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# FOUNDER STORIES

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## The Story of Agnovate with JG Shields.

Agnovate is a South African insurance and financial services provider, founded and fast-growing in South Africa. The business was co-founded by JG Shields, a former farmer turned agri-entrepreneur and this is some of the history. Have you ever looked at massive brands, perhaps their glittering, glass-faceted buildings as you drive through your city's business districts and wondered, "Who started that company? Was it from the garage?" Perhaps a charming, ever-present question of any start-up is, "How did other businesses start?". We took a moment to share our founder story with you and sat down with JG Shields to pick his brain and understand a little more about the journey from conceptualizing a dream and idea to actioning and starting a business.

So, get the kettle on and prepare to get comfortable for the next couple of minutes as we share the (albeit abbreviated) story of how Agnovate and its first-of-its-kind Soil Moisture Insurance came to be. JG Shields, now the co-founder and Managing Director of Agnovate, grew up on a farm in Bethlehem in the eastern Free State, South Africa. The farm was what JG refers to as a "mixed farming operation" consisting of grains, such as wheat, dairy, and "extensive livestock farming" (livestock that is raised on natural grazing land – also known as "free range"). It was here, through the travels of time from youth to young adulthood that JG believes he learned a huge part of mitigating risk. Through observation and participation in the family farm, JG learned that diversification has power as a risk mitigation strategy.

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JG Shields, Co-Founder & Managing Director of Agnovate

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*"It was a natural evolution to choose agriculture as an interest from the family business and a much-appreciated expectation of my father's that I go on to study. It was a hugely enriching and interesting experience for me to see into the science of agriculture and gain that kind of invaluable knowledge. It was during my time at university that I also discovered that I see and consider myself as a scientist and technical expert to this day, more so than a financial expert", says JG.*

Following his studies, JG began to diversify his interests in agriculture and began the process of transitioning from the family farm into involvement in other businesses, many of them integral supply-chain related elements to any agricultural business.

*"It was through these experiences that it came to be suggested that I explore the possibility of a position within a bank, which, through an ever-present curiosity for new knowledge, I pursued."*

In 2000, JG joined ABSA bank on the financial services side of the business as well as banking. In 2010, he moved over to Business Bank (ABSA) where JG was a part of the strategy team, thereafter looking after the relationship between the financial services and business bank. Following ABSA, Swiss Re Corporate Solutions employed JG to start and initiate crop insurance in South Africa as a solution for corporate entities, which was meant to be a parametric solution. The offering and idea were ahead of its time, and it was here that JG was exposed to the world of parametric solutions. A fantastic, global learning environment and experience. That environment, internally with their multitude of resources and skills was exceptional; allowing for a visionary impact and influence that was huge in making Agnovate Insurance a reality. He recalls his experiences at this point in time fondly, *"My 18 years experience with ABSA and Swiss Re Corporate Solutions was a wonderful one. Both were excellent at identifying talent and nurturing it, which I appreciated so much then and still do now."*



Photo by Armand Jacobs, Sales Executive at Agnovate

JG recalls that it was exposure to this type of experience that gave him and his co-founders integral insight into answering complex questions and solving problems. Perhaps this is where the seed, so to speak, was planted for the exploration of beneficial opportunities in Africa.

It was in the environments following this 18 years' worth of experience where Agnovate started to transform from an idea, left dormant, into a more tangible reality; a business began to take shape. Agnovate was co-founded by a number of shareholders, which included two co-operatives. However, within the first 6 months there came to be a realization that there were two universal schools of thought that translated into two groups of shareholders; individual shareholders who operated as entrepreneurs and innovators & co-ops, who had a much more conservative business approach and wished to adhere to traditional corporate values. Herein laid a misalignment between these two groups and the result came in the form of shareholder restructuring. The company was at that stage left to be driven by individuals, as shareholders, funders, and staff; The founders of Agnovate had to fulfill a multitude of roles, purely by saying, "What can I do?". This is where, and in so many founder stories, creative thinking had to come into play.

Over and above this challenge, there were a number of regulatory challenges that came to my attention when looking into innovation, on behalf of others, that needed to be scrutinized, understood, conformed to, and worked around. It was at this time that JG, along with some close-cultivated relationships, decided that they wanted to create a financial services vehicle, Agnovate, that could maneuver better and optimize the team's approach to the industry.

***"It was a huge swaying factor in the environment I wanted to create."***

Any fellow founders will no doubt find solace in the following quote from JG (because, as the youths say, 'if you know, you know'),

*"It was a struggle. You make your own coffee and negotiate with the re-insurers while doing everything else in between. This is, in my opinion, the most exhausting experience that one can have; all with limited funding."*

***“They believed in Agnovate. To the point where they never said ‘no’. Therein lies the pendulum swing; how can we make parametrics work within the regulatory framework? “Little lights” began to switch on in my head.”***

JG began to dive deeper into the misunderstanding of the law and regulatory rules. By immersing himself in the finer details of his industry, a new version of what was truly possible began to emerge. It was during this time that JG was approached and asked to assist with an alternative, agriculture-space based, financier who wanted to build an insurance product to insure soil moisture. JG decided that this time, “no” was not what he was going to choose.

Through a process of a close-knit, trust-based relationship built of a handful of people, an appointed financial services legal expert, and an abundance of late nights and cold coffee – Soil Moisture Insurance was born under Agnovate.

A well-respected Managing Director within the Insurance space, alongside some influential, independent legal experts could not find any reason NOT to call Soil Moisture Insurance an insurance product.

***“And so today, you can now insure your soil moisture for the first time in South Africa, with Agnovate Insurance – an authorized Financial Services Provider, FSP number: 48802”***

*To continue to learn more about JG, Agnovate Insurance, and their continuous innovation in the alternative and agricultural insurance spaces, you can connect with JG Shields on LinkedIn.*

*Written by: Victoria Golding  
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