



LEARNING YOUR WAY TO SUCCESSION

Focus on these three lessons to ease the transition.

Family business members transitioning the enterprise often tell me that letting go is really difficult. The act of turning over a task or decision to someone else when you've been doing it a particular way for many years and know the details and likely outcomes requires not just patience but the ability to watch it done differently—possibly in a way you consider “wrong.”

Almost every area of the farm or ranch is affected by the unique way the senior generation has approached the process of problem-solving. An individual's personality, knowledge, ability, risk tolerance and communication skills combine to form “their way” of getting things done.

The generation taking over the business has a lot to learn. At least three things come to mind. They must learn to know themselves better and especially their impact on others; they must have an appropriate amount of technical knowledge about the issue at hand; and they must have the leadership and management skills required to chart the course for the business and positively influence others in the company.

UNDERSTANDING YOURSELF. We often think of succession as involving only the senior generation and the up-and-coming successor. The reality is that many other people on the periphery affect the transition. Spouses can help or hurt the transition process by being supportive or negative. Key employees and vendors, by choosing their

“go-to” person, also influence how quickly the transition occurs.

A key question to answer for those who want to be successful is, “Am I the kind of person people enjoy interacting with and with whom they like to work?”

If you are, the succession process will probably be easier, as family members and coworkers will be more honest with their concerns during the transition. On the other hand, if people fear you, perhaps because you are demeaning in your responses to them, you withhold crucial information from them or you ignore their ideas, the process can be frustrating. Give honest and serious thought—and get feedback, if necessary—to the impact you have on others. If you are not having an impact conducive to truthful sharing and continual feedback, the succession process will be more difficult.

KNOWING ENOUGH. Farming and ranching involve significant expertise in many areas. Of course, one can't be an expert in every area, but two principles emerge around technical knowledge and succession planning. One is that a successor has strength in some relevant business function, even if it differs from the strong suit of the preceding generation. It might be working with equipment or livestock, communicating with the public, understanding technology, negotiating with vendors, or accounting or some other forte giving him or her credibility as a contributing team member.

A successor should also know when to ask for help when they don't know the answer to a question. Understanding when to get others involved solves problems more efficiently and reinforces the judgment of the successor in the eyes of those around him, contributing to a smoother process.

INFLUENCING OTHERS. Running a business in light of today's agricultural challenges requires various leadership skills. Crafting a vision for the future, projecting income and expenses, communicating with employees, neighbors and the public, managing employees, acting with humility and making timely decisions are talents every bit as important as deep technical knowledge about farming.

The succession process benefits when those taking over the enterprise understand, practice and develop these skills. They not only ensure a continued business enterprise, but they inspire confidence in yourself and those around you.

As your children and grandchildren head to school to learn new skills and perspectives this fall, consider how you might approach a new season of learning around succession in your family business. Make a plan to understand your impact on others and develop your technical and leadership skills. ●



LANCE WOODBURY