



The Communications Champion You Need

GETTY IMAGES

A new year often brings hope for a better year. In a family farm or ranch, a better year is not limited to economic improvement, but includes hope for better family communication.

The challenge, however, is that better family interaction doesn't happen without intentionality and focus. Just like you take concrete steps to improve yield or reduce expenses, you must have encouragement and embrace discussions that reduce uncertainty and create clarity. Someone—whether it be you, a sibling, a parent or a spouse—has to champion the goal of improving the “family” part of a family business, and their work begins by getting people to talk.

> OPERATIONS DISCUSSIONS

In a family-owned business, there are two overlapping categories of interaction. One category is operations, where people are focused on the specific tasks they perform every day. Topics in this area of discussion might include how we are attracting, compensating, and retaining staff for the farm or ranch. It can include talks about planting or harvesting logistics, grazing plans or calving schedules, or equipment, barn, or bin maintenance. You might discuss inputs, vendors, equipment needs, or marketing decisions. The topics here are the basic ingredients of what makes the business perform each and every day.

This is where the day-to-day operating decisions come into focus, and if the conversations are not happening, there can be confusion and inefficiency in the operation. As a business grows and more people are involved, it becomes necessary to have meetings to discuss the management plan for the day or week, to determine who will do what. Few people may truly enjoy having or running these meetings, but the consequences of not having management and operational discussions are often very painful in the short run and create a culture of chaos and reaction in the business.

Improving the “family” part of business requires a leader who facilitates discussion.

> OWNERSHIP DISCUSSIONS

The other category for discussion in the family business is ownership. This includes talks about debt levels, land or equipment purchases, and the financial return on your investment. You might discuss your entity's bylaws or operating agreements. This category involves discussions about who the future partners (owners) of the business will be, how people enter and exit ownership, and what the estate plan looks like. Often, I see younger



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family members become frustrated because the senior generation will not talk about ownership and its many facets.

In fact, in the ownership arena, silence breeds uncertainty, and uncertainty leads to family business tension and conflict. If you don't discuss significant capital decisions, partnership ground rules, and anticipated transfers of land or other assets, people are left to assume what will happen. Those assumptions, in turn, form the basis of (often difficult) actions by your family members and their spouses. The consequences of not talking about ownership issues results in long-term relationship strain in the family business.

> COMMUNICATIONS CHAMPION

As the consequences of poor communication become clear, one strategy is to ask or encourage a family member to assume the role of communications champion. Someone becomes a “facilitator” of important family business discussions. The word “facilitate” means to “make an action or process easier,” and in this case, we are trying to “make easier” the conversations about operations and ownership.

The facilitator role can be filled by different people; the person doesn't need to be the operational leader or have all the answers. They just need to be granted the authority to encourage discussions. The role can be filled by members of either the senior or junior generations, and can even be rotated among family members. Consider appointing a communications champion this year to achieve your goal of making the family business better. ///