

Case Study: Strider

Strider's Story

Since Barn Investment's inception in 2012, agriculture technology (agtech) has been a central investment thesis for the Brazil-based early-stage investor. As part of its strategy, Barn conducted a mapping exercise of all agriculture technology firms in the region tackling material problems faced by Brazilian farmers. In 2014, during a field trip to explore various farming technologies, Barn's founding partners met with a large soy producer that was testing a software capable of improving farmers' profitability margins, which were being hard hit from ever-increasing pesticide use. This is how Barn met Strider's Founder, Luiz Tangari.

The cost of pesticides in Brazilian farms represent, in most cases, more than 30% of total production costs. In the case of cotton, it can reach almost 50%, per Barn's research. Furthermore, farmers do not have reliable, real-time data on their production processes. Producers therefore overspray—and consequently overspend on—pesticides, resulting in highly contaminated products with lower profitability. Strider's solution was to develop a mobile application and a geo-based, big-data engine that ensures precise, trustworthy, up-to-date information on pest population and overall plant health. By providing a platform that encompasses the whole crop protection operation with a decision-supporting interface, Strider could help farmers keep up with issues in the



field, thus reducing the use of pesticides, decreasing overall costs, and significantly improving operational profitability margins.

Impressed by the cofounders as well as the product's potential to become a major global precision agriculture platform, Barn became Strider's first investor in August 2014, committing USD1 million in capital. Barn worked closely with the company on developing its product, recruiting across several core functions, and refining its marketing and sales strategy. In April 2016, Barn assisted Strider in raising a USD3 million venture capital financing round. Barn exited its stake in Strider in 2018 when global agricultural firm Syngenta acquired the company, thus generating a 16.0x return on investment in less than four years.

The Role Played by Private Capital

Strider was founded in 2013, and had only a small team and basic prototype in place when it partnered with Barn the following year. As a result, Barn believed that all aspects of the business had tremendous potential for value creation. As a key priority, Barn wanted to help Strider improve its product development cycle and ultimately create an "AgPlatform" that provides a one-stop shop for pest monitoring, crop management, and machinery oversight. Barn's initial funding enabled Strider to develop a more robust version of the pest

monitoring solution known as Strider Protector, which is part of the company's platform to aid farmers in identifying the best time to spray pesticides, estimating overall crop productivity, and ensuring the highest harvesting yields.

Hiring the right team and developing an efficient and aggressive commercial strategy was instrumental in getting the product right. Barn assisted Strider in growing from a 3- to 60-member organization, with a focus on the product and sales. Barn knew it was

The Company



Essentials

Company: Strider

Website: strider.ag

Country: Brazil

Sector: Software

Business: Precision agriculture

GP: Barn Investments, a Brazil- and Latin America-focused venture capital firm dedicated to early-stage investments (barninvest.com.br/en)

Dates of investment: August 2014

Investment: Barn committed USD1 million to Strider as the company's first investor, and divested its stake in 2018 when Strider was sold to Syngenta

Impact Highlights

To help farmers combat shrinking profit margins resulting from ever-increasing pesticide use, Barn Investments partnered with Strider to develop and market a mobile application and a geo-based, big-data engine that ensures precise, trustworthy, up-to-date information on pest population, machinery tracking, pesticide inventory, and overall plant health. Since Barn's initial investment in 2014, local farmers have been able to reduce pesticide use by approximately 20% to 30%, on average.

Barn assisted Strider in building its team from 3 to 60 employees. With the recruitment and integration of each new team member, the company has encouraged an equitable gender culture. As of 2018, 60% of the leadership team is female, while more than 50% of the managerial positions at Strider are held by women.

Barn and Strider partnered to educate farmers on the field as to what the technology could do and how to use it. The result was an extensive training and capacity building program—by 2016, over 1,000 farms and producers were visited, more than 15,000 farmers were reached directly, and greater than 5,700 conversations took place around technology adoption. In terms of training, Strider worked directly with over 1,500 farmers and also offered free training for teenagers finishing high school in rural areas.

The Company View

“Barn was Strider’s first investor and since day one, it had an active role in developing the company. Beyond establishing governance structures and reporting processes, Barn assisted Strider in defining the right distribution strategies and in securing future financing rounds. With Barn’s expertise, we were able to attract investors over subsequent rounds and keep Strider growing at its fullest potential.”

Luiz Tangari
Founder, Strider

important to help the company find people with the skills to implement its ambitious growth strategy—especially among early adopters that tend to be a major force in spreading the word regarding new technologies in the agtech sector. With the integration of each new hire, the company has encouraged an equitable gender culture. As of 2018, 60% of the leadership team is female—four out of six directors are women—and more than 50% of the managerial positions at Strider are held by female employees.

As Strider’s team grew, Barn established a number of policies and procedures around the company’s operations and governance. For instance, compensation and incentives policies were structured, cash management discipline guidelines were adopted, and a roadmap was built to create transparency

around key milestones and metrics. Reporting processes were standardized, and a code of conduct for employees was established.

Barn additionally focused on working with Strider to enhance its marketing and branding strategy, improve user retention, remodel its data and statistical analysis processes, and streamline its distribution channels—including to markets beyond Brazil. These value creation measures resulted in significant growth in Strider’s operations—revenues grew fivefold from 2014 to 2018. Since Barn’s initial investment, hectares monitored on the platform have grown from 94,000 in Brazil to 5 million in Brazil, Mexico, and the United States over the same time period. By using Strider’s tools, local farmers have been able to reduce pesticide use, on average, by approximately 20% to 30%.

Beyond the Bottom Line

Strider’s positive impact on the environment, including around climate resilience and agronomic practices, is evident in the farms that have adopted its technology. As a result of its products, pesticide usage has been reduced by approximately 20% to 30%. Plant, soil, and water contamination has decreased, alleviating the socioeconomic burden on smallholder farmers.

Barn and Strider knew that technological adoption in rural areas would be a challenge. In order for Strider to sell its product, Barn helped the company develop a sales and marketing strategy that could educate farmers on the field as to what the technology could do and how to use it. The result was an extensive training and capacity building program. By 2016, over 1,000 farms and producers were visited, more than 15,000 farmers were reached directly, and greater than 5,700 conversations took place around technology adoption. In terms of training, Strider worked directly with over 1,500 farmers.



The company also offered free training for teenagers finishing high school in rural areas, giving them an opportunity to learn about Strider’s technology and modern crop management, thus giving them a differentiated skill set when looking for a job. This program, which has benefited over 300 students in the past three years, is executed in partnership with the Municipal School of Ribeirão Preto, with Strider professionals providing the technical training and Barn contributing an on-site field structure for the students.

IMPACT HIGHLIGHTS

As of:	Initial Investment	September 2019
No. of employees	3	95
Women as % of employees	30	40
Audited financial statements in place	No	Yes
Environmental management system in place	No	Yes
Health and safety policies in place	No	Yes