

## Woodbury: Farm Family Business

### Why Can't We Discuss the Future?

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One of the biggest obstacles in determining a plan for the future of the family business is the unwillingness to engage in a discussion about that very future. Despite people wanting a sense of certainty, and notwithstanding the benefits of knowing what will transpire with roles, responsibilities and assets, many business owners shy away from having the conversation.



One of the biggest obstacles in determining a plan for the future of the family business is the unwillingness to engage in a discussion about that very future. (Photo by John Snape, CC BY-SA 3.0)

Why is that? Why do business owners avoid talking about what they want to see happen? After all, the consequences of avoiding the conversation are many. Family members, instead of returning to the business, may choose other careers due to a lack of communication about where things are headed. Other times, relatives leave the business after several years because there isn't a plan for the future. More often, family conflict festers due to assumptions people are making about the future, assumptions that, if discussed, could be confirmed or dismissed.

There is no good reason to avoid a discussion about the future. But there are at least three reasons families tend to sidestep interaction on such an important topic.

#### WE DON'T KNOW HOW TO DISCUSS

Historically, farming and ranching are businesses that have required technical knowledge. Those with mechanical, scientific or biological knowledge have excelled at raising crops, keeping machinery running or taking care of animals. While teamwork is often needed to accomplish tasks, people skills or conversational strengths were not necessarily seen as a requirement.

This has changed as farms have grown and quality labor has become more difficult to retain, but it still doesn't mean that structuring a conversation about potentially difficult issues is any easier. Plenty of people outside of agriculture struggle with this same skill, too. What is the best way to frame the discussion about the future? In what order should key points be addressed? What shouldn't be shared? Who should be at the table? Where should the confab take place? What are the appropriate ground rules for the meeting? These questions can stymie even the best farmer or rancher. Having difficult conversations are not, as some might say, "in their wheelhouse."

#### WE CAN'T CONTROL THE INTERACTION

Another impediment to good family business dialogue is an inability to control the reactions of family members or the dynamics between participants. Certain queries point to this obstacle. Questions such as, "What if Dad blows up?" or "What if my daughter-in-law won't talk?" or "What if my siblings start fighting?" all indicate a fear of how people will react to things said during the discussion.

In more than one case of which I'm aware, participants who want to have the conversation about the future have given up any hope because of how people behaved the last time they tried to discuss the issues. Not having the talk seems preferable to people possibly exploding at one another.

#### WE'RE ANXIOUS ABOUT RESULTS

Another reason people may avoid the conversation is that it may result in certain outcomes for which they are not fully prepared. I was recently talking with a business owner about his retirement plans. "Having the discussion with my kids," he said, "means that I have to know what I want to do next. And I'm not so sure about that."

So, he is putting off the meeting. Meanwhile, his children are wondering about their future, when they might take over, what their roles will be and what assets they may have to purchase in order to maintain their livelihood. Living with such uncertainty is not at all healthy for the business or the family.

Commercial agriculture currently has plenty of challenges with markets, input costs, labor, and weather. Avoiding important conversations about the future only adds more risk. Waiting five or ten years to start talking only shortens the time available to prepare for a transition, which already requires several years of strategizing to mitigate tax, capital and role modification challenges. Is your family avoiding this important conversation about your future? Indeed, you may need some help navigating the discussion. Yes, there might be some tough business and emotional issues to address. But avoiding the talk does no one any favors.

Editor's Note: Lance Woodbury writes 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. Email ideas for this column to [Lance@agprogress.com](mailto:Lance@agprogress.com)

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