



3 DEADLY POISONS

Killing Ag Retailers

— BY ROD OSTHUS —





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Letter from Rod



As an ag retailer, you're one of the most important parts of a farmer's operation. Growers can come to you for any product or service needed for growing a crop, while also getting all of their questions answered.

As a one-stop supplier, no other ag business offers so much to farmers.

So, why don't ag retailers have 100% of the ag input business from every farmer?

Why aren't ag retailers dominating the marketplace instead of having to merge to stay in business?

Why don't farmers buy all of their needs from retail suppliers—they have everything they need?

The answer is they don't sell what *farmers need*.

This FREE guide outlines the **3 Deadly Poisons Slowly Killing Ag Retailers**. These poisons are so lethal because the symptoms start out very mild in the beginning. But out of nowhere, the poisons take over and the damage is irreversible. Retailers are forced to lay off employees, merge with competitors, or shut the doors and go out of business for good.

I want you to use this guide as a catalyst to begin making positive changes in the way your retail organization attacks the marketplace. I believe it will help you grow your sales and help you succeed beyond your expectations.

If you'd like to share this guide with team members, managers, or other retail centers, simply send them to rcthomas.com/retailers where they can sign-up for free sales tips and receive this exclusive FREE guide.

Happy Selling,

A handwritten signature in black ink that reads "Rod Osthus". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Rod Osthus
President, RC Thomas Company

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Having Democratic Sales Goals



POISON #1

Having Democratic Sales Goals

I spent nearly 18 years in the fire and rescue service.

A majority of those years, I taught at the Minnesota State Fire School instructing firefighters from all over the state how to put out fires.

Being from a small-town department myself, you can imagine how shocked I was when I discovered that the biggest reason volunteer fire departments are often not good at fighting fires is because they consider themselves volunteers.

They believed, since they were volunteers, they didn't **have to train that hard**, so they didn't have to attend all of the schools offered on firefighting.

"Surround it and drown it" was a common tactic many volunteer departments used when they fought fires.

As a result, a lot more damage was done because they weren't trained to do the job properly.

They didn't even realize that when the dispatch came in, there was no difference between a volunteer fire and a paid fire. A fire is exactly the same to the victims involved and they are depending on having fully prepared, well-practiced professionals arrive at the scene to rescue them and save their property.

Once volunteer departments get past that mentality, training takes on a whole new meaning



and level of intensity. They become volunteer departments who are as capable and effective as any full-time paid department.

Unfortunately, this same mentality often finds itself in the business world, too.

A few years back, I was hired by an ag retailer to conduct a two-day training session for 110 of their sales reps and employees. Since we supply the manuals for training events, my team checked, doubled-checked, and then tripled-checked to make sure the numbers were a hard 110.

As the facilitator, I always want to make sure we have enough for everyone in attendance.

After confirming the number 110 multiple times, the day of the event arrived—only 82 reps showed up for the class.

I told the VP of Sales, prior to starting the session, that I didn't realize his salespeople worked on commission and had the option to decide which company events they wanted to attend.

He looked at me in disgust and said, “They aren’t commissioned, they’re salaried.”

I said, “Then why do they have the option to not attend this training session?”

He said, “You just nailed our biggest problem and a big reason why past trainings haven’t been working very well. That’s going to stop.”

For decades, the democratic system of selling to farmers was fairly successful.

That is, sales reps set their own sales goals and decided how and when they were going to achieve them. Many sellers were independent dealers who had the freedom to set their own prices and manage their sales territories the way they wanted. Sometimes they hit their sales goals—sometimes they didn’t.

But that democratic system of selling to farmers, though still in place in most ag retails, is not working.

Some salespeople *can* operate within a democracy, but most can’t. The cost of doing business today is too high, and achieving sales goals has to be a more autocratic process, operating under the mentality that hitting goals is no longer optional, but essential to company survival.

Ag retailers need to stop being so democratic and insert a system of accountability, if they expect to survive the next ten years.





**Believing Everyone
is a Customer**



POISON #2

Believing Everyone is a Customer

If you've been following me, you know my definition of a customer—someone who buys 51 percent or more of his needs from you.

Anyone buying less than that is your competitor.

Those buying less than 51 percent are merely prospects because they're not on your side and don't want you to win. They're buying more from your competitor than they are from you.

How many customers do you have?

When you look at that number closely, along with the names attached to it, you will quickly find it's the prospects—the non-customers—who cause you the most problems. They're the most demanding, they complain the most about price and availability, and they cut you the least amount of slack if things go wrong.

How much would your business grow if you took just half of your prospects to customer level and half of your current customers to a 100% level of buying?

You probably couldn't handle all the business.

But the number one problem with non-customers is not even how much they buy.

It's how much time they require for the small amount of business they give you. Time is money and it's the most precious commodity for every retail employee. Most people working for ag retailers will say their number one obstacle to achieving goals is lack of time.

They never have enough time to get it all done without often working 7 days a week, 24 hours a day.

It's because non-customers are taking so much time away from your field sellers. What makes it even worse is that wasted time could be devoted to your true customers who are actually paying for your time.

How do you keep customers once you get them?

The only statistic that matters in any company is their customer retention rate. Unfortunately, the customer retention rate in the ag industry is at an all-time low. It's below 60 percent, which means a company with that rate would need to have all new customers in just 1.5 years.

The replacement farmers are not out there.

Farmers are growing fewer in number every year, so retailers must keep every customer they sell. There are certain things sellers need to know how to do to keep customers long-term. If they don't know how to do those simple things, they are fighting a losing battle.





**Not Controlling
the Entire Acre**



POISON #3

Not Controlling the Entire Acre

What's the most important input farmers buy?

It's seed.

They don't need anything else you sell, until they plant seed.

And because seed is so important, and such a serious buy for customers, it becomes the hardest product to sell. And, to make it even tougher, most farmers have a personal loyalty toward a favorite brand of seed. They perceive that one particular brand is better than the rest, making it difficult to steer them away from buying that brand.

So how do you get farmers to want to buy from you when they're making their most serious purchase?

You start by changing their perceptions of who you are.



Let's Get Tactical

Watch this Free Sample Class from the SeedSeller Academy

seedselleracademy.com/snakes

START CLASS



Today, most retailers are not perceived as seed companies or seed suppliers. Instead, they're perceived as crop input suppliers who also sell seed.

That's the only reason pure seed companies still exist.

Farmers believe pure seed companies are the experts. That's also why retailers like to sell seed from a pure seed company, rather than sell their own in-house brand. The in-house brand is often *perceived* as being inferior by their own people, even though it's just as good as the ones that come from pure seed companies.

The reason you're not perceived to be a serious seed supplier is because you talk more about fertilizer and crop protection than you do seed. Seed should be the very first thing you talk about with prospects or customers.

After all, when you get the seed acre, every other crop input needed to grow that seed should be coming with the seed sale.

The key is to stop writing seed orders, and instead start writing cropping plans field by field. Farmers don't get paid on how a single variety does on their farm, they get paid on how each field performs and, ultimately, how their entire farm performs. That's why successful sellers today sell a portfolio of varieties selected for each field. Once the seed is selected, then every other crop input needed to grow that crop can also be selected.

Leading with seed, instead of fertilizer or crop protection, gets the customer's mind focused in the right direction. That is, not how your products perform, but how he will help ensure top yields.

That conversation starts in the field with you setting yield goals for each field with each grower.

Once that is done, it's your job to develop the prescription for that field which starts with the varieties followed by everything needed to support those varieties and protect their performance at all cost.

Helping customers grow top yields doesn't involve selling them inputs à la carte but, instead, selling an entire System for every acre you supply the seed for.

Every part of the System is not only necessary, but essential to producing the best possible crop, year in and year out.

To sell the System, you need to lead with seed and get total control of every acre.





The Antidote



ANTIDOTE

Having a Sales Blueprint

As an ag retailer, what percent of **your** sales walk in the door every year?

What percent of the farmers in your area walk into your place of business and ask to buy what they need?

Retailer managers tell me that 60 percent or more of the orders they get from farmers are initiated by the farmers themselves.

Why do so many farmers have to walk in and ask to be sold? Every retail business has a salesforce, so why is that number so high?

The reason is, their salespeople aren't selling.

Most retailers have their salespeople doing almost everything except focusing on selling.

They're busy doing things like managing inventories, delivering and applying products, and performing agronomic duties, when they should be with customers. They're basically utility players working their butts off all year long but spending too little time conducting sales activities.

Nobody likes losing sales.

But it's NO BIG MYSTERY why so many Ag Retailers are struggling in this tough marketplace.

When you ask prospective farmers to buy, you're asking for more than a purchase. You're asking for a **big** commitment.

Selling crop inputs to a farmer is a very serious sale.

What he buys to raise a crop totally affects his very livelihood and, in many cases, can determine whether or not he will even be farming from one year to the next. Retailers need to stop taking orders and, instead, help today's sophisticated farmers produce more on every single acre.

So how do you stand out from the competition and not sound like every other Tom, Dick, and Harry who drives into his farm place?

Simple. You have a plan.

You have a plan and a purpose for every customer contact you make with a farmer.

That's why I created the SeedSeller Blueprint.

Stop showing up without a reason for being there, just attempting to get the prospect to buy a few units of your seed.

When you think about motivating farmers to buy, here's what I want you to picture: Your prospective farmer is standing on the edge of a deep, rushing river. He knows he wants what's on the other side—higher yields and more revenue in his farming operation.

But to get it, he knows he has to cross the dangerous body of water.



He's aware of the risks in doing so because he's switched retailers before—tried planting a few units of seed from someone else and got burned.

So, he starts asking himself...

- ***Why should I cross this river again?***
- ***What happens if I fall in?***
- ***Is that a deadly waterfall downstream that I could go over?***

Those are the kinds of questions farmers subconsciously ponder as they listen to sales reps **use** test plot data, free trips, and price discounts in hopes of convincing them why their varieties are better than the competition's.

The problem is they've heard all of it before.

In order to ease farmers' concerns, you have to lay down stones in the river and show them the path across to the other side (working with you).

In other words, you need to have a plan.

The SeedSeller Academy is that plan. When you join the SeedSeller Academy, you learn to set yourself apart from everyone else that is calling on your prospects. Your prospects and customers soon begin to feel much more comfortable getting across the “river” and doing business with **you and your company**.

This isn't about getting a guy to buy a few token units.

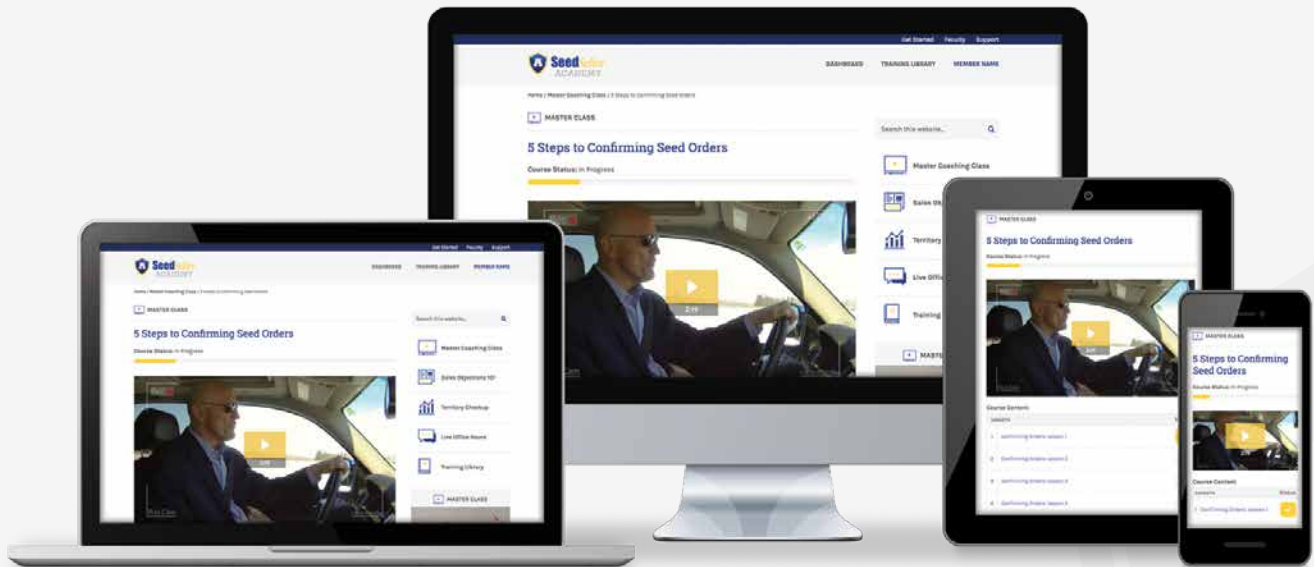
The SeedSeller Academy will help you **control the entire acre** and turn every farmer you work with into a loyal customer for life.

Take action right now and get enrolled.

If you're sitting on the fence, trying to decide if you should join, let me remind you that selling seed doesn't start with a product. It starts with you!

What are your sales goals?

SeedSeller Academy helps you get there faster.



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