



# Get Succession RIGHT

Do you have what it takes to transfer management of the family business?



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Leadership succession is a cornerstone issue in business planning, and with the average age of the American farmer at 58, perhaps even more so for agricultural businesses. Many operations are within a few short years of a crucial decision: determining how the organization will be led for (hopefully) several more decades.

Getting it wrong can destroy economic value and a legacy that took generations to build.

Getting succession right, however, requires a fluid approach that takes into account industry trends and challenges, specific business issues and expertise, personalities, skills, family relationships, communication patterns and, last but not least, timing. In this column, I will offer several key lessons from Noel Tichy, a researcher, author and consultant. His latest book, “Succession: Mastering the Make or Break Process of Leadership Transition,” recounts successful succession strategies of publicly held organizations. Assuming you want the business to continue beyond your time at the helm, consider these three themes as you begin or continue your succession-planning efforts.

**1. YOUR TALENT PIPELINE.** Put simply, do you have people in your organization that you believe are, or will be, capable of leading the enterprise into the future? Look around you. Do you possess this talent pool in your family or staff? Farming operations afford an opportunity

for people working in the business to know each other well, so a gut check on your own confidence level about your personnel is a good place to start.

If you don't have people in the pipeline, ask yourself whether you want to make the investment in finding, hiring, developing and retaining the key individuals it will take to sustain and grow your business. It requires a major personal and financial investment in people, much different from the technical skills of farming and animal husbandry. If you are hesitant about what it will take, consider exploring a merger with a like-minded neighbor or strategic partner.

**2. YOUR SHARED VALUES.** If you do have some talented individuals in your company, people who are good performers in their current role, do they also share your values?

Do they approach problems and opportunities in ways that please you?

I've seen staff members who are very competent at the mechanical aspects of farming—handling equipment, troubleshooting problems and working hard—but they don't represent the business well in the community. Or, they don't have good supervisory or communication skills. Or, they react negatively to stress and may not be able to handle the uncertainty and imperfect decisions that come with leading an agriculture business. Said another way, can those you've identified as good workers or good managers become good leaders?

**3. YOUR DEFINING MOMENTS.** One of the concepts Tichy describes in his book is “stretch assignments” that test a team member's ability to make decisions and influence others in a way that shows you they're capable and prepared to lead. What are those decisions in your business where a team member can step up and contribute more than they have in the past? Perhaps decisions around planting or harvesting, or with certain vendors on inputs or parts can provide such a window? Or watching them supervise staff in a remote location or observing their increased interaction with certain landowners? The point is, what experiences can you use to test and observe their leadership capabilities?

Tichy is clear on his view of the responsibility of current business leaders. He suggests that “the defining legacy of any individual's leadership is the quality and outcome of his or her commitment to putting a process in place expressly designed to ensure an orderly transition from present leader to future leader—at any time, for any reason—with minimal disruption and drama.” How does your family business stack up to his challenge? ●

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