

Woodbury: Farm Family Business

Three Benefits of Family Business Communication



Lance Woodbury DTN Farm Business Adviser
Bio

Thu Jul 23, 2015 01:58 PM CDT

In a recent conversation with a family business member about an upcoming meeting, he skeptically asked me, "What are we going to actually accomplish at the family meeting?" He was a man of action, and was frustrated that some family meetings had not resulted in specific or significant group decisions.

My hunch is that he's not alone in wondering what, at times, gets accomplished when family members are talking around the table. While indecision is not a good meeting outcome, neither does every meeting need to be about making a grand pronouncement. Consider these benefits beyond the actual resolutions that might or might not occur:

STAYING ALIGNED

In most closely held agriculture businesses, family members are responsible for different areas of the operation. Someone may be in charge of planting and harvesting, someone else manages spraying and technology, another family member might run the livestock business, and someone else might be in the office working on accounting and risk management. In family businesses with a diversified portfolio, there may be off-farm siblings that bring other industry or functional expertise in finance or human resources to the table.

With such diversity in roles, family members are exposed to different topics, viewpoints, vendors and networks. Daily they have different experiences that shape how they see the business. Consider how a production-focused family member might be frustrated with weather delays, while a family member working in the office might hit a home run with a grain marketing strategy. Or the supervisor might have a great day with staff while another family member sits at the Farm Service Agency office for hours, getting nowhere. Their feelings about business success might be opposite, but a meeting to talk about progress (or lack thereof) helps keep both apprised of the current state of affairs. Being on the same page is incredibly important in preventing assumptions, which are a major contributor to conflict.

CREATING UNDERSTANDING

Speaking of conflict, disagreement is a part of every family business -- and it should be. Family members have different ideas and opinions, and when in management or ownership roles, they will occasionally clash. Most families achieve some level of consensus on their different ideas, with consensus being defined as "what you can support" versus "getting everything you want." But there are times when consensus is hard to achieve, and a decision gets made with which you are not in agreement.

Communication -- even when it is not what you want to hear -- can help you understand where someone else is coming from. Knowing where someone stands on a particular issue or decision is much better than either assuming or guessing what they are thinking. If you know how the other party sees the situation, you can consider the appropriate response.

For example, in one family, the retirement timeline and buyout of a senior member was longer and more costly than the younger generation wanted. But by knowing his plan and thoughts, the younger generation was able to better manage their expectations and interaction with the retiring member. Without the meetings -- even though they weren't always pleasant -- we might have had people leaving, or worse, suing one another. Their commitment to keep meeting got us through rough waters.



Time managers may fault meetings as unproductive, but the practice of regular sharing enhances communication and trust. (Photo by cerami haku, CC BY 2.0)

Related News Stories

[Ag Interest Rate Snapshot](#)

[Grain Shipper Files for Bankruptcy](#)
[Trans Coastal Supply Co. Blames Biotech-Corn Battle](#)

[Syngenta Rejects Monsanto Again](#)
[Syngenta CEO Fends Off Monsanto Again as First-Half Profit Falls](#)

[Multi-Year Losses Spur Concern](#)
[Grain Losses Mitigated But Not Erased](#)

[Minding Ag's Business](#)
[Grain Losses Mitigated, Not Erased](#)

[Minding Ag's Business](#)
[Loss Leaders on Insurance](#)

[No Plans for Gavilon to be Sold](#)
[Marubeni Has No Plans to Sell Gavilon](#)

[Batten Down the Hatches](#)
[Prep for Years of Narrow Margins, Ag Economist Advises](#)

Ag News

[DTN's Quick Takes](#)
[Periodic Updates on the Grains, Livestock Futures Markets](#)

[Washington Insider -- Monday](#)
[Food, Soda Consumption Falls](#)

[Market Impact Weather](#)
[U.S. Weather Conditions Dry, Warm](#)

[New som on the Market](#)
[Stress Test](#)

[Sorghum's Growing Pains - 3](#)
[Waiting on Weed Control](#)

[House Passes Biotech Food Labeling Bill](#)
[Bill Would Prevent Mandatory GMO Labeling](#)

[Enlist Cotton Approved](#)
[Dow Waits on EPA Approval of Herbicide](#)

[Critics Pound RFS in House Hearing](#)
[Growth Energy Slams Decision to Exclude Ethanol Industry Groups From Hearing](#)

[more...](#)

U.S. & World News

[Obama Holds Talks in Ethiopia](#)

[Congress Forges Ahead on Highway Bill](#)

[US, Turkey Plan IS-Free Zone](#)

INCREASING TRUST

I often get asked what creates or reestablishes trust between business partners. My reply is two-fold. First, trust is created by doing what you say you will do. Following through on commitments creates predictability and certainty in the relationship. Second, trust is created through communication. Talking about past, present or future problems, opportunities, decisions and actions helps people understand the reasons behind your behavior. Even if someone disagrees with "what" you did, they can often comprehend "why" you did it -- if given a chance to understand.

During the act of dialogue, one's ideas, vulnerabilities, frustrations and goals emerge, allowing each party to know the other better. Knowledge of how a family member feels or sees the situation builds on the family bonds established early in life. In a recent mediation, a family member described how hurt they were by their sibling's actions. The pain caused was not intentional, and once the offended family member understood that the grief was an unintended consequence, the siblings were able to move on to planning future decisions. In short, the meeting and related communication didn't decide anything significant, yet it had the effect of strengthening the bond between them, a bond that had been stretched by the tension.

Family business communication takes time. When you are focused on planting, taking care of the crop or livestock, or harvesting, meetings can feel inefficient. But good communication is like the oil in your engine: it keeps the tractor running, and you will certainly break down if it isn't there. Communication is also an investment in the future of your operation, and more communication, even if not every interaction is around making a decision, will prevent many problems that plague family businesses.

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. Subscribers can access all of his archived columns under News search.

Email ideas for this column to Lance@agprogress.com

Follow Lance Woodbury on Twitter [@LanceWoodbury](https://twitter.com/LanceWoodbury)

(AG/BAS)

© Copyright 2015 DTN/The Progressive Farmer. All rights reserved.

[Greece, Creditors Begin Bailout Deal](#)

[Clinton Plan Promotes Renewables](#)

[Biden, Cuomo Have Infrastructure Plan](#)

[NKorea Marks End of Korean War](#)

[Yemen Ground Fighting Rages](#)

[more...](#)