

Woodbury: Farm Family Business

Lay the Groundwork for Succession



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Bio

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Family business consultants often suggest that families in business adopt a policy encouraging farm kids to go to college or technical school, and then work somewhere else for a few years before returning home. Doing so seems to promote a more professional work environment and an appreciation for the benefits of all a family business environment has to offer. Life outside of a family business, with market-based salaries, organizational hierarchies, performance evaluations, and supervisory experiences, offers a great platform for appreciating -- and sometimes improving -- the family business.

But what about life before college? What are some of the practices that encourage an appreciation for the family agriculture business before your children leave? I recently spoke with Ben Riensche from Iowa about strategies to cultivate his kids' interest in his farming operation. He and his daughter Lauren, a high school senior and president of her local FFA chapter, will share the specifics at DTN's Ag Summit in Chicago Dec. 8-10. In the meantime, here are a few general themes to pique your interest.



Don't wait for kids to reach college age before testing farming as a career. Including teenagers in farm meetings with landlords or lenders offers a first-hand learning experience. (DTN/The Progressive Farmer file photo)

OSMOSIS

Foster opportunities and create space for your kids to hang out around places where agriculture business is "in the air." Some ag parents lay the groundwork by setting aside space for a pre-teenager's desk in their home office, even if it's just a quiet place to do homework. While they may not be focused on specific ag business tasks, being in an environment where such tasks are taking place creates the opportunity for them to follow their curiosity, ask questions and hear the range of issues you tackle in your farming operation. We often hear, later in life, of the influence that just "hanging around the business" had on entrepreneurs. Create an opportunity for your kids to absorb a bit of your business.

SIMPLE TASKS

Look for little tasks that relate to the kinds of skills your kids are developing. I remember trying to figure out fractions as my grandfather measured and cut lumber for our ranch's cattle loading facilities, or announcing our wheat harvest averages on the two-way radio to my uncle and the farm employees. (My radio- announcing skills were better than my math skills.) The point is, think about what your kids are learning and look for ways to apply those skills both in the farm office and outside.

OFF-FARM EMPLOYMENT

While we usually focus on time away from the business during and after college, encouraging kids to get a job in town or on someone else's operation can increase their appreciation for your business sooner. They may also see some things that give them ideas for improvement at home. While some may be concerned that encouraging kids to work elsewhere might give them ideas about other careers, most parents want their kids to make an informed career choice. Your kids will know plenty about your operation just by growing up around it. Encouraging a comparative experience, then, will only strengthen their commitment should they decide to participate in agriculture or come home to the farm.

TECHNOLOGY TRANSFER

With the advancements in equipment technology coupled with the younger generation's ability to rapidly grasp all things digital, use their interest and skills to help you understand how to program and operate some of your gadgets, then show them how



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the equipment makes you more efficient.

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BUSINESS MEETINGS

Once your kids reach the ages of 14 or 15, invite them to sit in on some of the business discussions you have. Those discussions might be family-only, or you might take them with you on trips to see land owners or your lender or your accountant. They may not say much, but the opportunity to hear the discussion probably has some impact on them. And every now and then, they might ask a question or point out an error or opportunity. A CPA I work with chose not to return to the production side of the farm, but his love of agricultural accounting -- which benefited his family's operation -- stemmed from his annual and special visits to the CPA's office.

A couple of key ingredients of a successful family business are an appreciation for and understanding of the business, and a respect for your family members who are often your business partners. Our session in Chicago will focus on fostering those attributes in your kids -- a long-term and rewarding endeavor!

EDITOR'S NOTE: Lance Woodbury works as a consultant to family owned and closely held businesses in Garden City, Kan. He'll appear with two Midwestern farm families at the DTN-Progressive Farmer Ag Summit in Chicago Dec. 8-10 to discuss "Life Cycle of a Farm Handoff: From Teenage Years to Adult Transitions." For information go to www.dtnpf.com/go/agsummit2010

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