

Family Business Insight for your Agriculture Company

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# **Different Angles, Same Business**

#### By Davon Cook

During family business transitions, much could be written about generational differences in communication style, risk tolerance, management tactics or other areas. In this article, however, I want to focus on differences in *life stages* and *lifestyles* that impact the relationships among generations in business together.

When I returned to my family's business years ago, setting some boundaries was important. I wanted to make sure the demands of my larger family and the business didn't overwhelm my focus on, and creating time with, my own spouse and children. Today I hear others adopting versions of what one might call "ground rules," for example

...please call and ask before you come to my home ...please don't call me about work on the weekends or at night when it's not necessary (i.e. we're not in busy season)—it can wait until work time to discuss ...I need flexibility to pick up kids or coach their soccer team.

I realize that I did the same thing as I started in the family business. Yet, sometimes the senior generation perceives these requests as either: A) Signs of the next generation being not committed enough, or B) Personal affronts that the younger generation may not want to spend time with the older generation. Let's discuss in order.

- A) I know next generation members who are extremely committed to the business and are very willing to put in long hours when needed. But they also seek to draw some lines around what's urgent and what's not. They may be at a life stage of beginning marriages or raising kids. The *lifestyle* at the *life stage* of young parents is different than a generation ago. Many households have two working parents. Both parents are expected, and/or desire, to cook and change diapers and shuttle kids and coach sports. This is no judgment on the norm of previous generations—just an observation that it is different. Thus, some of their expectations around time and schedule are different.
- B) As for hurt feelings over how much time family coworkers do or don't spend together, realize that this is often a personal preference that should be discussed and understood. Your family members may have different answers. For some, time being "family" and not "coworkers" may be vitally important—doing fun activities together, or having Sunday lunch sharing stories from church, friends, or Pinterest! For others, it may actually *improve* the health of your relationship to have *less* family time together—to socialize with people far removed from work, to pursue hobbies, to focus on one's nuclear family. Don't assume it's an indication of dislike. Rather, it may be an indication of wise judgment.

There are no easy answers here, but considering the differences between generations in context of *lifestyle* and *life stages* may increase your understanding and appreciation of those differences.

# **Lessons on Letting Go**

#### By Lance Woodbury

The senior generation in a family business faces a difficult transition when deciding to turn the business over to the next generation. I have seen this transition happen as early as when the older generation is in their 50's or as late as in their 80's, but the simple fact remains: The work and activities that have for decades formed and defined who they are must be handed to someone else if the business is to continue. When I consider family business members who have successfully navigated this handoff, three lessons about the younger generation come to mind:

**Lesson One:** They will do the things I did, but differently, and it's ok. The core functions you perform today in the operation, such as making daily operating decisions, managing people and prioritizing tasks will still get done, but they will likely be done very differently. Whether you are transitioning to family or key non-family employees, the fact is that the next person has their own set of experiences, a different personality, alternative strategies, unique



ideas and their own mentors. This combination is what makes them distinct, which will mean they approach some things in their own way. Letting go requires looking at what they accomplish, and not getting too hung up in how they go about their work.

**Lesson Two:** They will choose to do things I did not – or would not – do, and it's ok. When the next generation returns to the family business, they are often full of ideas and energy to transform the business. Their drive can often clash with the senior generation's ideas and experiences, who can become fearful of potential failure. Letting go requires allowing – perhaps even encouraging – the next generation to explore new strategies, while being clear on how much risk you are willing to allow. If they are not allowed to try, to learn, to fail and to succeed, they will be ill-prepared to assume your role and responsibilities.

**Lesson Three**: *I must trust the decisions they make, and these decisions will be ok.* At some point, the senior generation must trust the next generation has "the right stuff" to make it through the uncertainty and volatility of the agriculture industry. Letting go requires realizing that the younger generation doesn't have all the answers, but has the right values, thoughtfulness, working relationships, temperament, discipline and decision-making skills to move forward. The alternative to having such trust is to a) find someone else to take over, which generally takes significant time and involves family turmoil, or b) discontinue or sell the business, which involves another significant set of financial and family challenges.

Letting go is undoubtedly a struggle, but seeing the next generation take the business to new heights offers a just reward.

### Faith & Family Business: Describing and Choosing During Transitions (Prov. 2:1-5) By <u>Bill Long</u>

<sup>1</sup>My son, if you accept my words and store up my commands within you, <sup>2</sup> turning your ear to wisdom and applying your heart to understanding— <sup>3</sup> indeed, if you call out for insight and cry aloud for understanding, <sup>4</sup> and if you look for it as for silver and search for it as for hidden treasure, <sup>5</sup> then you will understand the fear of the LORD and find the knowledge of God.

One of the most difficult issues confronting family businesses is how to transfer the older generation's enthusiasm, commitment, insight and wisdom to the next generation. We older ones would do anything to help our successors avoid some of our mistakes and appreciate some of the tough decisions we made. But how do you communicate what has captured your heart? How do you get those, whom you love, to love what you have loved? The beautiful language of Solomon's advice to the next generation in Proverbs 2:1-5 gives us some hints at an answer.

Though many things can be said about the passage, two things especially stand out to me. First, the older generation needs to *describe* what is to be passed down using value-laden language. What I mean is that Solomon describes his words and teaching (i.e., what is to be passed on) as something that is to be sought as silver and searched for as a hidden treasure (2:4). It is among the most valuable things in the world. Communicate the value of what you want to pass on to the next generation not simply in monetary terms but in "heart" terms. Your land, your animals, your relationships with employees and neighbors, your rural community and your history are only a few of the treasures that deserve a "valuable" description.

Second, the older generation needs to realize that it is the *choice* of the younger generation to accept or reject the treasure. One of the most-overlooked words in this passage is the little word "if." We tend to look at the *value* of the older generation's wisdom and assets, and forget that the entire passage is really driven by two "if's"— in verse 1 and verse 4. Great rewards will come, to be sure, but all of this is dependent on the child's *receiving* the words and *seeking* for them as for hidden treasure.

Holding these two ideas in equipoise, even in tension, is the essence of Biblical faith. What is to be passed on, in assets and wisdom, is very valuable and needs to be described that way, but it can only be passed on if there are willing ears to hear and hands to receive. Pray for both—the wisdom to *describe* and the grace of the other to *choose*.

