



OPTIMIZING THE DIGITAL EXPERIENCE

CONNECTING THE INDUSTRY

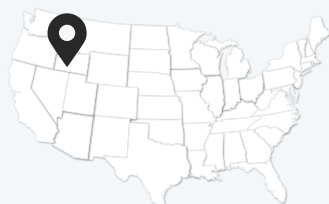
CASE STUDY

CHALLENGE

The way we interact with each other and the way consumers prefer to do business is showing an increasing tendency to move into the digital sphere. The ag retail sector is not isolated from this trend, with a number of online-only input providers appearing in the competitor landscape, and traditional input suppliers therefore need to take the appropriate steps in order to insure their sustainability and profitability in the long term.

RESULT

By proactively adopting digital technologies into their organization and providing a hybrid of in-person and digital products & services to their clients, ag retail organizations can ensure they maintain relationships and a superior service offering within their industry.



LOCATION	Preston, ID
CLIENT	Valley Agronomics
FEATURE	Agworld integration
ADVANTAGE	Streamlined e-commerce data flow
BENEFIT	Improved communication between ag retailer and grower

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Connor Lankford
Precision Ag Manager
Valley Agronomics, Nampa, ID.

Introduction

The ag retail industry is no stranger to change; ever since the first farmer-owned cooperatives started to sell inputs and other products and services to farmers, their product and service offering has constantly evolved as the farmers evolved in the way they farm their land. Most ag retail stores are now part of a larger organization, through many rounds of mergers and acquisitions, and some are still cooperatives today while others have adopted a different business model. All ag retailers still have the same goal at the center of their organization however: servicing the needs of farmers in their local communities.

Arguably one of the biggest challenges that ag retailers are facing right now is the threat of disruption by online-only providers of inputs. These online sellers are looking to commoditize agricultural inputs and switch the farmers' focus from service to price. While this kind of digital disruption has been successful in other industries, TurboTax vs H&R Block or Rocket Mortgage vs a local bank for example, ag retailers enjoy the unique advantage of having local stores with a wealth of specific and localized knowledge that cannot easily be replicated in an online-only model. In order to prevent disruption of the industry by online-only players, and improve their service offering to farmers, ag retailers are increasingly adopting digital tools. The goal of this is to take away any advantage that online-only players might have and double-down on their own strengths. In this case study we explore this process of digitizing ag retail, and the advantages it brings to both growers and those working in the ag retail landscape.

Adopting digital technology in ag retail

Like many ag retailer organizations throughout the country, Nampa, ID, headquartered Valley Agronomics, the 15th largest ag retailer in the United

States, have had a strong focus on adopting digital technologies into their organization for a number of years. Servicing Washington, Idaho, Oregon and parts of Montana and Utah, Valley Agronomics decided in 2016 that they would put their grower clients' needs and demands at the heart of their digital technology strategy. According to Valley Agronomics Precision Ag Manager, Connor Lankford: "Every digital tool or platform that we adopt needs to address a need that our grower clients have, as well serve our internal needs."

Valley Agronomics is one of the more advanced ag retailers in the United States when it comes to adopting digital technology and offering tailored digital services to their growers. This strategy saw them win the 2018 ARA Precision Impact Award in recognition of being an industry leading retailer for the precision ag products and services offered to farmers through their 'Platinum Precision Subscription' program. Connor: "The 'Platinum Precision Subscription' is a key piece of the digital offering for our growers, and Agworld has been an important part of the program since 2016."

Connor explains: "Implementing Agworld into our organization means that our agronomists, dispatchers, admin staff and growers all collaborate on the same platform with the same data set, which brings a number of distinct benefits to us as well as our grower clients. Once we became comfortable and experienced in using Agworld, we felt that the time was ripe to take the next step for our organization; digitizing the buying process for our clients to further facilitate the information going back and forth between our customers and agronomists."

Connor continues: "As we looked to further digitize the way Valley Agronomics interacted with our grower customers, we wanted to make sure that the technology integrated with our existing technology providers, such as Agworld and Agvance - our internal accounting software. It was important to connect the pieces, given our agronomist's comfort with creating Agworld plans and recommendations, our applicators using Agworld work orders and actuals, and our customers utilizing Agworld for their own record keeping and budgeting purposes. Similarly, given Valley Agronomics admin and operations teams using Agvance for our accounting needs, we wanted something that would compliment these pieces and further help us connect to our customers digitally. "

Choosing AgVend

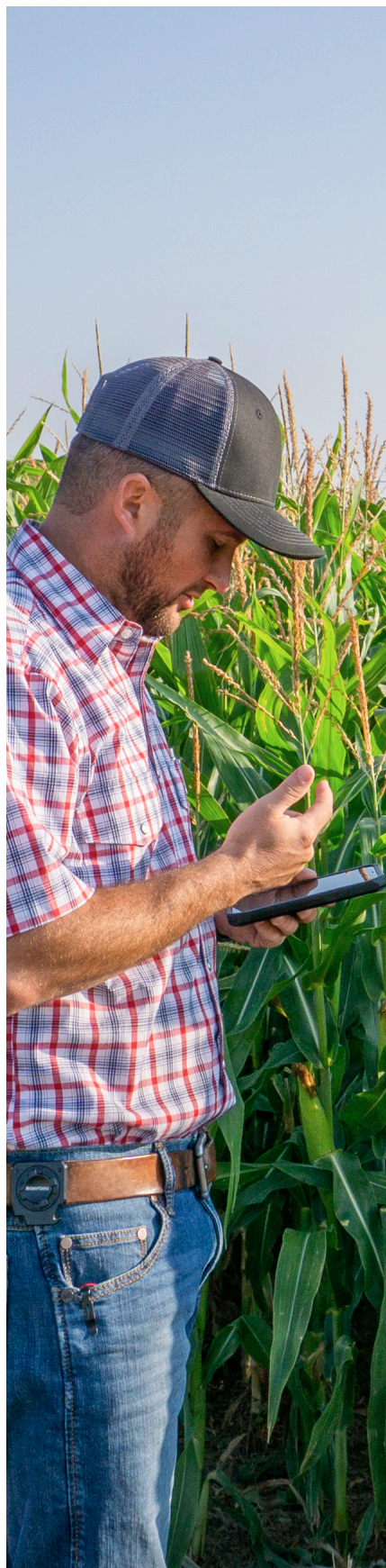
Choosing a new digital partner is not an easy process and, according to Connor, something that takes time and vision: "We looked at several different solutions that existed. We were not interested in a pure e-commerce play, instead our desire was to augment our existing customer service strengths. AgVend's vision was similar, offering an omni-channel approach to our grower clients, where digital components complimented our in-person, in-store, or on farm personal components. Given our similar vision, we decided to work with AgVend to build the Valley Agronomics Grower Portal in December of 2019, and set our sights on an April 2020 launch."

Within Valley Agronomics, different parts of the business utilize AgVend, says Connor: "Our sales agronomists use AgVend to send quotes and place



"With Agworld and AgVend underpinning our Platinum Precision Subscription, growers are getting the best of both worlds: our local presence and experienced staff, as well as cutting-edge technology that can compete with any other provider out there."

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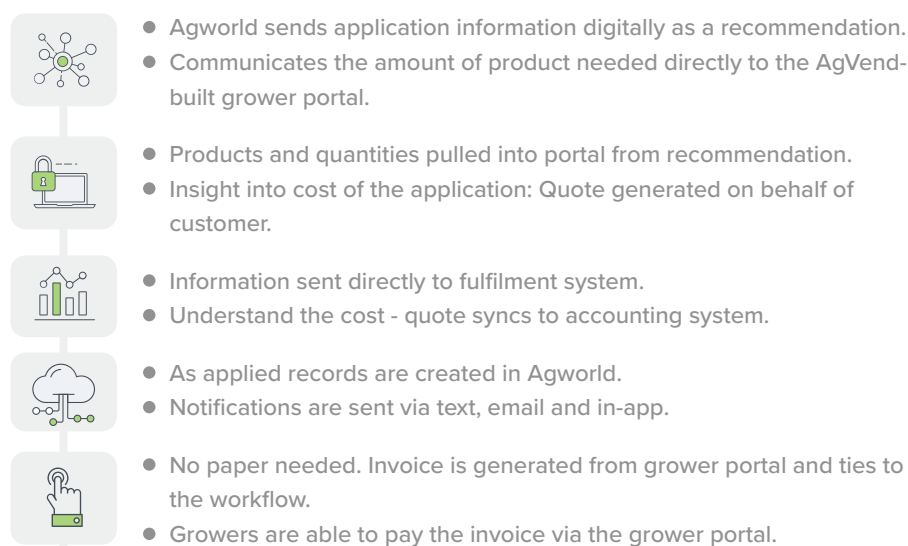
orders on behalf of their clients. The admin team has access to AgVend to work on things like credit limits, invoices, statements, etc. and answer any questions a client may have. Location managers and area managers have access to the system as well to get a global view of what's happening with the customers in their areas and see how the sales agronomists are interacting with their clients."

With the data integration between Agworld and AgVend, ag retailers have the benefit of a seamless data flow throughout the entire ordering process. A crop advisor will scout a growers' field with Agworld and then create a recommendation of the product that needs to be applied. Quite often, the next question from a grower will be: "what is this going to cost me?" says Preston, ID, based Valley Agronomics agronomist TJ Bingham. "Because we now use both Agworld and AgVend, it's easy to pull the recommendation from Agworld into the AgVend portal, find the right pack sizes etc., make any adjustments as needed and send a quote straight from AgVend to the grower."

TJ adds: "A grower then has the ability to completely transact digitally if they choose to do so, and place the order through AgVend if they like the quote I sent them. Or, they can still just call me of course, if that is what they prefer. We don't force anyone to use software together with us, but a lot of growers prefer doing things digitally these days. From that point, the order flows into our back office accounting system, the fulfillment team gets a notification, and the crop advisor gets a notification that the grower has made a purchase as well. I really like that, with the combination of Agworld and AgVend, everyone is on the same page at all times - that really makes things easy for all of us."

Connecting the dots with Agworld and AgVend

Full transparency: Stay informed with notifications. Easily access your information at any stage during the process.



Alternatively, AgVend can be used by crop advisors to create orders for growers, explains Connor: "The Agworld - AgVend integration doesn't just

allow us to turn recommendations into quotes but also directly into orders. We can take a recommendation created in Agworld and turn that right into an order in AgVend. Once the order is created in AgVend, it is pushed into Agvance, our accounting software, for fulfillment. In this scenario, the grower will automatically get a notification from AgVend that an order has been placed on their behalf.”

Transacting digitally with an ag retailer

Preston, ID, based Yance Bosen farms 3,300 acres of both irrigated and dry land together with his father, running beef cattle and growing a mix of barley, hard red winter wheat, silage corn, grain corn and alfalfa. Yance has been utilizing Agworld for the last 4 years and also started to use AgVend as soon as his agronomist, TJ Bingham, began to use it for creating his quotes and orders. Yance uses Agworld for record keeping purposes so it becomes easier to isolate the critical success factors in his cropping program retrospectively: “Agworld shows me exactly what we did in a field during the season and then also how that translates into the cost aggregate, net income per acre or crop, etc.”

Yance continues: “Having a pre-season plan in Agworld is really helpful, especially when we’re trying to calculate our input costs and our projected income based on futures markets. The other big thing for me is having all plating dates, varieties, seed rates, fertilizer dates, application dates and products etc. available for everyone. If Valley Ag performs an application for me I know exactly what they’ve done and vice versa - TJ can see in Agworld exactly what I’ve done in each field and when I’ve done it.”

Now that Valley Agronomics have started to use AgVend as well, this adds even more advantage to having a digital relationship with his agronomist and ag retailer, says Yance: “I like having all my important information digitally as I lose papers all the time. I prefer to have my invoices available digitally through the Valley Agronomics Grower Portal (built by AgVend) so that I can check them immediately when I get them and don’t risk losing them. It’s also much better to get invoices throughout the month rather than just one \$150,000 invoice at the end of the month spread over several thousands of acres; it’s pretty tough to remember exactly what we did 30 days ago when we’re in the busy part of the season!”

Yance concludes: “I think that, between Agworld and the Valley Agronomics Grower Portal, I have all important information at my fingertips at all times, as it’s all in my phone. I support local businesses like Valley Ag 100% and don’t want to transact with an anonymous online business at all, but I really like that Valley Ag now also offers me the benefits that an online business would offer me while maintaining their original strengths like having a local presence and employing knowledgeable agronomists like TJ.”

Creating an unfair advantage

For Connor Lankford and the team at Valley Agronomics, the adoption of technologies like Agworld and AgVend is all about creating an unfair advantage in the marketplace that prevents disruptors from entering the





market. "Our strategy is to build on existing strengths, namely our people and their relationships with their customers, by providing our team and our customers with another way to stay connected, have access to the same key information, and interact digitally where it makes sense to do so. The full experience we offer to our customers allows them to have their financial and agronomic records in the palm of their hands."

Connor continues: "We are now able to offer our customers different in person or digital channels to interact with us, depending on their preference. This allows our team to take care of our clients on a personalized, one on one basis."

Connor concludes with: "We want to make sure that Valley Agronomics remains an industry leading retailer well into the future, so we'll continue to adopt those technologies that make sense for both us and our customers. With Agworld, AgVend, and our Platinum Precision Subscription, our grower customers are getting the best of both worlds: our local presence and experienced staff, as well as cutting-edge technology that can compete with any other provider out there."

"We see on a daily basis the difference that Agworld and AgVend make for us and, having recently acquired two small regional ag retail organizations, they also make it easy for us to onboard new colleagues and clients into Valley Agronomics. From my perspective, you either have to move with the market and lead the adoption of new and novel technologies, or the market will overtake you; I know on which side of that equation I want to be on!"

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📞 (208) 436 0141
✉ customer.support@valleyag.com
🌐 www.valleyag.com

