

Family Business Insight for your Agriculture Company May 2017

Family Business Seasons

By Lance Woodbury

This time of year brings familiar activities and events. Planting crops, greening pastures, school endings and graduations are just a few of the hallmarks of spring on a family farm or ranch. A family business also passes through distinct seasons, a lifecycle of beginnings, growth, harvest and renewal.

The **renewal and growth season** occurs when family members return to the business and infuse the operation with new energy and talent. A time of growth also occurs when one intentionally explores new opportunities – taking on new land, partnering with a neighbor, or starting a new venture. Renewal and growth can also be sparked through education, new experiences and insights, and peer relationships.

Family businesses may also experience a **wind-down season**, when the lack of a successor or a difficult economy or a particular business challenge may mean a shrinking or selling of the business, or converting assets to a more liquid form. This season can also include the splitting of a business if the partners are no longer on the same page, and the result is often a new season for the resulting individual enterprises.

And of course there is the **harvest season**, when you recognize the fruits of your labor. In business this might be reaching a key milestone, perhaps paying off debts or reaching a certain revenue or profitability milestone. Maybe the "harvest" for you is the handoff of control to the next generation; for others it might be a career transition into the next phase of life.

In all cases, there are changes – transitions – taking place both *within* a season and as you move *between* seasons. The changes can be both exciting and daunting, but are easier when discussed. Take a few minutes to ponder the "season" your organization is experiencing, and what season might be next in the evolution of your business and family.

Faith and Family Business: Sowing Generosity, Diligence, Kindness

By Dr. Bill Long

Spring is the time for planting, for graduating, for new beginnings galore. Though our calendar says that the year began almost five months ago, it feels to me as if the Springtime is the time when the year *really* begins.

Many Spring activities are hopeful ones. We sow in hope; we graduate in hope; we take the boat or the camper out again and prepare for a new series of adventures. But rather than simply looking at the Spring as a time when these good and necessary activities take place, why not also use the metaphor of "sowing" or "planting" to apply to virtues we would like to cultivate? I would urge us to focus on sowing, and then cultivating, three special virtues or values this year: generosity, diligence, and kindness towards others.

Generosity is what I call a counterintuitive virtue. We wonder—how can *giving away* things yield prosperity, the goal of many? Doesn't the principle of subtraction override that of generosity? If you give away, you have less. But the Scriptures, and Proverbs, know better: "There are those who give freely, yet grow all the richer; others withhold what is right, and only suffer want" (Prov. 11:24). I told a friend of



mine this year that one reason God gives us a seventh decade in life is that we might learn the joy of generosity. Look for opportunities to sow generosity this year.

Sowing **diligence** may be an easier sell than sowing generosity, but the Scriptures are no less clear on this one. Diligence leads to skill, which leads to great opportunities to serve. This verse has always intrigued me: "Do you see those who are skillful in their work? They shall serve kings" (Prov. 22:29).

Finally, take time to sow **kindness** towards others. In my judgment, kindness is the virtue that repays itself almost more than the rest combined. Kindness has a way of opening generosity, diligence and kindness in others. It is like a bottle-opener, releasing all the rich flavor and delight in someone else. Proverbs recognizes its centrality: "Those who are kind reward themselves" (Prov. 11:17).

If we look at the gift of Springtime as the occasion to celebrate graduations or new plantings, we are doing well. But if we also look at it as the time to sow generosity, diligence, kindness, we add a rich spiritual dimension to our common tasks of life.

Planting and the Lessons of Life

By Davon Cook

In this season of sowing, I am reflecting on the "seeds" of successful family businesses that are planted early in our children's lives. While your children are growing up, what are you doing to plant seeds that could grow into the business' next generation of leaders?

1. Find ways to involve them at all ages. As a young child, I had a special place at the scales of the cotton gin, twisting wire onto tags for trailers alongside my dear mentor Joy. I thought I was a critical manager! That start led to many other jobs and lifelong interest in the business. Today, my daughter asks for "office assistant" jobs when she wanders into my home office. I'm tempted to ward off the distraction sometimes, but I make myself stop to find something to help her understand what I dowhich isn't that easy to explain!

Some families live on or next to the farm, and the business is part of your child's daily experience. The challenge in this case may be moderating their level of involvement so they don't perceive it as forced down their throat. For those families who live further away or out of town, create intentional opportunities for the next generation to engage. This may be an annual family week at the farm when the 'city' cousins work, or a business education workshop for teens, or taking them to an industry convention. Regardless of the frequency and location, you are planting seeds.

- 2. Remember their perception of the business reflects your communication about the business. You portray whether it's a positive force in your life or an albatross around your neck. We sometimes use the comfort of home to vent our frustrations after a hard day. Be cognizant of how you might unintentionally be embedding a negative impression in them.
- 3. Link the business to their educational life. At my house, now is the season of <u>FFA</u> banquets and preparing <u>4-H</u> animals for fair. I'm reminded how these organizations, and many others, teach my children lessons not only about life, but also directly about business. Reinforce why keeping accurate records (e.g. the dreaded record book) matters for the farm's success. Show them your P&L and all that goes into creating it. Remind them how you used public speaking skills recently to visit with a legislator or advocate for agriculture. Show how studying the game film to set strategy against an upcoming sports opponent has the same purpose as analyzing last year's field performance to decide what to plant where this year.

Most of us have a subconscious approach to educating our children about the business. In this season, take a moment to intentionally reflect on how this "planting" is going.

