

Managing a Precision Farming Business:

Lessons Learned, Tracking Employee ROI
& Meeting Margins

Tim Norris
CEO
Ag Info Tech

January 5-6, 2016



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Thank You!

- Thank you all for attending.
- Precision Farming Dealer and Farm Equipment for hosting.
- Sponsors of this event listed at the bottom of the slides.



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I am honored to present here!

- But it was also quite humbling to have been asked to present.
- I know that I don't have it all figured out.
- I really had to look at what advice I could give that all of you don't already know.
- It made me examine what we do right and what we do wrong.



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I am honored to present here!

- I started to make a list of things we have done right, and things that we have done wrong.
- I began to really wonder why Jack would ask me to kick off this great event?
- So after much thought I finally figured out why he asked me!



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I think it's because I must
have made more mistakes
than the rest of you!



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My agenda for the next hour

- It's my goal that by sharing my mistakes, what I learned, and how I overcame them, will be of some benefit to your dealership.
- Share my background.
- Introduce you to my company.
- Share with you the growth we have had in sales, and profit.



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My agenda for the next hour

- Discuss some challenges that we ran into as our company grew.
- Look at some of the solutions that we implemented along the way.
- Discuss some goals that I have for my company to keep us viable, well into the future.



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Who is Tim Norris

- I grew up on a livestock and grain farm in Gambier, Ohio.
- The year I graduated high school, I thought I knew it all and I started to grain farm on my own.
- Things went well till the drought of 88.
- 89 and 90 were 2 wet years.



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Who is Tim Norris

- I got married to the greatest woman in the world, in Dec. of 89.
- We had our first son Eli, in Dec. of 90.
- 91 was another drought.
- So after four years of losing money, and added responsibility of a new family, I knew something had to change, and so did my banker!



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Who is Tim Norris

- I sold off all of the farm equipment and decided to get a job in town.
- In the fall of 1992 I went to work at the local Co-op, dumping grain trucks.
- Just a year before, I was on their Board of Directors and was asked to resign.



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Who is Tim Norris

- That was one of the most humiliating experiences of my life!
- At that point, I was blaming everything but myself, for my failure at farming.
- I felt worthless, beaten and mad at my circumstances.
- The fact was, I knew the mechanics of farming, but did not know the agronomics.



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Who is Tim Norris

- When I graduated from high school I thought that no one at college could teach me how to farm.
- Basically, my first mistake was thinking that I knew it all.
- I looked around and realized that other farmers had dealt with the same circumstances, but were still farming.



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Lesson 1 – It was my fault!

Own your mistakes!

- We all make mistakes.
- We only fail, if we fail to learn from our mistakes!
- I have tried to carry this philosophy of owning my mistakes and learning from them, as one of my core values in life and in business.



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More people would learn from their mistakes, if they weren't so busy denying them.

-Harold J Smith-

I didn't start to have success, until I owned my mistakes.



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Who is Tim Norris

- The next spring I became a custom applicator.
- Attended Countrymark's Crops Development school.
- I learned what it truly took to grow a crop.
- I studied hard and got my CCA in 1994.



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Who is Tim Norris

- While visiting a co-op in Illinois, I was introduced to the concept of grid soil sampling.
- This new method of soil sampling and creating recommendations made sense to me!
- I told my manager at the co-op about this new technology, and he said it would never work in Central Ohio.



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There's another lesson to be learned.

- When an employee comes to you and they are excited about something, keep an open mind and evaluate it.
- They could have the next idea that moves your business forward.
- I decided that day, that it was no longer the place that I wanted to work.



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Who is Tim Norris

- I looked for a another co-op that was interested in Precision Ag, found one and helped create a great program.
- Two and a half years later the manager for the co-op I worked for previously, wanted me to come back and start a similar Precision Ag program there.
- We moved back to our home and started their Precision Ag Program.



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Who is Tim Norris

- A year later the manager resigned and I became the manager of the co-op where I started dumping grain 6 years earlier.
- I have to admit, it felt good!
- Hard work and thinking of how technology could help our customers' bottom lines had paid off.



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Who is Tim Norris

- The board wanted to explore merging with the co-op next to us, and a year and a half later we did.
- I remained on as branch manager but my heart was in Precision Ag.
- The general manager of the new co-op, felt that selling Precision Ag equipment was not the direction that they wanted to pursue.



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My passion was precision ag

- I saw the need for the grower to have their own equipment to help them be more efficient.
- I thought that the equipment and the data went hand in hand.
- In June of 2004 I started Ag Info Tech
- It was one of the best decisions that I ever made.



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Ag Info Tech the early stages

- Added my first full-time employee in 2007.
- In the spring of 2008, the same time I realized I was old enough to need bifocals, I learned that I had a rare heart condition called Hypertrophic Cardiomyopathy, two words I didn't want to know anything about!



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Ag Info Tech the early stages

- I did a little research on the disease and found the following.
 - Most people that have this disease find out on the autopsy table.
 - My uncle died at age 48, from a massive heart attack, while we were sled riding. I believe it was because of this disease.
 - I was extremely lucky finding this issue before I had a major problem like uncle Bob.



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Ag Info Tech the early stages

- By the time spring was over I could barely walk up the stairs.
- I had open heart surgery in June.
- According to the internet, the surgery that I was going to have had a 10% mortality rate!
- I realized I was human and could die.
- The surgery went well, I was back to work in about 3 or 4 weeks.



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But it changed my life forever!

- This realization about my vulnerability got me thinking about a succession plan.
- I asked myself one of the toughest questions that I have had to ask.



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What would happen if I had died?

- I thought about my family.
 - How would they be taken care of?
 - Where would my wife begin with trying to dispose of the business?
- I thought about my employee.
 - Where would he work?
 - Could he manage the business?
 - Would he want or be able to buy it?



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What would happen if I had died?

- I thought about my customers.
 - Who would help them with their equipment?
 - Where would they get the products and services they need?
 - Would I be letting them down?
- I knew all of these issues would be left to chance without a plan, and I did not have one!



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Mistake number 2

- Not having any plan if something were to happen to me.
- Lesson Learned - Needing a plan, whether we are a business owner or an employee, is crucial not only to our businesses and families, but to our own health.
- I knew I had to come up with a plan so I started working on developing one.



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Ag Info Tech, LLC. next step

- Part of that plan was to hire someone that could run things if I were not around.
- I had the person in mind, he worked for a co-op that was a sub-dealer for me.
- I went to talk to the GM of the co-op to get his advice before I made an offer to him.
- In that meeting, it was suggested that we form a 50/50 LLC.



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Deciding factors to partner

- Less risk of expanding with a partner.
- They could handle all HR issues, including providing a benefits package.
- It opened up their customers to becoming my customers.
- It could ensure that the business could go on, if something were to happen to me.



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Having a partner was uncomfortable at first.

- It can easily compare the experience to something I did last summer!



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Jumping out of a plane felt uncomfortable but exhilarating!

- Partnering with Town & Country Co-op like jumping from 10,000 feet in the air.
- Like having a partner, some guy strapped to my back felt weird.
- Things happened fast!



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Jumping out of a Plane Felt Uncomfortable but exhilarating!

- But just like having that partner there during skydiving, a partner in business helped put my mind at ease.
- They actually helped me see the goal and helped guide me towards it.



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Once the chute came out

- I had lots of time to look around, see things clearly and really enjoy the ride.
- Just like when the chute opened, once the partnership had time to settle, I saw things clearly and enjoyed the ride!



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Lesson # 3

- Fortunately, I didn't make a mistake from deciding to partner with Town & Country or from deciding to jump out of an airplane.
- But I did learn that there are no guarantees in life, and sometimes we need to have faith and jump!
- Otherwise we just might miss all that life has in store for us.



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With the partnership came great things!

- It freed up a lot of my time as I didn't have to focus on the accounting, payroll, financing and HR issues nearly as much.
- I got two employees from the co-op and my workforce was doubled from 2 to 4 people.
- We were all excited and we worked well together!



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With the partnership came great things!

- Sales increased 67% in 2010
- 2012 We hired a salesman, part-time office assistant and another tech.
- 2013 moved the business off the farm and into Mount Vernon.
- Our office shares the same hallway as County FSA and NRCS offices.
- Every farmer in the county walks by.



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With the partnership came great things!

- 2013 Hired a full time office administrator and a second salesman.
- 2014 we hired an additional tech and a data technician.
- 2015 we had to reinvent our “go to market” strategy to be able sell in theses tough economic conditions.
- Added another data tech.



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Current - Ag Info Tech LLC.

- Ag Info Tech is a full service Precision Ag Company in Central Ohio.
- We sell and service several different Precision Ag product lines including Ag Leader, Precision Planting, Trimble, Norac, Soil Max, Dakota Micro, Orthman and Opi Integraris.



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Ag Info Tech, LLC.

- We also offer several different Precision Ag services like smart sampling, VRA prescriptions, yield data analysis, RTK TOPO mapping and drainage tile design.
- Provide product and services to over 600 growers in Ohio and Western PA.



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Ag Info Tech, LLC.

- Back Room Service Provider for the following companies.
 - Town & Country Co-op
 - COFC Waldo Branch
 - Morrall Companies
 - Dusty's Ag
 - Novus Ag
- Named 2015 Precision Farming Dealer Magazine's "Most Valuable Dealership"



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Our Mission

- To serve God and mankind, by bettering our customers lives, by providing timely, reliable, technology products and services. Helping our customers be more efficient, accurate and profitable through the use of Precision Ag equipment and practices, while operating a profitable business that seeks to better our employees lives and our communities.



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Our Core Business is Precision Agriculture

- Precision Agriculture by our definition is a set of tools that includes hardware, software and services that help our growers maximize every acre of their farming operation.



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Our Purpose

- Our purpose can be best described by the tag line that we used called “Precision with a Purpose”. We want every product and service that we deliver to a grower to serve a purpose. It needs to help them solve a problem, improve their quality of life by making their life easier or just simply making them more efficient and profitable or we should not sell it to them.



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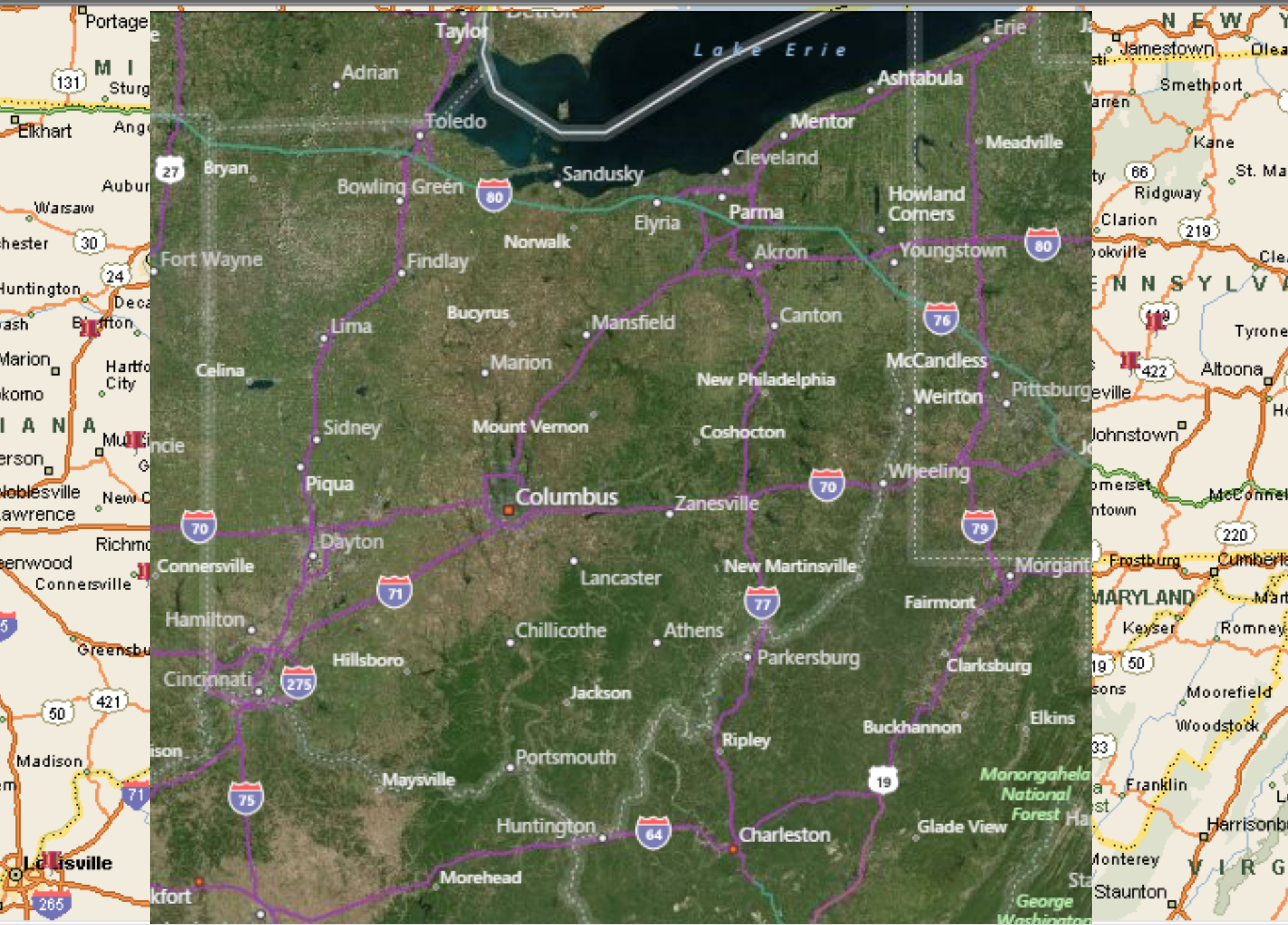
Ag Info Tech Crew



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Showroom



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Training Center



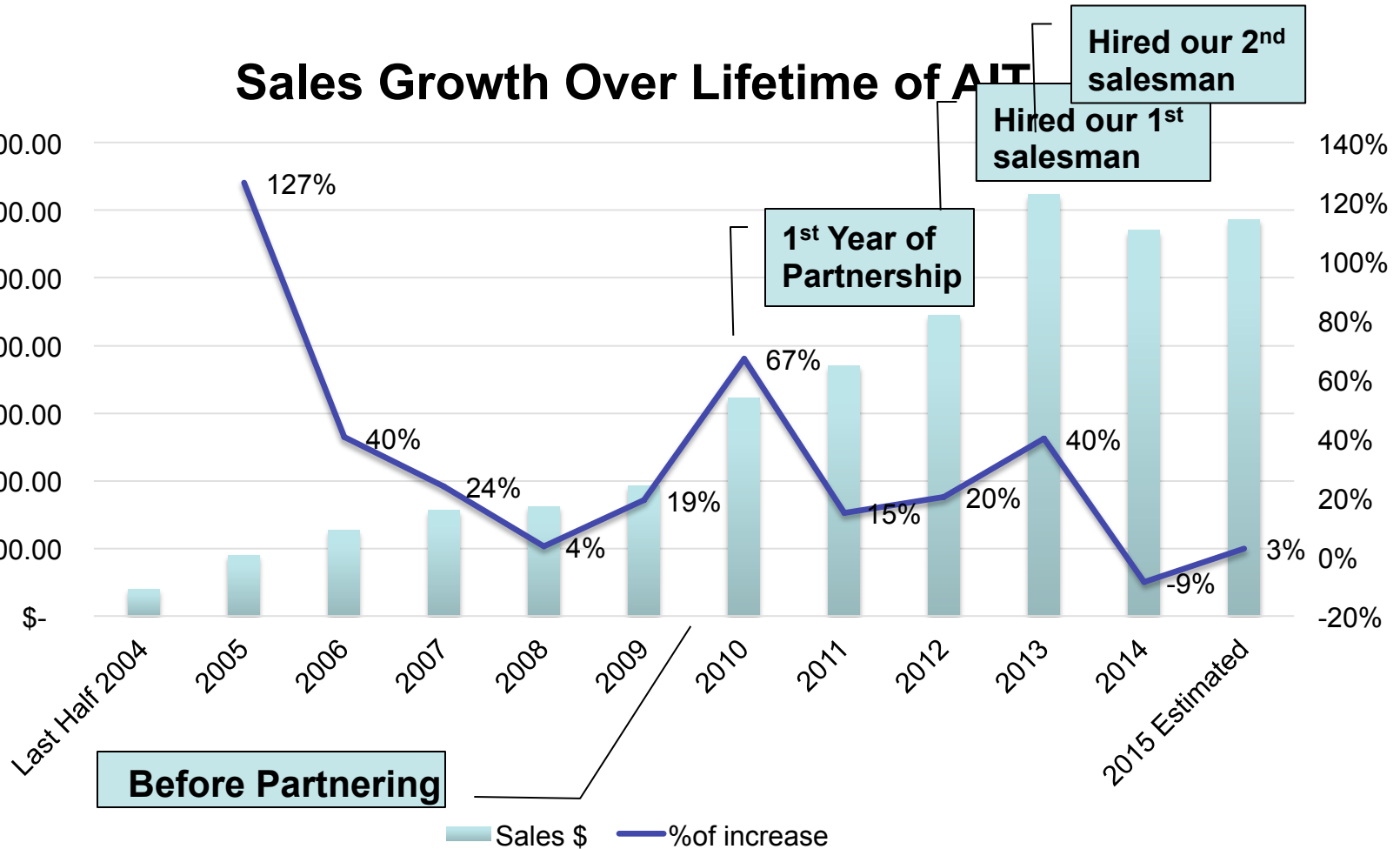
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Sales Grew!

Sales Growth Over Lifetime of AIT



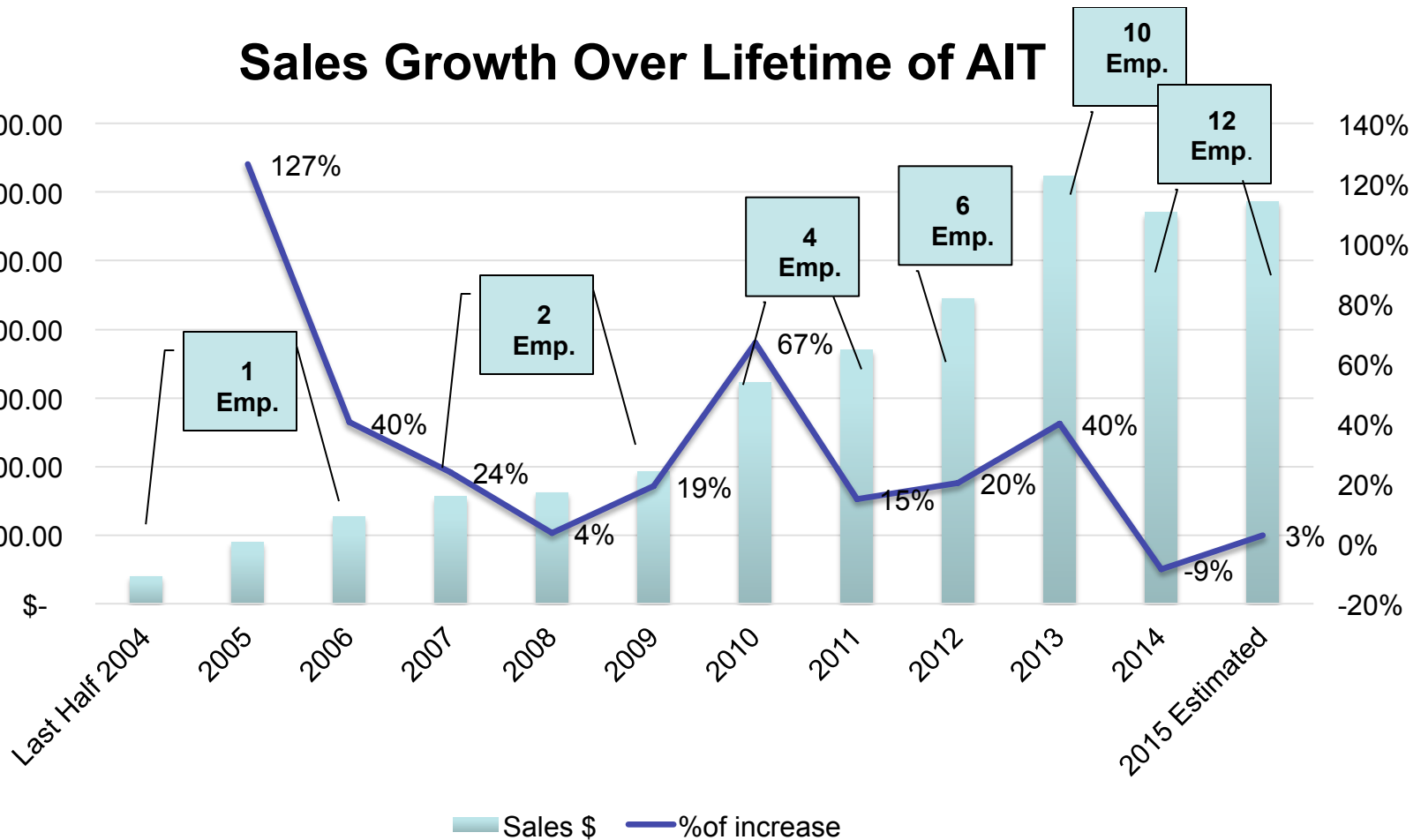
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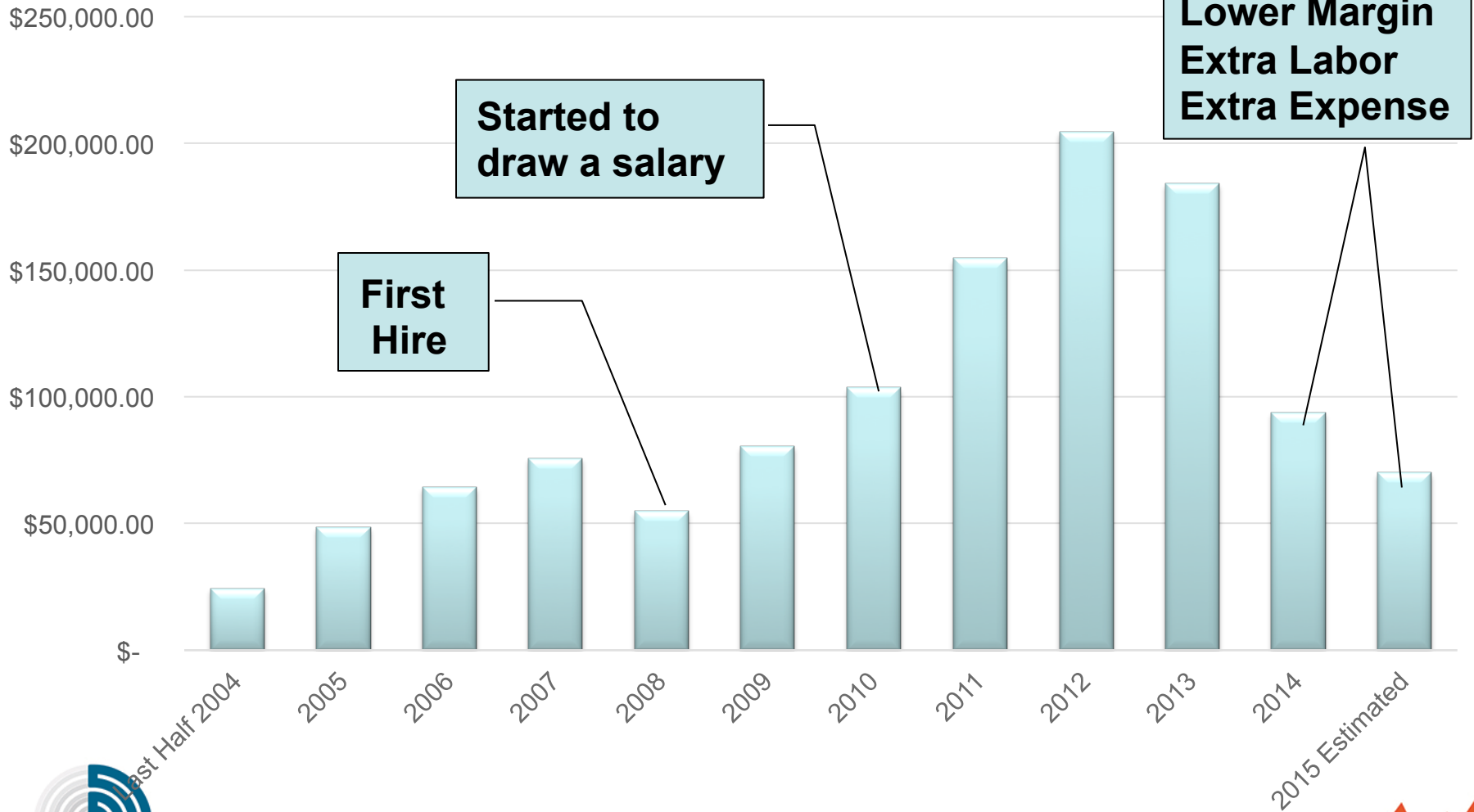


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Profit



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This growth did not come without it's challenges.

- 1st Challenge – We always sold on service and we typically undervalued it.
 - I could not believe how much customers service needs multiplied.
 - Not only do we have to service what we sell, but we still have to service everything that we have sold in the past.
 - We also end up servicing what others sell as well.



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Mistake number 4 - Undervaluing Our Services

- It's quite tempting for one of our salesman or myself, to offer free installation or to not charge for our service to make sure we get the sale or to get future sales.
- Equipment dealers have this figured out.



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Mistake number 4 - Undervaluing Our Services

- I needed to learn from them.
- They strive to have their parts and service departments cover the entire expense of their business's.
- That way if economic times get tough and new sales don't happen they can still survive.



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My goal for service revenue.

- Since we really don't sell many parts, we sell new systems, I am striving for a 50/50 balance between gross margin from equipment sales and gross margin from services rendered.
- We are not there yet but we are working on it. The good news is service income is increasing.

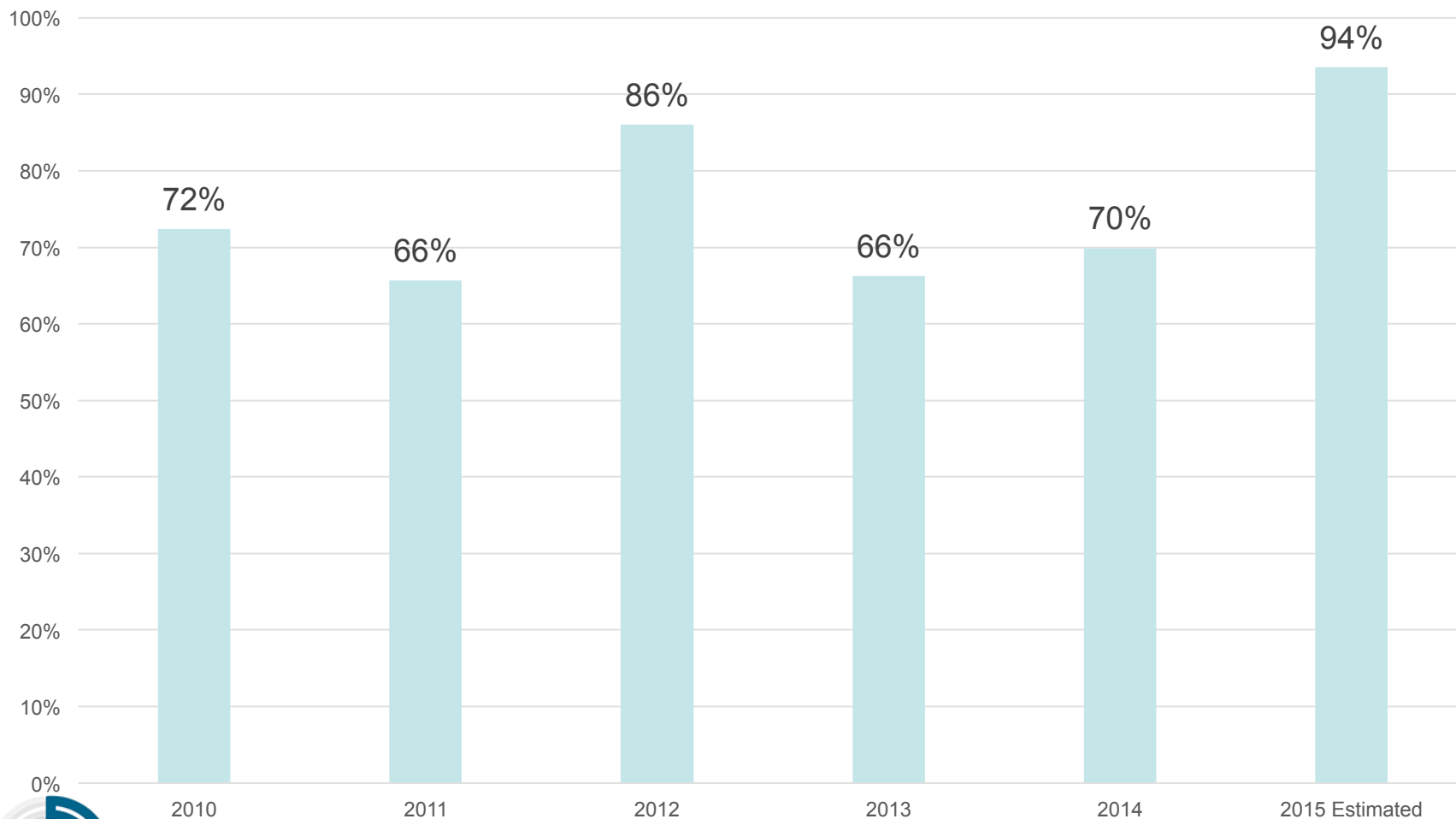


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Service Income vs. Sales Margin

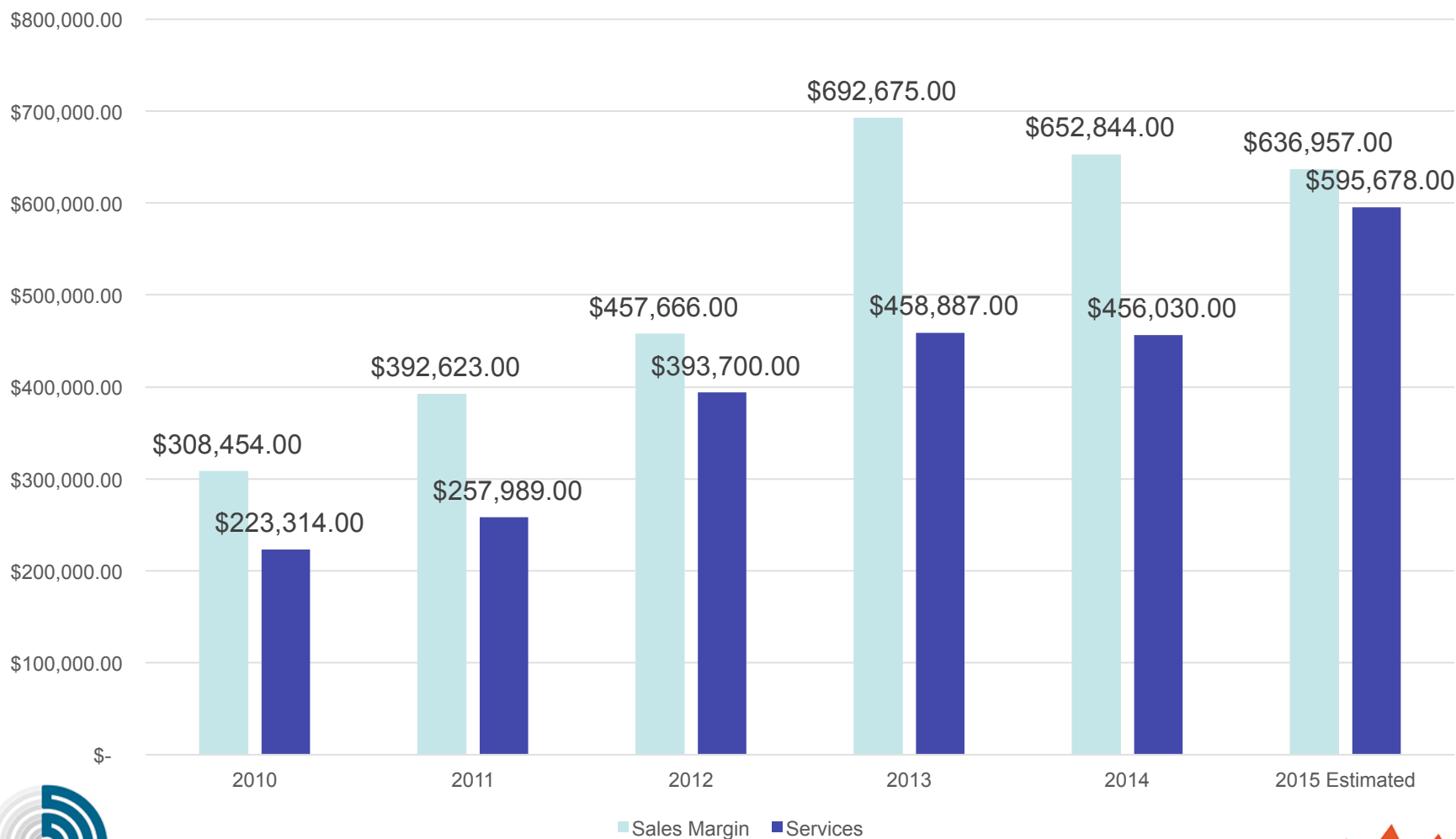


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Sales Margin Income vs. Service



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Where does our service income come from?

- Grid Soil Sampling
- Yield Data Analysis
- RTK Topo Mapping
- Tile Design
- Installation & Service. *We have a lot of room for improvement here on profitability.*



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To make service profitable we need to know some things.

- What is the true cost of a service tech to the company.
- What does that equate to by the billable hour?
- How many hours are we billing?
- How can we improve upon this?



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What is the total cost of an employee?

- $\$15 \times 2080 \text{ hrs.} = \$31,200$
- Benefits & Taxes = 40% Or \$12,480
- AIT's Computer, Phone, Truck and Training Expense per employee = \$12,705
- Total cost of a \$15.00 hr. employee per year is \$56,385



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How much time do they have available to work?

- 2080 Hours
- 7 Paid Holidays = 56 hrs.
- 10 paid vacation days = 80 hrs.
- 3 paid sick days = 24 hrs.
- Training 5 days minimum 40 hrs.
- Leaving only 1,880 hours to work.



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Cost per hour of a tech?

- Keep in mind that a \$15 per hour tech's true cost is \$56,385 per year.
- Divide that by 1,880 = \$29.99 hr.
- 100% of time billed \$29.99
- 75% of time billed \$39.99
- 50% of time billed \$59.98
- 40% of time billed \$77.03
- 30% of time billed \$99.97



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40% is not good enough!

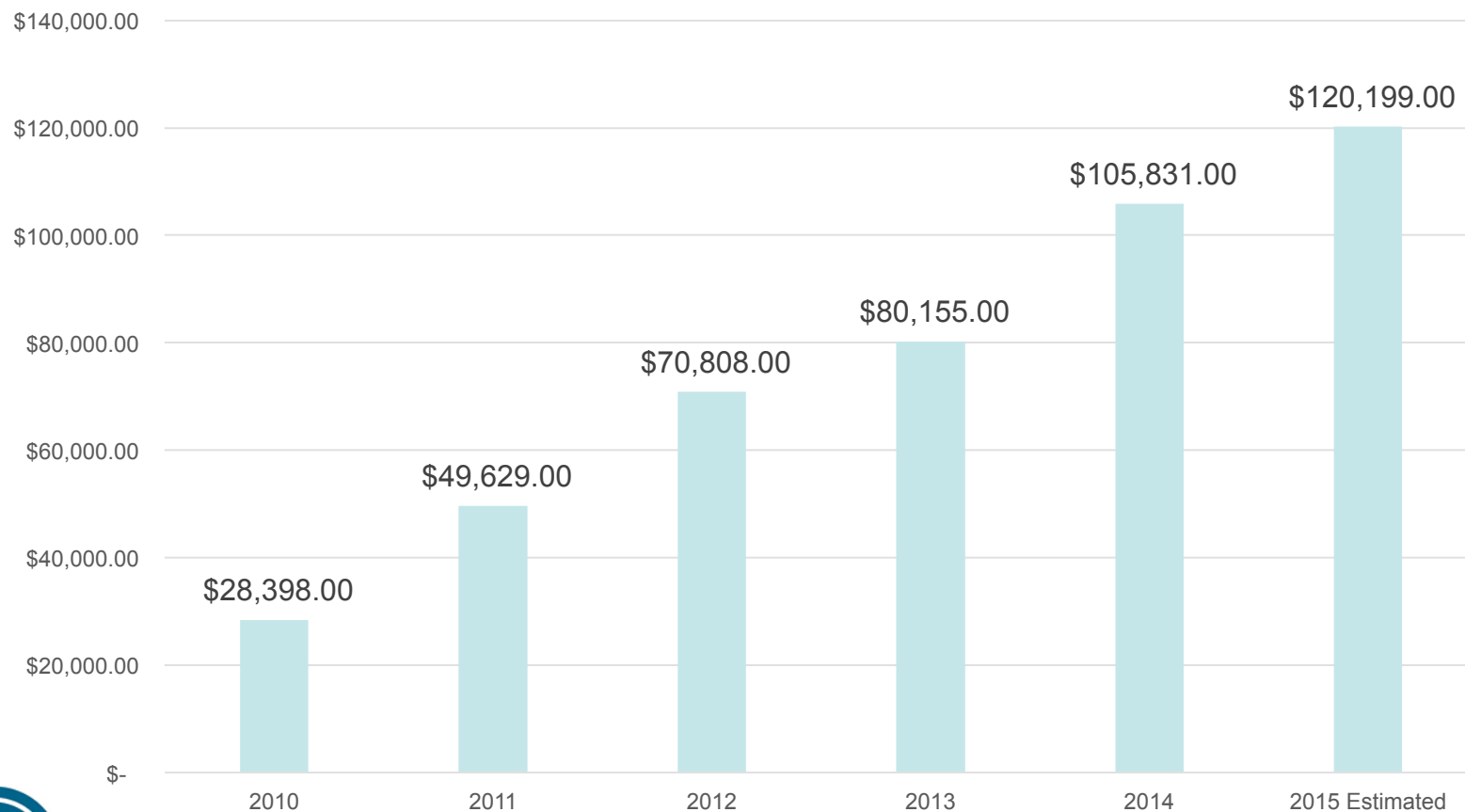
- Mistake number 4 – Undervaluing our Service
- Lessons learned – I see two options:
 - We need to be able to keep the techs busier all year round.
 - Charge more for our service.
- I think we need to do both.



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We have been focusing hard on Labor Income

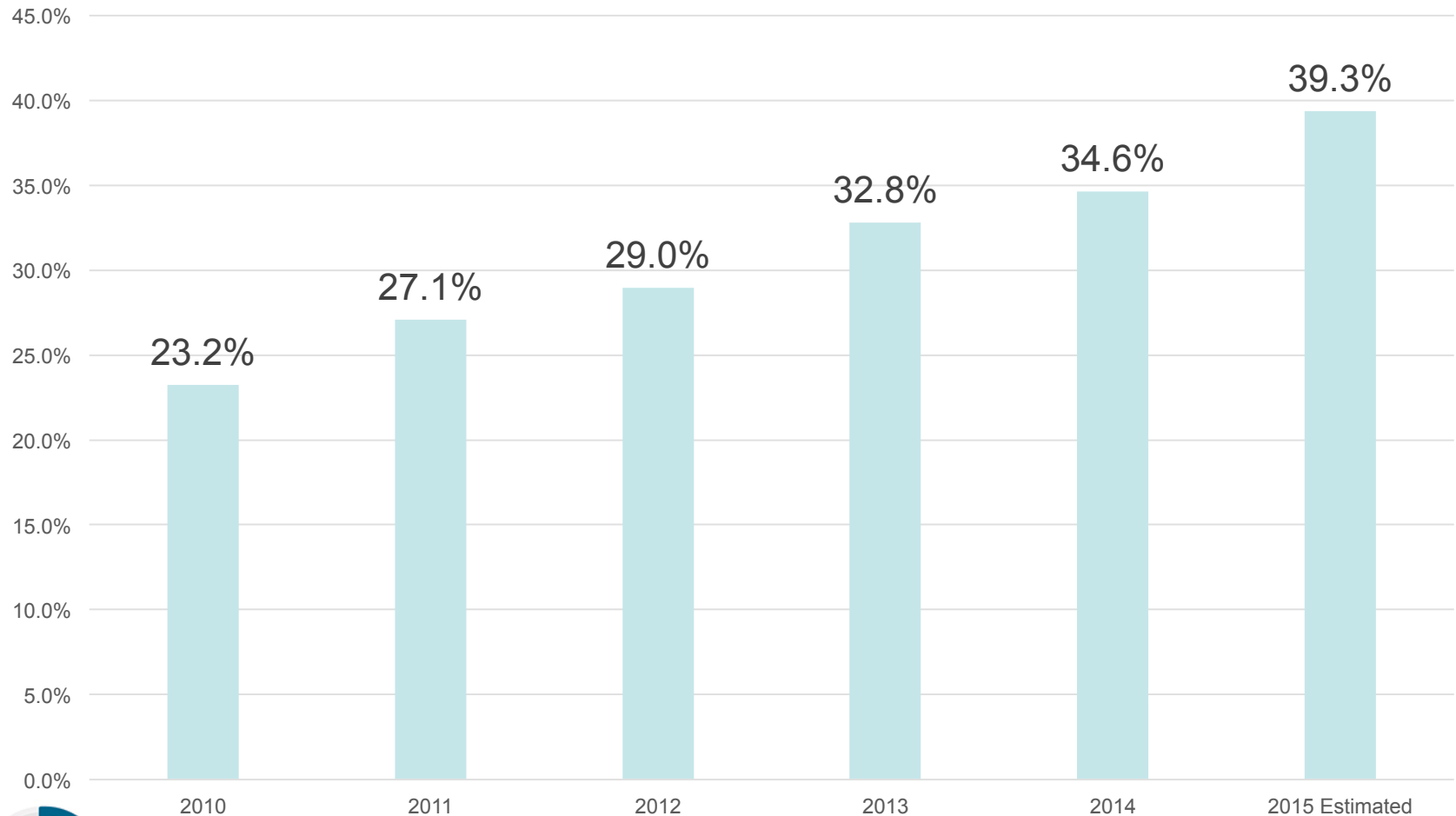


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% of Billable Hours Billed



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How can we bill more service hours in a seasonable business?

- Spread out the workload.
- Accurately record the time that we have spent on service calls.
- Train our employees better, so we have less mistakes that create extra trips that we can not bill for.



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How is AIT trying to spread out our techs' workload?

- We added the Opi-Integris Grain Bin Monitoring product line.
 - Bins are usually empty June through August, and full December and January.
 - Matches our techs' slow times pretty well.
- Focused on a June & July Planter Program.
- Created a preventative service program.



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How is AIT trying to capture more billable time?

- We also added a telematics solution to track our vehicles and our employees.
- Employees log in when they get in the truck so we know how much drive time and how much time was spent on the job.
- This gives us proof if a grower questions the time that we spent on the job.



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How is AIT trying to capture more billable time?

- It also gives us a history of how many times we have been to a grower and who has been there.
- It gives us better documentation to show our suppliers how much time we have servicing warrantee issues.
- Allows us to dispatch our closest tech to an issue.



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Teletrac Fleet Director

Fleet Director (1) Ryan Powell Going to Sleep Help [PROD] (327154-NA) ADMIN

Map View Analytics Reports Control Panel Community

History Nearest Locate Message Landmark

Enter address to search map

Landmarks

Vehicles

Enter vehicle name to filter

Check All Uncheck All

- ☒ All Vehicles
- ☒ Andy Butts
- ☒ Brandon Caple
- ☒ DERECK GETITGEY
- ☒ MATT CULLER
- ☒ MATT DUGAN
- ☒ Orrin Babcock
- ☒ Ryan Powell

All Vehicles

Data View Events Messages (1) Exceptions Watchlist Status History

Enter Vehicle Name, Event Time, Status, Address or any field to filter

Name	Event Time	Status	Driver	Address	Cross St

Windows taskbar: 9:34 PM 12/20/2015

Teletrac Fleet Director

Fleet Director® teletrac

(9) Andy Butts Going to Sleep Help [PROD] (327154-NA) ADMIN

Map View Analytics Reports Control Panel Community

History Nearest Locate Message Landmark

Enter address to search map

Landmarks

Vehicles

Enter vehicle name to filter

Check All Uncheck All

All Vehicles

All Vehicles

Map View

Road Aerial Labels Birdseye Options

MATT DUGAN
16182 Olive Green Rd/CR-52,
Centerburg, OH 43011
12/21/2015 10:17:08 AM
Status: Ignition Off

1000 Feet

© 2015 Microsoft Corporation © 2010 NAVTEQ © AND
Image courtesy of USGS Earthstar Geographics SIO

Data View Messages (9) Exceptions Watchlist Status History Nearest

Enter Name, Travel Time, Distance, Address or any field to filter

Name	Travel Time	Distance	Address	In/Out Polygon	Cross St
Brandon Caple	00:48:31	31.971 mi	403 Monroe St, New Washington, OH 44854		W Main

Windows Taskbar: 10:50 AM 12/21/2015



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Mistake Number 5 – Giving Away Your Margin

- As a farmer I always thought that 15% would be a fair margin.
- We strive for a total margin over 25%. I feel that is the minimum we can make.
- It is easy and tempting to offer a 5% discount to try to drive business. Don't do it unless you are making at least 25% on the product you are selling.



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Example of a 25% Margin of a Company Like Ours

Sales	3,000,000
25% Margin	\$750,000
Expenses	\$550,000
Profit	\$200,000



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Look what happens with a 5% reduction in margin!

Sales	\$3,000,000
20% Margin	\$600,000
Expenses	\$550,000
Profit	\$50,000



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Look what happens if we can increase it by 2%!

Sales	\$3,000,000
27% Margin	\$810,000
Expenses	\$550,000
Profit	\$260,000



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If your margin is too low try to find add-ons that are higher margin.

- McDonald's always wants to know if you want fries with that.
- We need to find the “fries” in our business and maybe you can market them at a 30% or 40% margin to try to get your overall margin up.



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If your margin is too low try to find add-ons that are higher margin.

- You need to make sure that your “fries” are somewhat unique, add value and is something not easily obtainable from the competition.
- Camera’s, RAM mounts are examples.
- Services bundled in with the sale.



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Another challenge was having all of our information in one place

- Each salesman was using their own laptop and excel spreadsheet to make quotes and keep track of who needed service.
- This segregated information made it especially difficult when one of us was on vacation or sick.



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Mistake Number 6 - Data segregation limited our growth.

- As we added employees the need for a centralized customer relations management system became evident.
- We looked for an online solution that would track quotes, service request, soil test request and deliver and store data for our customers.

- We couldn't find one so we built it.



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Agri-Vault

- We use this tool to track our quotes, orders, pick lists, and invoices.
- We also use it to enter and track our service issues. This helps us track and capture more billable time as well and builds a data base of issues and how they were resolved.
- We also track our soil sampling and VRT work orders as well.



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Proposals Graph

Proposed

300

Pick Lists

31

Work Orders

18

Completed

3

Invoiced

935



Grand Total: \$224,704.37

Show 10 entries

Search:

Customer	Quoted Date	Status Date	Date Accepted	Proposal	Salesman	Progress	Comments	Ordered	How Likely	Total	Action
Ag Llc - Plain City, Evolution	2015-12-14	2015-12-23	2015-12-14	#3598: PO# WP00573	Carla Augustine	Pick List	2	✓	☆☆☆☆☆	\$9,415.00	Action
Baker, Jonathan	2015-12-21	2015-12-28	2015-12-28	#3632: INCOMMAND 1200 TRADE UP PROGRAM	Tim Norris	Pick List	0	✓	☆☆☆☆☆	\$2,870.00	Action
Bobby Brause, Brause Bros. Llc	2015-12-21	2015-12-21	2015-12-21	#3638: 4" PRO SHEAR	Brandon Kaple	Pick List	0	✗	☆☆☆☆☆	\$175.00	Action
Catapadale Farms,	2014-02-24	2015-12-29	2015-12-16	#1373: Tile plow	Derik Geitgey	Pick List	0	✓	☆☆☆☆☆	\$54,635.00	Action
Cubbage, Brian	2015-12-28	2015-12-28	2015-12-28	#3655: INTEGRA Trade and Planter Monitoring	Tim Norris	Pick List	0	✓	☆☆☆☆☆	\$3,907.50	Action
Dann, Mark	2015-12-11	12/11/2015	2015-12-11	#3592: InCommand 1200 Trade	Matt Culler	Pick List	0	✓	☆☆☆☆☆	\$2,495.00	Action
Davis, Brett	2015-11-24	2015-12-29	2015-12-19	#3521: TMX Tile Control Best	Tim Norris	Pick List	1	✓	☆☆☆☆☆	\$30,191.00	Action
Davis, Brett	2015-11-24	2015-12-22	2015-12-19	#3518: Tile Plow 3 pt.Loaded	Tim Norris	Pick List	1	✓	☆☆☆☆☆	\$36,850.00	Action
Duplaga, Brian	2015-12-10	2015-12-10	2015-12-10	#3575: InCommand 1200 Trade	Matt Culler	Pick List	0	✓	☆☆☆☆☆	\$2,495.00	Action
Ernst, Andy	2015-12-10	2015-12-10	2015-12-10	#3573: Kinze planter	Derik Geitgey	Pick List	1	✓	☆☆☆☆☆	\$7,565.00	Action

Showing 1 to 10 of 28 entries

Previous 1 2 3 Next



Service Requests



Open

6

In Progress

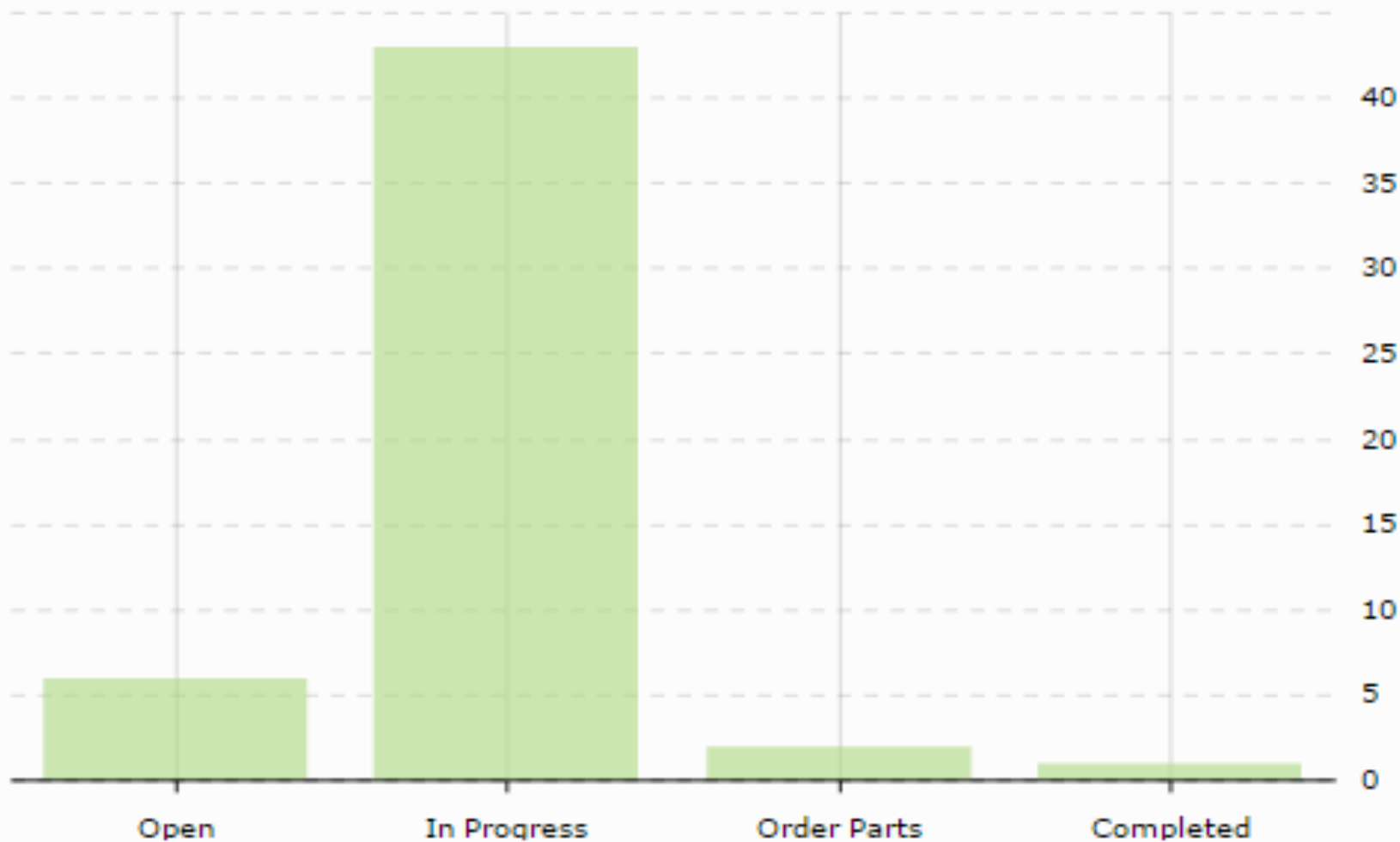
43

Order Parts

2

Completed

1





Soil Requests Graph



Ordered

480.4

Ready

0

Sampled

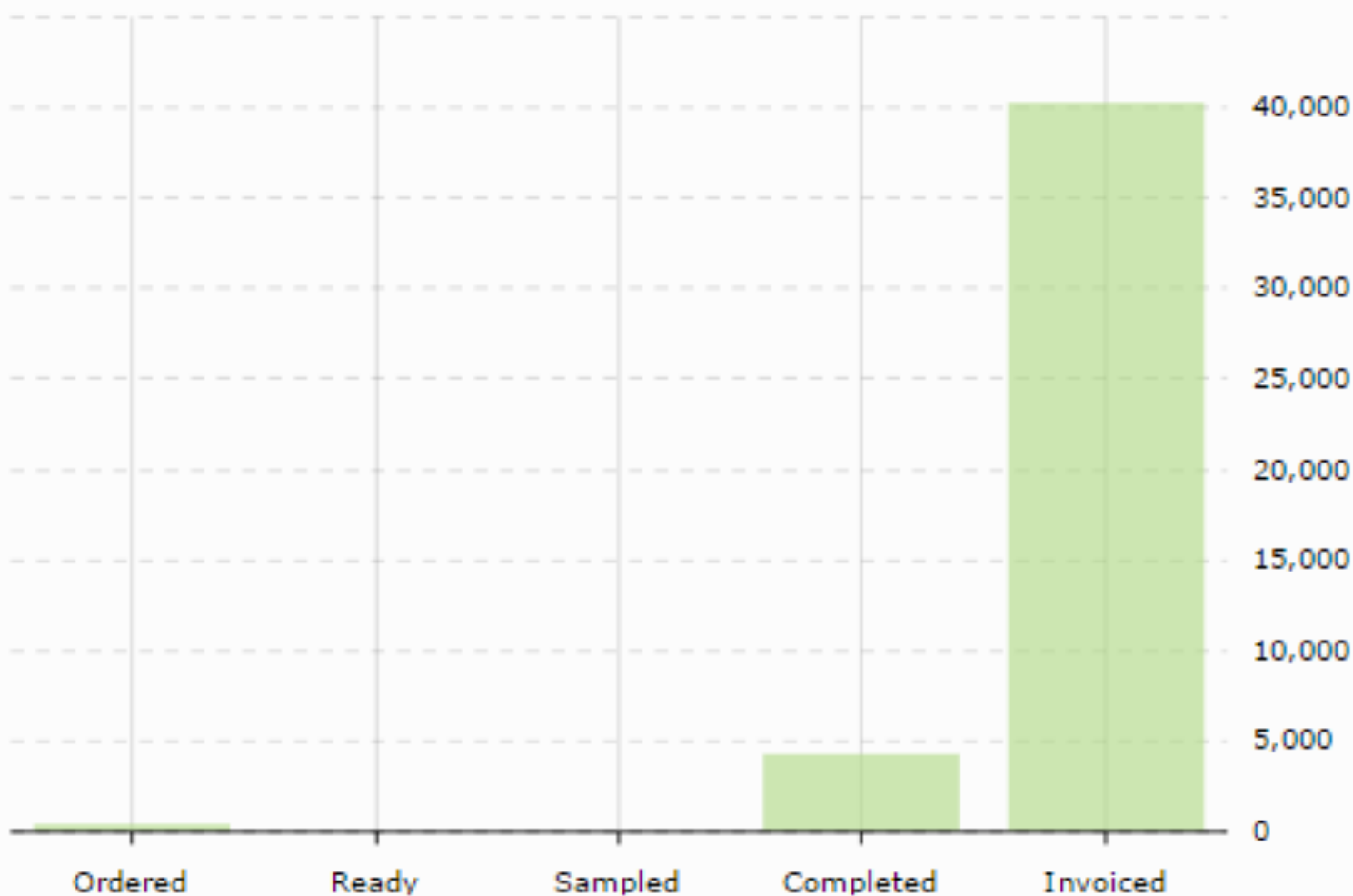
0

Completed

4,202.9

Invoiced

40,267.5



Or
48



Dec

VRT Prescription Requests

Open

0

Created

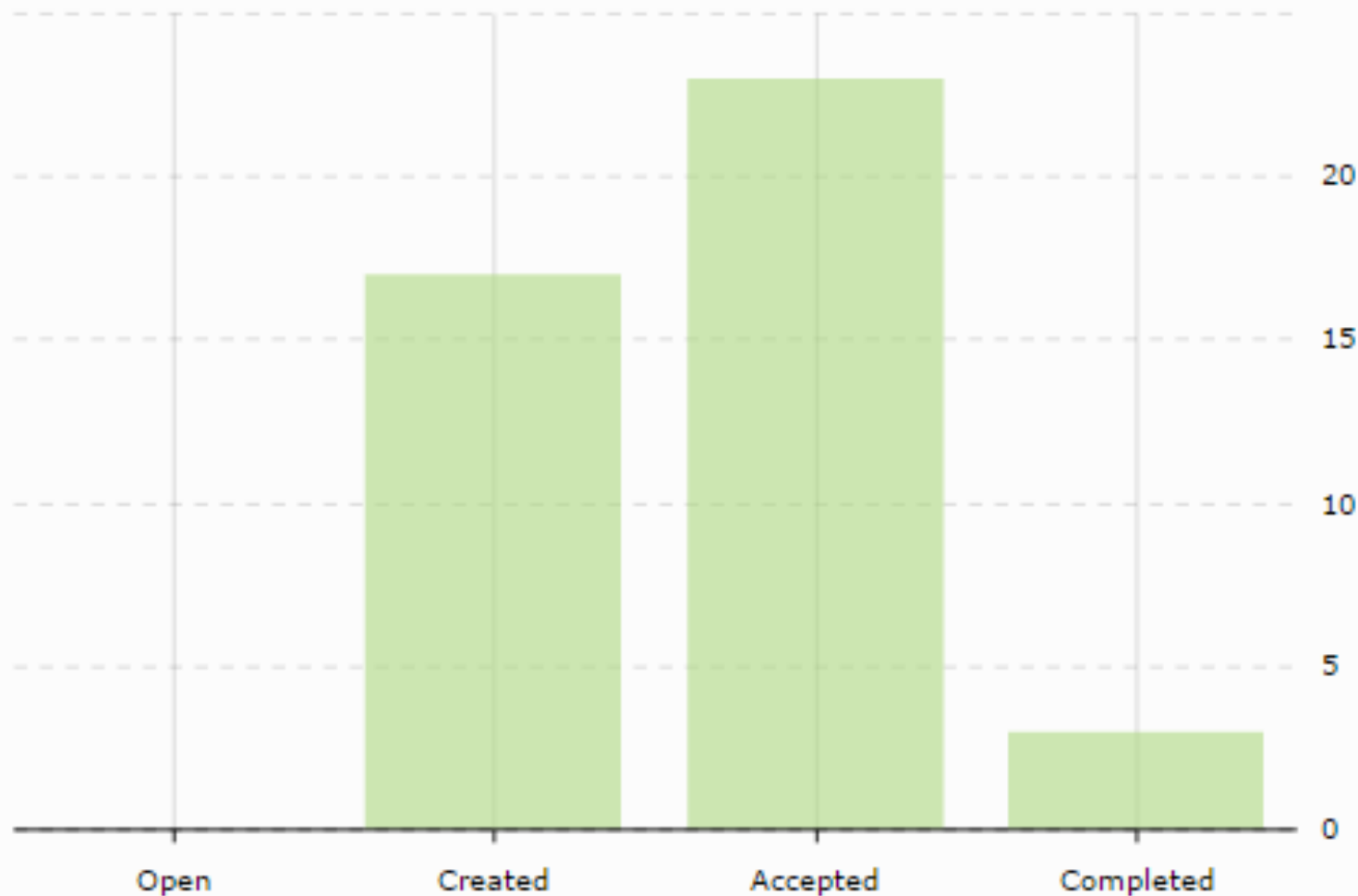
17

Accepted

23

Completed

3



Agri-Vault

- We also use it to transfer and store our customers raw data and soil sampling, planting, spraying and harvest maps and reports.
- It also has a way to deliver all of their Precision Ag data in a way that the grower can interact with the data on their own, anywhere without any special software.



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Manage Files

[← Account Services](#)

TIM NORRIS

21495 ZION ROAD

GAMBIER, OH 43022

(740) 485-2305

The interface features a sidebar on the left with a tree view of folders. The main area displays two PDF files. The sidebar includes a top bar with navigation icons (back, forward, home, etc.) and a tree view with the following structure:

- 2011
- 2012
- 2013
- 2014
- 2015
 - Application Reports
 - Harvest Reports
 - Integra Backup
 - Planting Reports**
 - Raw Data
 - Soil Sampling
 - Tile
 - VRT Prescriptions
- Soil Sample Results

The main area displays two PDF files:

- 2015 Planting Presc...
- 2015 Planting Rx M...

918/2015/Planting Reports

Report Filters

Yield by Soil Type ▾

Basic

- Yield by Soil Type
- Yield by Soil Type / Field
- Yield by Farm / Field

Planting

- Yield by Down Force
- Yield by Ground Contact
- Yield by Singulation
- Yield by Variety
- Yield by Planting Date
- Yield by Variety / Soil
- Yield by Soil / Variety

Fertility

- Yield by Phosphorous
- Yield by Potash
- Yield by pH
- Yield by Buffer pH
- Yield by CEC
- Yield by Organic Matter
- Yield by K%

Select Fields

Filter

Dugan

- ☐ Select All
- ☐ Armentrout Rd.
- ☐ D1 - 29A
- ☐ D2 - 13.2A
- ☐ Home

Home

- ☐ Select All
- ☐ H1 - 36.3A
- ☐ H2 - 3.9A
- ☐ H3 - 6A

Hallinan

- ☐ Select All
- ☐ H1 - 10.0
- ☐ Ha1 - 10.0A

Holt

— — — —

Click to Close Filter Options

TIM NORRIS
21495 ZION ROAD
GAMBIER, OH 43022
(740) 485-2305

No Data Yet.

Choose your report options, then click the blue "Filter"

All

All Fields

Clear Fields

Report Filters

Yield by Soil Type

2013

2011

2012

2013

2014

Planting Period

Varieties

- ☐ 2620VT3
- ☐ 4421VT3
- ☐ 5757VT2PRIB
- ☐ C2835R2
- ☐ LG 2929
- ☐ LG2508VT3PRIB
- ☐ LG2529VT3PRIB
- ☐ New
- ☐ R2C2980
- ☐ R2C3461

All Varieties

Clear Varieties

All Fields

Clear Fields

Select Fields

Filter

Dugan

- ☐ Select All
- ☐ Armentrout Rd.
- ☐ D1 - 29A
- ☐ D2 - 13.2A
- ☐ Home

Home

- ☐ Select All
- ☐ H1 - 36.3A
- ☐ H2 - 3.9A
- ☐ H3 - 6A

Hallinan

- ☐ Select All
- ☐ H1 - 10.0
- ☐ Ha1 - 10.0A

Holt

Click to Close Filter Options

TIM NORRIS
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GAMBIER, OH 43022
(740) 485-2305

No Data Yet.

choose your report options, then click the blue "Filter"

Report Filters

Yield by pH

Scatter Resolution: [i](#)

Low

2013

Management Level

All Crop Types

Soybeans

Corn

Varieties

- ☐ 2620VT3
- ☐ 4421VT3
- ☐ 5757VT2PRIB
- ☐ C2835R2
- ☐ LG 2929
- ☐ LG2508VT3PRIB
- ☐ LG2529VT3PRIB
- ☐ New
- ☐ R2C2980
- ☐ R2C3461

Select Fields

Filter

Dugan

- ☐ Select All
- ☐ Armentrout Rd.
- ☐ D1 - 29A
- ☐ D2 - 13.2A
- ☐ Home

Home

- ☐ Select All
- ☐ H1 - 36.3A
- ☐ H2 - 3.9A
- ☐ H3 - 6A

Hallinan

- ☐ Select All
- ☐ H1 - 10.0
- ☐ Ha1 - 10.0A

Holt

Click to Close Filter Options

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(740) 485-2305

No Data Yet.

choose your report options, then click the blue "Filter"

Report

Line/Bar Graph

Scatter

Print

Field Report Type : Yield by pH

Report Title: Yield by pH

Account ID: 918

Fields: K11-14A, D1 - 29A, Ha1 - 10.0A, Ho1 - 11.6A, Ho2 - 15A, Ho3 - 17.9A, Ho4 - 11.5A, K10-17A, La1 - 6.9A, K8 - 7.3A, K9 - 40.4A, K4 - 26.2A, K5 - 8.9A, K6 - 19.3A, K7 - 18.4A, S1 - 17.8A, L2 - 17.6A, L1 - 1.5A, K3 - 18.2A, Sh2 - 13.4A, Sh1 - 5.7A, R1 - 7.5A, D2 - 13.2A, H1 - 36.3A, H2 - 3.9A, H3 - 6A, La2 - 7.2A, La3 - 7.7A, S1, MC1, 3, 2, 1, H1 - 10.0, L2 - 17.6, R1 - 7.5, Ho4, L1 - 1.5, Ho3, Ho1, Ho2, Home, Armentrout Rd., Ry1 - 11.4A

Variety: All

Crop Year: 2014

Crop Type: Soybeans

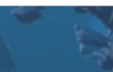
Headland: No

Season: All

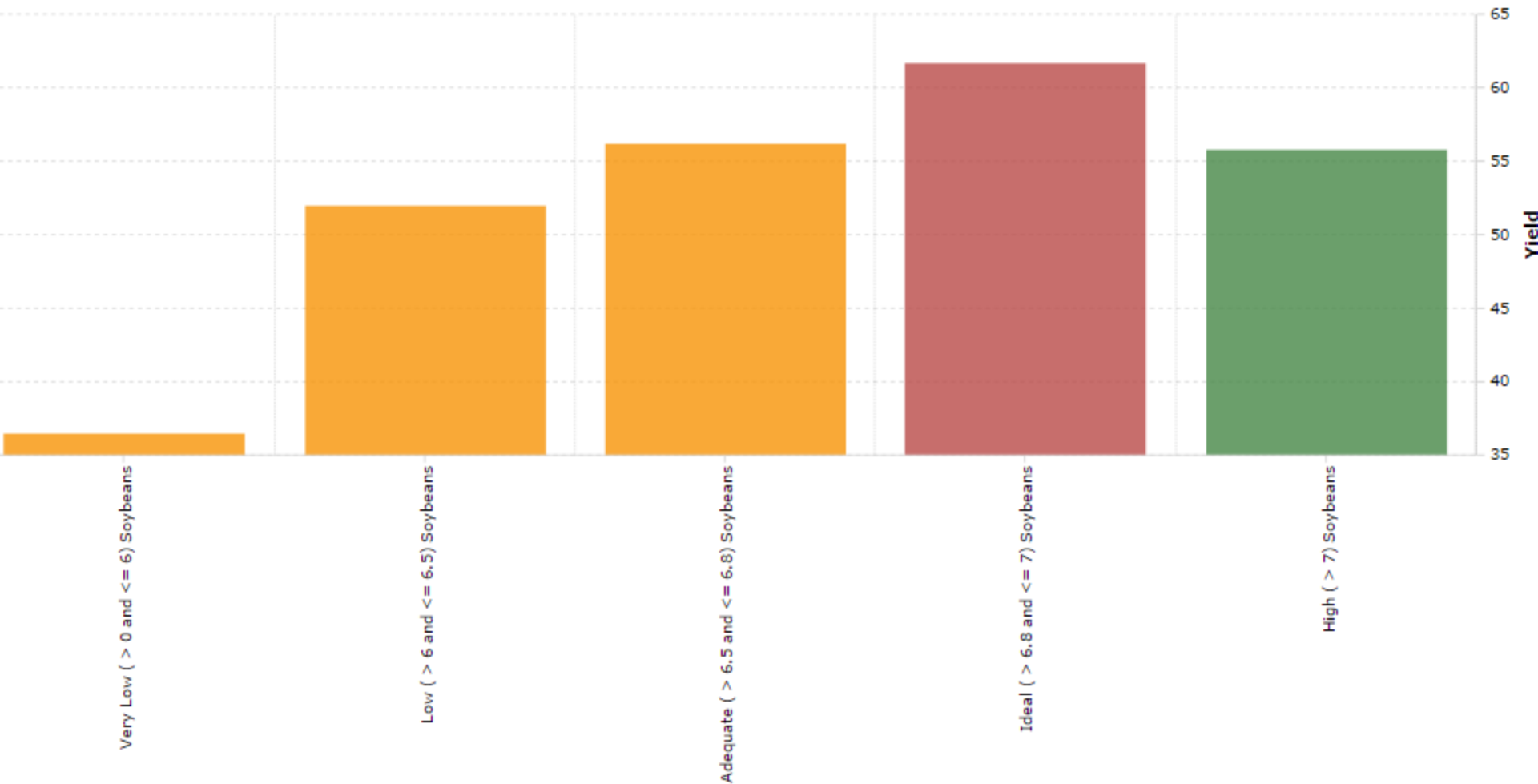
Management Level: All

pH	*Planting Population(ksds/ac)	*Moisture(%)	*Yield(bu/ac)	Norm Yield	**Acres	Crop	Confidence Level	View
Very Low (> 0 and <= 6)	42.47 kdsd/ac	14.01 %	36.45 bu/ac	77%	39.73	Soybeans	Average 13 13	Map
Low (> 6 and <= 6.5)	115.14 kdsd/ac	14.34 %	51.96 bu/ac	110%	62.51	Soybeans	Average 9 9	Map
Adequate (> 6.5 and <= 6.8)	142.75 kdsd/ac	13.45 %	56.18 bu/ac	119%	30.52	Soybeans	Average 15 15	Map
Ideal (> 6.8 and <= 7)	157.39 kdsd/ac	12.15 %	61.65 bu/ac	131%	2.60	Soybeans	Poor -15 -15	Map
High (> 7)	156.13 kdsd/ac	12.16 %	55.82 bu/ac	118%	9.95	Soybeans	Good 20 20	Map
Grand Totals	107.64 kdsd/ac	13.84 %	50.07 bu/ac		141.25			

**Acres are based on the assumption that each data point is a complete 30x30 or 40x40 grid size. Because of field boundaries and waterways splitting grids, acreage displayed will always be more than the actual acres.

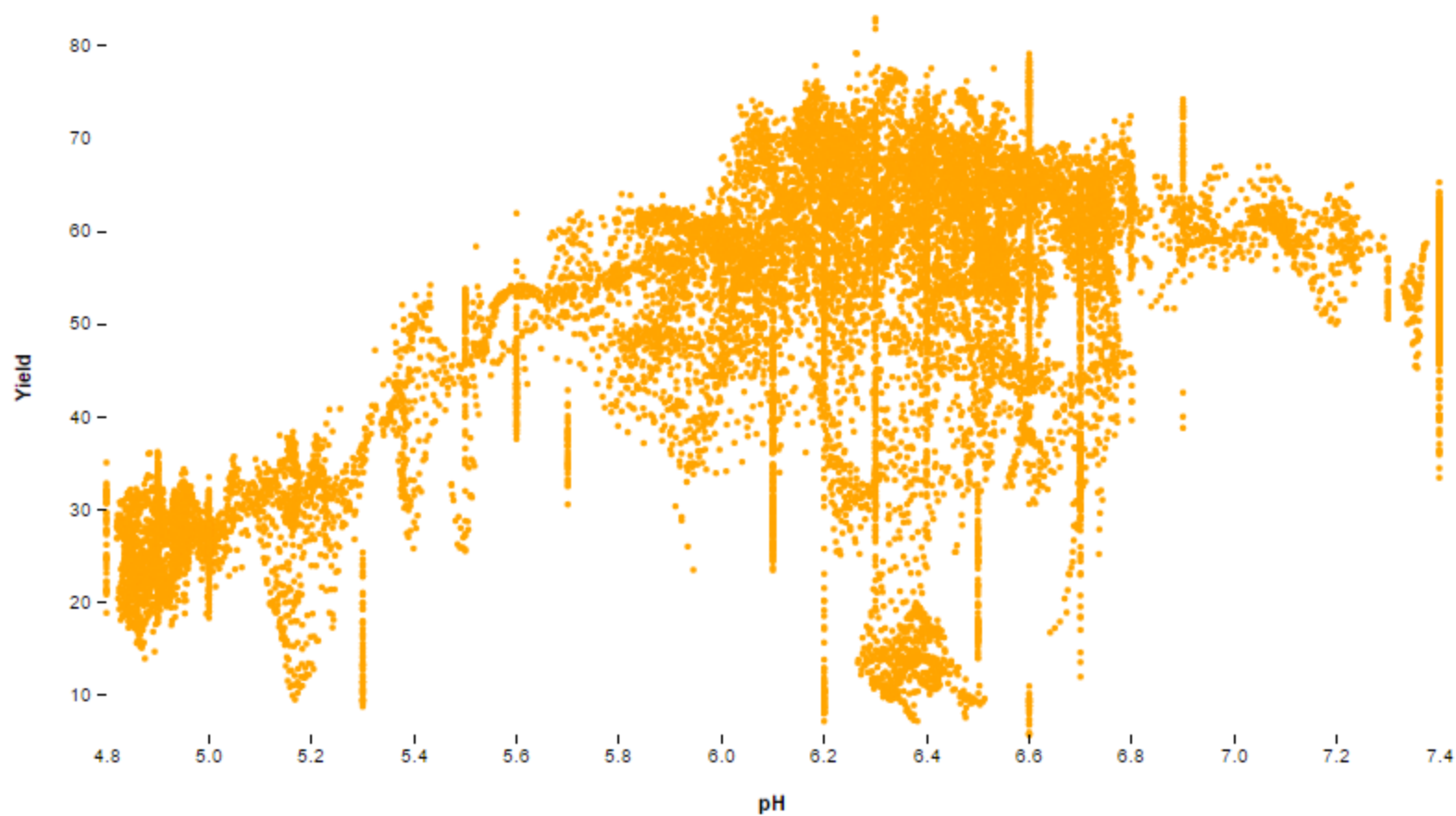


Yield



Yield by pH

Resolution: 15522 datapoints



This platform streamlines communication between our team.

- Lesson learned – Have some type of CRM or business management tool in place to keep everyone in your organization informed.
- We do sell subscriptions to Agri-Vault if you are interested in using it.



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Mistake number 6

- Don't try to build something yourself unless you have a lot of money to sink into it.
- This project has cost me way more than I had planned on and it started affecting our profit in 2013 thru 2015.
- However we have something unique that helps position us well for the future.
- And it's paid for so P&L's will be looking better now that development is less.



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Mistake number 7 - Not having an organizational chart.

- As we added people it got confusing.
- People were not sure what they were responsible for or who was responsible for what.
- Employees would get confused about what they should do each day or who to report to.



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As we grew I needed to communicate my expectations.

- I read a book called E-Myth Revisited that made it clear to me that we needed to think about our company as if every position had a person for that job
- Then have clear job descriptions for every position in the company.
- When your company is small each employee will hold several positions.



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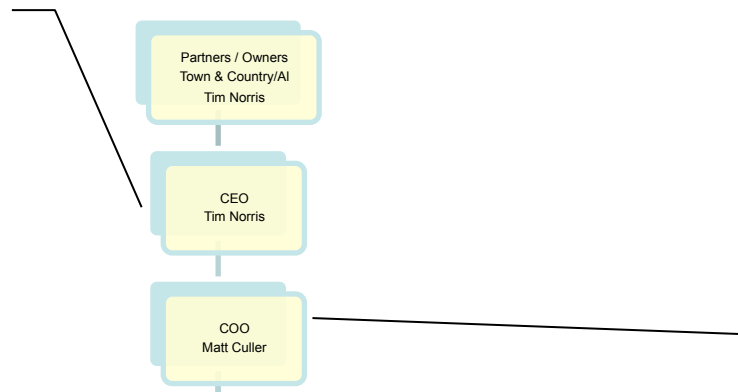
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The CEO is Responsible to set and share the Vision and Mission of the company.

Simply put: The CEO tells us what Mountains to Climb! And provides a plan of action

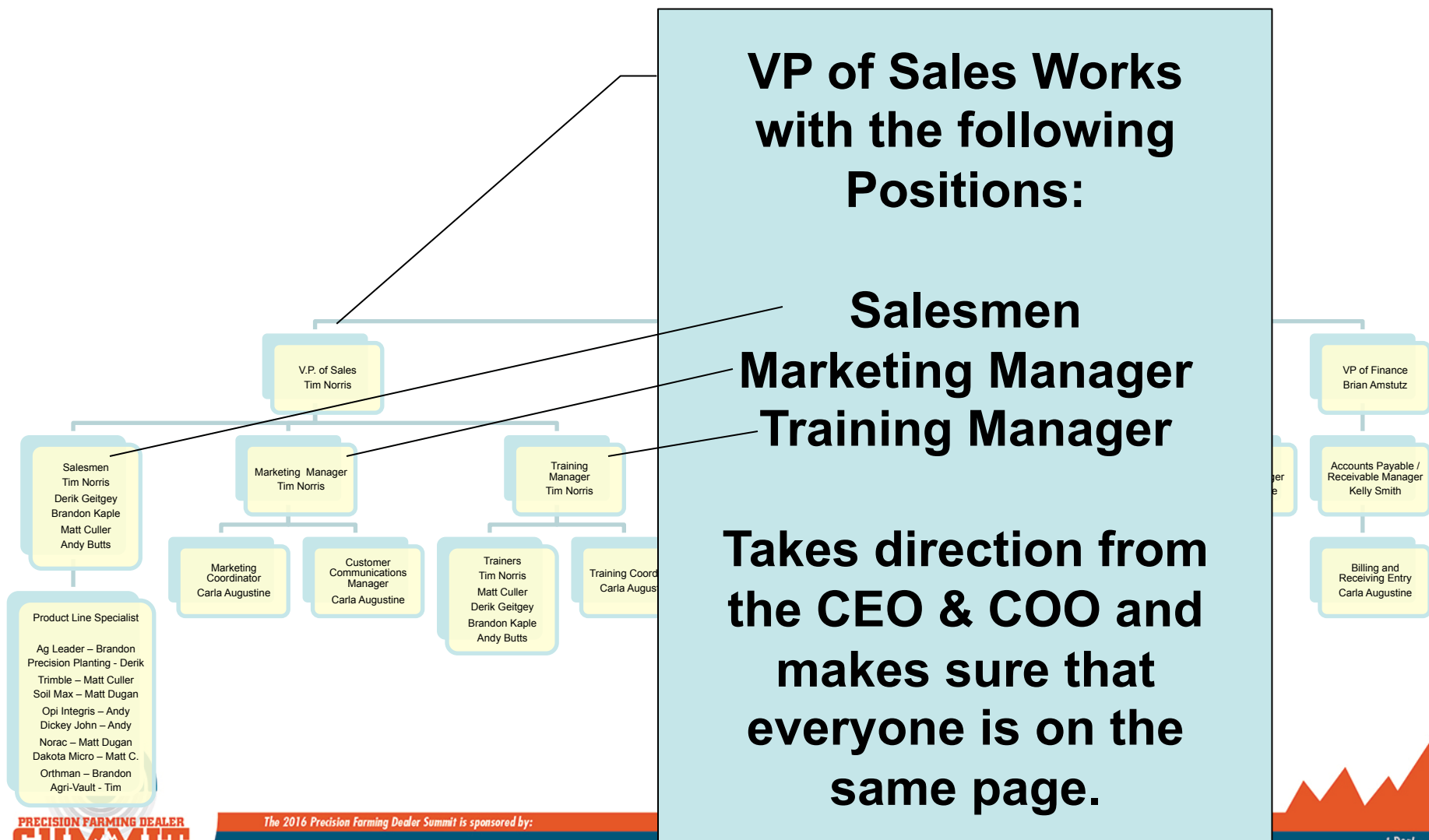
Agri-Vault - Tim
Orthman - Brandon
Dakota Micro - Matt C.
Norac - Matt Dugan
Dickey John - Andy
Opi Integris - Andy
Soil Max - Matt Dugan
Trimble - Matt Culler
Precision Planting - Derik



The COO is Responsible to see that the Vision and Mission is carried out.

Simply put: The COO makes sure we have the proper gear, training and are actually climbing!

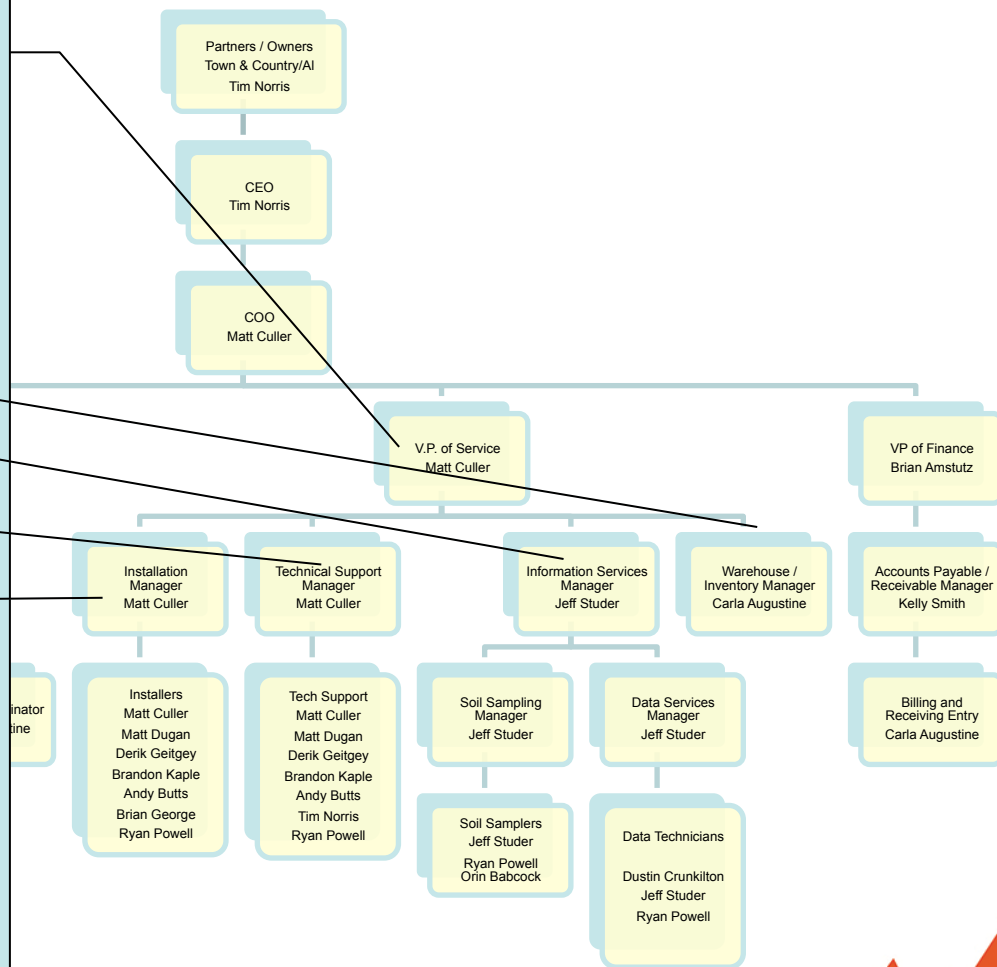
Installers
Matt Culler
Matt Dugan
Derik Geitgey
Brandon Kaple
Andy Butts
Brian George
Ryan Powell



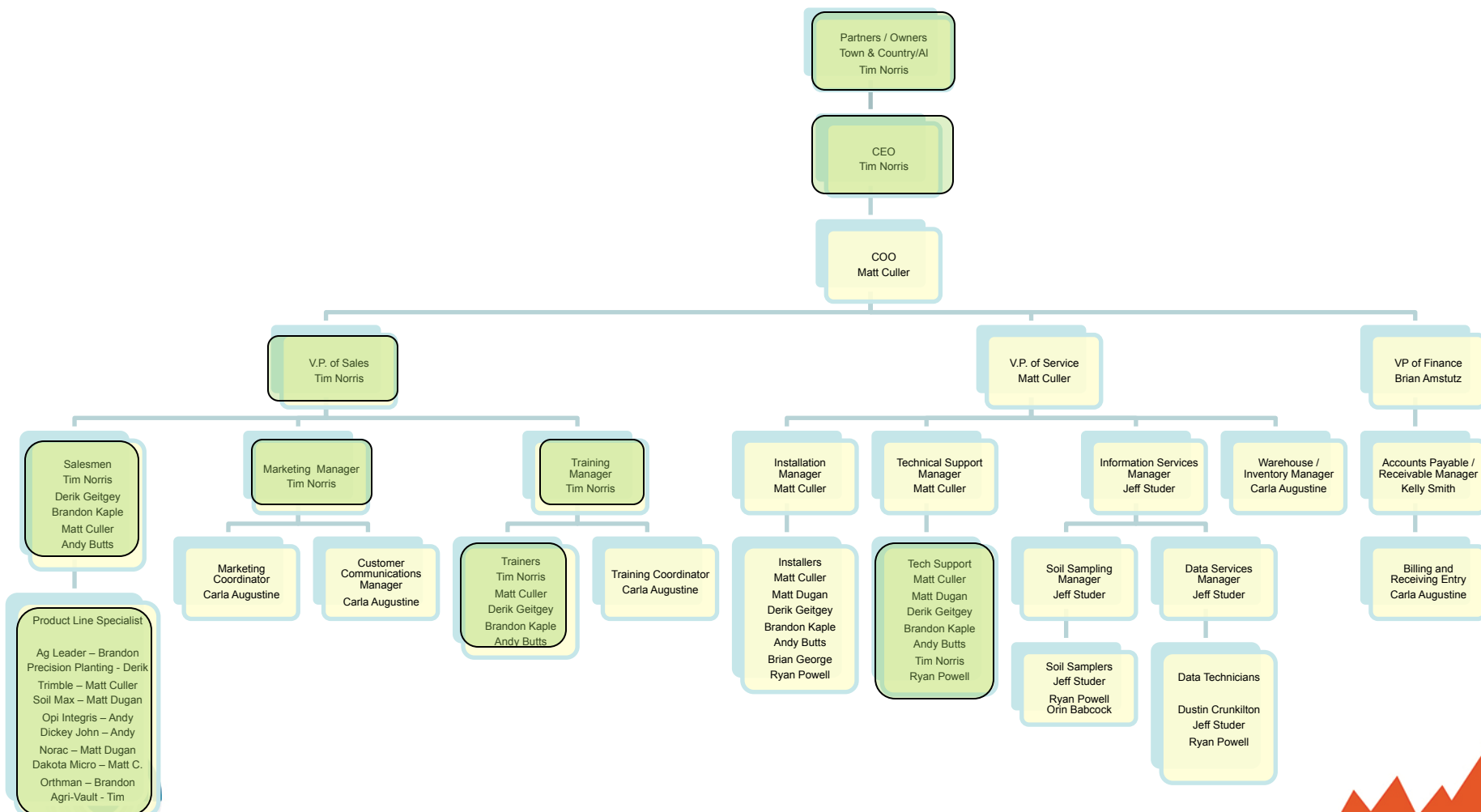
**VP of Service Works
with the following
managers:**

**Warehouse
Information Services
Tech Support
Installation**

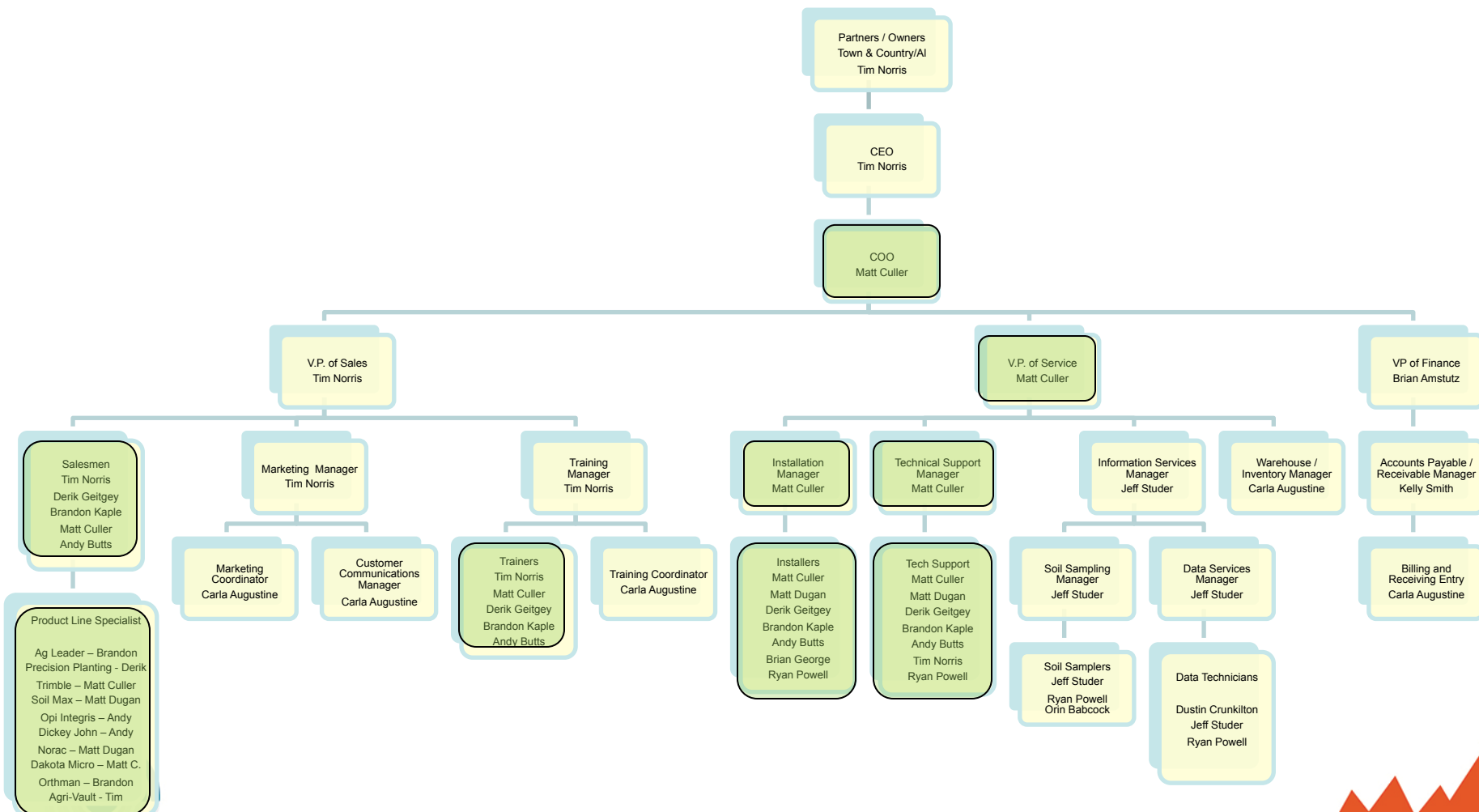
**Takes direction from
the CEO & COO and
makes sure that
everyone is on the
same page.**



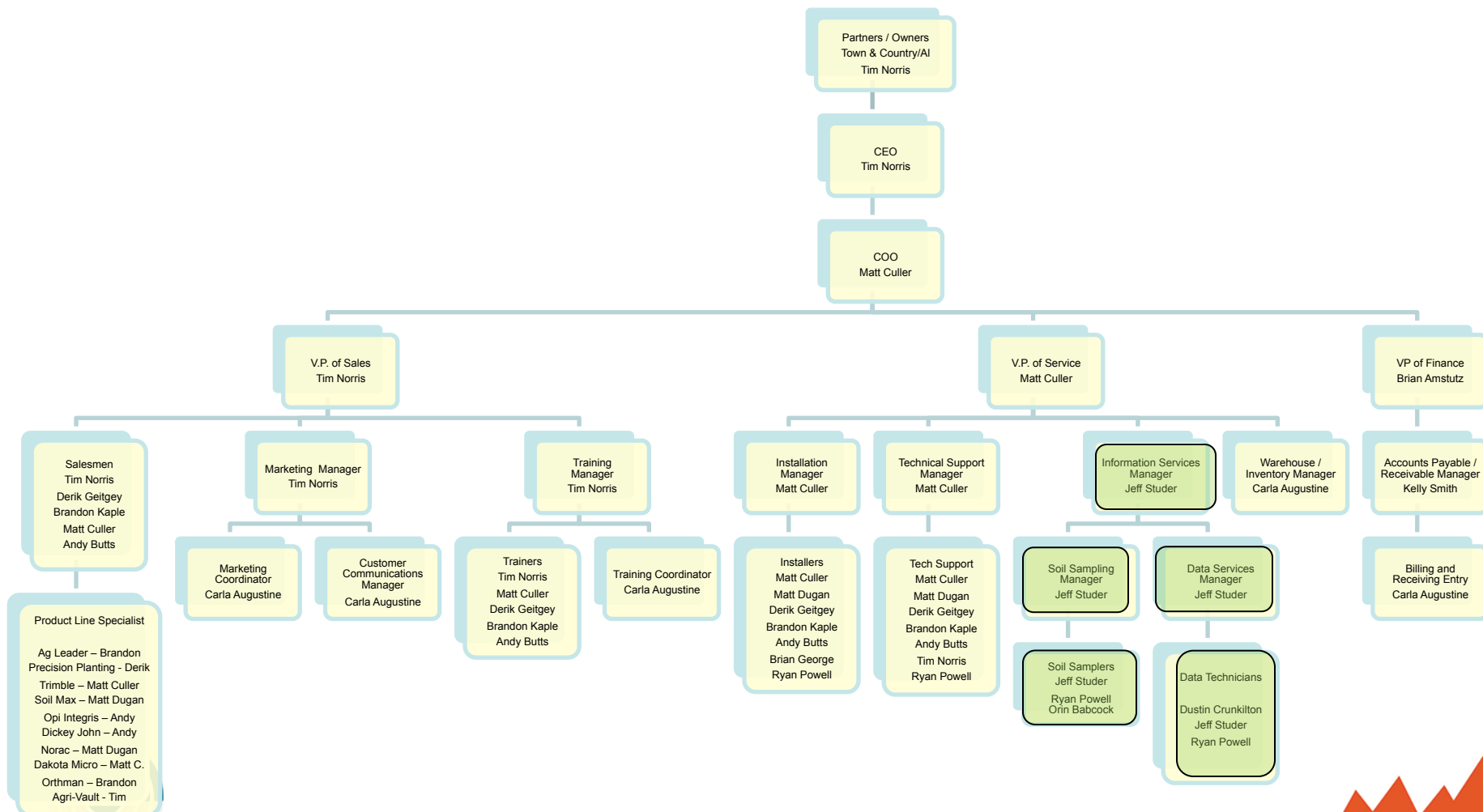
Positions that I hold



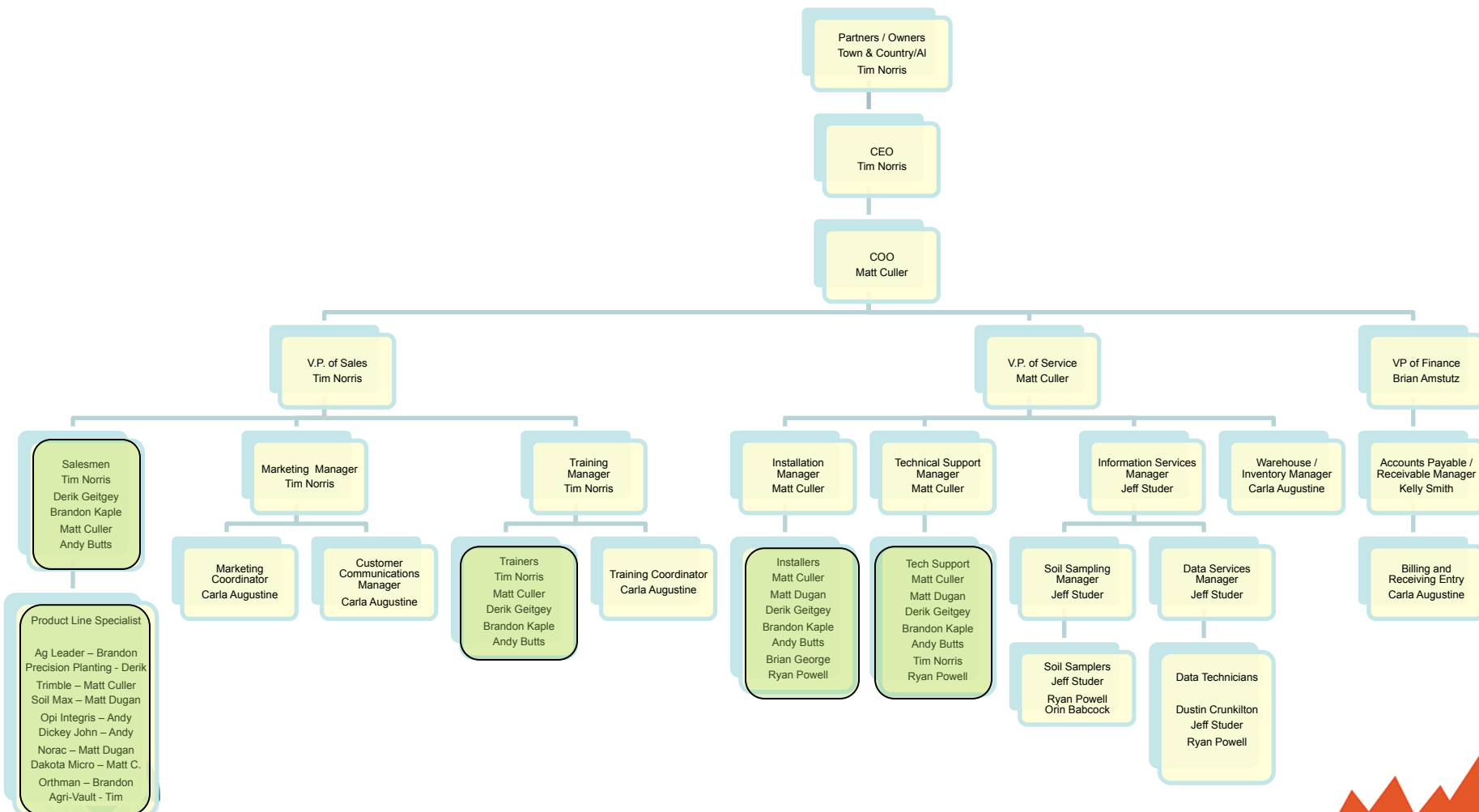
Positions Matt Culler Holds



Positions Jeff Studer Holds



Positions Salesman Hold



Job d

Installer Job Description

tion

Responsibilities of the position:

Responsibilities of the

- ∞ Work with the Ins
 - All installat
- ∞ Install products th installation.
 - If installatio install, look copy at the
 - Work with
 - Ensure that site perform
 - Make sure t to commun what still ne
 - Follo comp
 - Track your were added
 - Make sure t
- ∞ Clean and mainta
- ∞ If not able to mak manager call the c
- ∞ Clean and organiz with you can easi
- ∞ Strive for 75% of

- ∞ Work with the Installation Manager on your installation schedule.
 - All installations will be scheduled and tracked in Agri-Vault.
- ∞ Install products that we sell according to the installation instructions for each installation.
 - If installation instructions were not included in your equipment to install, look them, up from the web and print them off so that you have a copy at the job site.
 - Work with the Installation Manager if problems arise.
 - Ensure that you are acting responsibly and safely when out on the job site performing an installation.
 - Make sure that when you leave the job it is completed. If not make sure to communicate to the Installation Manager as to the reasons why and what still needs to be completed.
 - Follow up with Installation Manager to make sure that it gets completed.
 - Track your installations on Agri-Vault making sure to add any parts that were added that were not on the work order.
 - Make sure to move work orders to complete when finished.
- ∞ Clean and maintain your truck and trailer in a safe a presentable condition.
- ∞ If not able to make a scheduled service call make sure either you or the service manager call the customer as soon as possible to inform them.
- ∞ Clean and organize your tools and supplies in a manner that anyone working with you can easily find and access them.
- ∞ Strive for 75% of your billable hours billed.

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ping service programs
the development,
Survey & Design and
Members
training.
riVault Properly By the
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t get backlogged.
ed in the configuration
nd that we have quoted
our departments.
on Services and
ols training and

Job d

VP of Service Job Description

tion

Responsibilities of Position:

Responsibilities of the

- ∞ Work with the Installation Manager on setting installation rates and policies.
- ∞ Install products that are installed and let them get backlogged.
- ∞ If installation is not complete, look at the copy at the site and perform the installation.
- ∞ Work with the Information Services Manager on the development, pricing and implementation of Soil Sampling, Tile Survey & Design and Data Management Programs.
- ∞ Work With and Develop the Service Team
 - ∞ Develop and Communicate Goals with the Team Members
 - ∞ Ensure that the team members receive the proper training.
- ∞ Communicate and Work With The VP of Sales
 - ∞ Make Sure That Orders are Getting Placed in AgriVault Properly By the Sales Team So the Service Team Can Properly Do Their Job.
 - ∞ Keep VP of Sales Informed status of jobs to be installed and let them know if and when you need additional help to not get backlogged.
 - ∞ Provide Assistance to the Sales Team when needed in the configuration of quotes.
- ∞ Review all orders to make sure that they are complete and that we have quoted everything that we need to complete the job.
- ∞ Work with the COO on communicating the needs for your departments.
- ∞ Work with the installation, technical support, Information Services and Warehouse managers to assure that they have all the tools training and processes needed to properly perform their jobs.

- ∞ Developing Service Programs and Tools
 - Work with the Installation Manager on setting installation rates and policies.
 - Work with the Tech Support Manager on developing service programs and policies.
 - Work with the Information Services Manager on the development, pricing and implementation of Soil Sampling, Tile Survey & Design and Data Management Programs.
- ∞ Work With and Develop the Service Team
 - Develop and Communicate Goals with the Team Members
 - Ensure that the team members receive the proper training.
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Survey & Design and
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riVault Properly By the
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nstalled and let them
t get backlogged.
ed in the configuration
nd that we have quoted
our departments.
on Services and
ols training and

Lesson learned – your employees need to know your expectations.

- This organizational chart and the job descriptions provides the employee with my expectations for each position, and lets them know who is responsible.
- As we add people we can take responsibilities away from those that hold multiple positions so we can focus more on key areas.



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Sell solutions not products

- In my early years of selling technology I was totally product focused.
 - I spent way too much time focusing on the features of the product and not near enough time on the benefits.
 - I was trying to sell my customer what I thought he needed based on the products and features that I had.
 - It worked but I felt it was the wrong approach for Ag Info Tech.



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Sell solutions not products

- I then switched to the mode of selling based on ROI.
 - I developed a several spreadsheet calculators, using numbers that the customer gave me, to determine the payback of out technologies.



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Ag Info Tech, LLC. Planting Payback Calculator

How many corn acres do you plant annually?

750

What is your average corn yield?

180

What is your average selling price per bushel of corn?

\$ 3.75

What is your average seed cost per acre?

\$ 106.25

How many soybean acres do you plant annually with this planter?

0

What is your average soybean yield?

50

What is your average selling price per bushel of soybeans?

\$ 9.00

What is your average seed cost per acre for soybeans?

\$ 65.00

Planting operation cost per acre?

\$ 19.00

What percentage of overlap due to driving off line do you estimate you have?

2.0%

What percentage of over planting do you have from point rows & headlands?

5.0%

What percentage of yield loss do you feel you have from double planting corn?

20%

What is your current singulation?

98.0%

What singulation do you hope to achieve?

99.5%

What downforce system do you currently have?

Spring

What downforce system are you going to?

Hydraulic

Are we adding variable rate?

No

Dollar amount of equipment needed?

\$ 30,000.00

Annual Payment if Financed

\$ 10,800.00



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Ag Info Tech Planting Payback Calculator

Total Investment **\$ 30,000.00**

Corn Planting	750 acres	2.0% steering overlap	5.0% planter overlap
Seed Savings from Auto Steer	\$ 2.13 acre	\$ 1,593.75	annual savings
Equip., Labor, Fuel Savings from Auto Steer	\$ 0.38 acre	\$ 285.00	annual savings
Seed Savings from Auto Swath Control	\$ 5.31 acre	\$ 3,984.38	annual savings
Yield Increase from not Double Planting	\$ 6.75 acre	\$ 5,062.50	annual savings
Yield Increase from Proper Singulation	\$ 16.88 acre	\$ 12,656.25	annual savings
Yield Increase from Automated Downforce	\$ 49.13 acre	\$ 36,843.75	annual savings
Yield Increase From VRA Seeding	\$ - acre	\$ -	annual savings
Total Savings From Corn	\$ 80.57 acre	\$ 60,425.63	annual savings

Soybean Planting	0 acres	0.0% steering overlap	0.0% planter overlap
Seed Savings from Auto Steer	\$ - acre	\$ -	annual savings
Auto Steer Equip., Labor, Fuel Savings	\$ - acre	\$ -	annual savings
Seed Savings from Auto Swath Control	\$ - acre	\$ -	annual savings
Total Savings From Soybeans	\$ - acre	\$ -	annual savings

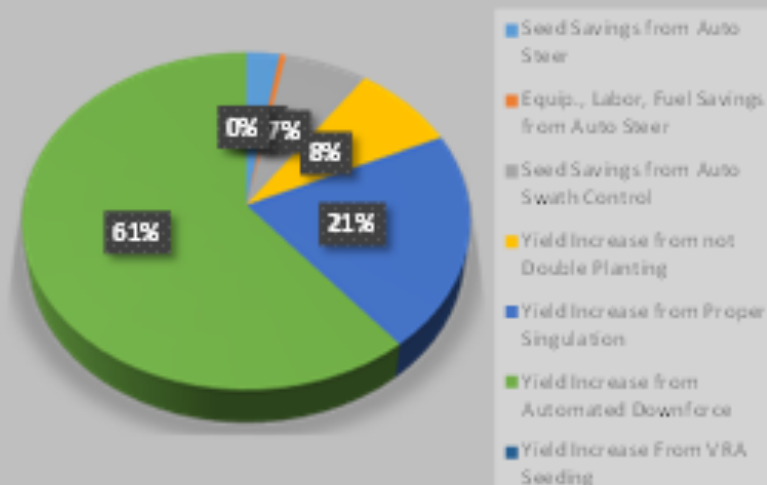
Total Savings **\$ 60,425.63 annual savings**
Years to ROI **0.50 Years Till Paid For**

Actual results may vary.

See Back Side for Explanation of the Numbers

3 Year Savings	\$ 181,276.88
Total Investment	\$ 30,000.00
ROI after 3 Years	\$ 151,276.88
Years Till Paid For	0.50
Profit Per Year if Financed	\$ 49,625.63

Where Did Your Savings Come From



Seed savings from auto steers are based off of your input of overlap

2.0%

Equip., Labor, Fuel Savings from Auto Steer is based of your input of

2.0% overlap

Seed savings from Auto Swath Control is based of your input of

5.0% overlap due to point rows & waterways

Yield Increase from not Double Planting is based of your input of

5.0% overlap due to point rows & waterways times a

your guess of a yield decrease of

20% where double planted. Iowa State says it is 12% is very conservative

Yield increase from Proper Singulation is based of your input of

99.5% projected singulation - 98.0% projected for a

for an improvement of 1.5% OSU claims and our data concurs that for every 1% reduction in singulation you lose 3 bu.

Yield increase from Downforce Control. Becks Hybrids did a 5 year independent study showing automated air force control

returns on average 8.1 bu per acre. Their same study but only one year of data shows that hydraulic adds 4.9 bu. over air.

Yield increase From VRA Seeding a guess

Sell solutions not products

- Selling on ROI was quite successful but this solution required us to show the need to the grower.
- I believe that to truly be successful in this business we need to “partner with our customer” and provide solutions not products.



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Tom & Dianne purchased 2 RTK Auto Steers 24 Row Clutch Control



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This got me thinking about selling solutions vs. product

- Why did Tom want auto steer?
- Dianne sure didn't want it, I had to convince her to buy on why I thought they needed it.
- Once she saw the benefits and that it helped fulfill her need she saw the value in it.
- Do we really know the needs of our customer or are we trying to guess at them?

Precision with a Purpose

- AIT wants every sale that we make to fulfill a purpose for our customers.
- We have put “Precision with a Purpose” on all our advertising, clothing and even our trucks
- We created Precision Profile that our Precision Ag Consultants can work through with customers to discover their needs.



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Precision Farming Profile



Complete a Precision Profile so we can customize a precision plan tailored specifically for your farming operation.

Customer Information:

Farm Name:	
Owner/Manager:	
Street Address:	
City, State Zip:	
Email:	
Cell:	

Cropping and Acreage Information:

Corn Acres:		Soybean Acres:		Wheat Acres:	
Alfalfa Acres:		Hay Acres:		Other:	

Tractors:

Make	Model	Primary Role / Purpose	Auto Steer Yes / No	Precision Ag Display	GPS Accuracy	Steer Ready

Are you having any difficulties or challenges with Precision Ag in your tractor fleet?



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Cropping and Acreage Information:

Corn Acres:		Soybean Acres:		Wheat Acres:	
Alfalfa Acres:		Hay Acres:		Other:	

Tractors:

Make	Model	Primary Role / Purpose	Auto Steer Yes / No	Precision Ag Display	GPS Accuracy	Steer Ready

Are you having any difficulties or challenges with Precision Ag in your tractor fleet?



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Combine / Combines:

Make	Model	Crops Harvested	Auto Steer Yes / No	Precision Ag Display---	GPS Accuracy	Steer Ready

Are you having any difficulties or challenges with Precision Ag in your combine?

Planter / Planters:

Make	Model	Crops Planted	# Rows	Row Spacing	Clutches	Floating Row Cleaners	VRA	Vac.

Precision with a Purpose

- Once we help them discover their needs, they want a solution because it is their need and they told us about it.
- Then we try to find a product or service solution to meet that need.
- Again this is a product or solution that meets their needs a product that we are trying to convince them that they need.



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Precision with a Purpose

- When you show them the proof that it will work through data and testimonials they want to know the economics.
- When you show them that the system will pay for itself by providing an ROI the only barrier is cash.
- If you offer financing up front to provide positive cash flow it's a no brainer!



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Although not for everyone it has proven successful when used.

- Works great with growers that are just getting into Precision Ag and want to have a planned approach.
- Also works well with growers that have a mismatch of equipment and are not sure what they have and what it will do.



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What about our future?

- Created a business plan.
- Focusing on branding “Ag Info Tech”
- Advertise Ag Info Tech Solutions rather than advertising products.
- Focus on our “Precision with a Purpose” approach.
- Have the systems in place to expand.



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Business plan

- Mission Statement
- Our Core Business
- Purpose
- Core Values
- Company History
- Market
- Strengths



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Business plan

- Weaknesses
- Challenges
- Short term goals
- Long term goals
- Plan to reach those goals
- Organizational Chart
- Job descriptions



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Business plan

- Financial history
 - Budgets
 - Financial projections
 - Succession Plan
-
- This plan is ever changing and is never finished. But it is added to and shared with the staff.



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Branding Ag Info Tech

- We are advertising solutions not products.
- Created Solution handouts that talk about the needs and how our products can meet those needs and provide a ROI.
- Simplifying our truck graphics to just have Ag Info Tech info and nothing about the companies we represent.



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Precision with a Purpose

RTK Auto Steer Solutions



RTK Auto Steer Solutions Can Fulfill The Following Purposes In Your Farming Operation.

- **All the Benefits of Assisted Steering, Increased Productivity, Reduced Operator Fatigue, Satisfaction & Focusing On The Job.**
- **Reduce Overlap:** RTK Auto Steer coupled with the free ODOT VRS signal will steer you through the field within 1" of where you need to be 95% of the time. This virtually eliminates overlap in your farming operations.
- **Residue Management:** Plant your corn with RTK and the next year plant your soybeans 7 inches to the side of the old corn row.
- **Strip Till:** RTK Auto Steer will allow you to strip till with a 12 row strip till rig and plant with a 24 row. It also allows you to plant right on top of the fertilizer band that you placed with the strip till rig.
- **Protecting The Environment:** RTK auto steer not only helps you eliminate wasteful overlap, it can also help you keep more residue on the soil surface by not disturbing old residue and by banding fertilizer you can reduce your rates 20% to 30% or more.
- **More Profit:**
 - GPS.Gov says that by adding guidance you can increase your productivity by 10% per day.
 - Customers tell us that a 2% to 4% reduction on a planting operation is typical savings from RTK.
 - GPS.Gov states that GPS guidance saves 7% to 10% of fertilizer and pesticides by not overlapping.



Ag Leader SteerCommand

- Compatible with the Ag Leader Compass, Versa and Integra Displays
- Kits for several vehicles.
- Transfers easily.



Trimble Auto Pilot

- Works with the Trimble EZ-Guide 500, CFX750, FmX and the TMX Displays.
- Kits for several vehicles.
- Transfers easily

Return On Investment

3% less seed per acre at a cost of \$105 per acre = \$3.15/acre	3% less starter fertilizer at \$36/acre. \$1.08/acre	3% less acres to plant at \$22/acre planting cost. \$.66/acre	= Savings per/acre \$4.89/acre	Acres before an ROI on an Ag Leader Integra, RTK GPS 6500 & SteerCommand 3,507 acres
-------------------------------------------------------------------------------	--------------------------------------------------------------------	-----------------------------------------------------------------------------	----------------------------------------------	------------------------------------------------------------------------------------------------

For ROI numbers on your specific farming operation please contact one of our Precision Ag Consultants

Precision with a Purpose

Hydraulic Downforce Control Solutions



Hydraulic Downforce Solutions Can Fulfill The Following Purposes In Your Farming Operation.

- **Maintain Proper Depth:** Hydraulic Downforce Control measures the gauge wheel load and automatically adjusts the downforce to keep the gauge wheel in contact with the ground without compacting the soil.
- **Better Seed Spacing:** Your seed meters can drop the seed in a perfect pattern but if the row unit is bouncing up and down it can change the timing of the seed coming out of the seed tube. Hydraulic downforce control makes your planter unit ride much smoother resulting in more even stands.
- **Less Sidewall Compaction:** With spring downforce or manual control, we tend to use too much downforce to make sure we do not lose ground contact and end up planting shallow.
- **More Profit:**
 - Becks Hybrids test plot results show an average yield increase of 11 bu./acre when using hydraulic downforce vs. down pressure springs.
 - Iowa State says that if 25% of the field is delayed in emergence it can result in a 6%-10% yield loss.
 - An on-farm research study showed an average of 1500 extra ears/acre using hydraulic downforce.



Precision Planting Delta Force

- Individual Row Control
- Individual row data logging through an iPad
- Built in valve for cleaner installation.

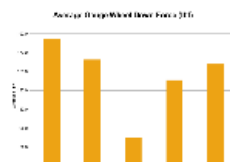


Ag Leader Hydraulic Downforce

- Accumulator to make the cylinder act as a shock absorber.
- Virtual Terminal Compatible
- Up to 8 Channel Control



An Ag Info Tech Study of 34,000 acres



Return On Investment

Extra Ears Per Acre 1,500	= Yield Increase 11Bu./acre	X Price of Corn \$3.50/bu.	= Profit per/acre \$38.50/acre	Acres planted before an ROI on a 16 Row Planter 577 acres
-------------------------------------	-------------------------------------------	------------------------------------------	----------------------------------------------	---------------------------------------------------------------------

For ROI numbers on your specific farming operation please contact one of our Precision Ag Consultants

Solution selling

- Focus on the needs of the customer.
- Take the focus off of the product.
- Provide the grower with the best product for their operation.
- Put the focus on a solution provided by Ag Info Tech, not any one company.



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Poised for growth

- We have the systems in place to add additional employees and to grow our business relatively smoothly.
- Have the financial stability of the co-op behind us to take on growth.
- Desire of the management and employees to grow.
- I feel our future looks bright!



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Review of lessons learned.

- Lesson 1 - We all make mistakes. It's what we learn from them that makes us better.
- Lesson 2 - We never know when our time is up, be prepared, have a plan for your business and family if you die.



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Review of lessons learned.

- Lesson 3 - There are no guarantees in life we need to sometimes have faith and take calculated risks. Jump and enjoy the ride otherwise we may miss all that life has to offer.



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Review of lessons learned.

- Lesson 4 – Don't under value your services. Focus on tracking employees hours, billing the actual hours on the farm and try to generate opportunities to utilize them more in the off season.
- Lesson 5 – Don't give away your margin. Maintain it at least at 25%.



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Review of lessons learned.

- Lesson 6 - Have some type of CRM or business management tool in place to keep everyone in your organization informed.
- Lesson 7 - Create an organizational chart with job descriptions to provide the employees with your expectations for each position.



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Review of lessons learned.

- Lesson 8 – Have some ROI tools in place and communicate what a customer should expect for a return on their purchase.
- Lesson 9 - Sell by providing Solutions and you will gain a customer for the long haul.



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Review of lessons learned.

- Lesson 10 – Create a business plan that outlines your strategies and how you want your company to operate.
- And Finally!!!



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I have learned so much from
my mistakes, I am thinking of
making a few more!



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Any Questions!

- Thank You!

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