

Woodbury: Farm Family Business

The Value of Certitude



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Bio

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Benjamin Franklin said that the only things certain in life are death and taxes. In family businesses -- especially those in agriculture -- there is often much uncertainty: the weather, the markets, your competitor's intentions, the regulatory and tax system, etc. The reason I chose the word certitude, which connotes "a feeling of certainty," is that in a family business, or in any working or family relationship, you can feel more secure about the future with good dialogue. And feeling more certain about the future is worth quite a bit when so many other things are unknown.

Estate planners often encourage parents to share their intentions with their children face-to-face rather than by an impersonal legal document read aloud in an attorney's office. From experience, they know it's sometimes hard for heirs to understand the reasons behind the division of a lifetime of accumulated property. Wounds occur when survivors are emotionally vulnerable and spend their time asking questions rather than grieving.

Many years ago, a father asked me to facilitate several conversations between him and his sons. One son had recently returned to the business, and the brothers had experienced quite a rivalry during adolescence. As we talked about the future of the business, the now-adult sons did a nice job of discussing their goals for the business, their division of responsibilities, some of the areas that might cause conflict, and their plans to communicate with one another.

At one point during the conversation, I looked over at Dad and he was weeping. I thought this was a bit odd. From a facilitator's perspective, the discussion was going quite well. I asked Dad if he wanted to share his thoughts, and he smiled through his tears and said he just wanted to be certain his boys would try to work together.

Several months later, Dad unexpectedly passed away. While unknown to me or other family members, Dad knew his time on earth was short, and he wanted some peace of mind around how his kids would handle the business and their relationship. Those facilitated conversations didn't guarantee family harmony, but they provided a feeling of certainty about where family members stood with respect to one another and their intentions to work together in the family business.

Fast-forward a couple of years to different a family, to a gathering where we were discussing the future of a family's retail business. From confidential interviews with family members, I knew that the kids did not want to continue owning or operating the business. It wasn't their passion and the stress level was too high. With the parents aging and sensing a lack of enthusiasm in the kids, the whole situation seemed unsettled.

Through good dialogue, the kids were able to tell their parents they really didn't want the business. Mom and Dad, much to the kids' surprise, were relieved to hear it! Sure there was some disappointment that the business wouldn't continue in the family, but they had sensed the kids' lack of passion and were trying, through discussion, to arrive at some plans for the future. Once everyone knew everyone else's position, they developed a plan to sell the business. The family realized significant financial gain and the family relationship took on a healthier tone.

My point with these stories is that some of the better family businesses value the feeling of certainty that comes with hearing (not assuming) where their family members and business partners stand; with knowing their goals, concerns, intentions and plans.



Uncertainty in prices can't be controlled, but dialogue can relieve the suspense in other areas of a family business. (DTN illustration by Nick Scalise)

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How certain are you when it comes to other family members' thoughts and plans? I encourage you to have the dialogue -- even if uncomfortable -- that provides more clarity and confidence about the future.

EDITOR'S NOTE: Lance Woodbury works as a consultant to family owned and closely held businesses in Garden City, Kan., with a special emphasis on business planning, mediation and conflict resolution. He also maintains an interest in his family's western Kansas ranch. E-mail comments or suggestions for this column to lance@lancewoodbury.com.

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