



# Romanian & Black Sea region agrofood HR trends survey

3<sup>rd</sup> wave, EOY, November 2020, 17/12/2020, v0

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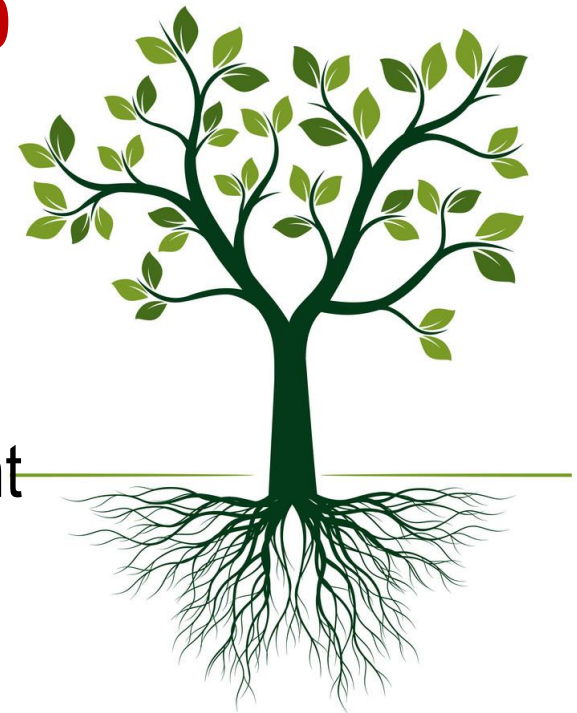
# Reasons and perspectives

- ✓ No historical data available regarding the HR trends in the agribusiness sector: i.e. small sector, not usually encompassed in the big global reference panels
- ✓ Covid-19 crisis & drought of 2020 sharply increased the demand for intelligence-based swift HR-related decisions
- ✓ Started from a spot opportunity and now setting a future regular (twice/year) reference & extending/adapting the scope

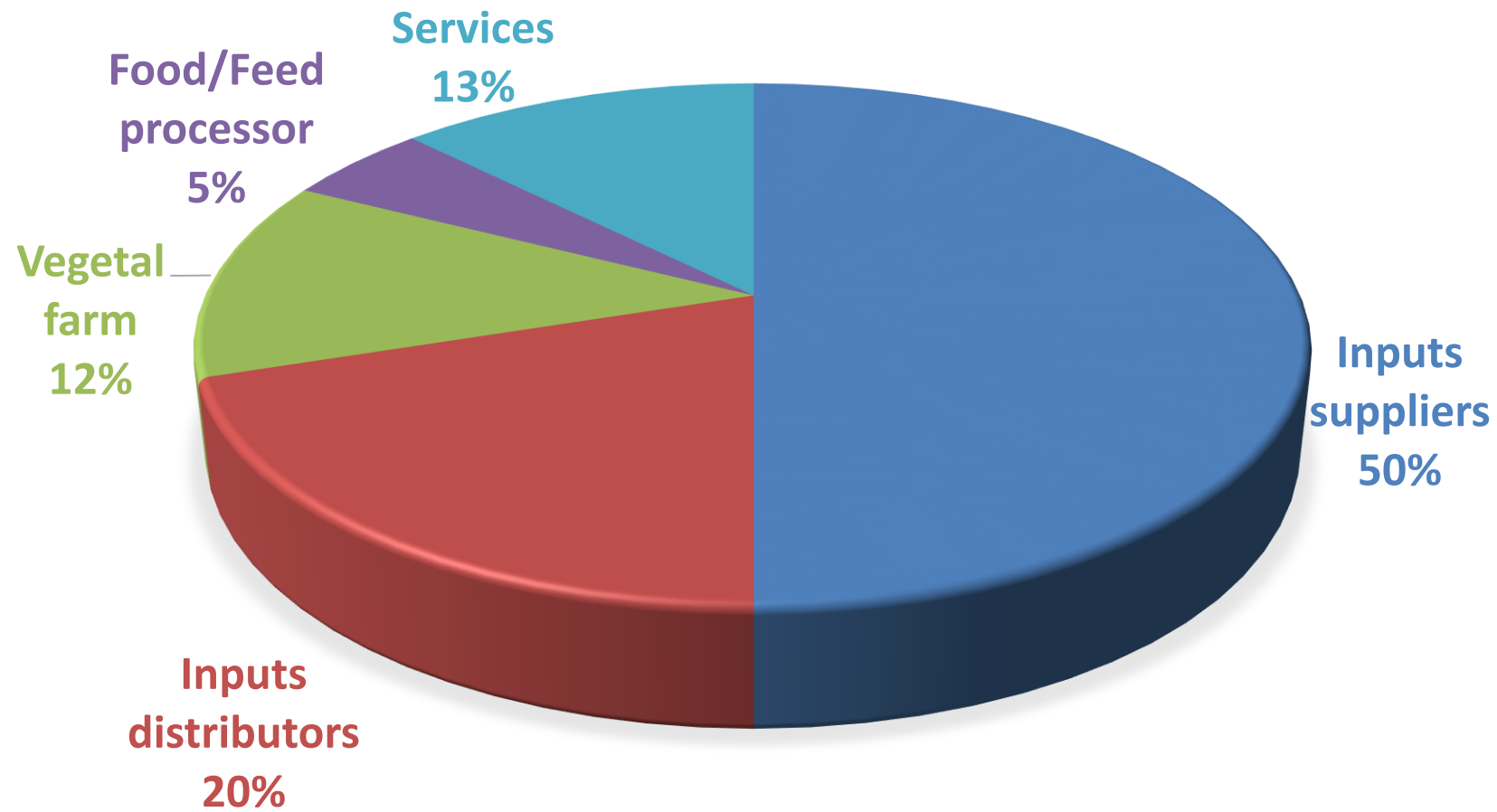


# Basis study data – 3<sup>rd</sup> wave of November 2020

- > Total companies participating in the 3<sup>rd</sup> wave of November 2020: **40 companies**, of which **22 multinationals** (55% of the total)
- > Total years of experience in agribusiness of the respondents: **589 years**
- > Total local turnover of participating companies: **1.344 billion euros annually**
- > Total hectares of vegetal farms present in the study: **13200 ha**
- > Total employees represented in the study, under the management of the respondents: **2585 FTE** (“Full Time Employee”)
  - Of which in sales: **856** (33% of the total)
  - Of which in Romania: **2536** (98% of the total)



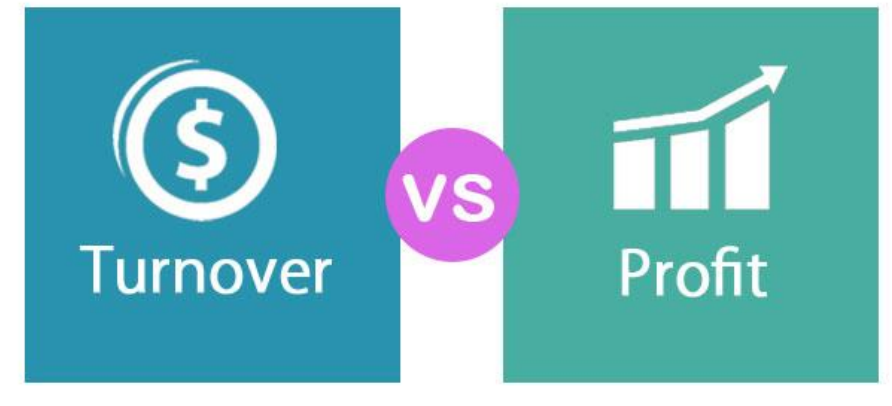
# Study agribusiness ecosystem





# Turnover and headcount parameters (rounded)

- > Average years of agro experience/manager in the study: **16 years**
- > Average turnover/company in the study: **34 Mln. €/year**
- > Average turnover/co. in suppliers: **25 Mln. €/year**
- > Average turnover/co. in distributors: **82 Mln. €/year**
- > Average turnover/co. in farms: **5 Mln. €/year**
- > Average turnover/ha in farms: **1720 €/ha**
- > Average headcount/company in the study: **65 FTEs**
- > Average headcount/co. in suppliers: **42 FTEs**
- > Average headcount/co. in distributors: **145 FTEs**
- > Average headcount/co. in farms: **57 FTEs**
- > Average ha/employee in farms: **46 ha/FTE**



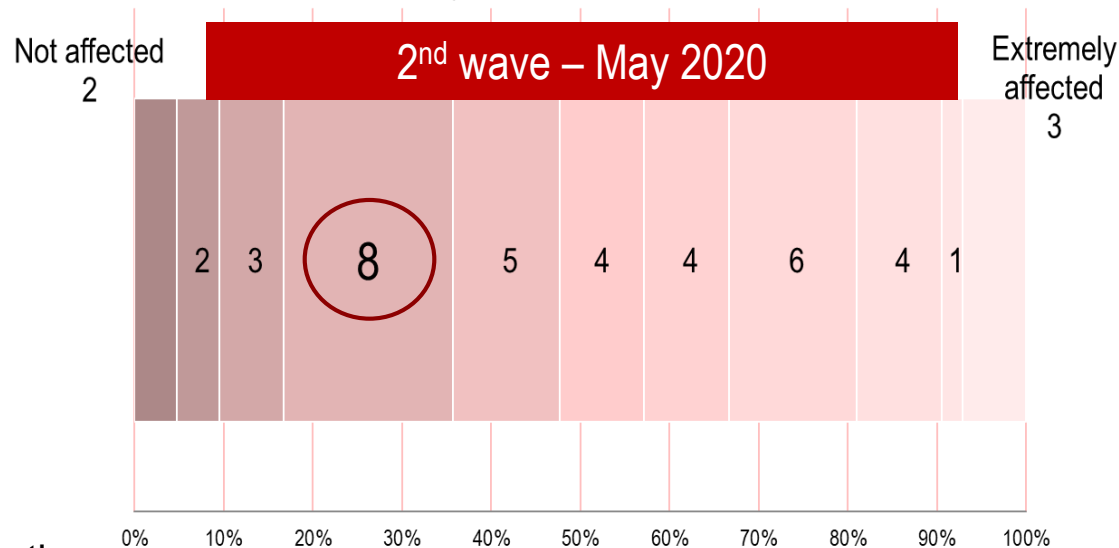
# Turnover and headcount: focus on Sales People

Category	Sales FTEs in study	Avg Sales FTEs	Avg. tnv/Sales FTE (Mil. EUR/yr.)
Inputs suppliers	370	18.5	1.36
Inputs distributors	396	49.5	1.65
Vegetal farms	56	11.2	0.41
Food/Feed processors	17	8.5	8.82
Services	17	3.4	0.83



# Turnover dynamics: past and future trends

- > Final impact of drought from agricultural year 2019-20 versus the previous year: **-17%**
- > Final impact of Covid-19 in 2020 versus a “normal” year: **-6%**
- > Turnover dynamics forecast for the current agricultural year 2020-21 versus the previous year: **+11%**



# Competitive map for 2021, other than HR (1/4)

## Commercial measures:

- > Restructuration of the price list and commercial policy: **18%**
- > **Special offers: 27%**
- > **Reviewing customer data base: 29%**
- > Reducing commercial credit to customers: **18%**
- > Others: **8%**

**“Others” quotes:** “offering consultancy on the application of the inputs technology”, “covering harvest sales with future contracts up to 60% of the total”, “offering returns of unused stock of inputs”, “partnerships with banks to facilitate credit access of farmers”, “investments in processing”, “online sales”, “align commercial credit with focus products”





# Competitive map for 2021, other than HR (2/4)

## Products measures:

- > **Launch of new products: 28%**
- > Retirement of existing products: **14%**
- > General restructuring of the product portfolio: **11%**
- > **Bundles: 22%**
- > Exclusive products: **18%**
- > Others: **7%**



**“Others” quotes:** “more product efficiency via digital”, “new content”, “overall optimizing of the portfolio”, “new processed products added to historical raw products”, “bio range”, “defining focus products”

# Competitive map for 2021, other than HR (3/4)

## Marketing measures:

- > Replacing face-to-face meetings with digital events: 31%
- > Pull trade marketing campaigns at farmer level: 22%
- > General branding, PR and CSR campaigns: 36%
- > Others: 11%

**“Others” quotes:** “hybrid low attendance face-to-face & digitally broadcasted events”, “restructuring the marketing action plan”, “more field trials”, “diversifying the communication channels with focus on social media”, “promoting via testing”, “investing every year in a targeted CSR action to support local communities, such as sponsoring a full classroom for disadvantaged children in a village”, “offering significant presents for big purchases”, “promoting employer branding”



# Competitive map for 2021, other than HR (4/4)

## Financial measures:

- > **Control of direct and indirect costs: 21%**
- > Purchases optimization: **19%**
- > **Regular follow-up of expenses: 23%**
- > **Cashflow management: 21%**
- > Structured risk mgmt. + commercial credit insurance: **14%**
- > Others: **2%**

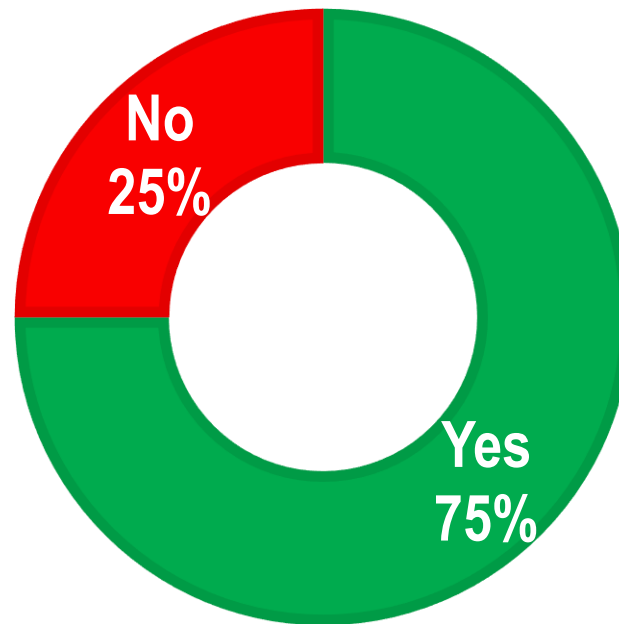


**“Others” quotes:** “more long term investments in 2020 in more productive tools (new tractors) and risk mitigators (irrigations)”, “purchasing a software for financial planning”, “insuring the crops against drought”, “incentives for advanced payments”, “new internal controlling process end-to-end”

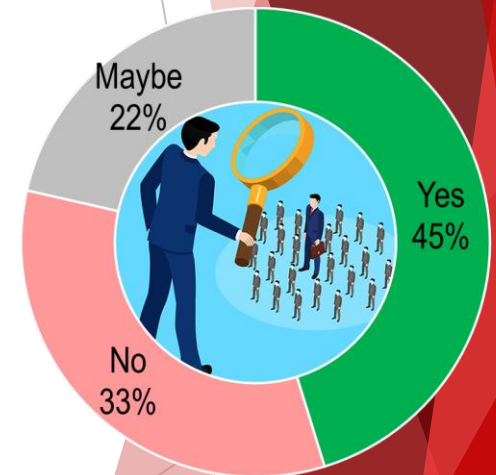
# Recruitment perspective in 2021

DO YOU STILL PLAN TO RECRUIT IN 2021?

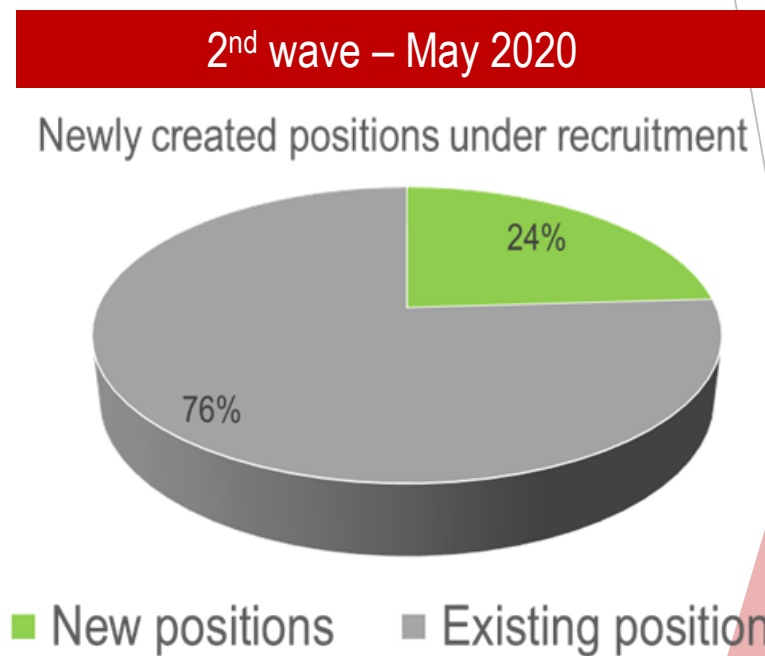
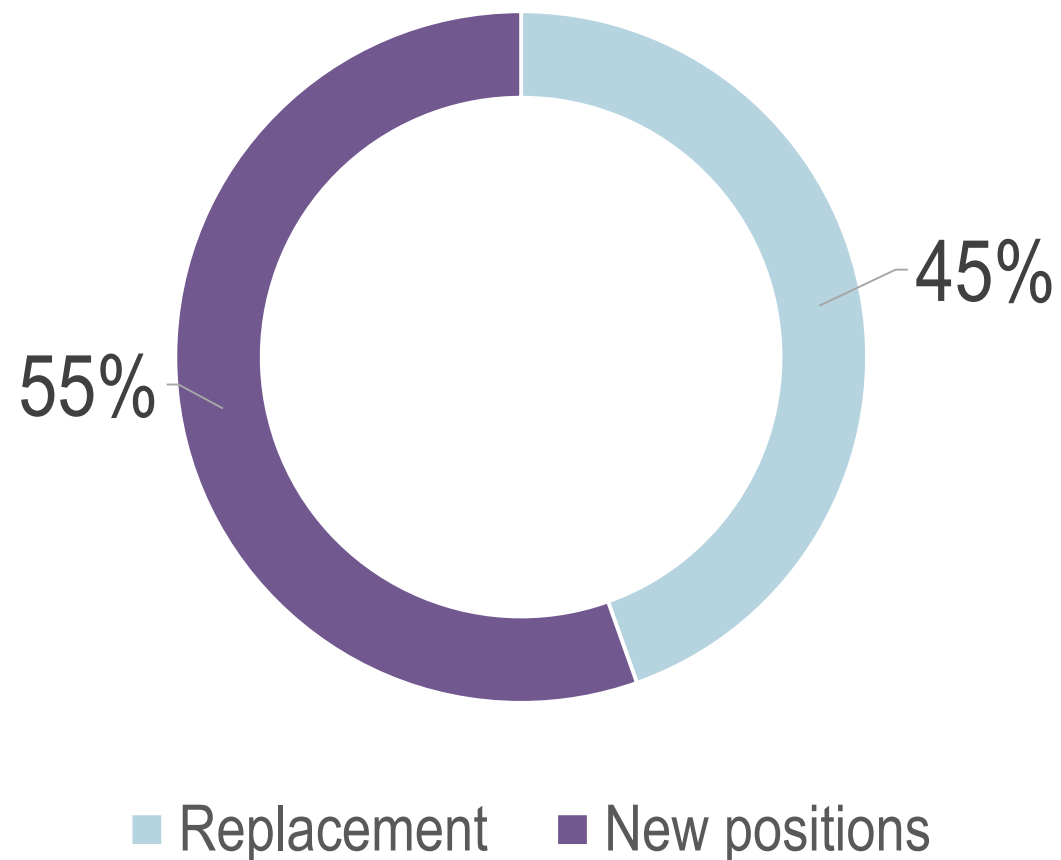
■ Yes ■ No



2<sup>nd</sup> wave – May 2020

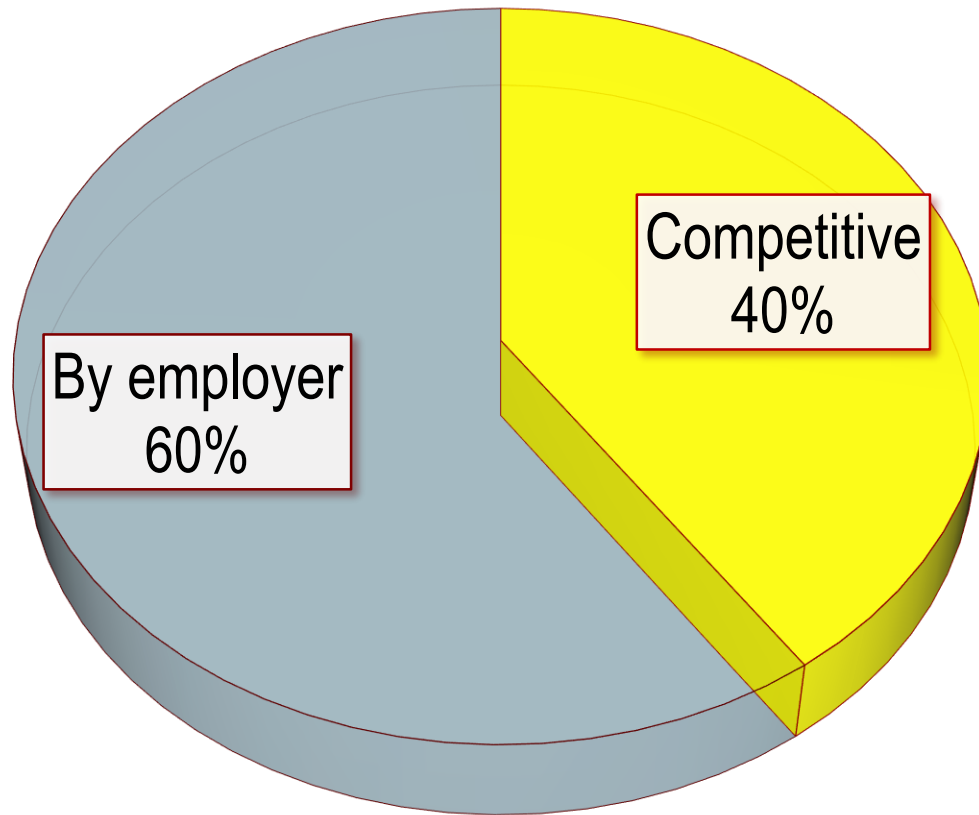


# Replacement vs. new positions recruitmt. in 2021



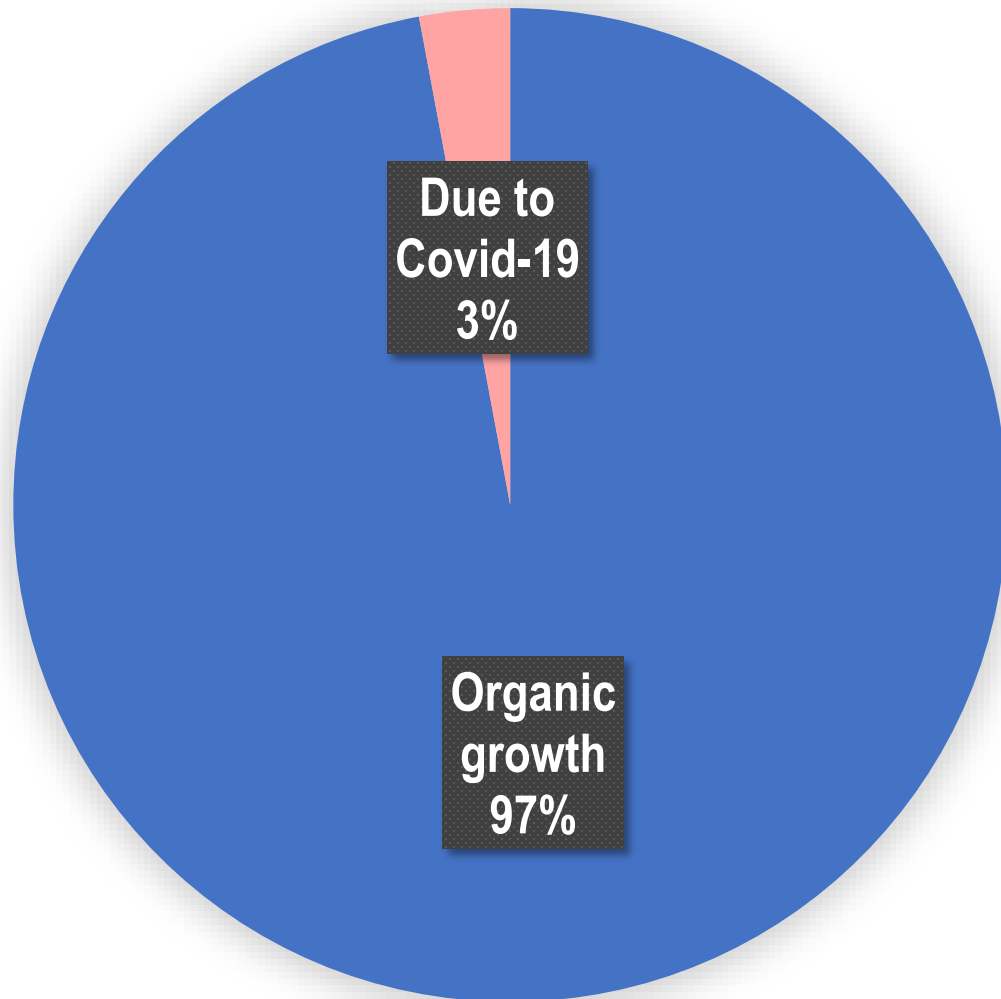


# Replacement: recruitment intentions in 2021



> **Type of replacement positions:** Tractor Drivers, Sales Manager in Moldova area, Technical-commercial Reps. for farms in different counties, Certification Officers, Area Sales Managers in Dobrogea, Agronomists (following pension departures), Commercial Representative in Braila-Galati, Sales Manager in Moldova area, Key Account Manager, Logistics Manager, Sales Juniors, Technical Director, CEO etc.

# New positions: recruitment intentions in 2021



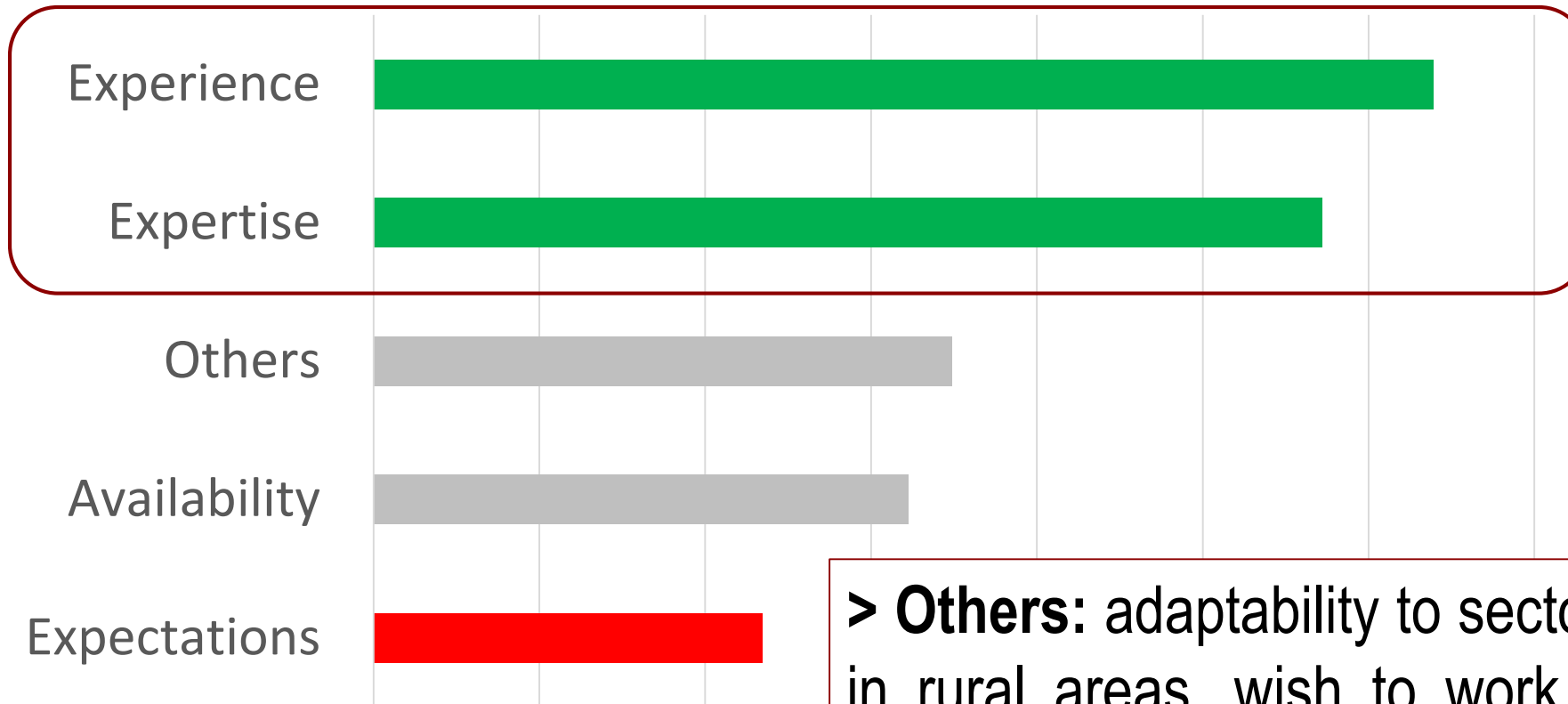
> **Type of new positions:** Area Sales Managers in Bacau & Botosani, Sales Rep. for non-members of the coop., Mechanical workshop coordinators in Brasov & Satu Mare, Mechanical Technicians (6), Area Managers for West (2), Center & North Moldova, Agronomic Trainers, Area Manager South-East, Marketing Managers (2), Sellers of bio inputs, Plant Breeder, Chief of farm machinery dept. (2), Sales & Technical Responsible for Greece, Reporters etc.

# Restructuring plans in 2021 in the agro-food sector

- > Only **2/40 (5%)** of the respondent organizations plan large scale restructuring operations in 2021
- > The main motive is the **lack of competitiveness of the respective departments within the organization and overlapping/redundancy following M&A**
- > All the targeted positions are in support departments, none in Sales
- > Only **0.8%** of the total personnel within this study are scheduled for restructuring in 2021

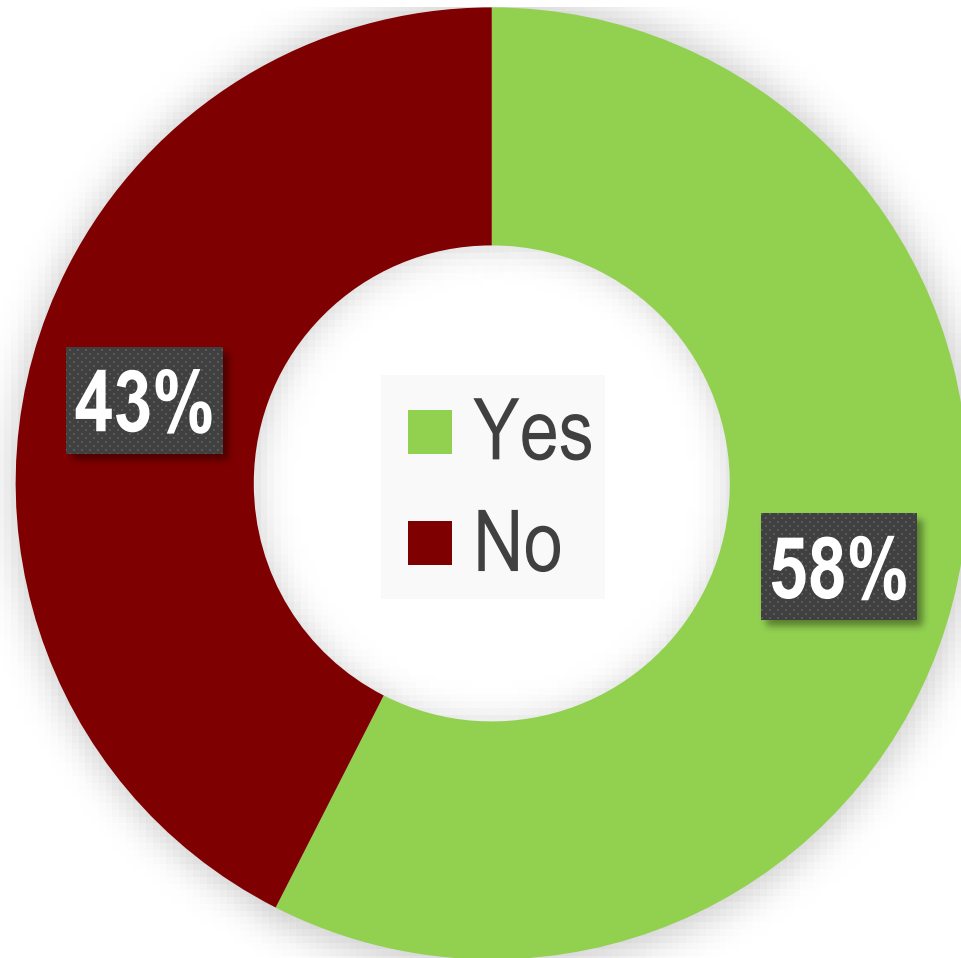


# Recruitment criteria – qualitative prioritization



> **Others:** adaptability to sector (2), availability to live in rural areas, wish to work, **foreign languages - English (7)**, capacity to integrate in the organizational culture (2), digital skills (3), negotiation skills (2), capacity to communicate internally and with customers (3), initiative, ethics, good attitude (2)

Are you considering to recruit People from outside the agro sector?





# Trends in compensations (monetary salaries)

- > Basis salary in 2020 vs. 2019: **+8%**
- > Basis salary in 2021 vs. 2020 (intention): **+5%**
- > Variable remuneration in 2020 vs. 2019: **+7.5%**
- > Variable remuneration in 2021 vs. 2020 (intention): **+8%**
- > Variable salary / fixed salary (annually) for Sales People: **25%**
  - **22%** in 2<sup>nd</sup> wave of May 2020 of the study
- > Variable salary / fixed salary (annually) for support functions: **10.5%**



# Salaries quotes – average values & spreads in study

- > Basis net monthly salary for an Area Sales Manager: **1462 EUR**
  - Spread: **800 – 3000 EUR** / (**1289 EUR** in May 2020 2<sup>nd</sup> wave)
- > Basis net monthly salary for a Promoter (pull at farm gate): **878 EUR**
- > Basis net monthly salary for a Marketing Director: **2231 EUR**
- > Basis net monthly salary for a Technical Director: **2292 EUR**
- > Basis net monthly salary for a National Sales Manager: **3397 EUR**
- > Basis net monthly salary for a CEO/GM: **5220 EUR**
  - Spread: **1500 – 10000 EUR**
- > Basis net monthly salary for a farming Agronomic Engineer: **1557 EUR**
  - Spread: **700 – 5000 EUR** / (**1517 EUR** in May 2020 2<sup>nd</sup> wave)



# Salaries quotes & turnover responsibilities of Sales

## Cross-check from Agxexecutive's 2020 recruitment processes – candidates' expectations



- > Industry average basis net monthly salary expectations: **1262 EUR**
- > Industry average in turnover: **1.5 Mil. EUR** annual turnover/FTE
- > Basis net monthly salary expectations for an Area Sales Manager at **national distributor level: 1303 EUR** (28 candidates)
  - Spread: **500 – 4000 EUR** / Avg. annual turnover resp.: **2.4 Mil. EUR**
- > Basis net monthly salary expectations for an Area Sales Manager at **zonal/regional distributor level: 1081 EUR** (38 candidates)
  - Spread: **500 – 2000 EUR** / Avg. annual turnover resp.: **1 Mil. EUR**
- > Basis net monthly salary expectations for an Area Sales Manager at **supplier level: 1467 EUR** (28 candidates)
  - Spread: **600 – 3000 EUR** / Avg. annual tnv. resp.: **1.3 Mil. EUR<sup>2</sup>**

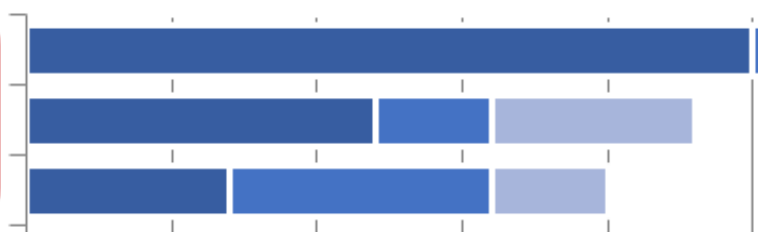


# Trends in benefits (in kind) associated to salaries

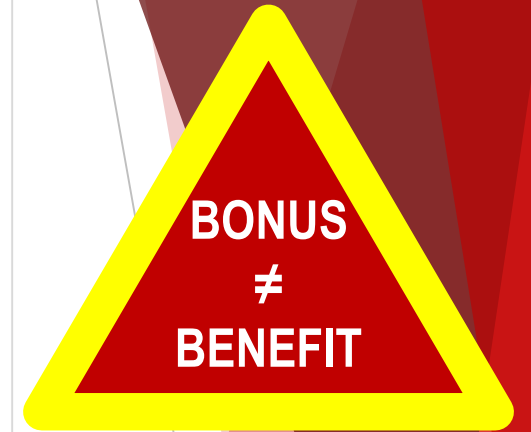
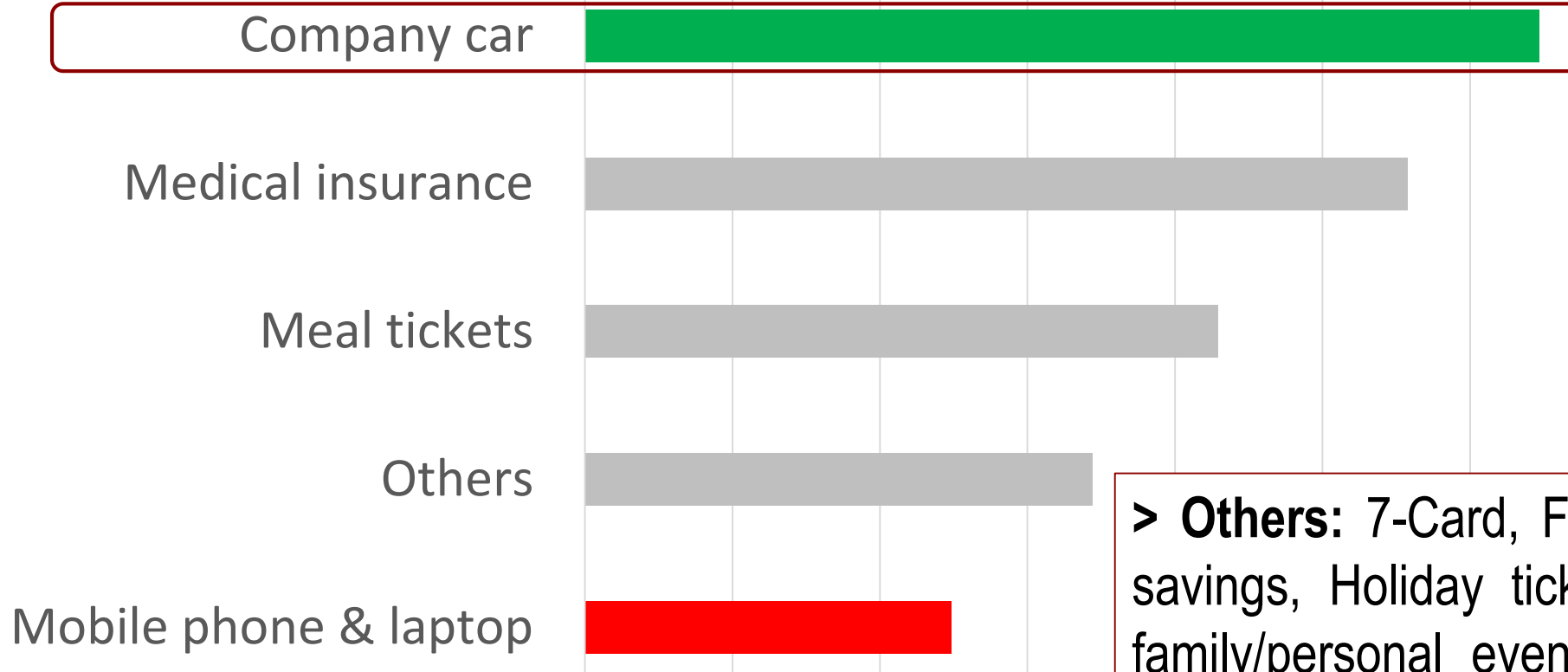
BENEFITS (NO. OF COs.)	DECREASE	CONSTANT	INCREASE
2020 vs. 2019	2.5%	50%	47.5%
2021 vs. 2020 (intention)	0%	70%	30%

2<sup>nd</sup> wave – May 2020

Company car  
Private medical insurance  
Holiday bonuses



# Benefits ranking – employee loyalty effect



> **NOTA BENE:** while most responding managers consider the **car, mobile phone and laptop** merely a must have productivity tool, many employees highly appreciate when these benefits are **premium** or if the employee may choose the brand/model!

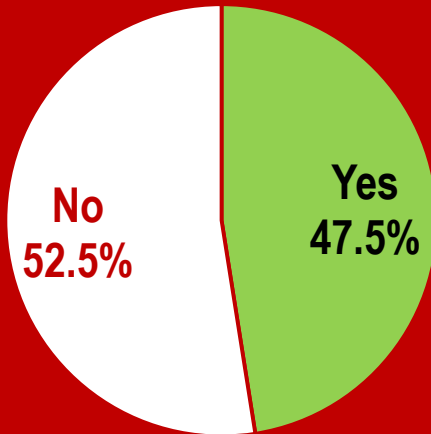
> **Others:** 7-Card, Fidelity account for holiday savings, Holiday tickets, Bonuses for special family/personal events (birth of a child etc.), Present tickets for children during holidays, Trips abroad, Internal lottery, 25 legal leave days/year, Sensiblu card, Bookster, cultural subsidies, X-Mas party, Free quality fruits & drinks at the office, Fitness subscription etc.



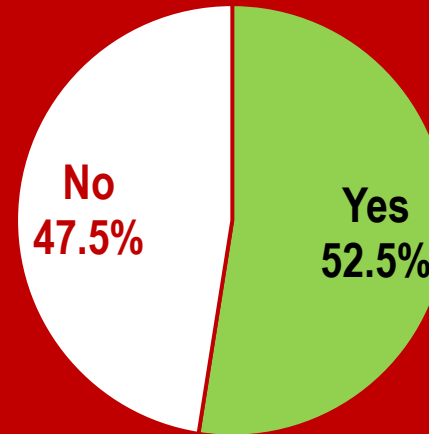
# OD, training and teambuilding – budget allocation

> Did you have a formally allocated OD budget in your company?

2020



2021



> Average budget/company/year: **51650 EUR** (0.2% of avg. turnover in study)

- Spread: **2000 – 200000 EUR**

> Average budget per trained FTE/year: **823 EUR**

- Spread: **163 – 3000 EUR**

2<sup>nd</sup> wave – May 2020

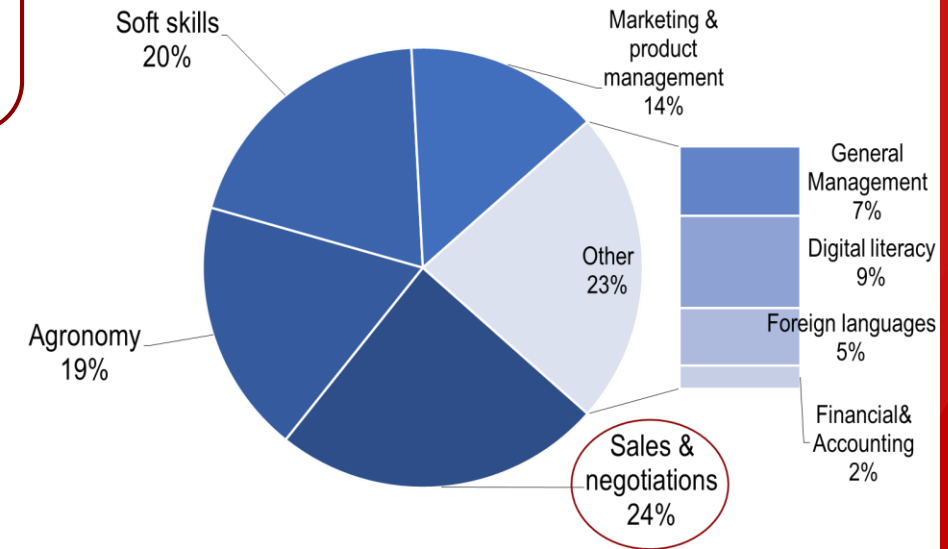
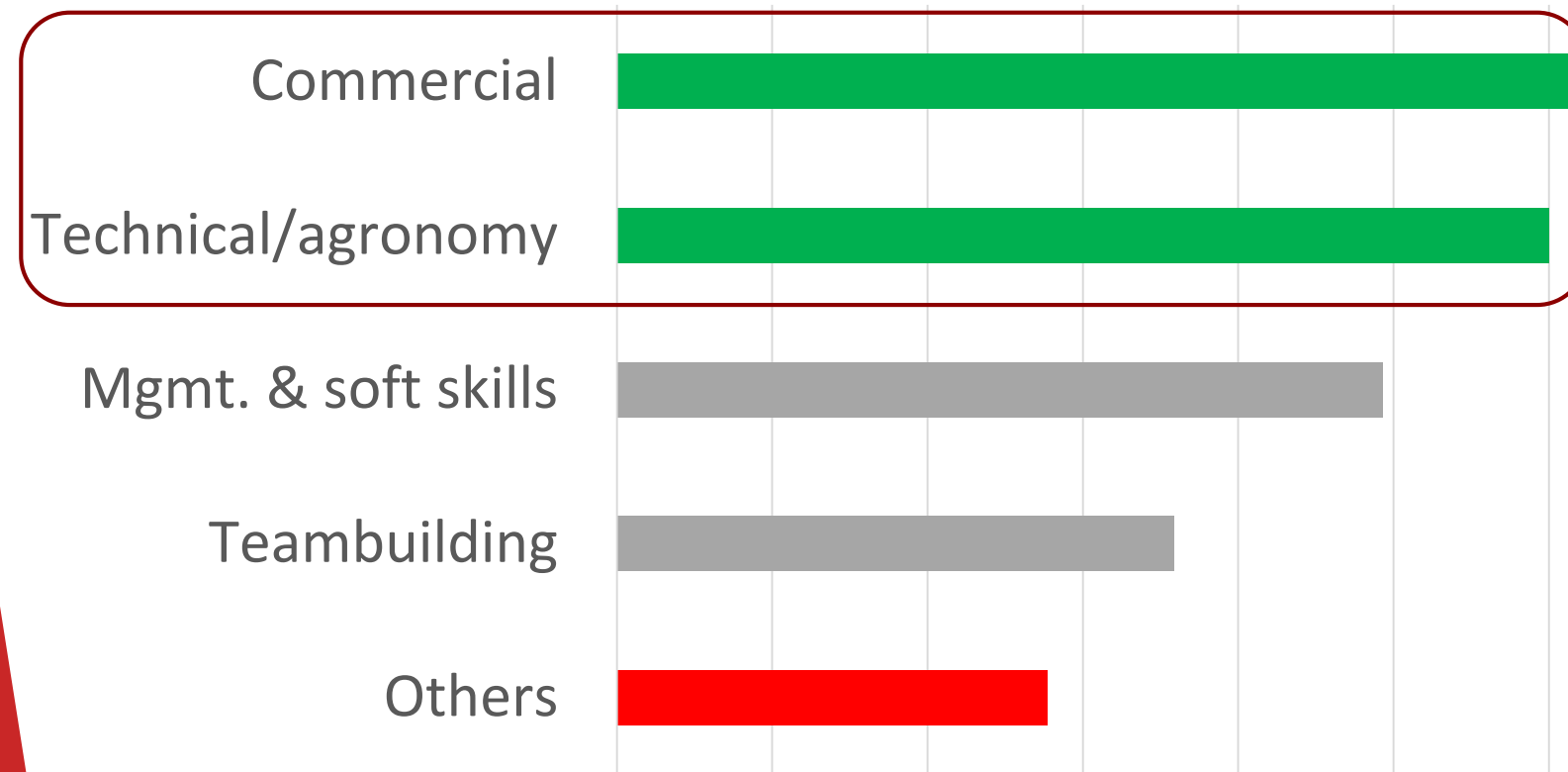
Which qualitative HR actions do you intend to prioritize in the next following period until EOY 2020?

Professional training  
Retention of key talents



# OD priorities in 2021 – trainings on knowledge gaps

2<sup>nd</sup> wave – May 2020



> **Others:** Resilience, **Time management in wfh (2)**, Middle management skills, Defensive driving for mobile employees, Safety awareness for warehouses, Mechanics, General management skills, CRM training, Precision agriculture, Marketing & pricing, **Foreign languages (3)**

# AGXEXECUTIVE: THE LEADER OF **FACE-TO-FACE TRAININGS** FOR AGRIBUSINESS!



In the context of the **Covid-19 crisis**, we are proud for being able to have successfully delivered a **face-to-face open training session** of our consecrated course for agribusiness professionals, **Agxexecutive ProClass**, on October 23<sup>rd</sup> & 24<sup>th</sup>, 2020, at Crowne Plaza hotel in Bucharest in full respect of health safety norms. Here is the brief of our training agenda:

- ▶ **B2B Negotiation Module**, with focus on **Sales**, illustrated with **practical cases & simulations**;
- ▶ Topical issues for **the professionals of agribusiness companies**: the ecosystem, product management, commercial policies, negotiations techniques, procurement initiation;
- ▶ Diverse promotion of **10 People** from across the agro value chain, coming from suppliers, distributors, traders, farmers and representative professional associations!
- ▶ **Testimonial on YouTube**





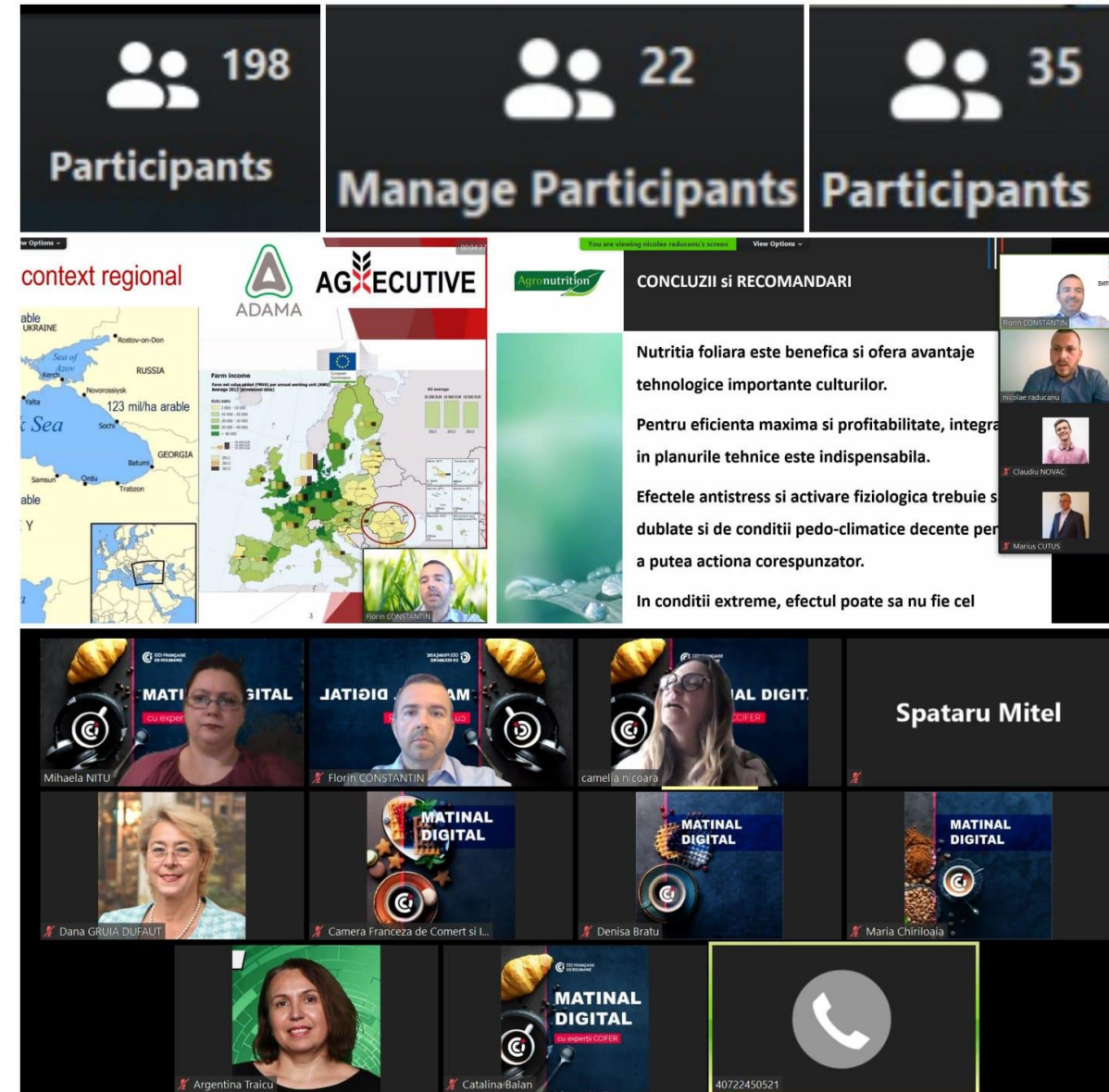
# AGXEXECUTIVE: THE LEADER OF **ONLINE TRAININGS** FOR AGRIBUSINESS!



In the context of the **Covid-19 crisis**, during **Spring 2020** we have launched an extensive cycle of **transposing our classic training programs in online**, with a success confirmed by the interest of the participants. Here is how:

- ▶ **Customized interactive sessions**, via Zoom & Power Point, with **practical cases**;
- ▶ Topical issues for **farmers**: financial education, budgeting, cost control, resource management, precision agriculture etc.;
- ▶ Topical issues for **agribusiness companies**: remote B2B negotiation, agronomy in the new isolation paradigm etc.
- ▶ **More than 500 people** trained so far!

[www.agxecutive.com](http://www.agxecutive.com)



# Conclusions: how was **2020** for you & sector?

- ✓ «A whimsy year.»
- ✓ «Complicated.»
- ✓ «Catastrophic.»
- ✓ «Provocative, due to climatic conditions and People».
- ✓ «Explosive.»
- ✓ «A year which required a lot of emotional endurance».
- ✓ «Memorable year.»
- ✓ «Terrible, the worst in my agribusiness career.»
- ✓ «The year of major changes.»
- ✓ «For us, it was the most profitable year in history.»
- ✓ «Rock'n'Roll.»
- ✓ «Game changer.» Etc.





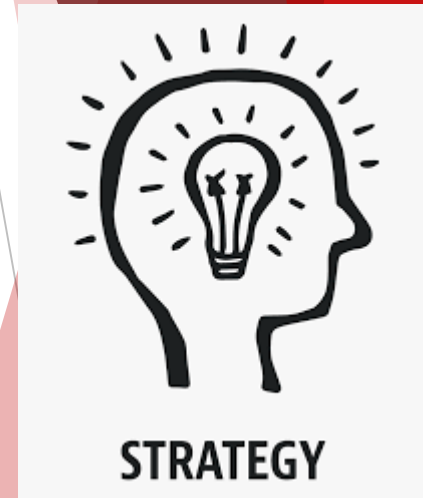
## Conclusions: how do you wish **2021** to be?

- ✓ «Strong wish of coming back to normality, while learning the lessons from 2020 and avoiding to make the same mistakes in the future.»
- ✓ «If it will be a normal year, then it will be a fantastic success.»
- ✓ «To be extraordinary, to sell more and make profits.»
- ✓ «Normal year.»
- ✓ «Farmers' decline to stop, especially in South-East.»
- ✓ «More ponderated year, the actors should stop to be exaltated, we need to stop begging and complaining.»
- ✓ «More rain, better macro-economy, to have some growth.»
- ✓ «To compensate for the loss of 2020.» Etc.



# Strategic take-aways

- ✓ Overall **optimism for 2021**, but mixed with wishful thinking.
- ✓ **Salaries** continue(d) to **increase** YoY, with best wins in national distribution.
- ✓ **Farming management functions better paid** than upstream/downstream agribusiness sales functions.
- ✓ **Fight for talents** will continue as pool is scarce.
- ✓ Very **low innovation and diversity of solutions in HR** area compared to other more dynamic sectors. **Why?**



# Intelligence team behind the survey



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Consultant



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**4<sup>th</sup> wave – May 2021, stay tuned!**

**Q & A**