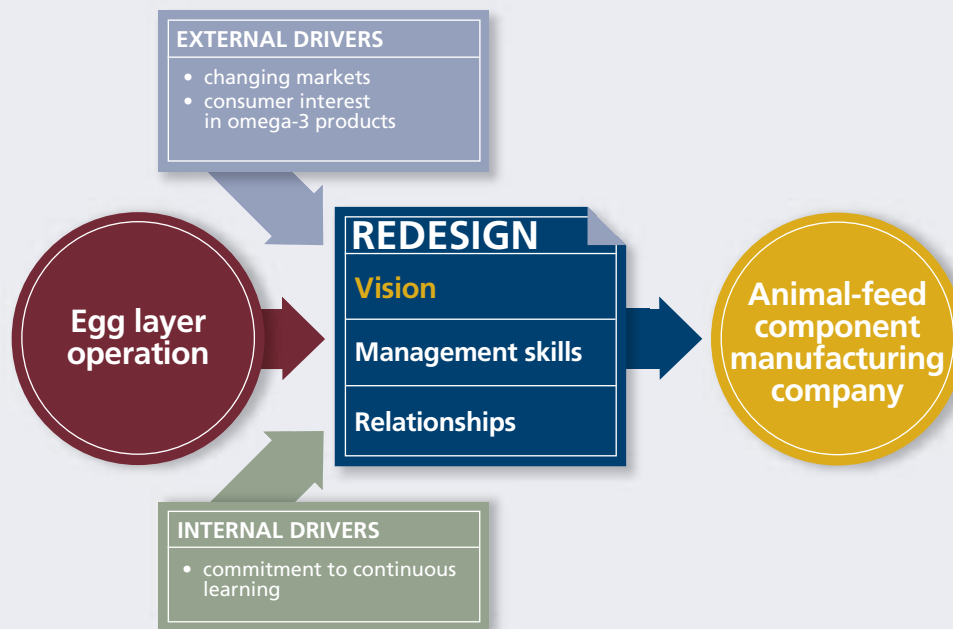
www.nutrivagroup.com



Nutriva Group Holdings



Making it work – O&T Farms

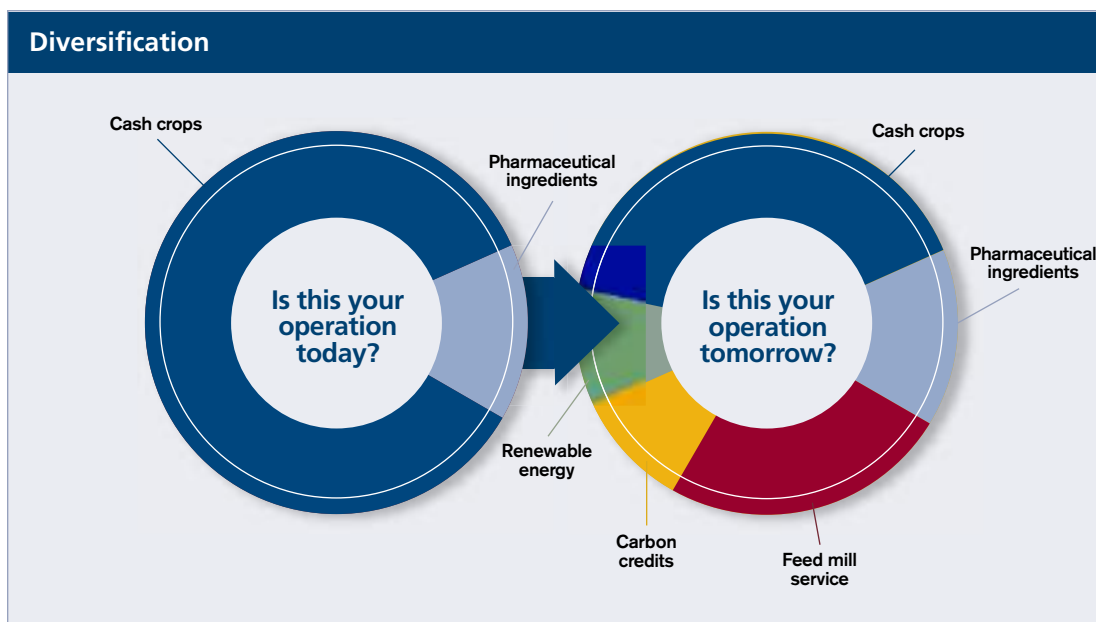


Making it work – O&T Farms

Vision and science were the key ingredients to a successful redesign for O&T Farms in Regina, Sask. According to president and CEO Tim Wiens, omega-3 enriched feed components for eggs, meat and dairy fit both emerging consumer trends and the company's vision of being a leader in agribusiness. "O&T was known as an egg and poultry business, but everything evolves. We looked ahead to what we could be and what we could do, and knew there was opportunity in the growing functional food market." In its first 40 years, the company's lines of business included

equipment sales, grading, feed production and international agribusiness. In 1997, O&T was looking to add value by processing spent hens, which were no longer suitable for laying eggs, into a new product. An environmental odour issue stopped that idea. Next, it used dry-extrusion equipment to create animal-feed components from pulses, canola and flax, and had excellent results. O&T Farms patented the process and now offers a line of omega-3 enriched products. "You have to keep learning," Wiens says. "Keep your eyes open, listen and read the tea leaves as best as you can."

www.otfarms.ca/about.html



trees into flooring. Diversification has allowed the Dycks, and many other agribusiness owners, to maximize capital and human resources and minimize the risks that come with a single revenue source. Since diversification can also compound risk by incorporating multiple markets and external factors into your business environment, smart risk management is essential.

Speaking to delegates at a management session for agribusiness entrepreneurs in Quebec, agronomist Eric A. Lavoie stated that the strategy of diversification, for its part, is based on acquiring and using new knowledge in other fields, developing new products and diversifying the business portfolio. In his view, one of the primary goals of diversification continues to be to reduce the company's financial dependence.²¹ Does your strategy help mitigate risks? What would happen if a low-cost competitor entered your market?

Differentiation

Some companies are enhancing their visions through differentiation. What do you have to offer consumers and business partners that would make your business stand out? Consider blue-sky thinking sessions with your team to identify future

possibilities. Perhaps an external consultant could look at your business with fresh eyes to identify untapped possibilities for redesign with differentiation in mind.

FCC's consumer trends edition of Knowledge Insider shows how customization of products and services is a growing trend among consumers. Some agribusinesses are differentiating by targeting markets through products like ethnic foods and gluten-free products. Others are standing out through their focus on sustainability or local products. Some are adding premium regional products like Charlevoix lamb. Many are differentiating by finding out what players up the value chain are looking for and meeting their needs. Is there an opportunity for you to differentiate by meeting these or other growing needs?

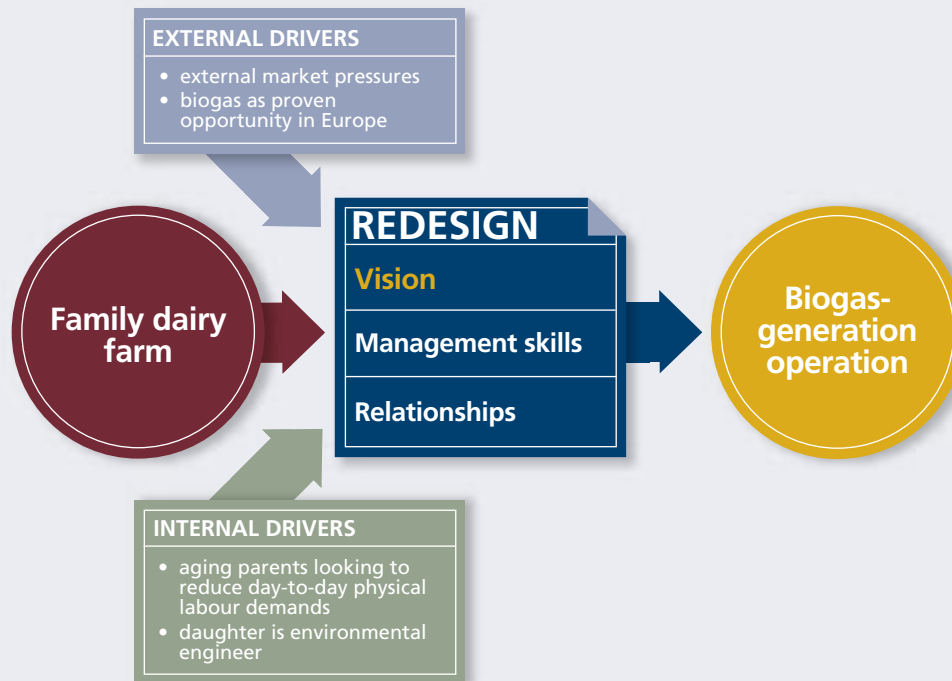
According to Jean-Philippe Gervais, FCC Senior Agriculture Economist, Canadian agribusinesses need to strategically position themselves to compete in an environment that is increasingly reliant on product differentiation to serve more elaborate consumer preferences with regards to food safety and health. He also believes new

(Continued on page 22)

Ledgecroft Farms redesigned
from a family dairy farm to a
biogas-generation operation.



Making it work – Ledgecroft Farms



Making it work – Ledgecroft Farms

The Green family relied on a mix of internal and external expertise to transform Ledgecroft Farms, their family dairy farm near Kingston, Ont., into a biogas-generation operation. They hired professional consultants to build a biodigester, and their daughter, Jennifer, an environmental engineer, became project manager. They faced a number of challenges, including finding a company familiar with the new technology to build the biodigester and navigating emerging utility company regulations. While the Greens

were ready to innovate, the required regulations were not yet in place. The family also spent time meeting with government and industry officials to negotiate compliance with deadlines. “You have to be patient and then more patient,” Ben Green explains. At a cost of \$3 million, the company expects a payback period of seven to 12 years. Green cautions owners to be prepared to work hard, even if they hire professionals to carry out a project. “You have to be involved at every level of detail and your responsibility is to oversee the consultants and project. You have to invest your own time.”

marketing arrangements are needed as well as further investment in human capital and an overall increase in input efficiency to enhance productivity and protect profit margins.

Differentiation and diversification may enhance your vision as your business heads into the future. Successful entrepreneurs are often born from discovering a gap in products or services and finding a way to fill it before the competition catches up. What products or services could you pioneer?



Enhance your management skills

Changing the way you manage your resources, assets, production and marketing can range from making small adjustments to completely restructuring your systems and business design. Identifying and understanding your own strengths and weaknesses and those of your team are essential to making the right decisions.

Did you know?

In a 2009 Ipsos Reid survey commissioned by AAFC, a sample of 2,000 Canadian agriculture producers showed that:

- 54 per cent are changing how they manage their farm businesses
- 50 per cent are changing how they manage land and water resources²²

Managing people

Do you have the right people and skills in place to meet your vision? After you have identified gaps, you can determine how to best fill them. You may choose to enhance your own skill set. You may choose to hire outside help to complement your team's existing skills.

If the design of your business is changing, you may need to adapt how you manage people. Hiring people whose skill sets fit with your redesigned business may be critical to your success. In *Good to Great*, Jim Collins emphasizes the critical

importance of having "the right people on the bus."²³ As the leader of an agribusiness, this includes you. What do you do best and how can you better serve your company's needs?

Managing assets

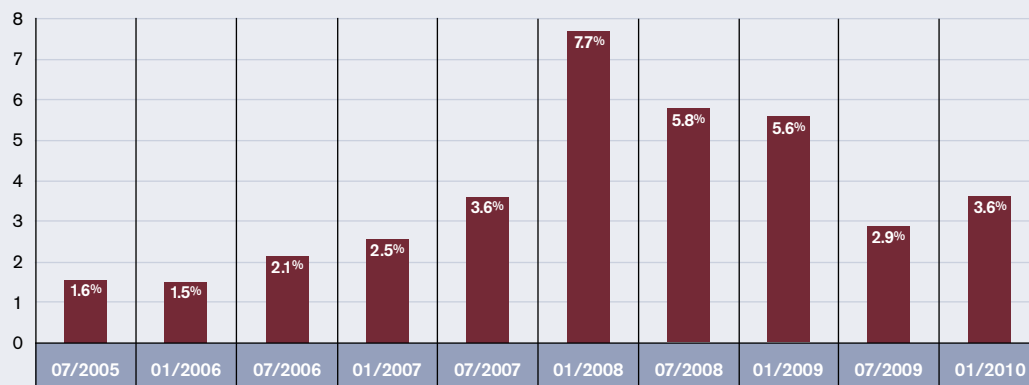
"You have two businesses . . . your operating business and your land business. It's the land business that'll make you money." – Rob Napier, director of Australia-based Napier Agrifutures²⁴

In redesigning their agribusinesses, some owners are exploring opportunities to manage their assets differently through leasing, renting and sharing. Whether they are exploring sharing assets with others, selling or renting land assets, or leasing equipment instead of owning it, they are rethinking how to best manage their assets to meet their goals.

Some agribusiness owners, deciding that they could be more profitable with less land, are choosing to sell their land assets. Laura and Norman Shoemaker took ownership of their 5,000-acre Saskatchewan family farm planning to diversify the operation into multiple revenue streams. Having limited capital, they decided to sell 80 per cent of the land and then rented it back to farm. This move effectively converted equity into cash flow, allowing them to realize their vision – a grain and pedigreed seed operation called Shoemaker Agro Inc. According to Laura, who has a background in financial planning, "Selling – or deciding not to sell – should be no different than selling or holding onto a stock. Look at it as an investment. If it's a good one, keep it. If you could make money investing in something else, sell it."

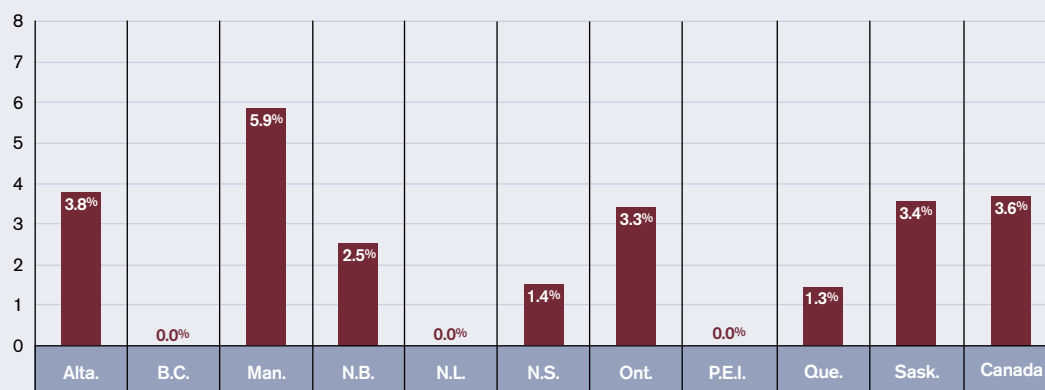
Monitoring Canadian land and other asset values is an important part of asset management as trends and bubbles in real estate markets can affect the profitability of these assets. FCC's Farmland Values Report tracks semi-annual changes in farmland values provincially and nationally (see figures 8 and 9). Land owners considering selling or buying farmland can review this and other information to make strategic decisions about redesigning their businesses.

Figure 8: National comparison of farmland values in Canada
(semi-annual per cent change)



Source: Spring 2010 Farmland Values Report, FCC

Figure 9: Provincial comparison of farmland values in Canada
(semi-annual per cent change – July 1, 2009 to December 31, 2009)



Source: Spring 2010 Farmland Values Report, FCC

Ownership of land is another question to consider in redesign. According to a November 2009 FCC Vision panel survey of 971 Canadian producers, almost six in 10 producers (58 per cent) both own and rent the land where their productions are located. Almost half (45 per cent) of respondents reported that they are renting more land now than

they were five years ago, with the exception of Quebec and the Atlantic provinces.²⁵

Sometimes choosing to sell land is difficult, particularly if there is an emotional attachment to it. Would buying or selling land or other assets provide an opportunity for your business? What does ownership mean to you?



Bourdon Feed and Grain Inc. redesigned from a poultry farm to a vertically integrated feed and grain company with a broiler and layer operation, feed mill and elevator.

Making it work – Bourdon Feed and Grain Inc.

Making it work – Bourdon Feed and Grain Inc.

In 1994, faced with increasing costs for feed, trucking and handling, along with unpredictable grain markets, Marc Bourdon added a modern feed mill to his poultry farm in Maxville, Ont. Driven by a need to reduce his own production costs, Bourdon initially milled his own grains into feed. Bourdon Feed and Grain Inc. was formed to sell feed to other farmers and buy and dry their

grains using hedging strategies. This redesign meant he had to enhance his management skills in his new role as head of a vertically integrated feed and grain company. According to Bourdon, it is important to monitor costs and remember that the more volume you have, the larger the gains and losses associated with a small change in costs or pricing will be. “It’s a business today that needs management skills. You can no longer look at it as just a farm anymore.”

You can redesign how you manage your equipment and technology assets. A national survey released by FCC in 2009 outlines producers’ motivations and future plans for technology adoption. Over 65 per cent of the primary producers who responded to the survey plan to implement one or more additional cost-saving technologies or devices on their farms or ranches in the next five years. Examples include upgrading computer systems, using computerized field maps and installing robotic milkers in dairy operations. Respondents are considering cost-saving technologies for the following reasons: the potential for increased productivity, the immediate and future reduction in operating costs and time savings.²⁶ These redesigns may also require retraining and process definition. How can you better manage your equipment and technology for improved efficiency and profitability? What risks do you face by not updating your technology?

Managing risk

In an era marked by uncertainty and volatility, risk management has become a necessity. Fluctuating market conditions, input prices and Canadian currency along with inclement weather are just a few of the risks facing agribusinesses. Have you identified potential risks within your current operation? As you redesign, what new risks do you anticipate?

Did you know?

AAFC’s Growing Forward policy framework includes five Business Risk Management programs that provide protection against specific losses: AgriInvest, AgriStability, AgriRecovery, AgriInsurance and Advance Payments Program.²⁷

Provincial governments and post-secondary institutions also offer resources to help you redesign with risk management in mind. For example, dairy farmers converting to organic dairy operations can access an Excel workbook tool through the University of Guelph’s AgriBusiness eCampus to assess the viability of their intended transition.²⁸ Examining risk when planning a transition or redesign can save money, time and help minimize threats to success.



Enhance your relationships

“Tough times often inspire people to build enduring relationships with suppliers and customers. You need cash; they need cash. You face declining revenues; they face declining revenues. You both have to cut costs. You won’t be able to establish a partnership with every supplier or customer, and so it is important to determine which ones will be sustainable partners.” – Ram Charan, author of *Leadership in the Era of Economic Uncertainty*²⁹

Redesigning your business includes enhancing or changing relationships within your company and with external partners. By changing who you work with or how you work with them, you may find opportunities to create more value for you and your partners.

Relationships with customers

You may monitor customers' needs by tracking their purchasing behaviour, as exemplified by large retailers like Walmart and Tesco, or meeting face-to-face with them at trade shows and farmers markets. You may be midstream in supply chains and not interact directly with customers. Whatever the case, responding to customers' needs, providing quality products and services and listening to their feedback can provide a road map for redesigning your business to target markets more effectively.

Customer interaction can occur in a variety of ways. For example, a meat processor may work closely with retailers to monitor consumer trends around traceability, food safety and product specifications. An oilseed or corn producer can respond to consumer demands for alternative fuels. A greenhouse operator with direct sales may focus on daily customer demands for freshness and quality. How can you redesign your business to effectively interact with customers and meet their needs?

FCC's consumer trends edition of Knowledge Insider examines the importance of value chain players understanding consumer trends in food markets. No matter what your size or scope, you can learn about building relationships with customers by understanding their behaviours and monitoring growing trends, both mainstream and niche. Some niche trends, such as organic or gluten-free food products, may initially respond to the needs of a relatively small number of consumers but eventually have a broader effect on overall consumer preferences, perceptions and attitudes. Understanding growing consumer demands, as well as ongoing mainstream demands, can help your business build relationships with customers to meet their changing needs.

While local and organic food systems still compose a small percentage of the total food economy, they are growing rapidly. Betsy Donald, a researcher at Queen's School of Business in Kingston, Ont., suggests that organic and local food systems in Canada are growing at a rate of 20 per cent per year while more traditional food systems are growing at one to two per cent per year.³⁰

While still niche, community-supported agriculture, a partnership between local customers and farmers, is growing. Members pay a monthly fee to receive a share of the farmer's products. According to Statistics Canada researchers, customers become members of a farm through an annual financial commitment in exchange for a share of the fresh, seasonal, local produce harvested.³¹ According to Dorene Collins of the Ontario Ministry of Agriculture, Food and Rural Affairs, the key to success in community-supported agriculture is marketing and customer loyalty.³²

Did you know?

Distributed urban agriculture is a new model that involves entrepreneurial groups and individuals finding innovative ways to grow and harvest food in urban landscapes, often using small plots of public or private land.

Rethinking relationships with consumers and supply chain partners can open up possibilities for new markets and relationships. How will changing consumer perceptions of local food affect your business? What could you learn about the local food movement and other niche consumer movements to benefit your own business and forecast future trends?

Relationships within your value chains

Enhancing relationships and improving communication with your value chain partners helps you envision how you can redesign your business for the future.

Martin Gooch, director of the Value Chain Management Centre at the George Morris Centre, encourages producers to proactively create constructive relationships with their customers and suppliers to identify opportunities for efficiency and cost savings. He has seen producers who respond to these findings double their profits within a year. "Value chain management is a strategy that businesses use to help adapt to changing environments. It is not an end in itself. Go to your customers and ask what problems they commonly face. Then, figure out what you can do to help them and use this knowledge to develop a more effective business model. It is surprising how often it costs little to create something that offers significant value to your customer."

The Value Chain Management Centre website features case studies of Canadian agribusinesses that have successfully changed their relationships within value chains for increased success. For example, Thompsons, formerly W.G. Thompson & Sons Ltd., is a major grain exporter and domestic supplier of seed, fertilizer and other crop inputs that uses a value circle model based on communication between value chain partners and puts quality assurance at the centre of its management.³³

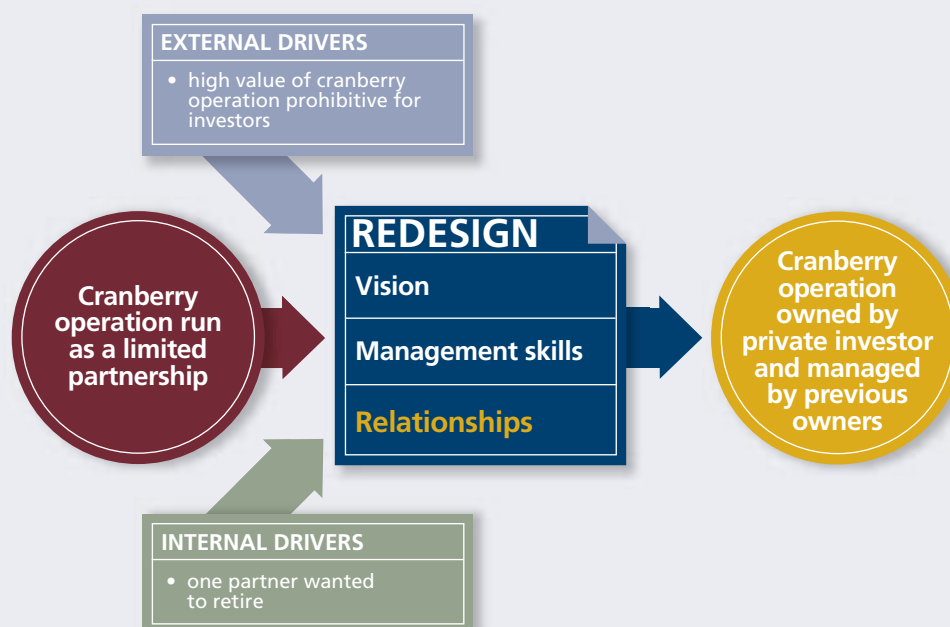
Agribusinesses involved in complex value chains need to be aware of changes by retailers and other large players that influence their businesses, such as labelling requirements, radio frequency identification technology and environmental standards. Opening communication channels ensures that you are aware of these changes before they happen and can minimize their effects. In 2006, Loblaw transformed its supply chain processes in response to Walmart's growth in Canada. Initiated in 2007, its new program includes forecasting, replenishment, distribution and transportation measures to improve product availability and operational productivity.³⁴ Loblaw also streamlined its supply chain operations by closing six warehouses in Ontario and Quebec and relocating them to larger distribution centres to reduce costs and speed up restocking capabilities. Have you been a player in a supply chain that

restructured? Can you foresee any changes within your supply chains that may affect your business?

Sometimes value chain relationships can be improved between one or two key players. Four years ago, Agri Skills Inc.'s owner and manager Brent VanKoughnet, who produces specialty crops in Manitoba, spent a lot of time and effort sourcing supplies and services from different companies. He saw an opportunity to save valuable management time, improve overall production efficiency and build trust. He now offers what he calls conditional loyalty to a single supplier, developing a trust-based relationship with a preferred supplier for mutual benefit. By working through issues, both parties have found advantages and improved their relationship and profitability. According to VanKoughnet, "You have to be able to both trust each other and have a way of holding each other accountable. In the end, it's about people finding value and sharing the benefits." He emphasizes the value of having difficult conversations for effective communication and puts relationship development at the forefront of his approach to redesign his business for success.



Making it work – Canneberges Bécancour



Making it work – Canneberges Bécancour

When Luc Decubber's partner was ready to retire and sell his shares of their 30-acre cranberry farm Canneberges Bécancour in rural Quebec, one of Decubber's sons stepped forward but could not afford them. While they considered other options, a financial institution offered to buy out both partners with the option to lease it back or stay on in management positions. They chose to sell and continue

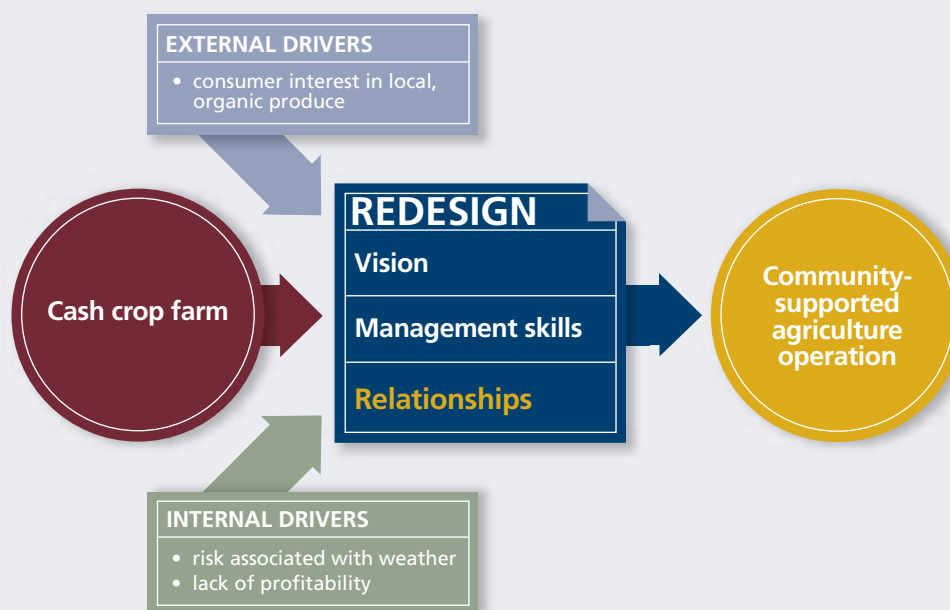
managing the operation. Decubber's advice to other entrepreneurs is to analyze risks to prepare for all eventualities. "If you have a partner, put in place a plan for a buyout," he says. "If you are hoping to pass it on to a second generation, discuss the options with them frankly. Give them real responsibility, something that they have to plan and budget for and make decisions about. Something they take from the beginning to the end. Some projects may not work, but every project has valuable lessons."

www.cannebergesbecancour.com

Canneberges Bécancour redesigned from a limited partnership to a privately owned cranberry operation.



Making it work – Etomami Community Organic Farm



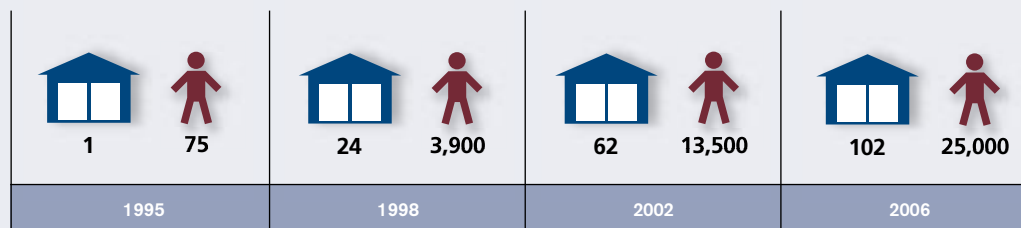
Making it work – Etomami Community Organic Farm (E.C.O. Farm)

Keith Neu, an organic farmer from Hudson Bay, Sask., involves customers in his community-supported agriculture operation, E.C.O. Farm, which produces organic vegetables, beef, chicken and eggs. By becoming members, customers share the risks and benefits of the farm, as what they receive depends, in part, on how the farm fares that season. Neu started the company in response to consumer demand. Every May, he receives 12 postdated cheques from each member. In the summer, he delivers orders every two weeks, and in the winter, deliveries occur monthly. According to Neu, who

is in his fourth year of operation, members are willing to share the benefits and risks with him to get organic products. “Some even choose to come work for a weekend to cut back on cost and connect with farm life,” he says. Neu admits there are challenges in community-supported agriculture, including learning how to manage people, how to process and store products properly, and knowing when and what to plant. Jennifer Arends, one of his members, says it is a great choice for the health-conscious consumer who values the planet. “Sustainable and organic farming is a great concept,” she says.

www.reginaecoliving.ca or Keith Neu’s EcoFarm (CSA) on Facebook groups

Number of community-supported agriculture farms in Quebec and the number of people fed



Source: Equiterre, December 2006

Did you know?

Contract agriculture involves supply chains that provide local food for specialty restaurants and food processors. In November 2002, over 50 agribusiness owners met in California to discuss how to market directly to restaurants and retailers. Their recommendations were compiled into a pamphlet that can be accessed at <http://sarep.ucdavis.edu/cdpp/selldirect.pdf>. Similarly, the Government of Alberta's Agriculture and Rural Development branch has published a resource on farm-direct marketing for rural producers. It includes information on community-supported agriculture, farmers markets, e-commerce and other approaches.³⁵

emeritus at Virginia Polytechnic and State University, 21 per cent of family farms and ranches have no next-generation farmers. He predicts that forward-looking agribusiness owners that lack next-generation family members to take on business roles will form mentor and mentee alliances.³⁶

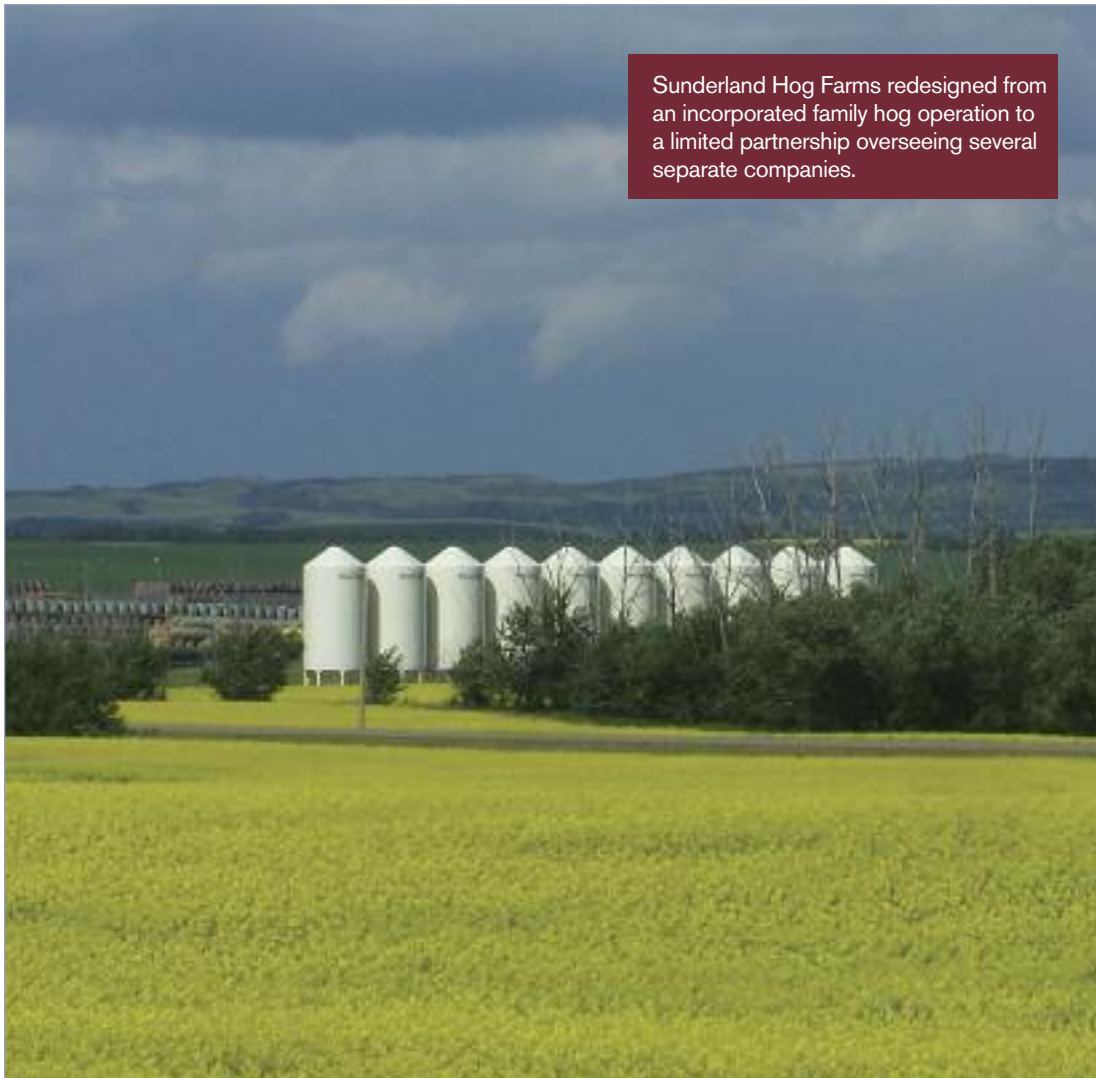
Whatever the reason for finding good mentors and advisers, O&T Farms president and CEO Tim Wiens believes that doing so is a smart move. "In agriculture, we don't have an easy opportunity to develop peer groups like you would find in an urban setting. It's important to find a peer group, advisory board or mentor who can give you feedback or share advice." Whatever method you choose for ensuring that your business will transfer on to a new generation of leadership, relationships will be a key part of it.

Relationships within your operation

Relationships within your operation can also be enhanced. Hiring the right people for the work you need done is critical to your success. In the case of family businesses, finding the best fit for each family member's unique skills is important. Keep in mind that it is not just current relationships that are important. What do you want your business to look like in the future? Who do you want to have working alongside you? What can you do to attract and retain them?

For family operations, succession planning is an opportunity to enhance relationships. According to David Kohl, agricultural economist and professor

Family businesses face unique challenges and opportunities for redesign. An article in the January 2010 edition of the McKinsey Quarterly states that a successful family business must meet two challenges: strong business performance and keeping family members as owners. It cites five dimensions of activity that must work toward this end: harmonious relations within the family and role clarity, a well-defined ownership structure, a dynamic business portfolio, professional wealth management and charitable foundations. Solid business principles and interpersonal communication are the foundations of successful redesign.



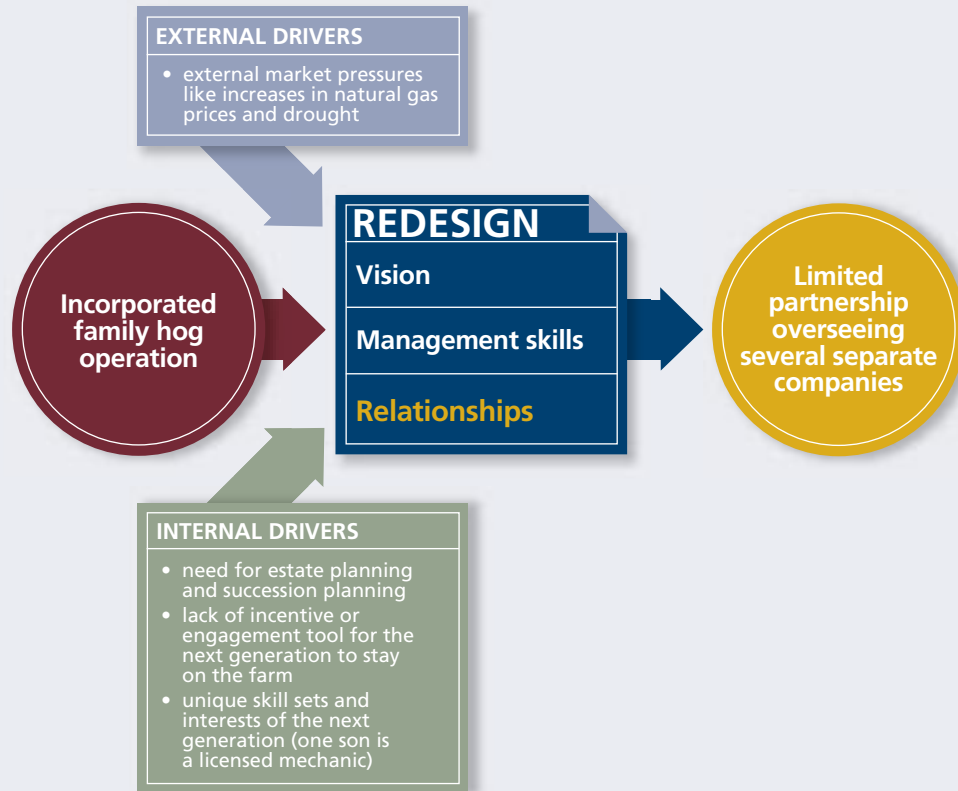
Sunderland Hog Farms redesigned from an incorporated family hog operation to a limited partnership overseeing several separate companies.

Making it work – Sunderland Hog Farms

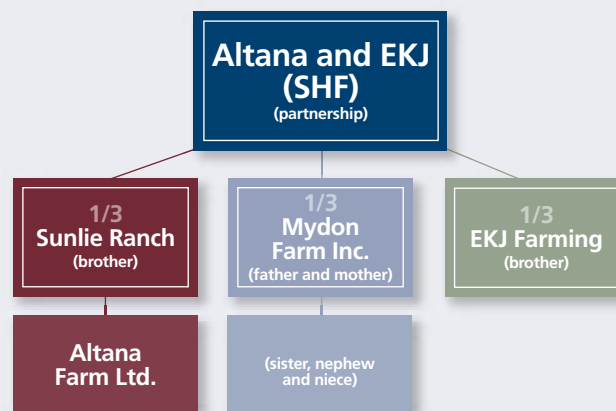
Dale Sunderland of Sunderland Hog Farms in Paradise Valley, Alta., believes that frank conversations and transparent succession planning are key to passing a business to the next generation. He and his wife established a limited partnership with their two sons, which includes detailed profit-sharing arrangements and steps for conflict resolution. Additional features include added incentives for profit

sharing and fair guidelines for any future buyouts. According to Sunderland, the \$75,000 for accountants and lawyers was money well-spent. He thinks including children in succession planning is essential. "Let the next generation have input and ideas into the way things are run while protecting the assets. The older generations need to be able to give some control over to the next generation. Otherwise, they may lose their drive to keep going."

Making it work – Sunderland Hog Farms



Sunderland Hog Farms



Final thoughts

Before you choose to redesign your business or maintain your current course, evaluate where you are and where you could go. Was your business designed for the complexity and volatility of today's business environment? What do changes in agriculture mean to your business? How can you plan for tomorrow? In your quest for profitability and success, enhancing your vision, management skills and relationships can improve how you respond to pressures and help create new opportunities.

and a desire to do the right thing for the people around him. When facing a tough decision, Tremblay often asks himself "Would I do this for my children?" and uses his answer to guide his path.³⁹ As you decide what steps to take to redesign your business, what role do your personal values play? How can you bring greater impact and connections to your business?

In today's competitive, globalized world where information is more accessible and changes in the

Figure 10: The Stockdale Paradox



The Stockdale Paradox (figure 10) illustrates the need to balance optimism with reality. By confronting the pressures of your current reality, you can ensure that your vision is sound but has the flexibility to adapt to unforeseen circumstances.³⁸

What does success look like for you? Does it mean leaving a legacy? Growing your people as you grow your business? For Pierre Marc Tremblay, executive coach for entrepreneurs and president and CEO of Restaurants Pacini inc. in Quebec, decisions are guided by a search for authenticity

global marketplace affect business environments, smart thinking and foresight have become increasingly important. Leaders require solid skill sets and strong relationships. Mostly, though, they need the flexibility to capitalize on new possibilities. The future of agriculture is rich with opportunities. Redesign can help you remain productive, profitable and relevant to customers. Is your business designed for success?

Knowledge Insider

Tips, tools and strategies | **Agribusiness by design**

Do you need to redesign your business?

Taking the time to define your business can help you decide when and how to redesign for optimal performance and readiness. What characterizes your business and sets it apart from others? What opportunities can you find in your current strengths to expand or change your design?

**My agribusiness
is currently:**

(limited partnership family-operated
dairy farm, direct sales organic
greenhouse, mixed farm and
wholesale commodity
exporter, etc.)

ASK YOURSELF:

How is it structured?
(limited partnership, sole proprietorship,
co-operative, corporation)

Who is involved?
(family owned, member of integrated value chain,
direct sales to customers)

Where are my markets?

What ownership arrangement works best for me?

Do I want to involve co-owners?

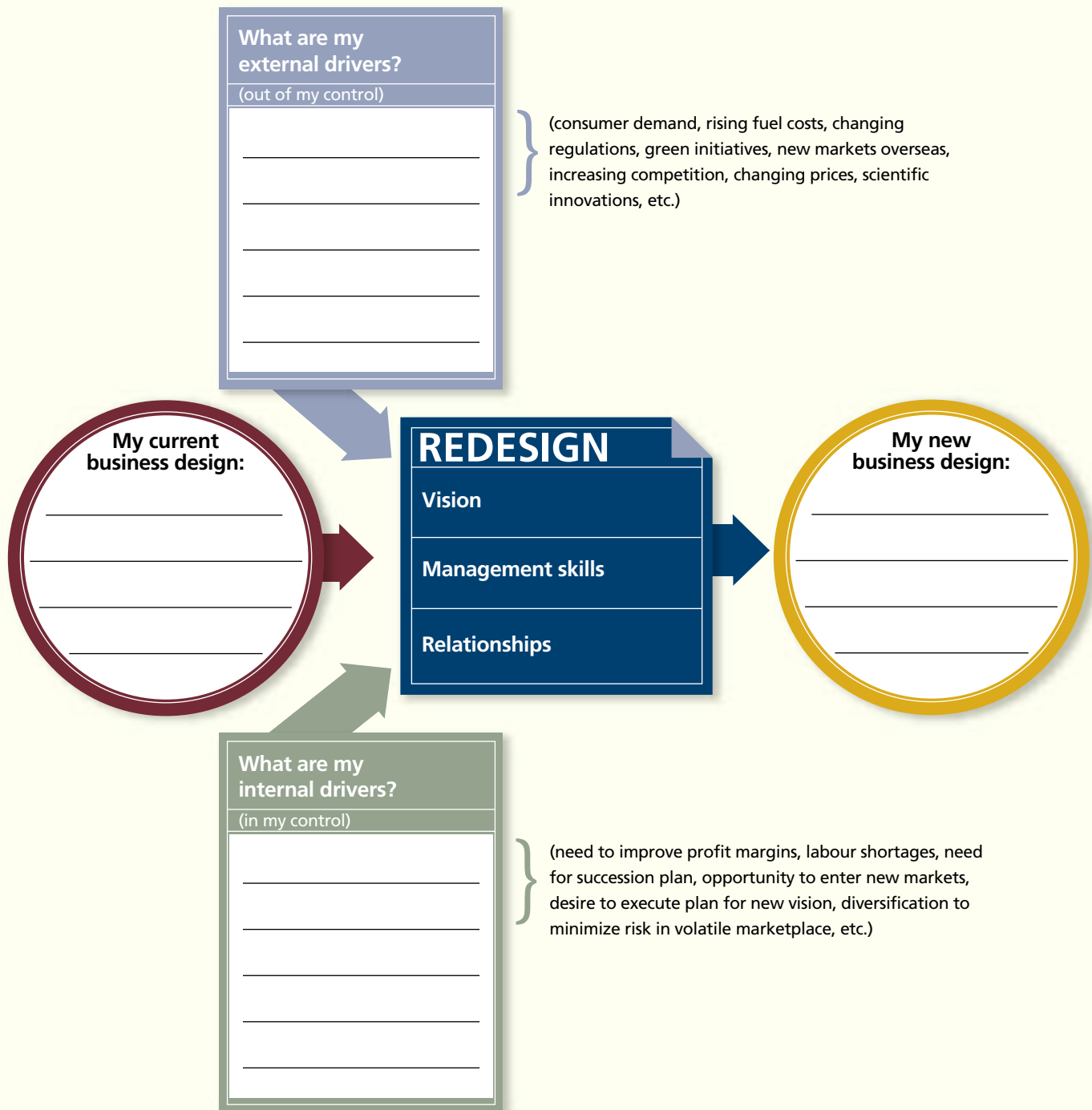
Do I want to rent or share assets?

Challenge your thinking

- What will happen if my agribusiness design is the same in 10 years?
- What opportunities could I create based on what I know about changing trends in my external business environment?
- What matters to me most for my business?
- Where is my business most vulnerable or exposed to competition?

**My agribusiness
could be a:**

Redesigning your business



Know your strengths and opportunities

The agribusiness owners featured in this edition of Knowledge Insider redesigned their businesses in three key areas: vision, management skills and relationships. Exploring each of these areas may uncover new opportunities for your business.

Enhancing your vision

If an agriculture or agri-food journal featured my business today, what would it say in 40 words or less?

What would the same journal say in five years? Ten years? How would the article differ?

What are my goals for my business?

What risks do I currently face that could be mitigated by revisiting my vision or redesigning my business?

What risks may develop if I revisit my vision or redesign my business?

What differentiation and diversification options does my business have? Think about specialization and value-added products and services.

Enhancing your management skills

What does ownership mean to me? Is there a new way I could approach the concept of ownership for my business, starting by looking at assets?

On a scale of 1 to 5, with 5 being high, how important are management skills to the success of my business?
What skill level is needed for my business tomorrow?

Where are there gaps between my management skills today and those needed tomorrow? What
management expertise could I benefit from learning?

What areas of technical expertise am I missing?

What is the most cost-effective and efficient way to fill these gaps? Can some of them be bridged through
partnerships, mentoring or other relationships with external experts?

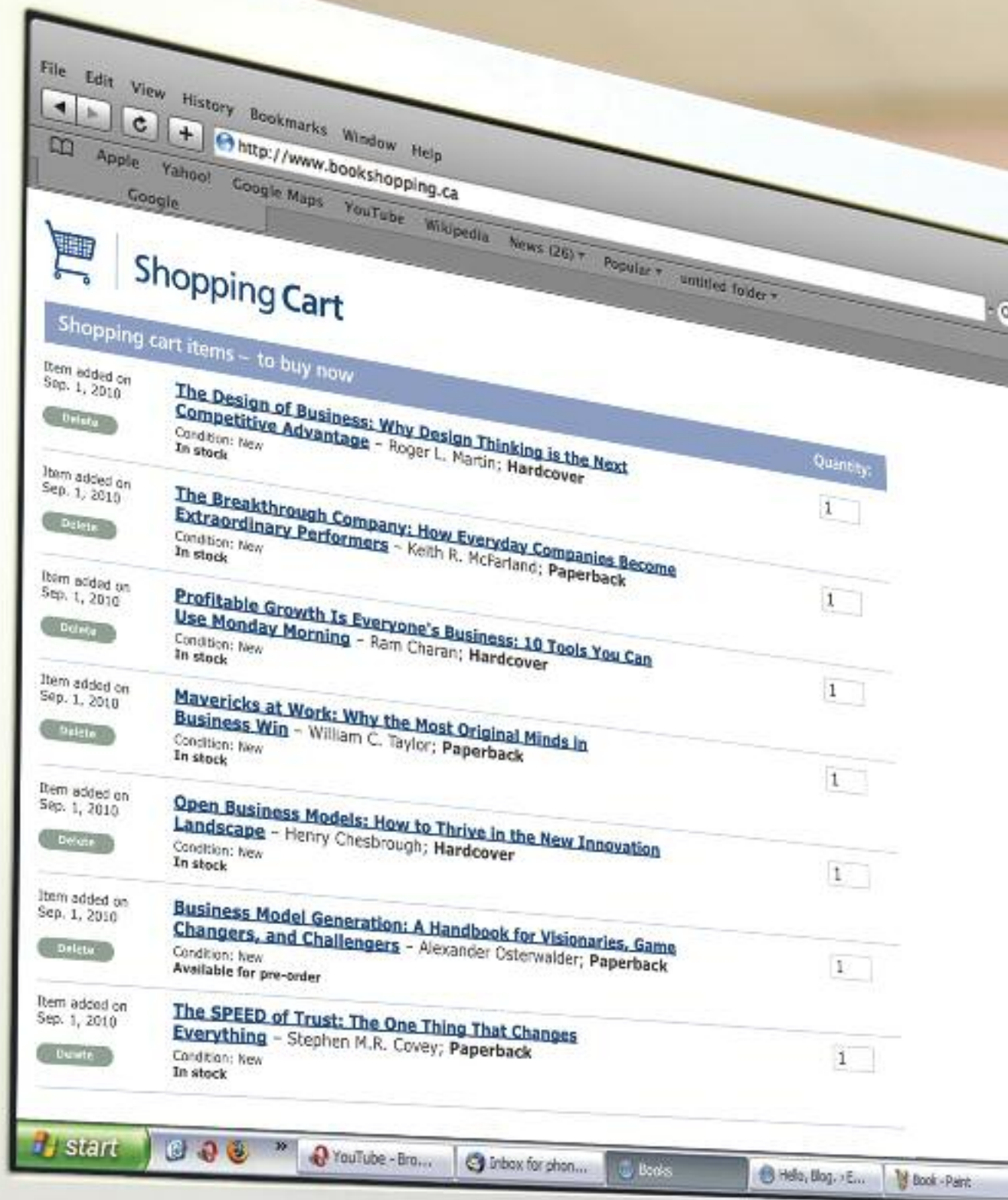
Enhancing your relationships

What pressures are my value chain partners facing today?

What are the visions of my value chain partners, customers and consumers?

List 10 businesses or individuals that I want to connect with more closely or get involved with in the next
10 years. What opportunities could happen once we are connected?

- | | |
|----------|-----------|
| 1. _____ | 6. _____ |
| 2. _____ | 7. _____ |
| 3. _____ | 8. _____ |
| 4. _____ | 9. _____ |
| 5. _____ | 10. _____ |



File Edit View History Bookmarks Window Help

http://www.bookshopping.ca

Apple Yahoo! Google Google Maps YouTube Wikipedia News (26) Popular untitled folder



Shopping Cart

Shopping cart items - to buy now

Item added on
Sep. 1, 2010

Delete

**The Design of Business: Why Design Thinking is the Next
Competitive Advantage** - Roger L. Martin; Hardcover

Condition: New
In stock

Quantity:

1

Item added on
Sep. 1, 2010

Delete

**The Breakthrough Company: How Everyday Companies Become
Extraordinary Performers** - Keith R. McFarland; Paperback

Condition: New
In stock

1

Item added on
Sep. 1, 2010

Delete

**Profitable Growth Is Everyone's Business: 10 Tools You Can
Use Monday Morning** - Ram Charan; Hardcover

Condition: New
In stock

1

Item added on
Sep. 1, 2010

Delete

**Mavericks at Work: Why the Most Original Minds in
Business Win** - William C. Taylor; Paperback

Condition: New
In stock

1

Item added on
Sep. 1, 2010

Delete

**Open Business Models: How to Thrive in the New Innovation
Landscape** - Henry Chesbrough; Hardcover

Condition: New
In stock

1

Item added on
Sep. 1, 2010

Delete

**Business Model Generation: A Handbook for Visionaries, Game
Changers, and Challengers** - Alexander Osterwalder; Paperback

Condition: New
Available for pre-order

1

Item added on
Sep. 1, 2010

Delete

**The SPEED of Trust: The One Thing That Changes
Everything** - Stephen M.R. Covey; Paperback

Condition: New
In stock

1

start



YouTube - Bro...

Inbox for phon...

Books

Help, Blog, & E...

Book - Paint

Knowledge Insider tools

What you'll find	Web address
Co-operatives in agriculture	
Information and tips on how to start an agricultural co-operation	www.agf.gov.bc.ca/busmgmt/bus_arrange/bus_arrang_pdf/coop1.pdf
Information on starting and developing a co-operative from Canadian Co-operative Association	www.coopscanada.coop
What is a new generation co-operative? Information from the University of Saskatchewan	www.usaskstudies.coop/NGC/ngcwhatis.php
New generation co-operatives and their relevance in Manitoba	http://gov.mb.ca/agriculture/research/ardi/projects/98-093.html
Business structures	
Structural changes in primary agriculture	www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1201189157429&lang=eng
Business models used by small agricultural biotechnology firms	www.agbioforum.org/v11n2/v11n2a01-blank.htm
Farm business joint ventures fact sheet	www.omafra.gov.on.ca/english/busdev/facts/02-069.htm
Changing factors	
Choices, challenges and changes in producer-owned ventures and business models	http://findarticles.com/p/articles/mi_qa4051/is_200708/ai_n21032599/?tag=content;col1
Michael Boehlje discusses the changing environment in agriculture and its effects	www1.agric.gov.ab.ca/\$department/deptdocs.nsf/all/bmi10687
Redesign, innovation and assessment of business models	
Website designed to help businesses redesign	www.businessmodelalchemist.com
Implementing Open Innovation strategies	www.openinnovators.net/implement-open-innovation-strategy-focus-on-input
Survey tool to help assess your farm's business model	http://self.myfarmbusiness.com/start/introduction
Canadian Farm Business Management Council resource centre	www.farmcentre.com

Endnotes

- 1 Donald Sull, "Competing through organizational agility," McKinsey Quarterly, December 2009, http://www.mckinseyquarterly.com/Strategy/Strategic_Thinking/Competing_through_organizational_agility_2488.
- 2 "Nature and the Industrial Enterprise: Mid-Course Correction – An interview with Ray C. Anderson," Engineering Enterprise, spring 2004, pp. 6-12; Interface global website, Sustainability in action section, <http://www.interfaceglobal.com/Sustainability/Sustainability-in-Action.aspx>.
- 3 Roger L. Martin, "The Design of Business," Bloomberg Businessweek, October 14, 2009, http://www.businessweek.com/innovate/content/oct2009/id20091014_072850.htm.
- 4 Mark W. Johnson, Clayton M. Christensen and Henning Kagermann, "Reinventing Your Business Model," Harvard Business Review, December 2008, p. 3.
- 5 Johnson, Christensen and Kagermann, "Reinventing Your Business Model," p. 10.
- 6 David M. Kohl and Alicia M. Morris, "Agri-lending Vision 2020: When Vision and Reality Meet," Choices: a publication of the American Agricultural Economics Association, first quarter, 2005, <http://www.choicesmagazine.org/2005-1/lending/2005-1-09.htm>.
- 7 Margaret Walton, *Agriculture in the Central Ontario Zone*, Smart Growth Issues Papers, (Toronto: Neptis Foundation, 2003), p. 44.
- 8 LOHAS: Lifestyles of Health and Sustainability website, www.lohas.com.
- 9 For more information, see "Innovation in Tubers: Creating value for customers and suppliers by developing a consumer-recognized point of difference" – a case study by the Value Chain Management Centre, part of the George Morris Centre, at <http://www.vcmtools.ca/pdf/LITTLE%20POTATO%20COMPANY.pdf>.
- 10 Industry Canada, Canadian Industry Statistics, Wholesale Revenues and Expenses: Food Wholesaler-Distributors (NAICS 4131), updated January 7, 2010, www.ic.gc.ca/cis-sic/cis-sic.nsf/IDE/cis-sic4131wgpe.html.
- 11 Ipsos Reid, *Final Report: Agriculture and Agri-Food Canada Strategic Issues Tracking Survey – Producers*, June 2009, has been filed with Library and Archives Canada and can be found at Public Opinion Research Reports website (www.porr-rrp.gc.ca). Search for project POR 070-08.
- 12 John Oliver, Chair of Flax Canada 2015 Inc., "The Gathering Perfect Storm: Consequences for Alberta Agriculture" (Presentation to Alberta Agriculture and Rural Development, February 11, 2009), [http://www1.agric.gov.ab.ca/\\$Department/deptdocs.nsf/all/bmi11465/\\$FILE/john_oliver_presentation.ppt](http://www1.agric.gov.ab.ca/$Department/deptdocs.nsf/all/bmi11465/$FILE/john_oliver_presentation.ppt).
- 13 Alberta Agriculture and Rural Development, "Dr. Michael Boehlje: The New Business Model," [www1.agric.gov.ab.ca/\\$Department/deptdocs.nsf/all/bmi10687](http://www1.agric.gov.ab.ca/$Department/deptdocs.nsf/all/bmi10687).
- 14 Scott Wolfe, "Potential Benefits of Functional Foods and Nutraceuticals to the Agri-Food Industry in Canada," <http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1172236805144&lang=eng>.
- 15 Agriculture and Agri-Food Canada, "Special features: New Industrial Uses of Agricultural Products," www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1205768618181&lang=eng.
- 16 Dr. Lowell B. Catlett, "Smart is Beautiful: 21st Century Agriculture's Revolution," (opening keynote, 2010 Managing Excellence in Agriculture conference – Canadian Farm Business Management Council, Saskatoon, Saskatchewan, February 3-5, 2010).
- 17 Laurette Dubé, Paul Thomassin and Janet Beauvais, McGill World Platform for Health and Economic Convergence, *Building Convergence: Toward an Integrated Health & Agri-Food Strategy for Canada* (Ottawa: Canadian Agri-Food Policy Institute, August 2009), www.capi-icpa.ca/highlights/BuildingConvergencePR18Aug09.html.
- 18 "Global CEO Survey: The Enterprise of the Future," 2008, IBM website, www.ibm.com/ibm/ideasfromibm/us/ceo/20080505/.
- 19 The Little Potato Company website, www.littlepotatoes.com.
- 20 Email correspondence with Mary Warner, consultant, Technology Group, Hill & Knowlton Canada to confirm Andrew Grove as originator of quote and that it is in the public domain, May 12, 2010.
- 21 Éric A. Lavoie, "La diversification... une stratégie d'entreprise," (presentation at the Colloque de l'entrepreneur gestionnaire: Et si on gérait autrement – Centre de référence en agriculture et agroalimentaire du Québec, Drummondville, Québec, November 23, 2006).
- 22 Ipsos Reid, *Strategic Issues Tracking Survey 2009*.
- 23 Jim Collins, *Good to Great* (New York: HarperCollins Publishers, 2001), p. 41.
- 24 Rob Napier, "No Straight Road: How can family farm businesses seize the opportunities from volatility and change?" (Presentation at 2010 Managing Excellence in Agriculture conference – Canadian Farm Business Management Council, Saskatoon, Saskatchewan, February 3-5, 2010).
- 25 Farm Credit Canada, "Vision Research: Rented farmland," <http://www.fccvision.ca/en-CA/files/2010%20Rented%20Farmland.pdf>.
- 26 Farm Credit Canada, "Vision Poll for Publication: Farm Technology Report 2009," <http://www.fccvision.ca/en-CA/files/Farm%20Technology%20Report%202009.pdf>.
- 27 For more information, see the Business Risk Management Suite page, Agriculture and Agri-Food Canada website, <http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1200408916804&lang=eng>.
- 28 For more information, see the Organic Dairy Business Risk eConsult page, AgriBusiness eCampus, University of Guelph, <http://agribusinessecampus.com/organic-dairy.aspx>.
- 29 Ram Charan, *Leadership in the Era of Economic Uncertainty* (New York: McGraw-Hill, 2009), p. 95.
- 30 Betsy J. Donald, "Local Food a Global Discussion," Knowledge Impact in Society website, the Monieson Centre, Queen's School of Business, September 28, 2009, <http://www.easternontarioknowledge.ca/index.php/community-blogs/50-general/478-local-food-a-global-discussion.html>.
- 31 Minh Ngo and Erik Dorff, "Fork in the road: Canadian agriculture and food on the move," Statistics Canada website, <http://www.statcan.gc.ca/pub/96-325-x/2007000/article/10646-eng.htm>.
- 32 Dorene Collins, "Community Supported Agriculture – A Unique Business Model," Ontario Ministry of Agriculture Food and Rural Affairs, website, December 15, 2008, <http://www.omafr.gov.on.ca/english/crops/organic/news/2008-12a2.htm>.
- 33 For more information, see "Circling in on Value: Succeeding through process improvement, constant communication, and an obsession with quality," a case study by the Value Chain Management Centre, part of the George Morris Centre, <http://www.vcmtools.ca/pdf/THOMPSONS%20031509.pdf>.
- 34 Loblaw Companies Limited, Making Loblaw the Best Again – Business Review, February 2008, http://www.loblaw.com/en/pdf_en/LCL%20Business%20Review%20February%202008.pdf.
- 35 For more information, see Farm Direct Marketing for Rural Producers on the Alberta Agriculture and Rural Development website, [http://www1.agric.gov.ab.ca/\\$Department/deptdocs.nsf/all/agdex3482](http://www1.agric.gov.ab.ca/$Department/deptdocs.nsf/all/agdex3482).
- 36 David Kohl, "Last Talk of the Decade," Corn & Soybean Digest, January 6, 2010, <http://cornandsoybeandigest.com/davidkohl/0106-last-decade-talk/>.
- 37 Christian Casper, Ana Karina Dias, and Heinz-Peter Elstrodt, "The five attributes of enduring family businesses," McKinsey Quarterly, McKinsey and Company, January 2010, p. 2.
- 38 Collins, *Good to Great*, p. 86.
- 39 Printed with permission from the biography of Pierre Marc Tremblay, president and CEO, Restaurants Pacini inc.

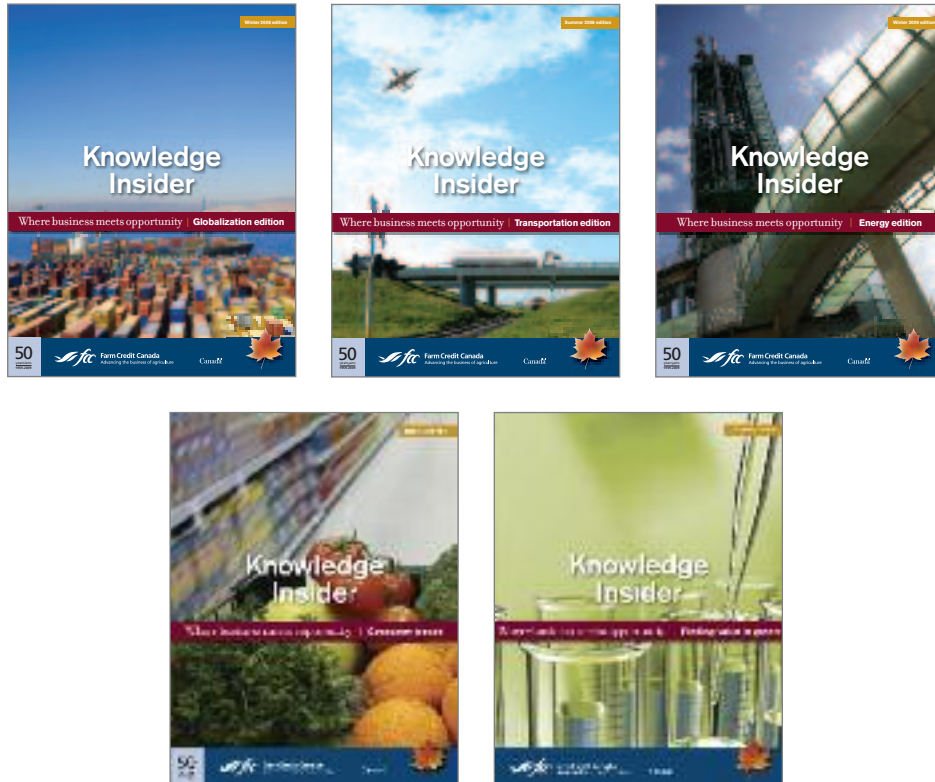
Notes

This image shows a full page of white paper with horizontal blue or grey ruling lines, typical of notebook paper. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

Notes

This image shows a single page of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page, leaving small margins at the top and bottom. There is no handwriting or other markings on the paper.





There's even more Knowledge Insider online

Read previous editions at www.fcc.ca/insider.