

The Straight Truth About Precision Farming Growth

Arlin Sorensen
CEO and Founder • HTS Ag
January 9-10, 2017

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Where I Come From



2900 acres corn/soybeans
in Shelby County Iowa

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My Favorite Jobs



- Farm boy
- Pop (Grandpa)



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39 Years and Counting



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Heartland Companies



Sold in 2012



Sorensen Brothers Farms LLC

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Three Practice Areas



Precision Technology



Grain Management



Seed Technology

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Over \$1.35B

Our Classroom

Over 500
Companies in
70 groups

30
Face to
Face
Groups

 **HTG**
Service
Executives

10

 **HTG**
Online

16

 **HTG**
Vendors

2

 **HTG**
Continuum

3

 **HTG**
Unified Communications

2



1



1

Production Ag

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REALITY CHECK



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The Data Says...

- **Less than 4%** of U.S. companies ever achieve \$1 million in revenue
- **Less than 0.4%** of U.S. companies ever achieve \$10M in sales
- **Less than 0.001%** of U.S. companies ever achieve \$50M in sales

- **Less than 6%** of U.S. businesses ever grow beyond 10 employees

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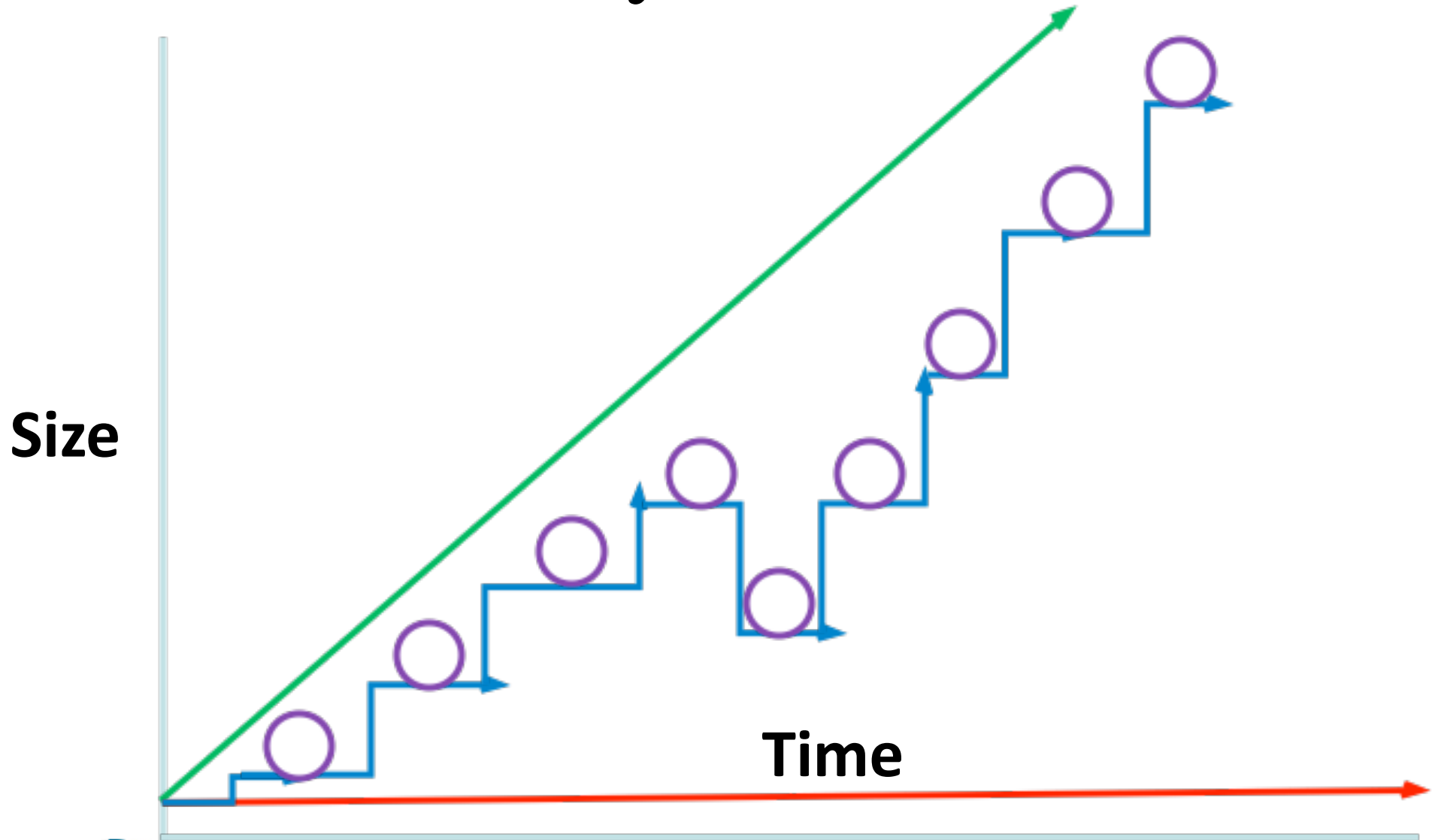
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• **96%** of U.S. businesses never make 10 years



Reality of Growth



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12 STEPS TO GROWING YOUR COMPANY



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DECIDE

What type of company are you?



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CHARACTERISTIC	INDENTURED SERVITUDE	LIFESTYLE DRIVEN	GROWTH	HIGH GROWTH
High Level				
Purpose	Start something	Support their lifestyle	Consistent growth	Exponential growth
Life Focus	Live to work	Work to live	Work to grow	Work to make money
Time	Consumed	Freedom	Busy	Focused
Business Atmosphere	Chaos	Status quo	Structured improvement	Rapid change
Worry / Risk	Something happens to owner	Interruption in spinning off cash	Missing revenue targets	M&A or stretch targets aren't hit
Money				
Size	\$	\$	\$\$\$	\$\$\$\$\$\$\$
Money	Tight	Consistent	Growing	Variable
Finance	Personal	Personal debt	Company debt	Investors
Budget	None	Personal only	Basic one year	Detailed and multi year
Profitability	Minimal	Lifestyle driven	Slow growth	Driving to high profit
Valuation	Low	Low	Medium	High
People				
Family	Ignored	Priority	Paused	Shelved
Operator	Founder	Founder(s)	Team	External team (investors)
Employee Count	1-10	10-25	10-100	>100
Customer Relationships	Strained	Deep	Long term	Evolving
Culture	Undefined	Lifestyle	Developing	Structured
Accountability	Inconsistent	Loose	Expected	Enforced
Sales				
Sales Approach	Technically led	Principal led	Understand need to transition	Sales led
Business Model	Sell anything people will pay for	Sell high margin opportunities	Standards and process	Repeatable and scalable
Source of New Business	Friends and neighbors	Referrals	Referrals and marketing	Disciplined marketing and vendors
Future				

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CREATE THE PLAN



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The Questions to Answer

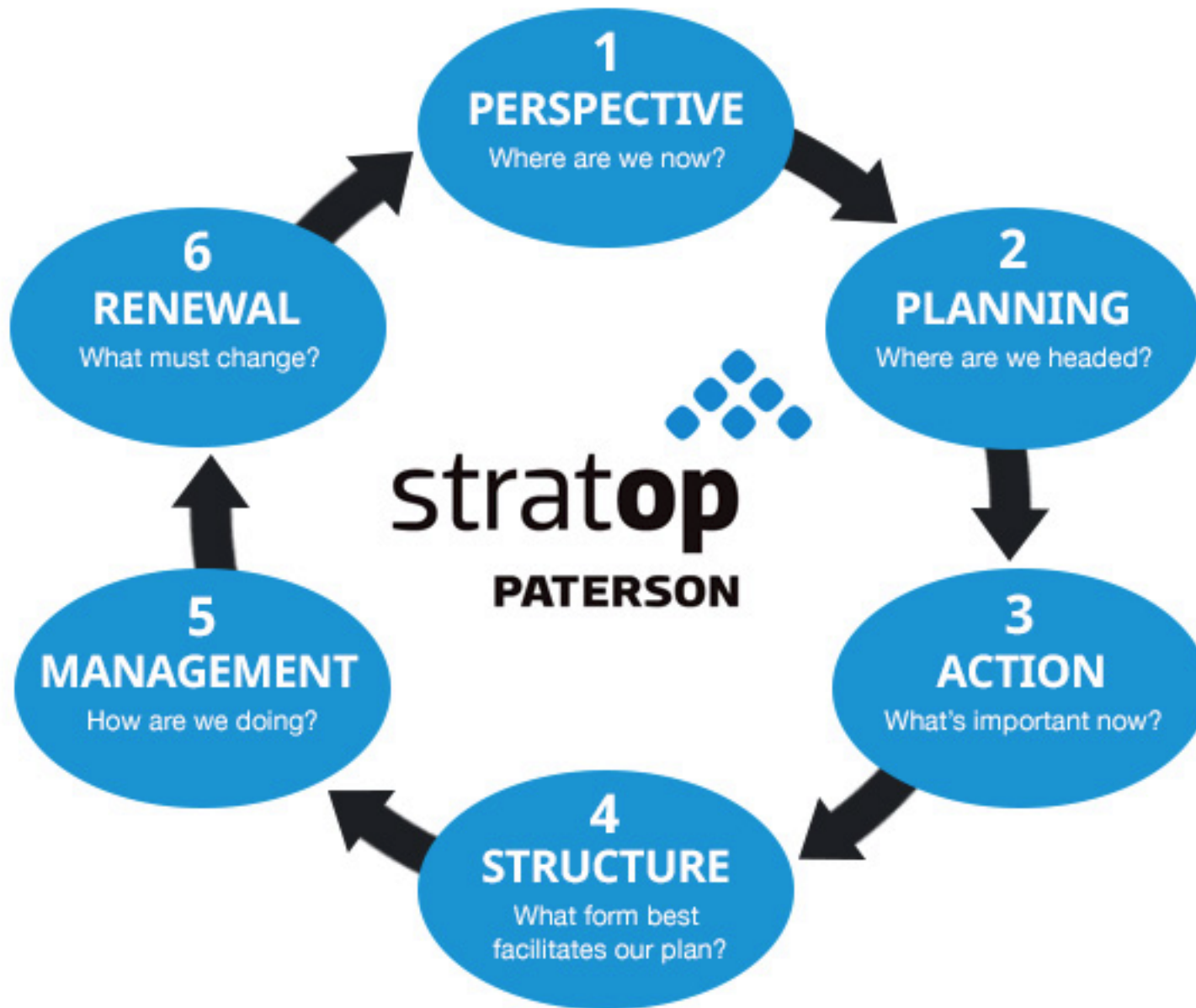
- What are you trying to achieve?
- What is your plan for this year?
- What has happened?
- What is the variance to both the target and annual numbers and plans?
- What worked or didn't work?
- What will you change?



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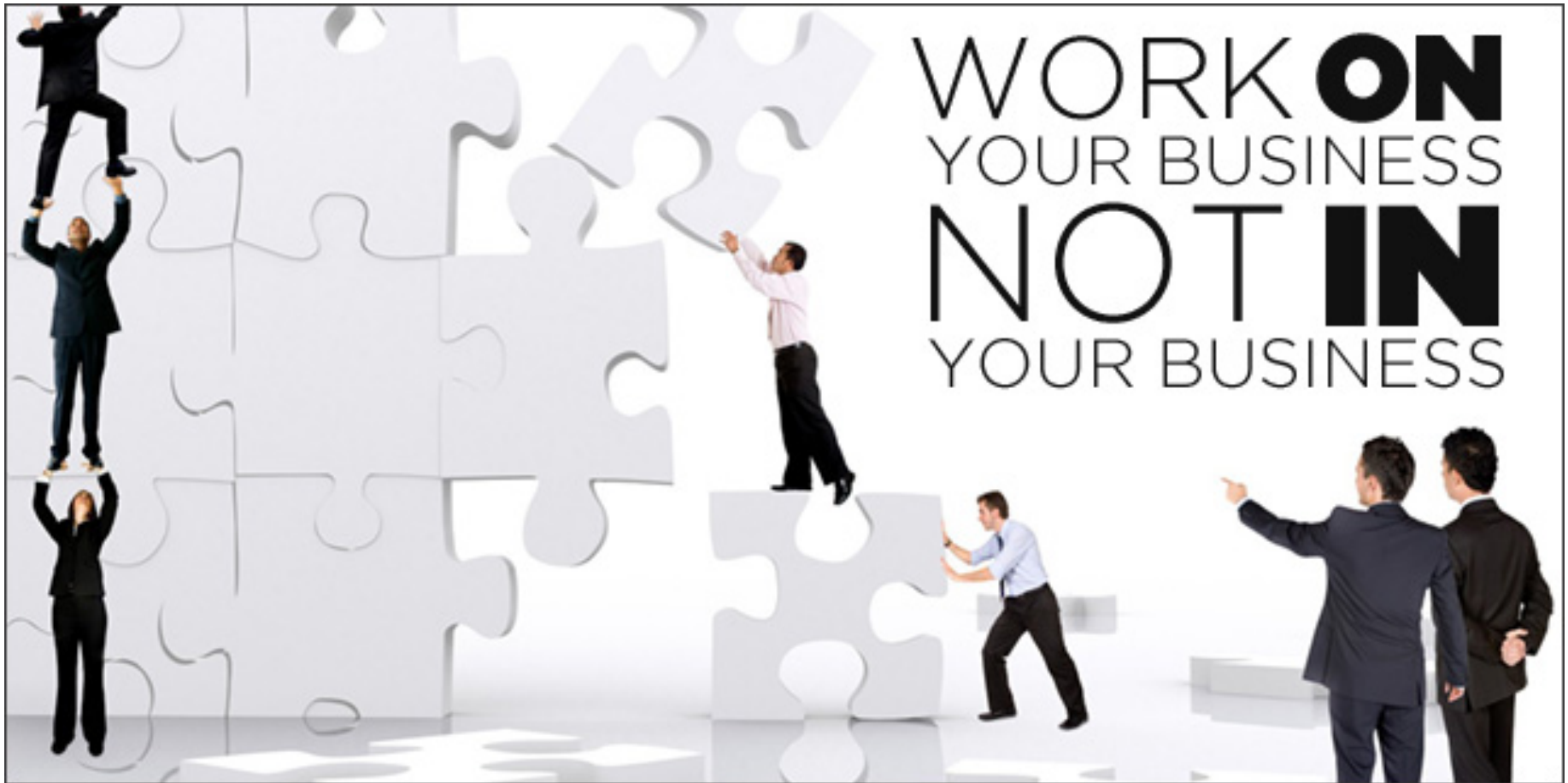
A good plan implemented
today is better than a perfect
plan implemented tomorrow.

- George Patton

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WORK **ON**
 YOUR BUSINESS
 NOT **IN**
 YOUR BUSINESS

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WORK ON THE BUSINESS

- Daily time focused on the three key areas:

- Ownership

- Leadership

- Management

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Area	Focus	Key Question
Ownership	Driving shareholder value	What will you do today to make the company more valuable and sustainable?
Leadership	Looking forward and bringing the future into the present	What needs to be done today so we are ready for the things that will happen tomorrow?
Management	Looking at the present and determining what needs to change to maximize return for the resources being used	What needs to be tweaked, stopped or started so we can create a better outcome from what we're doing today?

This isn't a few minutes a day but scheduled, disciplined, planned time



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What is your HABU?



The only way to stop regrets is to prevent them by living intentionally!

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The Most Important HABUs

- It starts outside business:
 - Spouse
 - Mom or Dad
 - Son or Daughter
 - Friend



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The Owner's HABUs

- Culture
- Talent
- Relationships
- Business Value



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If you don't drive your business,
you will be driven out of business.

B. C. Forbes



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I'm the lid!



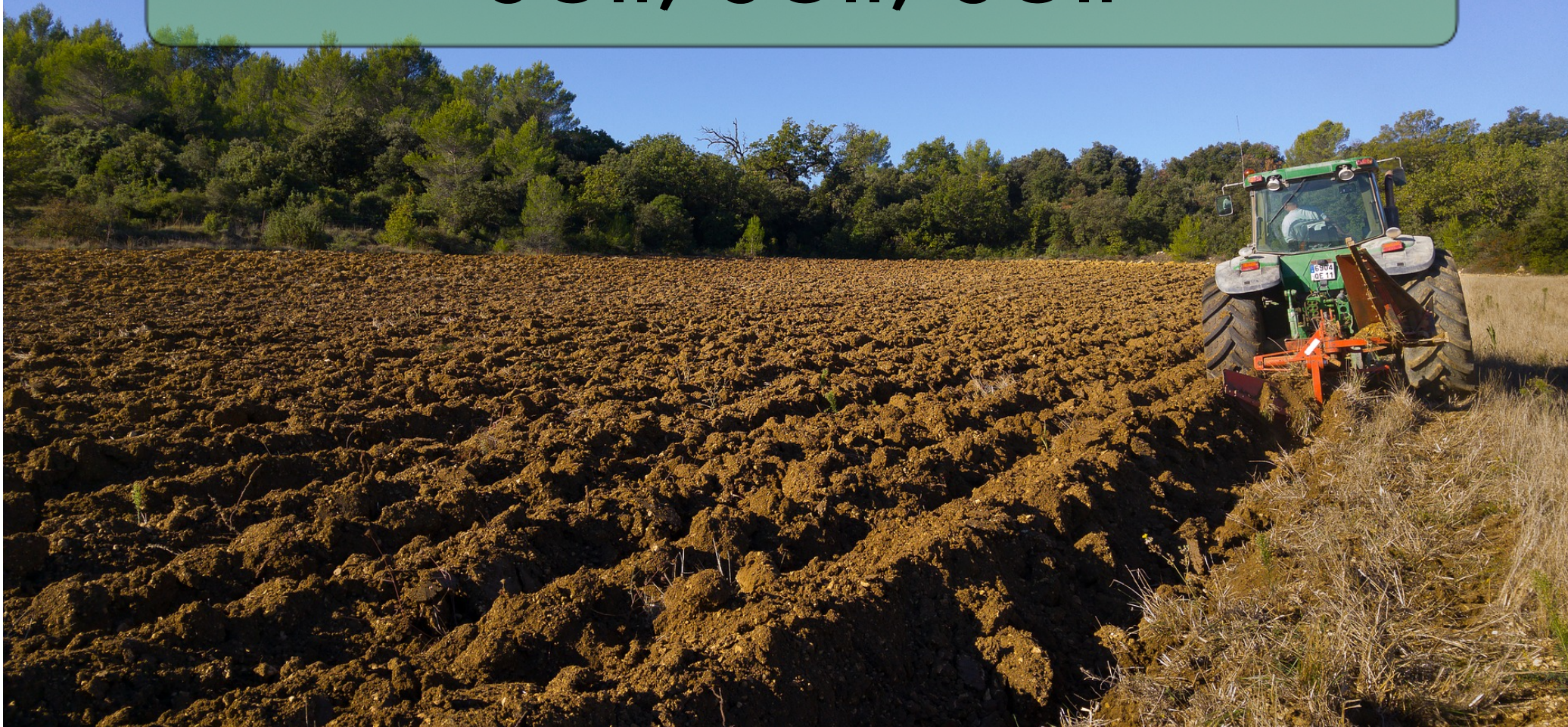
Realize Your Limitations

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Sell, Sell, Sell



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Sales Maturity Model

Maturity & Capability



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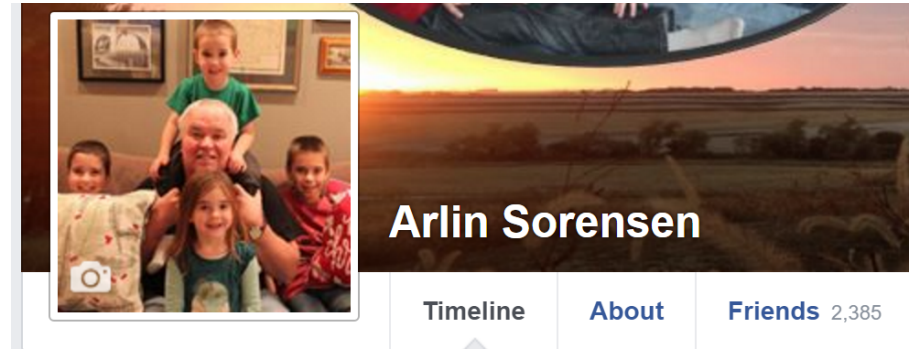
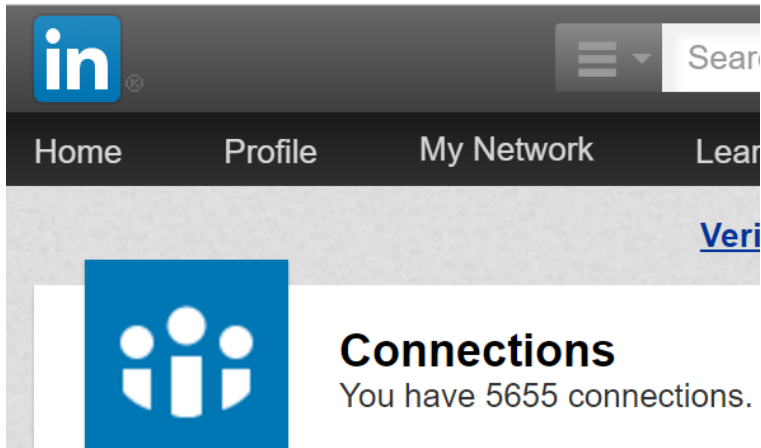
Tell Your Story



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Totals, Followers & Shares

Totals	Shares	Spam
Content		
2,969 Posts	70 Categories	122 Tags
Followers (includes Publicize)		
595 Blog	8 Comments	1,554 Twitter
2,385 Facebook		



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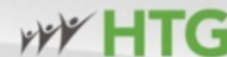
HTG The HTG Way



BUSINESS AND PERSONAL GROWTH DRIVEN BY EXECUTION THROUGH ACCOUNTABILITY



ARLIN SORENSEN - CEO, HTG PEER GROUPS



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“The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself.”

Peter Drucker



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Stay Inside the Lines

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People



Process



Platform

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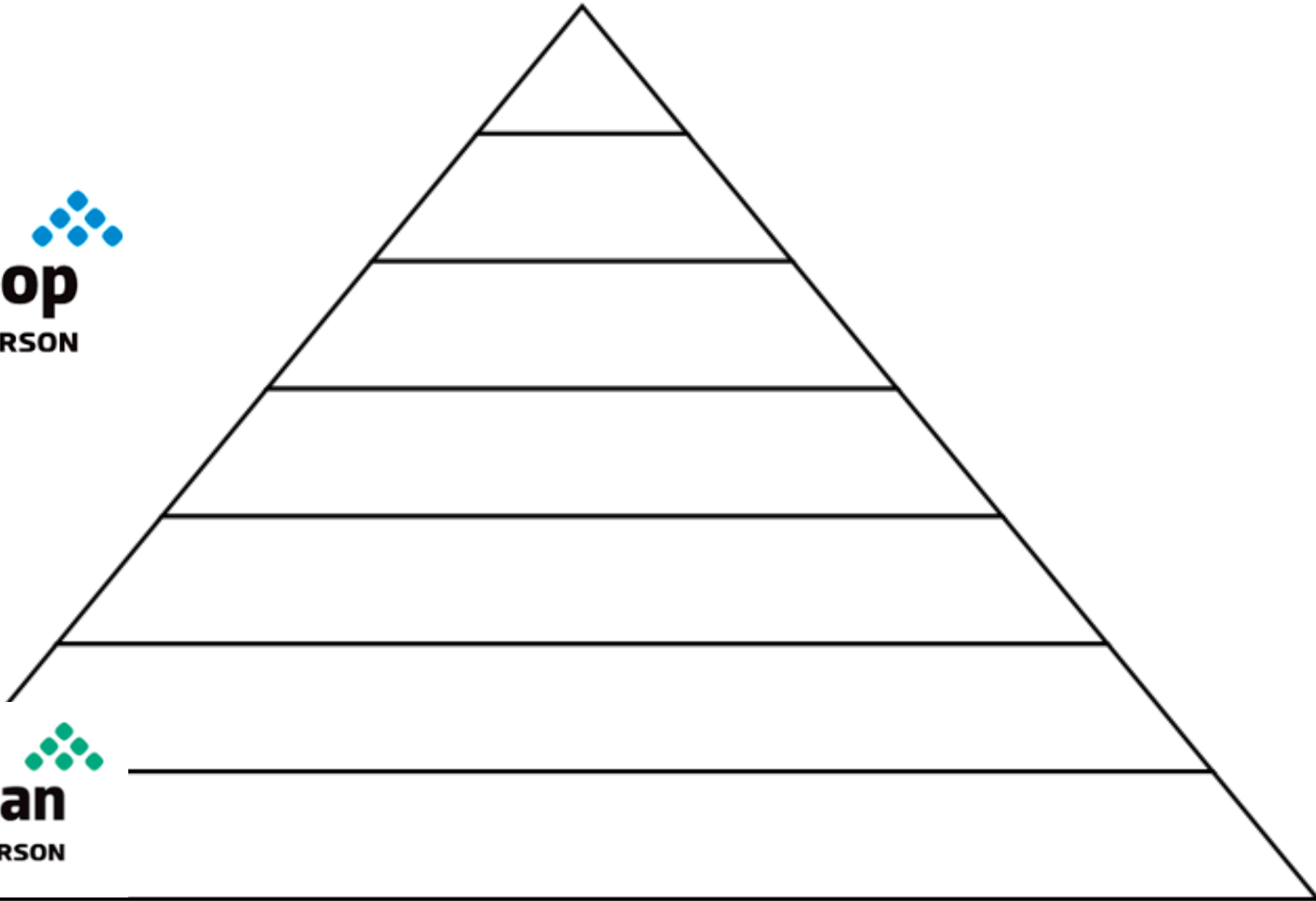
Communicate with Clarity



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Write or Blog



Thoughts From The Farm

October 19, 2016

From the Daily Journey

Good morning from the farm. Busy day of meetings yesterday as we prepare for the upcoming Q4 events. Discovered I'm speaking on Friday in Vegas so had to make some quick flight reservations and get to work on my presentation for that event but it's a familiar topic and will be a great opportunity to share the power of peer groups with another audience. I'm also finalizing content for my two breakouts at the upcoming IT Nation event in Orlando in a few weeks where I deliver two sessions on the same day. That, along with our own HTG meetings make for a busy month ahead. Didn't get a chance to head to the field yesterday as we were short on manpower to be able to keep all the machines running. That sounds more promising for today.

Yesterday I mentioned the four types of companies we see in the small business marketplace:

1. Indebted servitude (live to work) which I wrote about in the 10-18 update
2. Lifestyle (work to live)
3. Growth
4. Hyper growth.

Today let's talk about what a lifestyle company looks like. This kind of company sometimes gets a bad rap but actually should be considered a good option if it is an intentional choice, not an accidental outcome. These owners prefer to avoid the headaches that inevitably occur with increases in staff size and all the other factors related to growth. Many small business owners choose to maintain their operations at a certain level because it enables them to devote time to family and other interests that would otherwise be allocated to expansion efforts. If done right, they will be paying themselves well and have life/work tension under control. Their company is not likely to have a huge valuation when they are ready to exit, but they've paid themselves well and had the lifestyle they desire along the journey. This type of company can often have less stress and financial risk and provide a healthy and handsome reward enjoyed across the owner's lifetime.



- Six days a week since 2006
- No misses since 2008
- Most common question – how do you do it every day?

Want to be added? Give me your card.

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Know Your 20 Mile March

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The 20 Mile March

- Not just execution but consistent execution.

The signature of mediocrity is chronic inconsistency. Consistency is the hallmark of success.

Jim Collins



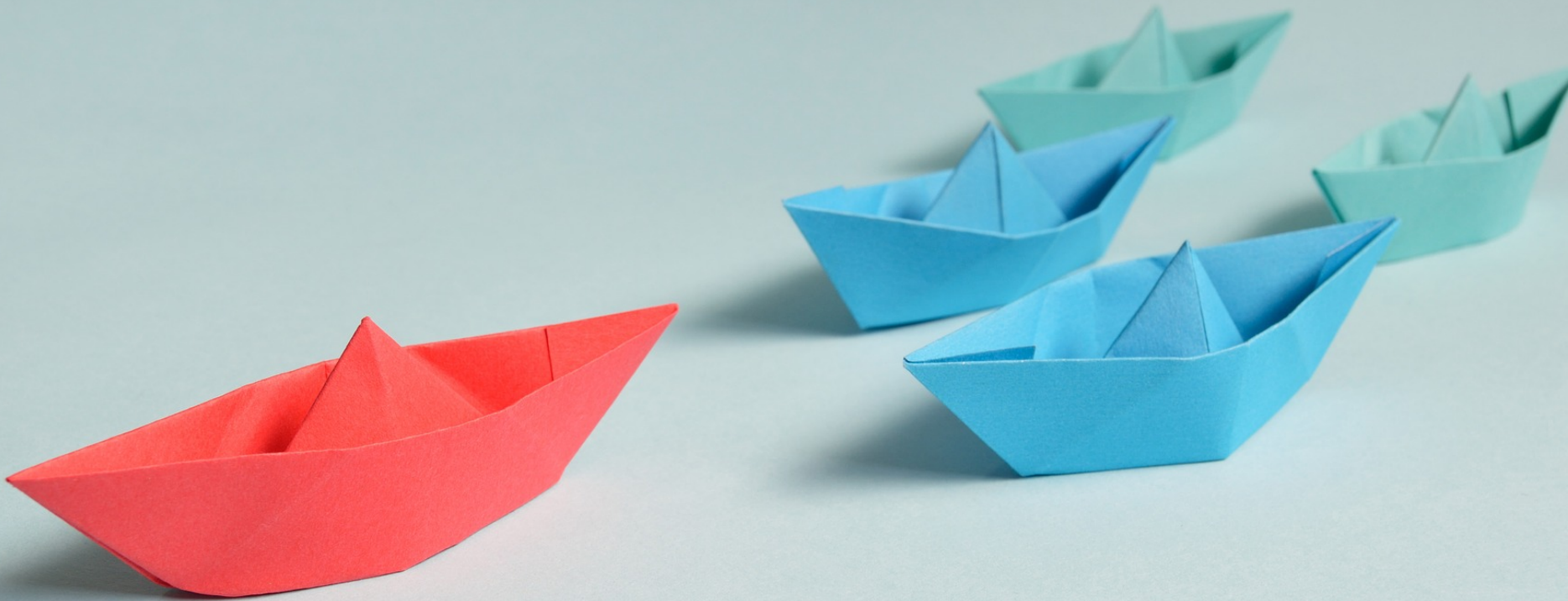
Roald Amundsen

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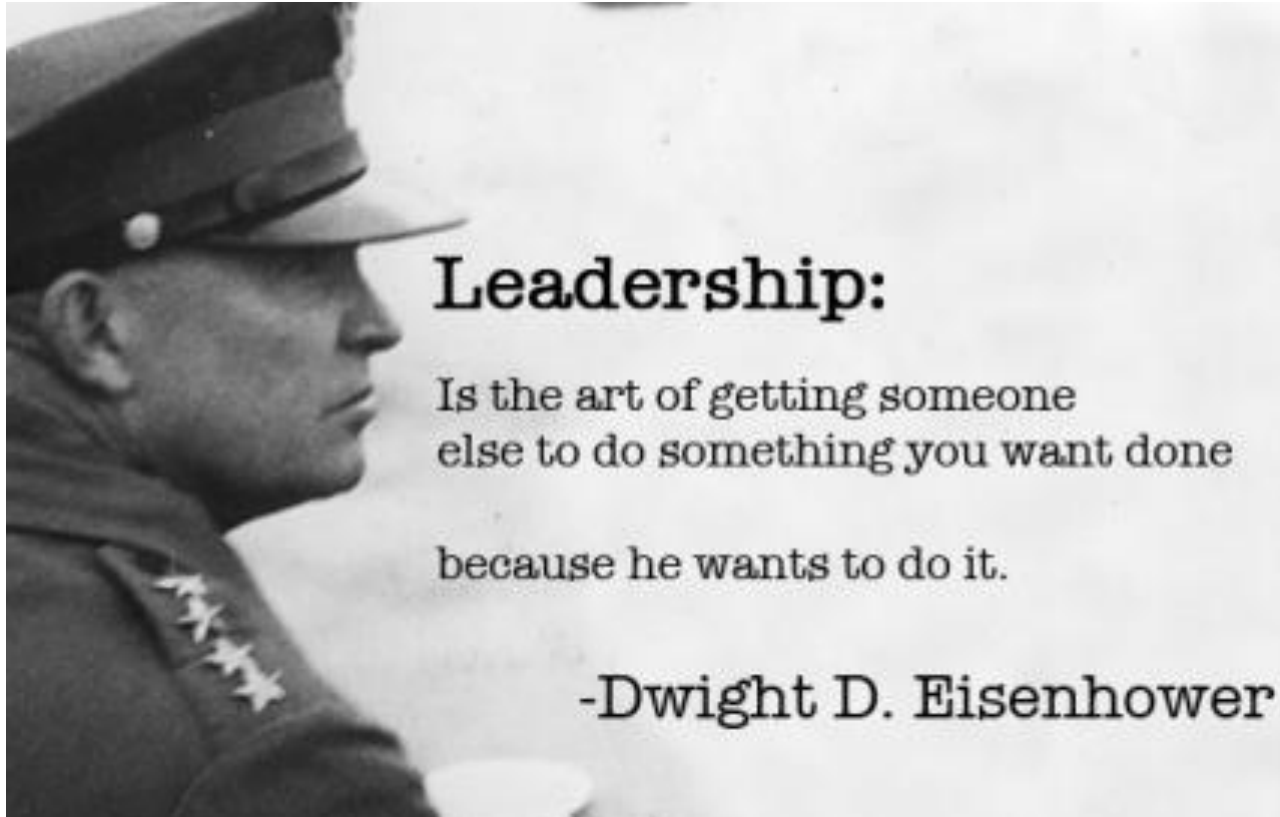
Leadership is Foundational



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Leadership:

Is the art of getting someone else to do something you want done because he wants to do it.

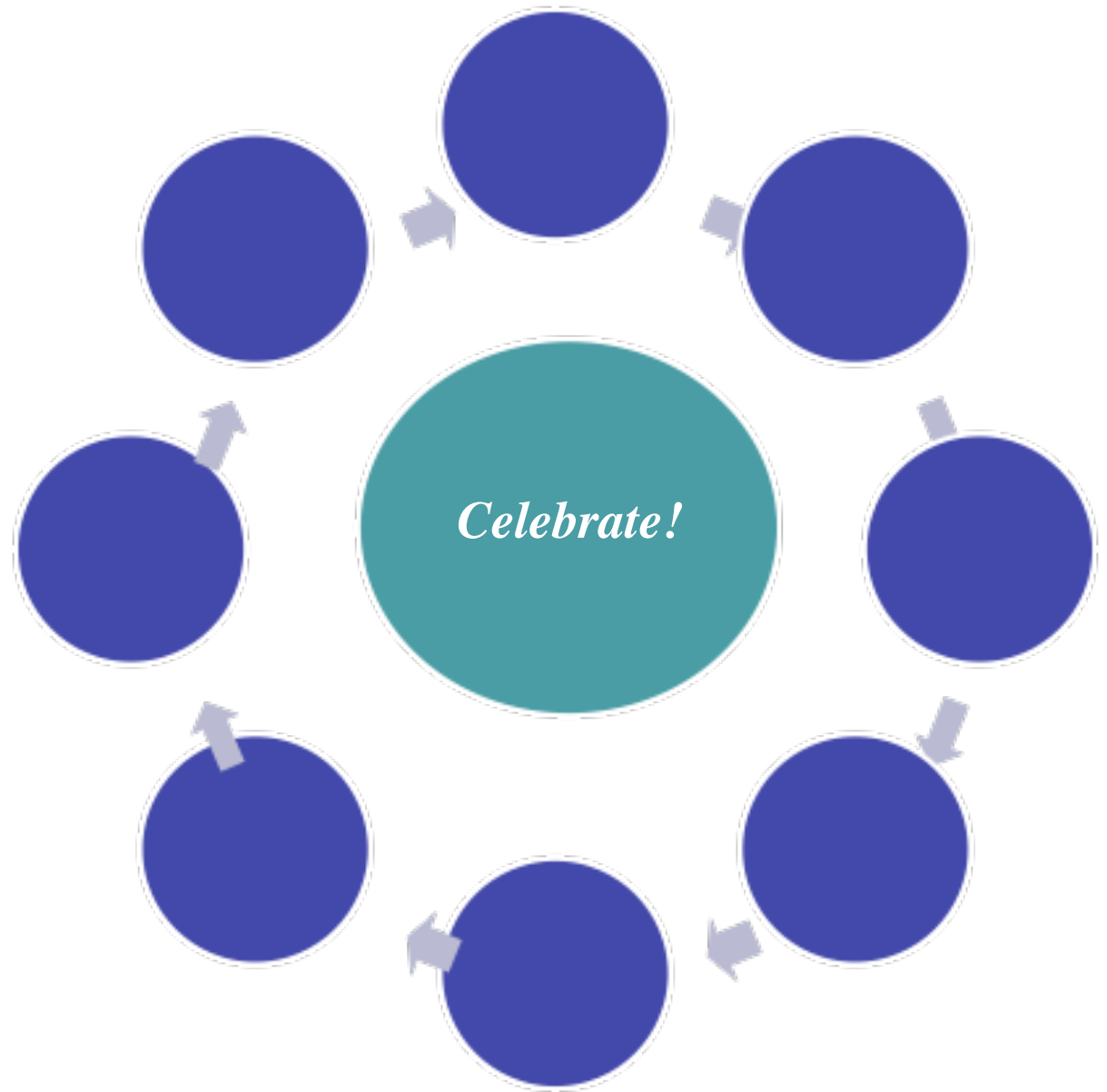
-Dwight D. Eisenhower

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got coach?



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It's All About Relationships

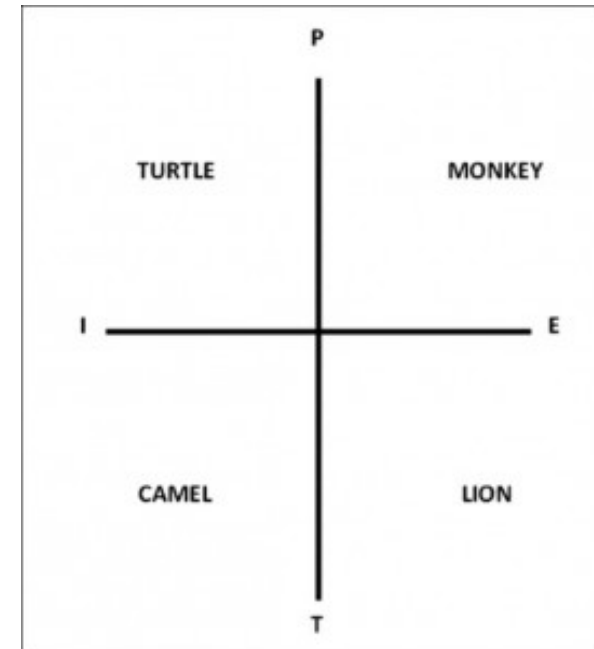
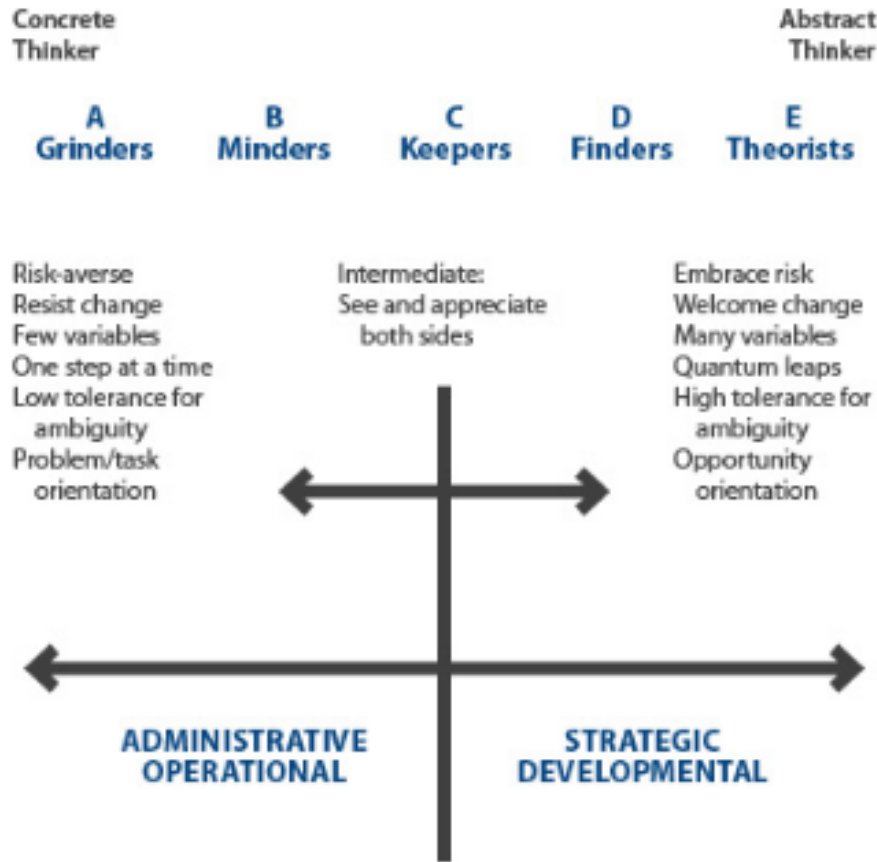
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Thinking Wavelength Construct

Developed by Tom Paterson,
found in *Living the Life You Were Meant to Live*



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The most important single ingredient in the formula of success is knowing how to get along with people.

(Theodore Roosevelt)

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Begin with the end in mind

Legacy



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Creative Ways to Address Legacy



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4 Important Facts



1. You will exit your business someday



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2. Hard work does not equal value



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3. No one on your team (who is not an owner) wakes up thinking about driving business value



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4. There are seldom as many dollars left from an exit as was expected



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Know Your Numbers

- Business Value – needs to meet the expectations and needs of your stakeholders
- Personal Wealth – needs to support the lifestyle you desire

(US – 40X current yearly spend = 3-5M)



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“You are already building your legacy as you live each day. The only question is whether or not it will be an intentional one.”

Laurie Sorensen



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Recap of the 12 Steps to Growth



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The Growth List

- Make The Decision
- Create The Plan
- Work On The Business
- Realize Your Limitations
- Sell, Sell, Sell
- Tell Your Story
- Stay Inside The Lines
- Communicate With Clarity
- Know Your 20 Mile March
- Leadership Is The Foundation
- It Is ALL About Relationships
- Begin with Legacy



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SO WHAT, NOW WHAT?



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COMMITMENT PYRAMID



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It All Comes Down to Execution

- Decide to do something – step across the line of commitment
- Write it down
- Tell someone and get accountable
- Wake up every day and work on it until you have executed

“Vision without execution is hallucination”. ~ Thomas Edison



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Three Key Questions



1. Who do you have speaking into your life that you are accountable to?
2. If I looked in your checkbook, checked your calendar and could see what you are thinking, what priorities would be obvious?
3. If you were to die today, unexpectedly and without further preparation, what kind of legacy would you leave?



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Thoughts From The Farm

February 20, 2016

Good morning from the farm. Day two with the grandkids is behind us and we're on hump day, and though tired, we are filled with joy from getting time to be with them. Yesterday we got up, my bride taught their home school program while I caught up on a few prep things I need for next week, and then we headed off to the city to do a few errands and visit the Omaha Children's Museum. We made a quick stop at Target to pick out Eli's birthday present – a new bike so he can learn how to ride and move to the next level. The official day is still almost a month away, but I wanted to give him a chance to pick out what he wanted and we had the opportunity so took it a bit early.



The afternoon at the Children's Museum was busy but they had a lot of fun. There were a few new wrinkles this visit, and they got the most of those along with the things they love that are the standard activities. The day was far busier than most of our

Core to my SMAC recipe for success

Six days a week

No misses since September 2008

Personal insights, scripture study, thoughts from readers

Almost 1200 worldwide subscribers

The biggest driver of positive change in my life



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Call to Action



- Take out your business card. Write on it:
 - Deck (for this presentation)
 - Morning list (to be added to my daily email)
 - ALL (if you want the deck, some other content, and to be on the Morning List)



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THANK YOU!



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Blogs

<http://asorensen.wordpress.com/>

<http://www.htgpeergroups.com/blog>

Thoughts from the Farm

Email to be Added to the Morning List



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VALUE ADDS



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