

## Woodbury: Family Business Matters

### Succession Planning Starts Simple

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I'm fond of saying that good succession planning doesn't lend itself to one-size-fits-all solutions. Every family may face similar issues such as retirement, land transitions, off-farm heirs, returning family members, growth opportunities or even spousal conflict. Yet each family's history, relationships, culture, business strategy, expectations, personalities and assumptions combine to form a unique, dynamic and evolving transition challenge. Solving the succession puzzle is akin to constantly turning a Rubik's Cube, only to realize that making all sides a solid color is eternally elusive!



Too often, families take each other for granted. But sharing thankfulness can help both successors and the senior generation bond.

While succession has its share of complexity, there are several simple practices that can have an immediate and positive impact on your planning efforts. These suggestions aren't solutions, but are means for potential answers to emerge. They create an environment in which you get more from your efforts.

#### EXPRESS GRATITUDE

Family members spend significant time together. They share such a deep history and basic comfort level that they often take each other for granted and don't express positive emotions. Not telling your family members you love them is an easy example. Another is the infrequency family members tell each other "good job" or "thank you" for work well done. Instead, the family business tendency is to nit-pick to death our family member's ideas, plans and decisions. And then we wonder why family members don't want to communicate.

If you're part of the younger generation that will be taking over the family business, tell your parents or in-laws "thanks" for building a business or stewarding assets that will benefit you and future generations. If you are from the retiring generation, express your gratitude to your successors for their energy and commitment. Mutual gratitude recognizes both the sacrifices of a prior generation and the promise of a new generation. It helps both generations.

#### ASK FOR INPUT

Organizational changes go better when people feel they have a stake in the outcome. A team will be more supportive of a new employee if they have some input into her hiring. A colleague will be more likely to improve if he psychologically "owns" his development plan. And an in-law will feel more like a valued family member if her opinion is considered. Simply put, people like to be asked what they think.

While that doesn't always mean they will love the changes, and it doesn't mean their input will carry significant weight,

they will be more apt to support the plan if they have participated. There are fewer events in a family business bigger than management and ownership transitions, so it's worth slowing down and gaining input in order to garner support.

#### STATE YOUR INTENTIONS

In a recent exchange with a younger reader, he expressed concern that the senior generation had not indicated what they intend to do with the land and equipment. This lack of certainty leaves family members guessing at the senior generation's plans and intentions, assuming potential courses of action, reacting on potentially false assumptions, and often making personal, family and career decisions with no basis in fact or intention.

Leaving family members guessing about your plans for the future creates a political environment where family members jockey for position and favor. And while such behavior makes for good episodes of television shows like Dallas, it contributes to a poor family business culture. Tell your family members what you plan to do. I guarantee that in the absence of a good story, your family members are making one up!

For agricultural businesses, summer is a difficult season to begin succession planning discussions. However, the suggestions here will help ensure that when you do revisit your transition plan this fall or winter, you've laid the groundwork for a worthwhile process.

Editor's Note: Lance Woodbury writes for both DTN and our sister publication, The Progressive Farmer. He is a Garden City, Kan., author, consultant and professional mediator specializing in agriculture and closely-held businesses. Over his two-decade career, he has guided many families through inter-generational farm transfers as well as mentored successors.

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