

CUTTING Edge

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Customer is King! What does it really mean?



The Cutting Edge is a regular article written by Dr Jonathan Cutting for the New Zealand avocado industry magazine, AvoScene.

Earlier this week I was fortunate enough to attend the Fruit Growers Federations portion of the *New Zealand Horticulture Conference* in Christchurch. It had been several years since I last attended one of these conferences and I was a little apprehensive as to the value. I must be honest and admit that I was completely stunned with the quality of the programme, the passion of the speakers and the relevance of the content. The conference, at least from a fruit sector perspective, was very forward thinking and not a technical presentation in sight! It also made me very humble in realizing that it was only because of avocado growers and their desire to develop their people that I was fortunate enough to be sitting in that auditorium.

What made it all work? Fresh thinking was obvious but more important to me was the development of themes that many have become blind to. The issue of "customer" came up repeatedly. I will enlarge that theme issue later but want to share some of the presentation highlights.

Augie Auer gave a serious presentation vigorously challenging the global warming theories and theorists. He presented data on sun spot activity going back many hundreds of year's shows that we are in a totally natural cycle. The bottom line was

that solar flares impact on our climate in a way many magnitudes greater than anything we humans can do, including a bit a of hydrocarbon pollution. The greenhouse gases make the earth unique, raise the temperature from approximately -65°C to an average earthly temperature of 15°C. Green house gases are the sole reason life on earth exists. You do begin to wonder why our government is funding Climate Change Research Units and legislating policies that cost us all dearly, do not necessarily protect the environment, entrench a growing bureaucracy and compliance culture and position primary producers less competitively. I do not wish to trivialize important issues but I will guiltlessly fire up my incinerator with gusto this weekend and not be embarrassed about sitting in front of a cosy log burning fire on chilly winter evenings.

Another stimulating speaker was Belinda Allen from the Consumer Institute who touched on consumer trends in relation to fresh fruit and vegetables. Key barriers to consumers are price, quality (loss of "fresh" appeal) and convenience. What was really interesting to me was that fruit is seen less and less as convenient by consumers. There was a focus on the growing loss of cooking and food preparation skills and therefore planned eating habits. The primary consumer driver for the consumption of fruit and vegetables was health and that our primary competition is "health in a pill". The issues about abuse of the 5+ a day theme by tinned and juice manufactures was touched on with graphic examples. Changes to New Zealand food labeling laws will present new opportunities and risks to the produce industry as fruit label claims for "nutraceutical benefits" may leave some categories floundering and turn others into media darlings. What does

this mean to avocado growers? Our generic promotion effort should change tack slightly as we position avocados as the “healthiest fruit in the world”. The AGA should explore every effort to have no aged and rotten fruit on retail display – whether this is possible I don’t know, but the presence of over ripe fruits conflicts with a fresh fruit product message. We may also need to provide better quality information about the health attributes to consumers on our website.

For me the highlight of the conference was John Hart talking about leadership, building winning teams and managing people. There were several concepts and topics that John developed during his talk and the ones that had real appeal to me were shared leadership, planning, team building, customer is king, self assessment and critique and lastly celebrating success, tall poppies and having fun. In regards to leadership I found that the concepts and experiences outlined in John hart’s talk could be well utilized in the avocado fruit sector. The development of a culture of shared leadership where several people or groups of people understand the goals and collectively buy into the plan for getting there was important. More important the collective responsibility and accountability that go with shared leadership made me realise that this culture could be embraced by the whole avocado industry. A big part of good leadership is solid and meticulous planning. Planning in detail is only possible if you have very clear goals and pathways to get there. It is only at this point that you choose your team – what we often choose to ignore is that you develop and build a team around a plan – not the other way around.

When it came to building winning teams I could closely identify with what was being relayed to the audience. It is important to choose wisely when it comes to making people appointments. Most importantly people should know why they have been chosen over someone else. The view was expressed that it is a fundamental weakness of business to transfer staff

appointments to third parties (such as recruitment agencies) or HR departments in big business. Rather staff appointments are the responsibility of the CEO or COO and should be made by them. The greatest failing to staff is to appoint or promote them beyond their capability. The best performance at one level does not always translate to the best performance one notch up. Lastly when it comes to building good teams the coach (boss) must be capable of being a good listener, create an environment that allows and encourages challenge and allows people to stretch and even make mistakes. That way people grow. When mistakes are made it is important to review the situation so that the same mistake is not made again.

John Hart was quite pointed when he noted his belief that New Zealanders do not celebrate success well and that we struggle to have fun sometimes, particularly in the workplace. Our national obsession with cutting down “tall poppies” is somewhat worrying and sad as it impacts so heavily on our ability to succeed. However for me the most important part of his presentation was on customer service. I was most interested in evolving and developing an AGA strategic plank that ‘customer is king”. I understand our customer to be NZ avocado growers. My personal challenge is to understand need and expectation and then provide services and value to that customer.

This brings me to the real purpose of this Cutting Edge. What is the point of going to conferences such as this if you do not learn – more importantly how do we improve the business of the avocado industry. It would be remiss of me if I did not mention that I did detect something at the conference. It was underlying, maybe close to a new mood in horticulture and it was a people weariness. Really it was a weariness of compliance, bureaucracy, paperwork, frustration, a lack of choice in what we do and, in extreme cases, a sense of sheer hopelessness. This really did get me thinking. Its is time to look at our own house – the avocado sector. I

trust that you will cut me a little slack here as I outline what I would like to see happen. I do this in the belief that we will win as a sector and with the clear understanding that the “customer is king” and that we could do a lot more to service and provide for the needs of our growers.

At a philosophical level we want our growers to know and believe that their organisations, the AGA and the AIC, deliver to them **undeniable value**. Even more importantly that in a contestable world NZ avocado growers would **choose** to support the AGA and the AIC because they would be worse off without it. We need to understand what they want and value. To do this we need to talk to growers. I would like to see this done at the regional level with small groups of growers in an environment that encourages the AGA and the AIC to listen rather than report. We have to accept that “Road Shows” and the like do not do this at all well, in fact they don’t even do it badly – they just don’t do it at all. This will allow the AGA and the AIC to understand what the membership wants and how it needs to be involved in the AGA and AIC from the development of policy all the way through to implementation at the cold face. Shared leadership, grower value orientated goals and industry transparency will encourage sector “buy in” and reduce regional parochial niggles.

We need to further build and develop our communication and information activities. One of the primary functions of the AGA and AIC is to provide accurate and reliable information, either raw or value added, to our members as speedily as possible. This requires a review of our communication tools and options. We need to realise that we cannot fight every battle out there and hope to win them all. We just don’t have the resources, skill or will for that much fight.

At a very practical level a key AIC and AGA initiative should be to reduce industry compliance and offer our members more choice, after all they are the customer and this is a completely normal customer expectation. This could include simpler

pre-printed forms, multiple registrations, less compliance and more choice. The AGA needs to reconsider its sub committee structures and focus on committees that add value to members rather than to the organization. I would suggest that well resourced sub-committees focused on industry systems, external regulation, industry communication and sector value could add significant value to avocado growers. I believe that our sector has just completed a growth cycle and that new challenges and opportunities face us. We need to make sure that we have clear value adding goals, good plans for a direct path and that we have the right team to get us there. More importantly we need to remember who the customer is – and that the customer is always king!