

CASE STUDY

ExtendAg Gains Agility under Cultura



Background

ExtendAg, founded in 1978, offers supply chain management software solutions that connect produce growers, haulers, and processors. Its customers include some of the largest food companies across the globe, enabling them to track traceability, manage quality control, make payments and note grading attributes.

ExtendAg was acquired by John Deere in 1995. However, in order to refocus attention on its core manufacturing businesses, Deere decided to divest the software division in 2013.

“Since the acquisition, life has been good for everyone. 100% of the employees would agree.”

—Mike Allen,
Operations Manager at ExtendAg

The Decision to Divest

In searching for a long-term home for ExtendAg, Deere’s leadership needed assurances that its potential acquirer would maintain the integrity of the company while giving it the best chance for future growth.

Cultura Technology’s acquisition philosophy is to purchase good Ag Software companies and help them become great by leveraging its knowledge of the agribusiness software space. As Cultura maintains a decentralized approach to management, its portfolio companies continue to operate autonomously post-acquisition.

Senior managers at Deere were impressed with Cultura’s track record of building successful agri-food focused software businesses and decided that it was the right company to move ExtendAg forward.

“Deere wanted to make sure that the new company was focused on growing the business and maintaining customer satisfaction. Cultura was the best positioned organization to make that happen.”

—Mike Allen



Becoming More Agile

Joining the Cultura family has been viewed as an overwhelmingly positive development both by ExtendAg's customers and employees. Employees are able to see that ExtendAg has a renewed focus on growth, and recognize the tangible benefits of adopting some of Cultura and its parent company, Volaris Group's best practices—accumulated from over 200 acquisitions to date.

One such practice is fostering a culture of operational transparency. Financial forecasts, operational metrics and benchmarks are widely shared amongst staff, uniting them towards a common goal. Additionally, these metrics provide relevant revenue, cost, and investment guidelines that enable ExtendAg to improve its performance.

For instance, Cultura's operational benchmarks indicated an underinvestment in sales activities at ExtendAg. By applying the financial discipline that Cultura advocates, ExtendAg was able to tweak its resource distribution and invest in sales staff to realize additional revenue.

Moreover, ExtendAg as an organization has become more nimble. Since Cultura operates in a decentralized fashion, its companies are able to act quickly as independent, small businesses while having access to the resources of a larger entity.

Specifically, processes for product development and resource allocation are now streamlined and do not require pushing through several layers of corporate management.

The shift in corporate culture allows managers to spend more time on business operations, instead of wading through processes and procedures. This newfound agility has been noticed by customers who have seen the company improve its product delivery and customer service at a faster pace.

“Being able to make decisions and act on them quickly was key for us. Customers can see that being part of Cultura is good for them, as well as good for us.”

—Mike Allen

Reinvesting in Growth

Additionally, Cultura has helped ExtendAg position itself for future growth by investing in its people and products. Since Cultura itself is a software business, it understands what it takes to achieve success in the industry, enabling ExtendAg to make better investments and decisions for its customers.

- **“Operating under a software company that owns other software companies allows us to make decisions with a software business perspective in mind. We're able to make decisions with people who understand our needs as a software business.”**

—Mike Allen



About Cultura Technologies

Cultura's name has its roots in the words "agricultura," which is Latin for agriculture, and "cultivate," which is to foster growth or development. Our company culture is people-focused. We believe in strong customer relationships and that the strength of our people and their expertise can make the difference in delivering customer-centric solutions that enable Agri-Food businesses to efficiently produce, process, and deliver quality food and bio-products. Cultura is all about connecting people and processes across the broader Agri-Food supply chain, helping to nurture Agri-Food advancement through technology.

Learn more at www.culturatech.com/joincultura



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About Volaris Group

Volaris Group acquires, strengthens and grows vertical market technology companies enabling them to be clear leaders within their focused industry. Volaris Group companies provide specialized, mission-critical solutions to vertical markets around the world including Agri-Food, Asset Management and Logistics, Justice, People Transportation, Marine and Rental Management. Volaris Group is an operating group of Constellation Software Inc.

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