

CHANGE OF PACE

Transformation remains inevitable certainty

The period between 1950 and 1980 could be defined as a time of stability in agriculture—a calm before the storm that escalated in the last two decades. The changes that have taken place since then come and go with lightning speed. According to R.B. Halaby, one can either choose to adapt or fail.

Halaby is president of AgriCapital Corporation, an investment banking firm that negotiates mergers and acquisitions, arranges financing and provides consulting services. He has worked on 308 assignments over the last 17 years, almost like a maverick in a war zone. While seed represents half of AgriCapital's business, the company embraces the rest of the agricul-

tural spectrum as well. Halaby senses opportunity where others see risk, and he feels that trust and honesty remain the cornerstones to his success.

Halaby recently spoke to the Atlantic Seedsmen Association's annual meeting at Niagara-on-the-Lakes in Ontario, Canada. He feels that the industry is finally putting its attention back to the essentials of business—running their company and making money, rather than being overly preoccupied with larger companies' acquisition angst. He says agribusinesses must now continue to change in order to meet challenges of multinational involvement, technology access and capital shortages.

STN: So what are the pros and cons?

Halaby: There are no pros and cons. It's reality. No one likes change. You always want to go to your home—it's the same sofa, you know where your china is. No one enjoys uncertainty all the time—it's uncomfortable. But it's a fact of life. The computer, the Internet and the collapse of the Iron Curtain absolutely freed up borders, and now money, people and ideas are flowing freely back and forth across borders.

STN: Basically, you're talking about globalization.

Halaby: Globalization basically means natural boundaries will count for less and less; governments will matter less. Capital will flow to where it's needed the most, where it's most productive. Those who are vast in numbers will survive. It's a natural progression. People just go and do what needs to be done to produce things as economically and as efficiently as possible.

STN: How do the combined issues of change and globalization affect business relationships?

Halaby: I honestly think seed companies will have to think more like the end user and be less production driven, less product driven and more market driven. Companies have to be much more flexible as far as joint ventures or licenses. People, in some way, have to give up some of their independence. In that regard, three or four companies joining forces allow the core group to complement each other and supplant each other's weaknesses.


With farmers, seed companies have to be more in tune with what the farmer needs and what the farmer wants. STN

STN: What does the accelerated pace of change mean for today's businesses?

Halaby: I have been preaching this notion of change and coping with change for 5 to 10 years. I don't see it slowing down. Unless you can cope with change, you can't succeed, and you end up dying. Every day is a new day.

Who could have predicted the Star-Link problem? Who predicted five years ago that the Europeans would have reacted the way they did to bio-engineered products? Who could have predicted the collapse of the tiger economies in Asia? No one can. You know change is going to happen, but you don't know what form it is, or how it's going to hit you. You have to be fast, and you have to be nimble.

R.B. Halaby




Company: AgriCapital Corporation

Title: President

Location: New York, New York

Nature of business: Investment banking

Number of employees: 8



STN: Who won't keep up?

Halaby: Some countries where there is a very rigid hierarchy and social structure don't move fast enough. There is too much power in too few hands. Which is why as companies get bigger and bigger on a worldwide basis, they get into trouble because they get too big, too rigid, too hard. You either see big companies breaking up to smaller bits, or you see companies changing the way they're managed so that decisions are made closer to the consumer.