



Woodbury: Farm Family Business

The Right Fight in the Family Business

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Conflict and family business simply go together. When you work everyday among people with whom you've spent a major portion of your life, your different opinions and approaches are bound to rub each other the wrong way. The question is not whether you will have conflict, but over which issues you will fight, how you will engage each other, and whether you will be able to move on.

PICK RIGHT ISSUES

Conflict, when focused on the right issues, can expose alternative ideas and create necessary change. In particular, conflict over the vision and strategies of the business can be useful in uncovering opportunities in the market, or a differentiated or more competitive way of operating. Family business participants, and especially current and future owners, need to air their differences and come together over where the business is headed and how it will get there. Working through those conflicts will produce a psychological ownership, helping the company persevere through the ups and downs of a cyclical industry.

There are other issues, however, where conflict can be destructive. Fighting over inheritance decisions, and conflicts around how family members and spouses are treated in daily interaction, are two places where the results can be deleterious.

A typical farm or ranch inheritance conflict is one in which the on-farm heir is gifted an equal portion of the land or operating company along with off-farm heirs. While this may satisfy the parents' desire to be equal, it almost always creates a financial and control hurdle, and future conflict, for the on-farm heir. The parents who built or grew the business have every right to dispose of their assets as they see fit, but the fight between the parents and on-farm heir can destroy the farm.

Another fight often emerges around how people are treated. A lack of communication in general, not including spouses in relevant discussions, making assumptions about people's intentions and motivations, and talking about one family member or their spouse with other family members, such that alliances are formed, can chip away at the trust and respect between family members.

RULES OF ENGAGEMENT

Several behaviors contribute to effective management of conflict. First, acknowledging the conflict exists is critical. Family members often sweep it under the rug, hoping it will go away, but that strategy almost always backfires. Second, knowing what you want and why you want it -- which requires personal reflection -- helps clarify your position and your interests; it helps you and others know where you stand. Third, agreeing to a process of meetings ensures communication. And you will likely need several meetings, as you almost never reach major conclusions with just one. If the issues are too "hot," consider an impartial third party as a mediator. Fourth, agreeing to how you will treat others is critical, especially when it involves in-laws who didn't grow up dealing with your family's communication style. Commit to listening to others, give each person an equal opportunity to speak, and avoid personal attacks.

MOVING FORWARD

In looking at solutions to conflict, reaching an agreement in which all parties get everything they want is unrealistic. A more consensus-oriented question is whether everyone can live with the agreement. Moreover, recognize that conflicts in a family are seldom resolved. Rather, they are "managed" through ongoing communication.

While it can be frustrating to engage in a continuing process of conflict management, recall the many benefits

of a family business. The flexibility, the chance to work with your children, and the opportunity to transfer values and a legacy may be well worth working through the occasional conflicts.

EDITOR'S NOTE: Lance Woodbury writes family business columns for both DTN and our sister publication, "The Progressive Farmer." He is a Garden City, Kansas, author, consultant and professional mediator with more than 20 years of experience specializing in agriculture and closely-held businesses. Hear him in person Dec. 6 at the DTN University course in Chicago www.dtnagsummit.com. Email ideas for this column to Lance@agprogress.com

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