

TRUST IN BUSINESS RELATIONSHIPS

by *Mati Mohammadi*

With constant changes in the industry, the **Purdue University** 2018 National Conference for Food and Agribusiness helped food and agricultural businesses address an important question: do relationships still matter in the current agribusiness marketplace?

The 2018 National Conference welcomed around 100 participants representing both crop and livestock industry sectors. All were eager to learn more about how to build and maintain trusting relationships in agribusiness. Conference participants looked at a series of research studies on relational trust in agribusiness, of which three main themes seemed to arise.

TRANSPARENCY IS KEY

The first theme was transparency. Transparency, along with traceability and responsibility, are key building blocks of trust in a business relationship. Together, these blocks set the basis for a lasting connection between companies and customers.

Nestle's Global Vice President and Head of Commodities **Patty Stroup** served as an insightful speaker at the conference saying, "You have to put the fish on the table." In other words, companies can strongly benefit from being transparent with customers and putting what is appropriate "on the table." This in turn builds and preserves trust.

Transparency not only increases trust in the supply chain and improves the company-customer relationship, but also improves relationships with other stakeholders such as regulators and stockholders. It is important to consumers and shareholders to know where a product is coming from and how it was made.

While the food and agriculture industry has made great progress in this arena, there is still room for improvement. Modern consumers are increasingly demanding more

information about the environmental effects of food production — something food and agribusinesses have to consider if they want to remain successful.

REPAIRING TRUST

Secondly, repairing trust is a fundamental fragment in business relationships. Most trust-impacting issues in the food and agribusiness industry stem from unfamiliarity of farmers and mistakes in contracts — especially when dealing with data. Surveys have proven trust is one of the biggest issues farmers have with agribusinesses, specifically when it comes to data collection, use and ownership.

To avoid rattling trust, contracts should clearly define what data will be collected and make a sharp distinction between agricultural and personal information. Agribusinesses may benefit from shifting away from long, complex agreements and instead leaning on contracts with simple and succinct language.

Clear, concise and fair contracts drafted with consideration of farmers' views and priorities are key in establishing or repairing trust centered around data.

VALUE OF RELATIONSHIPS

The third theme was being able to make the distinction between different types of relationships and the value they each hold. Relationships can be divided into three different categories: personal, functional and strategic.

Personal relationships can help to enhance personal and professional development, while functional relationships are mainly relevant to immediate tasks. Strategic relationships help to uncover future challenges and opportunities by building a strong network.

People are known for easily developing personal and functional



relationships, but often neglect to develop strategic ones. Many understand the importance of relationships, but few embrace and leverage them in their careers. Investing in strategic relationships and building a network can bring considerable value to those in the food and agribusiness industry.

The diversity and quality of relationships and the investments we choose to make in them can serve as the foundation of our professional success.

Attending the 2018 National Conference provided participants with valuable skills that can be used today and long-term insights for the future. Relationships in the current agribusiness marketplace do matter, and it is important to understand how to build and maintain trust in them.

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