

How To Cope With Succession Anxiety Disorder

Succession is notoriously difficult. Figuring out how, and when, to transition the ownership of farm and ranch assets takes having the knowledge of what you want to do, the right experts to help you do it and following through on your intentions. Furthermore, handing the management of your business to the next generation takes confidence in their skills, clarity about your own future role and a willingness to let go.

In short, the transition is hard, and for many producers, a formal succession plan remains elusive and overwhelming. I call the angst surrounding the succession process “Succession Anxiety Disorder.”

While contemplating this now-named condition, I came across Chip Conley, an entrepreneur who works with people going through mid- and late-life transitions. Conley developed a set of 16 “Emotional Equations” (explained in his 2012 book of the same title), describing the cognitive processes our brains experience that create emotional responses. I found two equations particularly relevant to the family business succession process.

Disappointment = Expectations - Reality. When things don’t go well, when you are disappointed in the outcome of a situation, it is primarily due to the gap between what you expected to happen and what actually occurred.

Take the case of a younger family member returning to the farm. The senior generation suggests the younger generation member should return and that he or she will “end up” with the farm. The younger member is excited and eager to come home. In many cases, that is as far as the conversation goes. There is no discussion about the timeline of the transition, the parents’ economic expectations for the change or how the financial terms will be settled with off-farm siblings. The younger generation is expected to simply trust that it will all work out.

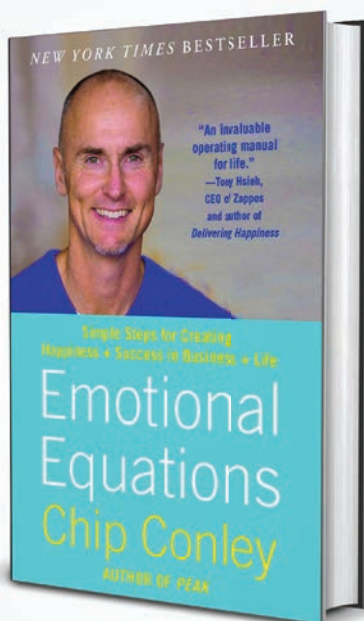
In the absence of a specific plan, the younger generation begins to develop assumptions around how the handoff should work. Later, their expectations meet the reality of the parents, who may have developed a very different idea, plan or set of assumptions. Worse, they may not even want to talk about the future or the details of their arrangement. They may not even have a plan. The result is a tremendous amount of disappointment and often conflict between the generations because of the gap in expectations by the younger generation and the reality of the parents’ strategy.

Anxiety = Uncertainty x Powerlessness. In this equation, not knowing what the future holds is multiplied by an inability to do anything about it. Conley suggests these two concepts should be multiplied, because the resulting anxiety is bigger than either uncertainty or powerlessness alone.

Family members who experience anxiety might develop severe conflicts with those with whom they work or live. They may shock the family with an addiction or mental breakdown, or initiate destructive behaviors toward themselves or others. These behaviors may, in part, stem from stress caused by uncertainty or mixed signals around how or when their transition into, or out of, ownership or management will occur. A lack of clarity or unrealistic expectations about what role they will play may also exist.

Multiply this uncertainty with an inability (real or perceived) to influence or control the transition timing, strategy or outcome. Young or old, they feel totally helpless, maybe even trapped in the family business as it stands today.

Taken together, Conley’s two equations shed light on why succession may be difficult. The gap between expectations and reality in transitions, and the uncertainty and sense of powerlessness during the process foster anxiety in the family. If your family can recognize and discuss Succession Anxiety Disorder, you’ll be better at alleviating the condition. ///



Email Lance Woodbury at lance.woodbury@pinionglobal.com