



The Planning Is Never Done

As your life and business change, don't neglect to take a fresh look at your estate and succession plans.



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often necessitate a fresh look at your estate plan.

To complicate matters, the family business is in a constant state of change. When corn prices double and land rents escalate, marketing and risk-management needs change. Managing a farm's technology provides a whole new career that didn't exist 20 years ago. Maintaining landowner relationships as farms pass from one generation to the next requires new skills in public relations and social media. Succession planning doesn't end because everything keeps changing.

PROCESS, NOT PRODUCT. Succession and estate planning is best thought of as an ongoing process, an evolving plan that needs to be continually monitored and occasionally modified as the journeys of family and business progress. Unfortunately, we have been encouraged to think "having a plan" means we can check the activity off our list; we've completed the task and can move on. And then we're disappointed when we realize the planning is never really complete.

LOOK AT BIG PICTURE. The key to feeling good about planning lies in the movement you make on a range of issues, not in the completion of a task. If you have reduced your estate tax liability, you are making progress. If you've provided a forum for family business communication, you are making progress. If you've delegated authority and responsibility in key areas of the business, you are making progress. One business owner I know writes down the progress made by the family each year, because if he looks ahead at the challenges, he feels overwhelmed.

In short, measure your progress in estate and succession planning from where you have been. It is important to focus on the trend line. There is no perfect family business, and no one has it all figured out, despite appearances. The key is acknowledging that circumstances will continue to change and that progress lies not in finishing a task but improving the position of your family business.

Editor's Note: Lance Woodbury recently hosted a webinar on the emotional aspects of family business succession and transition. You can join Lance for a free, one-hour prerecorded webinar, "How To Navigate Your Succession Plan." Lance draws upon family business examples that illustrate helpful principles for transitioning management, as well as balancing fairness concerns for on-farm and off-farm heirs. Please visit bit.ly/JFyI3D to register.



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Changes in your life and business require you to constantly review your estate and succession plans.

At a recent family meeting, Mom and Dad lamented that they never felt finished with their estate and succession planning. They had completed significant gifts to the next generation but still had an estate tax liability. They had transitioned much responsibility to the next generation but still felt they were the family glue: When they were gone, they felt it might all come apart at the seams. When would this estate and succession plan feel complete?

PLANS EVOLVE. Where is the finish line? The planning for ownership and management transitions doesn't have a hard stop because it involves the ongoing lives of multiple family members and key staff. Life brings changes, opening some doors while closing others, and plans need adjusting. Perhaps a daughter who wasn't planning to return comes back to the farm with a spouse. Or a son on the farm decides to try another career. Or the skills you expected to see in the next generation don't seem to be materializing. Furthermore, land values, unexpected medical issues, charitable goals, tax laws or the financial needs of your children

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