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# The Hats You Wear

Effective succession planning requires using a variety of styles to meet your farm and family's needs.

In Dr. Seuss' book "The 500 Hats of Bartholomew Cubbins," a young man takes off his hat for the passing king, only to find that another hat has appeared on his head. This angers the ruler, who thinks the boy is being disrespectful. But as soon as Bartholomew takes one hat off, another one appears, all the way to 500 hats.

The succession planning process can feel similarly endless. While caring for the transitions occurring in the family and in the business, there is always another hat you need to wear. This multitude of hats can at times make the succession process confusing. To offer clarity and encourage progress, consider these specific hats in your planning.

**THE MANAGEMENT HAT.** When wearing this hat, you are paying attention to the long-term evolution and growth of the business. What started decades ago as a business in survival mode with a few hundred acres, a few livestock and no employees, is perhaps now a stable business with several thousand acres and a large herd, involving multiple staff and family members. Succession, then, is happening within this context of a maturing, growing business. Not only are you trying to transition the business, you are doing so as the business itself is changing. While you are handing it off to others, it's becoming a more professional and complex operation.

**THE OPERATIONS HAT.** This hat includes the day-to-day issues you manage, such as commodity marketing, input costs, employees, accounting, financing, equipment, government programs, herd health, etc. You've handled these issues for so long that the decisions are almost second nature. But transitioning the daily operations to others means you have to teach them and watch them learn and make mistakes, when it often feels easier to just do it yourself. The business transition is happening within the context of things that need done every day, and it can seem difficult to allow a "different" way of doing things to emerge.

**THE LEADERSHIP HAT.** Another hat involves the assessment of resources to lead the business into the future. In the midst of a transition from one generation to the next, you have to evaluate your confidence in your adult children, the capabilities of your key employees and the wisdom of your professional advisers. Then you have to clearly point the way. One family I know recently concluded the next generation was not interested in managing the business and so began the process of looking for non-family leadership. Another family determined they had outgrown their accountant and attorney and, changing to new advisers, significantly altered their estate strategy. The point is that in order to get things right, you are both evaluating resources and charting a course at the same time.

**THE MORTALITY HAT.** The psychological process of coming to understand that your time on earth is limited affects business owners in different ways. While you are managing the business and thinking about others, you are wrestling with the later seasons of your own life. After your decades of farming, moving from the physical act of working to the communicative act of mentoring, to perhaps even withdrawing completely from the affairs of the family business, these may be the most challenging tests of the transition.

The hats I've listed here may not be so easily separated in your daily life. But as you reflect on your transition, look in the mirror while wearing each hat, or ask others, such as your trusted peers, to help you evaluate each hat, to provide direction and challenge for your next steps. ●

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