

Your Peers as Advisers

Determining the transfer of wealth and handoff of management responsibilities in your business—all while maintaining family relationships—can feel like a staggering task. Most family businesses turn to their key advisers, often their accountant and attorney, for help. But after several years of facilitating peer group meetings, I'm convinced an overlooked and underestimated source of advice is your peers.

By peers I mean the business owners who you trust and respect and who have built successful businesses or transitioned their enterprise to the next generation in a way that inspires you. Such peers can offer ideas and provide strategies based on time-tested experience that keeps you from repeating transition mistakes.

Getting good advice from your peers takes several ingredients. The peers you interact with must have your respect. You have to believe their experience has something to teach you. That respect comes from understanding their motivations, values and goals, which you learn from spending time in discussion. In short, it takes an investment in the relationship.

In many of the peer groups I facilitate, we spend at least a 24-hour period

together. This allows us to have discussions, enjoy meals together, sleep on the ideas we discuss and explore everyone's strategies and opinions.

Another ingredient for good peer interaction is vulnerability, or the willingness to honestly share your fears, challenges and mistakes. Such sharing engages a concern for and desire to help another person. But it does not come without first creating a safe environment—namely, a private setting and a confidentiality agreement.

The final ingredient in a successful peer relationship is a willingness to share your opinion. You have to tell people—and they have to be willing to tell you—where you might be wrong and how to get back on track. Family businesses come with common hurdles, and getting over those hurdles sometimes takes some straight-talk.

If you reach a deep level of sharing with your peers, the benefits are tremendous. You feel a sense of support, which sustains you when navigating transition challenges. You get accountability—people who will hold your feet to the fire so you make tangible progress. You get honesty, which you might not receive from people you are paying or who are trying to



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sell you products or services. You get ideas, as everyone approaches transition from a different angle.

Your peers are not a substitute for technical advisers. You still need to understand tax implications of a transition and have the appropriate legal documents in place.

Consider approaching people you respect to form a group or exploring a group that has already formed and wants to add members. If you commit to meeting and challenging one another, the education and advice you receive will be priceless. **FJ**

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- Feb. 20 in Phoenix, Ariz.
- March 5 in Terre Haute, Ind.
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