

Thinking Outside the Bud

Episode 347 - Dima Chernobilsky

<https://www.thinkingoutsidethebud.com/podcast/347-dima-chernobilsky>

Dima Chernobilsky, Co-Founder & CEO at GrowDirector

A former CFO of a public company, Dima has worked in various finance and management roles in East Europe and Africa for more than a decade. Dima and his co-founders decided five years ago to solve problems they encountered when growing plants. Their goal was to grow anything anywhere with minimal effort and zero mistakes. Thus, GrowDirector was born. Five years later, they launched their third generation of greenhouse automation and hydroponics controller.

<https://growdirector.com/>

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You're listening to Thinking Outside the Bud where we speak with entrepreneurs, investors, thought leaders, researchers, advocates, and policymakers who are finding new and exciting ways for cannabis to positively impact business, society, and culture. And now here is your host business coach, Bruce Eckfeldt.

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[1:07]

Welcome everyone. This is Thinking Outside the Bud. I'm Bruce Eckfeldt, I'm your host. I'm your host, our guest today is Dima Chernobilsky is Co founder and CEO at GrowDirector we're going to talk to him about the work they're doing in cannabis little interesting kind of angle, working out of Israel and kind of looking at some of the different kind of context I think is always fascinating for me, we tend to be fairly kind of US market focused here. And I always love talking with folks that are looking at cannabis at a more kind of global level. And really, where the problems are where the challenges where the opportunities and where we have kind of new sources of innovation in this market. So I'm excited for this kind of hear what they're doing some of the technology, they're applying how they're kind of seeing challenges in the industry and the solutions that are creating. So with that, Dima, welcome to the program.

[1:51]

Bruce, thank you very much. Nice being here. And I'm looking forward to doing it.

[1:57]

Yeah, it's a pleasure. So before we get into what you're doing with grow director and the work you're doing today, let's get a little background. How did you get into the work you're doing? How did you get into cannabis give us the backstory?

[2:09]

Well, I want to say that my way it was really usual, but it went like this. After I finished three years in army, I went up to university and got my degrees in finance. Then I started my career in the CFO, public company, in order state and been there for five years. After this. I went to work in East Europe, once again, as Deputy Director of same things in the real estate, frankly speaking, I went out for the girls. And I ended up actually getting happily married. Good for you. Also, it was very fun looking for a partner. And you know, sometimes journey is more fun the destination. It was definitely fun. I must admit that my life took me to Africa. And I spent five years in Africa as a commercial director for infrastructure company, and always wised up and created my own company. Yeah. So the way it started, actually, it was when I was in Africa still, but also in Africa. I got interested in, in growing stuff in agriculture never seen and will like with everything that you have never tried. It looks like very easy and fun. And you can do it on the field.

[3:30]

I can do that. That can be so hard.

[3:33]

I will. The surprise is it wasn't it wasn't easy. For the first time of course, I felt that there was a second. And only in the third time, something actually grew. I was very excited because then I saw that was a professional grower now understand how far off I was. So I started growing and getting into the details. Because when when you're interested in something and you're passionate, you just want to know more and more about it. So the more I researched and the more I learn, the more and how much I don't know and how hard it is. There's so much things you can do for for a plant if you're just looking for the window is you like Teresa growing for hundreds of years, nobody can do anything. Everything's fine. So yeah, maybe your stuff will also grow. Yeah, no, it's not. It is a lot of hard work. And it took a lot of time. And I was actually dreaming of something like grow director, which actually would do now the growth director actually automation of the growing in your indoor on a greenhouse you're in I was dreaming about having something like this was like five years ago and there wasn't

much on the market. Now there's much more but still, there's a lot of way for improvement. So I met with my friends Nanos. I'm actually from the hardware industry and one from the software. And we thought, yeah, let's do something we can find an easy and we'll be multimillionaires in a heartbeat. So currently, five years later in three millions dollars later, we're here. But we're finally actually ready when option wheeling our third generation device. Second was being sold in Europe and in Israel. And now we're ready actually to take the US market was something very unique and very special.

[5:30]

Yeah. So So tell us, I mean, I guess, in terms of when you were growing, and when you started to really kind of dig into the no pun intended the cultivation side, what was the big challenge? I mean, what was the thing that came up that you realized you didn't know to begin with, or that made it harder than it seemed? Well, to be

[5:46]

frank in the beginning, and we know really little. So there's a lot of things I didn't know. But I do know what drains you using a youth knowing what plants actually mean, I knew know how to get the maximum of your plant, I knew little about genetics. And each psychologist learn more and more and more, and each cycle understand how much more there is to learn. But it's still challenged. Even every day, let's say, in New Zealand, we have our own challenges, we have like very hot summer, and use different genetics and use different environment for it to grow successfully during the summer. During the winter, actually, it's great. And actually, only during the winter, we'll be able to grow hydroponic, because during the summer, it's becoming really crazy hot. But during the winter, we're actually doing hydroponics. And actually hydrofoils, like, times harder. I mean, there's so many things that you need to do, right, in order for your plant to grow. And low director actually helped me a lot about this, it's really taking all the headache of the pH and EC all the nutrients. And all the environment. It's great you can grow, you can grow remotely, we will always grow director can take really huge, really huge big facilities, the new device actually coming which can connect 16,000 devices, every single wirelessly, no, no infrastructure, nothing is needed. And even if you don't have Wi Fi, everything can be connected. You can you can, you can actually control every aspect of your grow from LED dimming to nutrients to irrigation using a release, or really any electrical device, any any management rule, everything is really really really nice and really friendly. All the information you can imagine you can download and play with it. And you can store it for yourself. Everything is cloud, every single, smarter automatic, any, any loads that you would wish you can create. So after making so many mistakes and learning so much, we actually created something that people will enjoy.

[7:57]

I'm curious where you like, where did you start? I mean, I always find with these kinds of solutions, there's like the sort of the big problem you solve first, and then you start adding other kinds of features and functionality like what, what was the core? And then how did you start to expand, you know what parts of the cultivation process you were going to kind of bring this technology to? Well,

[8:14]

the core was, was a basic environmental control, you control temperature, and you control humidity. After we after we finished with this, we understood it? Well, it's nice, but it's not enough relationship to have early groundbreaking product need to give people some things that don't have, and substance they want and would like to want. Now, the number one rule in creating a product actually is using it. And if you're a user, you can really understand what other users would like, you can eat something all this can go wrong. Of course, now

some have some something that they know better. But still, number one rule if you don't use your product, just drop it anywhere where in startup business and statistics is against you. Now most of the people who will listen me today will actually lose their companies by the end of the decade. It's just statistics. So it's hard enough to succeed, even if you know what you're doing. And if you and even if you know your product, you like it and you use it. If you don't use it, just give it up now, you're saving money of your investors.

[9:21]

Yeah. And as you sort of develop this, who did you find or who are you finding is really being kind of the core customer or the target customer those like who needs this kind of solution is this professional grower that wants more data is this you know, someone that really doesn't know much about growing and needs really kind of assessment that's going to help them who do you sell to?

[9:41]

We start actually our first generation from home grower, which Xandria understood home grower live, want to have all the info, all the capabilities and automation all the environment control, but relaxing of paying those unruly grid guys we're actually more into debt Why, and they need something very simple and cheap solution. Yeah, so in this third generation, it's very modular. So we're not extremely cheap. Okay, but we extremely good. So some kind of part of the homeowners and small growers actually will use our product. And I will be very happy if they do. But we do see your future, we do see, we do see the money from the commercial and professional growers. Those guys wanted to mention they needed the needed data, they need the capabilities of controlling everything. And they're able to pay because it's their business. So here we see our main audience actually have professional growers, big big tank growers, medium tableaus and small growers. And those guys will appreciate the thing that we did for them. Because every single bit very simple and very smart. Well, actually anything in machine learning and machine learning, just to prevent the mistakes of a grower, because we are humans, and most of the problems we create by ourself. And we're hoping to prevent those problems, or at least if he was very stubborn to alert him, tell him see something going wrong. Now it's up to you to decide. So we feel the thing that we're actually bringing to the table, it's keeping the grower happy, and preventing him doing any mistakes, if it's by his fault, or just by mistake, multiple see most of the things, most of his appointments weekly.

[11:38]

Yeah, yeah, I got it. And so I guess to where, you know, you mentioned that you've got some some traction in Israel or sounds like in other parts of Europe, you're you're planning on entering the US market, tell us on where you are in terms of adoption at this point.

[11:50]

In terms of motion, we are actually doing distribution Europe, we have a distribution in UK, with Southern Italy, Denmark, and working for some we have an Iceland, actually, for like actually going in Iceland. And recently, we also started from all the things actually in Alaska, the doing is doing some something different doing a container hydroponic growing. But we we don't come to we seen that our clients actually in different aspects of growing not only in cannabis, but the cannabis, huge market. And those are core users. And they actually are willing to pay in the normal they need and we bring them something that they don't have it but the regular agriculture is, is the next step, the way that I feel about cannabis market is the following. So once once we're successful sell, it's zero, it's actually like a stamp of approval for the rest because cannabis grows, I extremely demand for a relatively extremely scientific if you compare to regular agriculture, and very, very into technology.

So once we prove ourselves in this market, we will go to other markets. There's a lot of huge hype now about hydroponic cultural growing, sustainable agriculture. And luckily, we feed all of us nutrients.

[13:22]

Yeah, and what have been some of the challenges I mean, when you're when you're going to market what's the what are the objections? What are the things that you know, you're kind of having to kind of sell through or you know, work at work around in terms of, you know, people willing one to either try or adopt the product,

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the main challenge issue used to be a new brand, and people are really afraid of trying new things. And now some people are one things look, somebody's or trying to use it, we'll have like a sophisticated smart computers. So I have like, if you divide you have two extreme examples of clients, one of them something going on you are devising I need to read the manual. No, it's not for me, thank you. And other ones, actually, they will dig into not only into hardware, not only into software, also into hardware, and give you useful feedbacks, those guys I love, but the main user somewhere in the middle, somebody that still have issues of using new technology, not because it's too hard, but because we are people in the basic thing about us is the same we are lazy, okay. And even if it's even if make us even if we need to learn a little bit to to use the new technology, we're still reluctant. Because always we are it's not good, not bad. This always you are and being new and being new, it's always hard. So we are trying the best we can to give something that they don't have on the market. And we are actually quite successful in this. But let's do two questions. The main thing is to be known. And this takes time.

[15:03]

Yeah, just getting getting awareness in the market. So you're not trying to explain who you are people understand. I've heard about you and understand kind of what you do in general. And what is the scope of your product when you mentioned how, you know, it plays nicely. And there's lots of things you can do with it, and you can manage everything. But where are the boundaries of your product? Where do you what are the interfaces? Like, what kind of other solutions are you integrating with give us a little sense of the scope and the architecture.

[15:26]

Okay, so it's coming, it's coming actually, with six devices. First one is hydro director. And we actually took one step closer, it's coming with the whisk poms and the sensors. So with sensors, it's actually made for somebody who just want to start hippos grow some professional, so we can add a lot of hydroponics center. So we're talking about the basic things like pH, AC, and water temperature. And then we're also eating a dissolved oxygen sensor and RP, this is actually the next thing is hydroponics. And those things will give you a huge amount of ability to control. So you can chain connect virus up to 16,000 devices, which is crazy. So he actually can take care of from small growers to a huge grower with like, huge 1000s of gallons tanks of water, we're still getting old to do it. If you need really huge pumps, you can add some dry, really slow, dry relays, also regular outlets, and just go crazy with your girl. So that's number one. Number two, we have socket director, asexually, something you can plug in any electrical device, and all the devices will in this one, you can control the variable and record the rules. So you can control is a time of value, let's say value, it's I want to keep let's say humidity between 50 and 60. So once quantum is below 50, it will on something or I wanted to look at 15 minutes each day, or you can can actually combine it. So during this period of time, I want this environment during this period of time I will this environment and from the beginning, you can actually it's not even programming just inputting

the information. I wonder if you're three weeks this environment is the next three weeks, decent power, and so on. So from the from the get going, you can all you can program all of your SAP enzymes, every single automatic, this dessert thing actually is dry really dry really actually can control is how how on high or low voltage for how voltage let's imagine like hundreds lights, you 100 lights actually connected to one big release. So we're actually controlling all of your 100 lights from one really. So it's very, very easy. The next thing actually is sense of director so you can connect a lot of senses again spread in order to grow like it can spread every feet, you can go crazy because everything viruses, they don't need any infrastructure. And then you can use temperature humidity sensor, soil moisture, soil, EC, soil temperature, co2, locks and bar for the light and flow meter. And you can call it crazy of 64,000 units of difference. So you can or you can put in your in your facility. So and next thing actually LED dimming. So one dimmer extra can control up to 100 LEDs, and it can do so it can really recreate sunset or sunrise, or it can keep your lights. For certain scenes, let's say once the temperature was below, above some level, you can dim it or one humidity below something, some level, you can actually up the light. Again, don't ever since if you would like the next thing, actually, it's server director, if you don't have Wi Fi don't have any infrastructure server, the reservation will create virtual cloud. This means even if you're in middle of nowhere, you still have all the virus capabilities of the device.

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So it actually provides a wireless network for all your devices. You don't need to have a third party wireless in place.

[19:19]

Yeah, if you don't have let's say Wi Fi in the middle of nowhere, so we can create actually your own network in your local facility in your local physical facility. So it doesn't require you to do anything.

[19:33]

So I was gonna ask like, where I mean, where do you find your really your secret sauce? I mean, is this the ability to kind of control things remotely? Is it the data that you get? Is it more granular control? Like what's the, like where where does it really kind of provide this unique solution? Well then,

[19:52]

okay, there's a few points. So we're gonna start with modularity and wireless. So we actually neglect After all, this not neglect to actually help the grower not to look too messed up with all the infrastructure, physical infrastructure, but every single virus, and this is extremely important. And we have so much redundancy in the system, that even if something went wrong, you will still won't kill your plants. And this is a main problem of the grower because electrical devices go bad. So we did a lot of things in order to be really rodents, of course, we actually provide all the imaginable data that you want. So let's say after a successful growth cycle, can download all the data off your sensors off your devices, when something was on was off, everything you can imagine, and you can actually dig into your data. And if something went, Well, you can replicate for the next row. Or if something didn't went well, you actually can go dig into the data and understand what went wrong. So this is very great. Also, we working very, very hard on interface. So it will be easy intuitive for people is also very important. And we also managed to do everything this in on the friendly budget, I mean, for the for the customer. So if you compare something to have Hamza market, you will be really pleasantly surprised how much you can get for your buck in Grow director. And we're actually in Korea, we're actually inputting a machine learning. So and this is probably the most important the Samsung's we've worked in this is actually the hardest part. So the way it goes home, we actually understand what's a grower does, we understand what

he needs, and next time, we can prevent it, let's say we understand that in certain conditions, his levels of humidity will drop. So when before the dropping, we're gonna, we're gonna be able to keep it steady without dropping, or if user actually owning something by mistakes, or doesn't matter why. And we can understand that we can extend the implementation of this, which will be bad for the plan, we will allow the growth. See, we think that this is should be is it shouldn't be on. And this is one of the most important things actually helped grower, and we are we are proud of working on it. And to bring great solution.

[22:15]

You know, as you've developed the company, I'm curious where your big challenges have been? I mean, you're talking about a lot of tech, both hardware and software, has it been the engineering side? Is it been sourcing products? Is it finding talent, where I've been the challenge is for you as leader to scale the business, all of these.

[22:35]

You mentioned, like finding talent. And, well, this is, this is one of the issues like we as an employer, we were really deep into our company. And sometimes we are forgetting to look around understand what's going on. And for us, it's our lives a company, but we shouldn't forget that for most of our employees. This reality is just a job. Okay, it's not true. life dream, maybe Okay, for some of them just a job. So don't count something that worked harder than you are. This is on you. This is challenging. And number one second challenge, actually, it's sourcing for hardware. Nowadays, we have partnered lead time is six months more. This is crazy. Hopefully it will be changed in next five to 10 months. But now it's a big issue a software, I would say it's it's a challenge and opportunities away with the difference between software and hardware. Once you have installed the hardware on the facility of the customer, there's nothing that can be changed. But software, it can always add something, you can always upgrade it. And you can always give the better product to the to the user. So from one hand, yes, software was the most challenging was the most problems. But the beauty about both software without from the user side without any hardware from his side, it's very easy for him to upgrade his experience by downloading a new version of software and for us, it's very easy to distribute it. So software, it's actually a headache, enemy opportunity because we really think it will bring you a lot of beautiful things to the to the grower one of them it's a virtual agronomics I would say that one of the problems for the growers, it's there's abundance of information. It's the same thing. Let's say your knees hurting go online, you'll find that you will die tomorrow is like 100 of bad situations and you don't know what's actually going on with you. So the same thing nowadays with agriculture. I actually have first hand experience in many, many times. I'm going to professional agronomics I mean like professional educated agronomist and ask me about the 13 problems, and then getting three different answers. So Something just drive me crazy. So what we actually want to develop in the future, it's actually virtual agronomics. This actually human being, which you can always consult with, and get one precise, normal answer. And the beauty of our system, the plant is like a baby. What I mean is, if you go to the doctor of your MS dig into the history or health of your baby, same thing was a plant, because we have the monitoring of falls environment and everything happening to the plant from the from his siblings stage, talking to our agronomics will give you a lot of information, because our girls should go and dig into the data of how a hot plant was developed. And he will can give you much more precise answer of what is wrong with your plant.

[25:45]

Yeah, yeah. I'm curious, you mentioned that you're entering the US market, what challenges have you found being, you know, outside the US trying to get in? And then what advantages have you found in terms of being you know, outside the US market? Like, give me a little compare and contrast?

[26:01]

Well, the advantage, it's nice being isn't really, because you can bring it? Yeah, I mean, it's really a nice way technology, and people like it. So our country worked very hard for it. And I'm just using it. But we have had very good knowledge going in agriculture, cannabis business. And we're actually using a lot of Israeli knowledge and want to bring it to the world. This is actually the advantages, the challenges is your follow up or you're not always understand the culture and not always understand the people. And this is lacking in like a like an every new country and culture. And this is not easy, I would say but time can heal it. Yeah.

[26:49]

David, this has been a pleasure. If people want to find out more about you more about GrowDirector, what's the best way to get that information,

[26:54]

Most people can write me an email, it's dima@growdirector.com Or just go to our website growthdirector.com and contact me and write me something. I would love to talk to people. I would love to get their opinion, and to see what we can do better for them.

[27:18]

So make sure that everything's in the show notes here. David, this has been a pleasure. Thank you so much for taking the time today.

[27:23]

Thank you for having me. Thank you very much.

[27:27]

That's it for this episode of thinking outside the bud. Be sure to subscribe using your favorite podcast app so you don't miss our future episodes. See you next time.

[27:36]

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About Thinking Outside The Bud

Thinking Outside the Bud is a business podcast devoted to driving innovation in the cannabis space. During each episode, we speak with founders, investors, thought leaders, researchers, advocates, and policymakers who are finding new and exciting ways for cannabis to positively impact business, society, and culture.

For more information and a list of recent episodes, please visit <https://www.thinkingoutsidethebud.com>.

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