



Stanford eCorner

Navigating AgraQuest's Value Chain

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Video URL: <http://ecorner.stanford.edu/videos/1481/Navigating-AgraQuests-Value-Chain>

Marrone faced a lot of skepticism and obstacles while developing AgraQuest's products. She overcame these barriers by demonstrating the effectiveness of her product on the fields of farmers as well as hiring hungry dogs as salespeople to push the product into the market.



Transcript

The key is to breaking down those skepticism about these types of products was to get it on the farm, demonstrating with the farmer is this product in your program going to do something at least as good or better than what your chemical only program is. And there's a lot of gatekeepers who prevented us from getting on that farm. There are distributors who have pest control advisers who, no, we don't want to get you on the farm this stuff is nickel. And there's also university, which really surprised me. It was university researchers. The land grant institutions who said, stand up at grower meetings and say, these things, these products don't work. All the efforts that we went in trying to build the good data and so forth would be ruined in one grower meeting. So I'll talk a little bit about how we overcame those barriers with those academics in a minute but, the key was getting it on the farm and demonstrating. And it's true of any business. That demo was really critical.

It's now approved in many countries around the world and that's adding a lot of countries. So we sell, we're the manufacturer. We sell to a distributor, United Agra Products or Tenco Group and they sell to the grower but these gatekeepers were trying to keep us from getting to the grower. This was a really tough problem. It was also a really tough problem, it was a really difficult problem for our sales people. The sales people I hired, these distributors, they like people who've been in the business for 20 to 30 years that they know. They're going to sell a company's product that it's just brand new. They don't know anybody. So we had to hire people from the the Syngentas, BASFs of the world and so forth. And it turns out that those, lot of those people are used to taking one or a half a percent market share away from each other every year.

They didn't know how to take a product substitute, our product for a chemical it's a very different sale. And we required the sales person to be a lot more aggressive and one of my distributors here said, you need to hire hungry dogs. Those people who can make that sale and wrench that product that chemical product out of the growers hands and put your product in there and that was a really, really tough sell. So at one point, I actually replaced the entire sales team and hired a new one. And we figured out that the key component in hiring these types of people was if they had an entrepreneurial experience in their past, they started up a company or they had a family member, a close family member who could be a, you know, a parent, or aunt or uncle or something that had a family business was an entrepreneur took some risks. So I could then now in the interviewing process find those sales people who are going to be able to make that sale when the other ones couldn't do it and that was really a key.