INNOVATION IN THE TRACTOR INDUSTRY

Samuel Hardy-Linna, Smart AG, AGCO

VALTRA is a worldwide brand of AGCO.
AGCO Your Agriculture Company
YOUR WORKING MACHINE

WHO ARE YOU AND WHY ARE YOU HERE?

AGCO
Your Agriculture Company

FENDT

VALTRA

MASSEY FERGUSON

$12BN NET SALES

25 000 EMPLOYEES

3000+ GLOBAL DEALER NETWORK

SMART AG

BELIEVE IN SMALL THINGS WITH BIG EFFECTS

INTERNAL AGCO STARTUP

5 GLOBAL TEAMS

OUTSIDE OF NORMAL PROCESS

RETROFITABLE PRODUCTS

INNOVATION SEPARATED FROM PLATFORM DEVELOPMENT

WHY SMART AG

1 CUSTOMER FIRST

- Customers need the tools to improve their practices and yields
- AG machinery is expensive and farmers don't have the capital to invest
- AG machinery engineering cycles are slow and technology becomes outdated

2 LET'S TAKE THE RISK

- Platform projects need to reduce risk and manage resources – new ideas get left out
- Smart AG releases aftermarket minimum feature set products for earlier adopters
- Products which suceed in the market can be integrated into Platform
- Products which aren't successful can be let go with minimum loss

3 IT'S A BIG MARKET OUT THERE

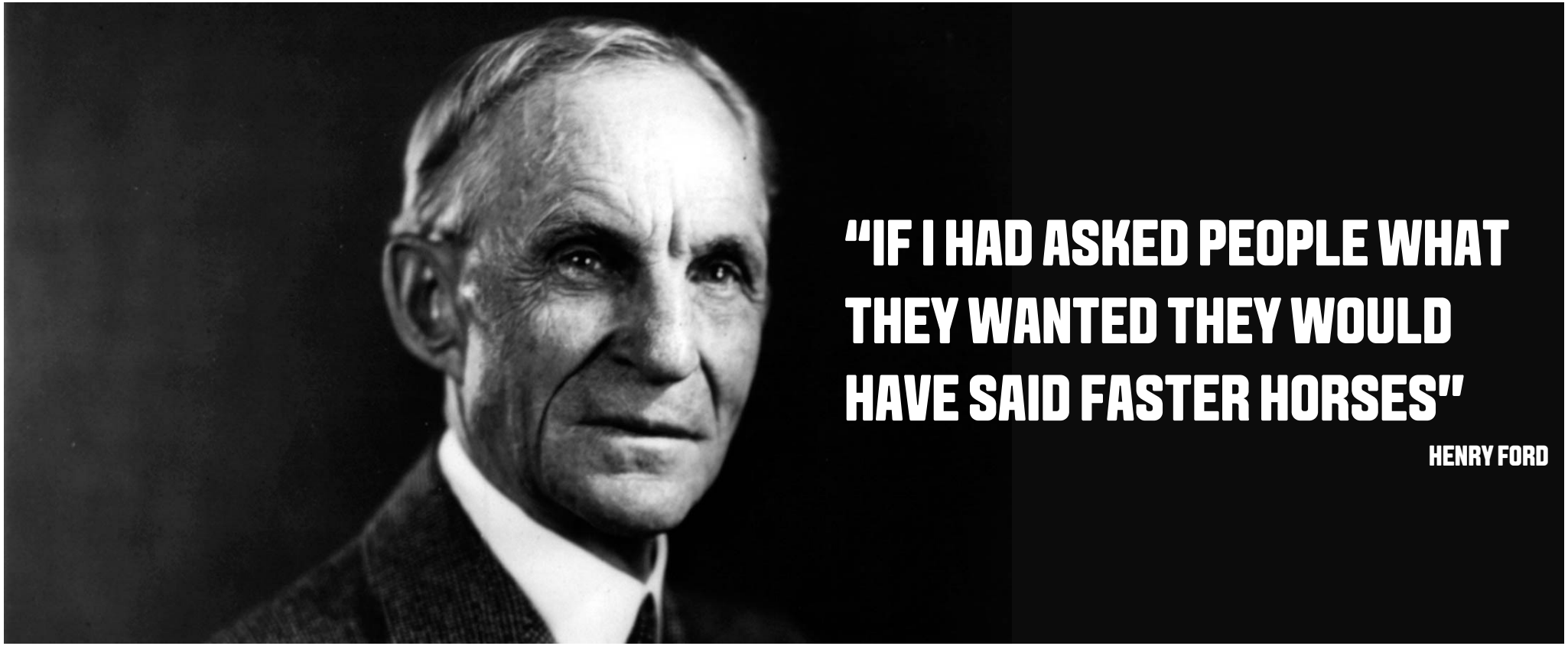
EME TRACTORS

- In a typical year, EME 80+hp tractor market is ~100 000 units
- Average tractor life span 10-15 years
- Potential market for retrofit 1.5M tractors

SMART AG

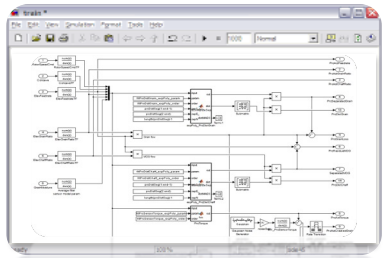
BELIEVE IN SMALL THINGS WITH BIG EFFECTS

HENRY FORD ASKED THE WRONG QUESTION

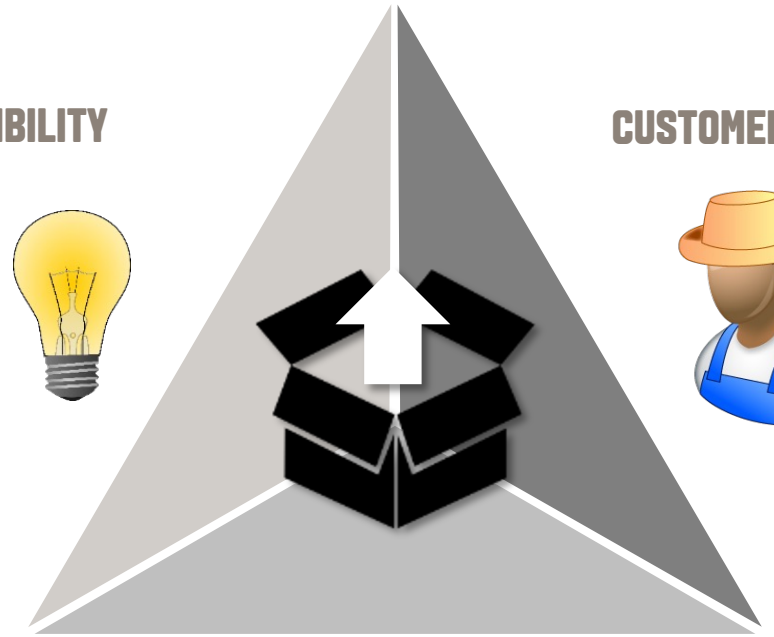


TRIANGLE OF INNOVATION SUCCESS

TECHNOLOGY FEASIBILITY



CUSTOMER DESIRABILITY

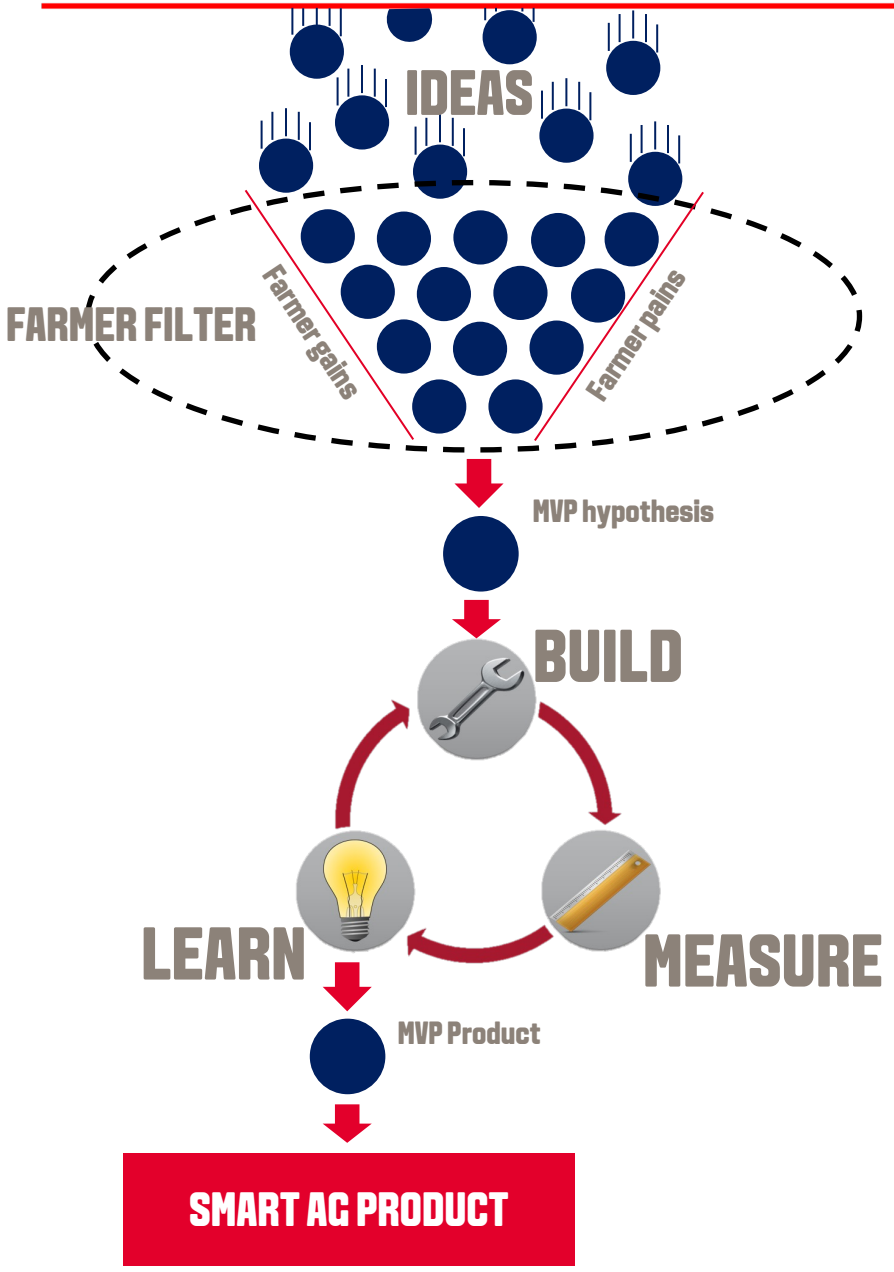


BUSINESS VIABILITY

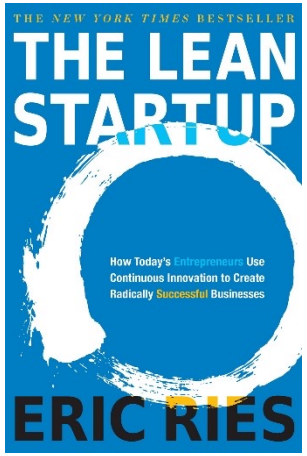
ARE WE DEVELOPING THE RIGHT THING?
Can the technology make it happen?

ARE WE DEVELOPING THE RIGHT THING?
Does the customer see enough value in it?

ARE WE DEVELOPING THE RIGHT THING?
Does AGCO see enough value in it?



1. "Product *x* will have effect *y* on the farmers user experience, and they will pay *z* for product *x*"
2. Build as quickly as possible a prototype
3. Go to customers and test (measure) the hypothesis
4. Analyse the results and learn what needs to change
5. Repeat until exact MVP product is confirmed
6. Build that



ANYTHING WHICH SLOWS THE BUILD-MEASURE-LEARN CYCLE IS WASTE AND SHOULD BE ELIMINATED

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If AGCO had a product which
60% of this challenge would y

THANK YOU
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