

Prof. dr. Annemieke Roobeek

A New Growth Perspective for the Dutch Floriculture and Horticulture

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Prof. dr. Annemieke Roobeek

Professor for Strategy and Transformation Management at Nyenrode Business University, The Netherlands and Director of MeetingMoreMinds, based in Amsterdam, The Netherlands.

a.roobeek@nyenrode.nl, annemieke.roobeek@meetingmoreminds.com

Floriculture on the brink of a growth leap

The current Dutch floriculture cluster with the auction as a central player has had its day, according to Annemieke Roobeek. Growers, auctions and value chain partners -together with greenhouse constructors and suppliers- are facing the challenge of working towards an international sustainable ecosystem with production at a distance.

As a professor for Strategy and Transformation Management at Nyenrode Business University, Annemieke Roobeek lectures about innovation, ecosystems and clusters like the Dutch floriculture cluster. Floriculture in the Netherlands is a great example of a cluster with

the typical characteristics of mutual cooperation and dependence, of innovation and competitiveness. When teaching a renowned Harvard-case about the Dutch floriculture cluster for the MBA students, she discovered that it sketched a terribly outdated picture of the cluster. She found that it lacked dynamics and important changes over time. Together with her team at MeetingMoreMinds she decided to do research into the driving forces behind the changes in the floriculture cluster. While doing interviews and analytical data research Annemieke Roobeek came up with a surprising new international growth perspective for the floriculture.

What makes the Dutch floriculture cluster unique ?

“The large diversity of companies that do compete, but more importantly also collaborate for a common goal: the flower export. In case of the floriculture cluster, growers collaborate with for example specialised suppliers, trade companies, logistic service providers and of course, the auction, to produce a world-class quality product. And this all centred geographically in the Western part of the Netherlands behind the dunes. The two main locations are around Aalsmeer, south of Amsterdam, and the Westland, between The Hague and Rotterdam. In terms of surface area it can be compared to the size of the Bay Area in San Francisco. The Dutch floriculture cluster is the world leader as it flowers the world.”

Does the floriculture cluster have a future perspective ?

“Let me first stress that the current floriculture cluster is still very dynamic, but is also losing a large share of its forces. Its special collaborative character is waning due to consolidation in the sector. We also see less activity at the innovative frontline, although there is still innovative projects going on. There is now a small number of star players that

dominate and the roles of the players in the cluster are changing, most importantly the central role of the auction. Digitisation causes structural changes in every part of the cluster from production processes, to trade and transport. Floriculture certainly has a future perspective, but it will need to get its act together and change its organisation.”

So the coherence between cluster partners is disappearing ?

“More or less, yes. The floriculture cluster is no longer the uncontested world player it was in the eighties and nineties of the last century. After the turn of this century, companies and specialised suppliers have started acting more individually and notably enterprises that operate internationally have developed a looser relationship with the floriculture cluster as a whole. The notion of jointly developing a long-term vision is eroding. The auction cannot compensate for this, because many players are able to -and want to- survive without the auction or with a less important role of the auction. Today’s star players can make do with short-term strategies, but this is not a future-proof strategy for the entire cluster.”

What should the flower cluster do ?

“In a nutshell: Get your Flower Act together. By this, I mean that there should be a reassembly of all the stakeholders in and around the floriculture cluster. In this, advanced greenhouse construction, ICT suppliers, specialized climate control installation firms, and big data developers will play a key role. Furthermore, the cluster should consider that customers are more outspoken, and are more conscious of issues of quality and sustainability of the product and the way it is produced. This type of consumer does not find it easy to accept that flowers and plants are travelling the globe costing a lot of energy and resources.”

What will ‘Get your Flower Act together’ lead to ?

“To another vision of the future of floriculture in an international perspective. All players in the floriculture cluster, big and small, have to jointly work towards a sustainable high-tech floriculture that can serve as an example worldwide. Government, education, the financial sector and interest groups should see it as an enormous chance to make a big, international leap forward based on a strong sector.”

What will this leap look like ?

“Selling an integrated concept including advanced knowledge, combined information, construction and installation processes and data surrounding floriculture. This does not mean giving knowledge away, but selling tailor made knowledge for a specific location in the world together with sustainable production recipes for high quality products. This results in a competitive advantage of the Dutch floriculture with higher margins for all parties involved. In fact, in the concept I developed we combine clusters and networks into larger ecosystems. The Dutch world class position in floriculture, horticulture and its specialized suppliers around the green house sector gives the entire ecosystem an enormous competitive advantage. The focus for the new growth strategies is on the world’s megacities. Growing flowers and plants in advanced, climate-controlled greenhouses close to a city, wherever in the world this may be. Because of the unique knowledge position of The Netherlands, knowledge can be aggregated and put into data systems and the Dutch can fulfil a directing role in sustainable flower and also in the food production. You can even see it as an advanced form of floriculture and horticulture tailored to the demand of specific locations in the world. For the Dutch floriculture ecosystem this is about creating trade with a higher value and more impact than just growing and transporting flowers. The

same concept can be applied to horticulture as well, leading to a great contribution to advanced forms of urban farming. The positive contribution in terms of quality of flowers and produce will be large, as well as the impulse to employment, local trade and more sustainable logistics in mega-cities around the world.”

That looks like quite a challenge. Is it achievable ?

Thinking big is difficult for many companies. Most companies only look at their own part of chain. There certainly are traditional growers who think this is a bridge too far. Creating an international and sustainable ecosystem indeed is an enormous challenge that all stakeholders in the floriculture sector need to commit to. However, not committing to this challenge is a missed opportunity in the medium and long term. With such an ecosystem in development, a lot of criticism concerning environmental and societal impact, which the floriculture cluster is confronted with, can be countered.”

What does this mean for growers ?

“Growers will end up disappointed if they continue to think that things will be sorted by continuing to sell their flowers and plants to auctions. Growers should see themselves as vital parts of the entire ecosystems. However, it will take a few years for the sector, before an internationally operating, sustainable ecosystem will be in place in The Netherlands. Scaling-up will continue, leaving growers to serve their time without having a successor in place if they do not change their mindset. Production companies that do not want to lose out, will have to have access to thinking in a different way about the way they grow their plants and flowers. Growing for local markets around the world’s megacities where demand is highest. For growers it means that their daughters and sons, who now study informatics may succeed and transform the

traditional companies to sustainable, high tech, data driven green houses all over the world.”

Are growers prepared to do this ?

“At any rate, the new generation looks differently at growing flowers and plants than the old generation. It is not by chance that many sons and daughters of horticulturists now study informatics and big data. They already see the potential of an international sustainable ecosystem and are ready to anticipate on it. Amongst other things, they can do so with the experiential knowledge and know-how of their parents and grandparents, which they can translate in bits and bytes into advanced growing programmes. This inter-generational knowledge and know-how is key in the transformation process and it will be applied and used in another way together with the dynamic innovations in installation technologies, robotics and drones that surround them. Not so much the production of flowers and plants will be paid, as the knowledge for the production of superior-quality flowers and plants.”

Annemieke Roobeek has something to offer to the floriculture cluster

- As a 12-year old pupil, Annemieke Roobeek wrote an assignment about the VBA auction. She got this idea, because she was fascinated by the famous Bloemencorso, a flower parade.
- The dynamics in the floriculture cluster are still there, but they will be extinguished, according to the professor, if the individual competitiveness of star players is not used to make the transition to collaboration around ground-breaking innovations.
- Players within the floriculture cluster are aware of the necessity of change. However, they are not able to realise this change themselves. Roobeek does come to an overarching vision of the floriculture cluster with a future growth perspective. As a strategist and an outsider she looks at the bigger picture and the long-term perspective, whereas the parties in the cluster often think smaller and want to score on the short term.
- The reactions on her strategic prospect from the floriculture cluster are positive. During a lecturing tour where she presented her views a lot of positive comments came from all parts of the cluster.
- She is convinced that if her concept of collaborating in an ecosystem is adopted in the floriculture sector, this example will be followed by the horticulture serving the world with top class, sustainable fruit- and vegetables in urban settings and in particularly in mega-cities.

Contact

Prof. dr. Annemieke J.M. Roobeek

MeetingMoreMinds
PanamaPaar Oost
Panamalaan 8E
1019 AZ Amsterdam
T: (+31) (0) 20 504 0000
M: (+31) (0) 6 547 46 150
annemieke.roobeek@meetingmoreminds.com
arobeek@gmail.com
www.meetingmoreminds.com

