

## Senior Partners - 1

# Boot Camp: How to Groom Replacements on the Farm



**Elizabeth Williams** DTN Special Correspondent  
[Bio](#) | [Email](#)

Fri Feb 18, 2011 06:45 AM CST

INDIANOLA, Iowa (DTN) -- Power shifting in any business is often uncomfortable. Is the older generation ready to hand over some power and is the younger generation prepared to assume responsibility?

When the Lenz family of Wray, Colo., wanted to bring the third generation into the farming operation, they aimed to make the transition as orderly as possible.

"We set the bar high and wanted to be sure as we could be that they would be able to contribute to our farm," said Rod Lenz, one of the four middle-generation brothers now in their 50s. "All of my brothers and I have big families; 22 kids grew up on the farm. And we want to make sure they have an opportunity to enter agriculture, if they want."

That's also a challenge, since the cousins' ages span 20 years from oldest to youngest and the first two newcomers to join the business were in-laws. So in addition to on-the-job management training, the Lenz succession plan emphasizes family values like mutual respect, inclusiveness and integrity. "And I can't emphasize the family values enough," Lenz added.

For management training, the Lenz family requires partners to have a college degree and an on-farm apprenticeship. The third-generation farmers must complete at least two years of college, two years working off the farm and two years working on the farm for wages.

"Then you have to make a formal presentation to the farm partners about what you can offer the operation. What are you bringing to make the pie bigger?" explained Lenz. "We talk to them all the way through the process. We're open to working in a joint venture to help them start on their own, if that's what they'd rather do."

Marty Buoy, who is married to Mike Lenz's daughter, Yvonne, became the first new partner in 2006. He was a mechanic at Caterpillar for seven years before joining the business. Now he's the farm's mechanic and works in the corn enterprise. He's also continuing his management education. In January, he attended TEPAP, The Executive Program for Agricultural Producers, an intensive weeklong course designed to groom mid-career farm business owners and their successors.

"What makes the Lenz farm unique is we have no president or CEO. Each partner takes responsibility for different parts of the farm (purebred Charolais, potatoes, corn, finance, spraying) and makes the day-to-day decision for their respective area," noted Buoy. "We have brief weekly employee meetings to go over the last week and discuss the coming week. Then, just the partners will meet and resolve any concerns or large decisions that need to be made. Each partner receives an equal vote and monthly draw. Profits are assigned at the end of the year according to ownership percentage."

"My brothers and I learned what not to do in our first five years of farming," said Lenz, who is in charge of the potato operation. "We were a train wreck waiting to happen, because we all thought we each knew best and couldn't understand why everyone didn't agree with what each of us thought. We brothers all have the same values -- a strong work ethic and integrity. But the four of us boys have very different personalities and interests."



More than two dozen family members, employees and their families joined Mike Lenz (left), his son-in-law Marty Buoy and Rod Lenz at the Lenz family retreat this month. (Photo courtesy of Lance Woodbury)

Get Your **Free** Large Price Movers Report Visit us online or call us at: 800.446.3887

**efutures.com**  
THE WORLD TRADES HERE

## Related News Stories

[Ag Interest Rate Snapshot](#)

[Klinefelter: By the Numbers  
Talk Therapy is Sound for Business](#)

[Lenders Sour on Dairy Loans  
Milk Rally May Not Rescue High-Debt Farms](#)

[MBAg by Adam Erwin  
Why I'm Outsourcing IT](#)

[Minding Ag's Business](#)

[Minding Ag's Business  
\\$7-Corn Years Are Meant for Revenue Insurance](#)

[Paper's Protections and Perils  
Bankers Recommend Using Electronic or Certified Payments](#)

## Ag News

[DTN's Quick Takes](#)

[Washington Insider--Friday  
South Korea's Free Trade Deals with the EU and the U.S.](#)

[Market Impact Weather  
Central U.S. Dry and Warm](#)

[Letter From the Editor  
The Tiger Mom Debate](#)

[Newsom on the Market  
"Elementary My Dear Watson"](#)

[Groups Try to Stop Food Aid Cuts  
Proposed International Food-Aid Cuts Top \\$1.1 Billion](#)

[La Nina May Be Weakening  
Warming of Eastern Pacific Indicates Decline in La Nina  
Conditions This Spring](#)

[EPA Deadline in Question  
Groups Push for More Time to Implement Pesticides Permit  
Program  
more...](#)

## U.S. & World News

[House Slogs Through \\$1.2T Spending Bill](#)

[Iraq Protesters Block Bridge in South](#)

[China Raises Bank Reserves](#)

[Bahrain Mourners Want Monarchy Ousted](#)

[Afghan Suicide Bombing Kills 8](#)

[Benanke: Help Ease Trade Gaps](#)

[Egyptians Celebrate Fall of Mubarak](#)

[Ugandans Begin Presidential Vote  
more...](#)

## STRENGTH IN NUMBERS

"It was tough farming in the early 1980s and then we had the hailstorm of all hailstorms. It almost wiped us out and it taught us some humility," Lenz explained. "We learned there is strength in numbers and we needed to turn our differences into assets." What each brother was best at became his area of expertise.

They also learned they didn't all have to think alike, said Lenz. "To be honest, I don't have to be happy with my partners all the time. But I have to consider their opinion and I have to value them."

Another Lenz trait is that family is a priority. "As farmers we're nothing extraordinary. Yeah, we have a good line of cows, but otherwise, we're just regular good farmers. However, I wouldn't trade my family for anything," said Lenz. "That is the key to our success and that's what we need to instill in the next generation. Our integrity, our name means everything to us."

Passing on that culture and value system is key to family business success, said Johnne Syverson, Transition Point Business Advisors in West Des Moines, Iowa. "You can have the best-crafted estate plan and business structure set-up by the finest legal and tax experts in the land and it will generally fall apart by the third generation without effective intergenerational communication and trust."

Build the family, not just the farm, the consultant advises. "To retain both your family unity and prosperity across generations, the business of being a family must be planned for, tended, supported and celebrated," Syverson added.

The family does that with regular retreats. This year's celebrated several milestones: After a lifetime in farming, Rod's parents, George and Betty Lenz, retired this year and two more partners joined the operation. So 28 family members -- including partners, their wives and kids -- gathered for a weekend of long-term planning, communication and fun at a local community center. Employees and their wives and children also joined in.

"We try to do this every three to five years," said Lenz. "We invite outside speakers and also each of the partners makes a presentation."

Three things make the Lenz family unique, said Lance Woodbury, a family business consultant who spoke at the retreat. He cited inclusiveness, respect for each other and a sense they are part of something bigger. Spending time hearing family history, sharing religious faith and learning the evolution of the farm creates a common bond that contributes to keeping the family and the operation together.

Those experiences have helped Buoy develop a keen sense of gratitude to the Lenz clan, and especially the farm's founders. "Grandma Betty still pays the bills," said Buoy. "And Grandpa, who turned 80 this year, works as much as his body allows." Without them, he added, none of today's farm operation would have been possible. It's all part of the legacy that makes Lenz Farms a family business.

Editor's Note: Martin Buoy received a 2011 DTN/Progressive Farmer scholarship to attend TEPAP, The Executive Program for Agricultural Producers, a week-long management course for mid-career farmers hosted by Texas A&M. For information on the 2012 program go [http://tepap.tamu.edu/...](http://tepap.tamu.edu/)

Elizabeth Williams can be reached at [elizabeth.williams@telventdtn.com](mailto:elizabeth.williams@telventdtn.com)

*(ES/MZT/CZ)*