

The Dispatch

Family Business Insight for your Agriculture Company
July 2023: Seeds of Change in the Family Business

Perhaps you've heard of the [Svalbard Global Seed Vault](#) in Norway where seeds are frozen in safekeeping. I've visited a similar global rice seed bank in the Philippines. In addition to the technology to safeguard diverse seeds, every few years they take the seeds out of storage and germinate them to stay viable. In the same way, we need to both *preserve* and *germinate* our family businesses. It's easy to focus on safeguarding assets from estate tax or legal liability, but sometimes less obvious to put as much energy into growing and evolving the people and processes in your organization. Bill shares a new perspective on preserving, while Lance and Ethan outline two aspects of growing the family business. We hope you enjoy this issue! --- [Davon](#)

What are you "Curating?"

[Dr. Bill Long](#)

As Davon mentions, the idea behind this Dispatch is to use the reality of seeds preserved and seeds growing as a metaphor for what we not only want to preserve in our lives but what new things are growing in us. My task here is to focus on the "preservation" aspect.

There are many things worth saving or preserving in our lives but rather than speaking of what those things are (for each one of us they are different), I want to introduce a new word that is currently "in vogue" to enhance our language of caring or preserving. It came to me when talking to a friend who was trying to build a new business in which she would give wine tours in California to wealthy people from across the country. But rather than "giving a tour," she told me she was "curating" a tour. I smiled to myself, because I saw this as part of the way language works—come up with new words and then charge people more!

But then a serious thought dawned on me. Our current language of caring needs the verb "to curate" (CURE ate). It means, literally, to care deeply for something, or to take all the necessary steps so that the object we are concerned about receives deep and focused attention. "To curate" something fits that situation in life. And so I close with that question to you. Not simply, "What are you caring for?" but "What are you curating at this time of your life?"

Preservation Requires Growth and Change

[Lance Woodbury](#)

Many businesses are "family owned" because the owners are trying to preserve something unique. They may be preserving the ownership of assets, for example, keeping land or asset ownership within a family lineage. They may be preserving a particular company culture or approach to doing business that sets them apart. Or, they may be preserving a lifestyle, a way of living and working they simply could not achieve if they were employed by someone else.

Those same family businesses also realize that to preserve what they love, they need to continue to grow and change and adapt, that "what got you here, won't get you there." But growing isn't simply a matter of gaining more revenue. Family businesses need new structures, new vehicles, that *allow* growth to occur. To keep what you love, you might need:

- A different entity structure to accommodate future generations of owners with different levels of involvement in the business.

- A different estate plan recognizing an escalating net worth, the threat of estate tax, and different management contributions family members.
- To modify your capital structure and operating agreement to allow for some form of employee ownership.
- To establish a new advisory board, or join a peer group, to work through the management challenges you haven't encountered before.
- To buy or start a new business to complement the maturity of your core business, deal with threats to that core business, or take advantage of a changing customer demographic.

Somewhat paradoxically, the act of preservation not only involves, but *requires*, change and growth. To keep what you love means changing your family business. Leadership guru [John Maxwell said](#) "Change is inevitable, growth is optional," but in the case of the family business, preservation means that growth of some form is required!

The Seeds for Growing Skills

[Ethan Smith](#)

Preserving and growing your business starts with identifying where your organization is today. Consider the following four stages:

- **Stage One: Survival** – This is likely the beginning, early years of your business.
- **Stage Two: Stable** – When cash flow is stable enough to weather the economic cycles of farming over multiple years, and adult children begin returning to the business.
- **Stage Three: Professional** – Introduces more formal management, key non-family staff, and the formalization of internal processes.
- **Stage Four: Institutional** – When governance shifts to a board of directors, possibly including non-family owners or leaders.

Stepping from one stage to the next involves taking stock of your current people, your practices, and especially your skills, then identifying what you need to get to the next level. Growth isn't always adding business ventures, more acreage, or more employees; expanding your skills, or your personal growth, can come in other ways. Consider the following:

- Improving your technical knowledge: Whether its agronomy, financial literacy, or commodity marketing, increasing your technical skills can result in growth.
- Improving your management skills: Attracting and retaining key talent is always important for your business. Understanding what helps build your team can allow you to inspire those within your organization.
- Improving your energy level or morale: Arguably the most important key to growth is keeping yourself motivated and energized. Allowing yourself the opportunity to step away and recharge can result in strategic growth.
- Improving your team: Ask yourself these questions. Do I need a professional accountant? Will I need to add to my sales or marketing team? Is it time to look at other resources for HR or payroll?

Regardless of the approach, my hope is that you discover how to nurture and grow your skills, which in turn helps you achieve future stages of business success.