



The Art Of JUGGLING

Focus on these three areas to keep your transition plan moving forward.



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Successfully managing your agriculture operation requires you to pay attention to multiple issues and areas of your business, often simultaneously.

Succession planning also has dynamics that require concurrent consideration. You must pay attention to the transition process itself by framing it correctly and maintaining

momentum. You need to attend to the relationships of those involved, whether they are working directly in the business, married to a family member or are off the farm but an heir to farm assets. And you must get the technical, legal, financial and tax solutions correctly tailored to your family and business.

All of this has to happen while you are running your enterprise. Is it any wonder that faced with these challenges, people put off succession planning? Here are three areas of focus to help you move forward in your transition plan.

DESIGN THE PROCESS. Unless an unexpected death forces a transition, succession from one generation to the next is often a multiyear process. At the beginning, several questions arise that affect your design of the process. How long do people expect the transition process to last? When

does the senior generation plan to hand over the majority of the responsibilities? How should we evaluate progress of the transition? Who should be involved in discussing the handoff?

In short, you need to define how you are going to communicate as a family about succession. We call this “talk about talks”—spending time making sure people are in agreement about the next steps you will take and how the process will flow.

ATTEND TO RELATIONSHIPS.

In a family business, the succession process takes place in the context of family relationships. If there is

significant family conflict, it will likely raise the level of difficulty of the handoff. For example, conflict between brothers, or between sisters-in-law, will often slow the succession process because the parents feel their involvement holds the operation together, that they are the glue. Alternatively, a parent/child team, where communication is good and conflicts are managed well, will often produce a smoother and quicker handoff. That doesn't mean all family conflict needs resolved. But family-member working relationships need to function well at a base level to implement effective succession plans.

CUSTOM-BUILD SOLUTIONS. As if keeping the process moving and fostering positive relationships weren't significant activities, you also have to make sure the decisions you are making are the right ones for your situation. For example, you need to determine the best tax strategy, decide the role of insurance, define the terms of a buy/sell agreement, weigh the complexity of multiple entities and trusts, and consider your charitable goals. All these areas involve coordinating attorneys, accountants, insurance professionals and wealth managers who can each bring several possible solutions. It isn't about just getting advice; you have to feel you're getting the right advice for your particular situation.

As the leader in a family-owned agriculture business, you've been practicing the art of juggling multiple management activities for years. Now, it's time to apply your balancing skills to the succession process so that you have a better chance of attaining your goals in the handoff to the next generation. ●

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