

## Woodbury: Farm Family Business

### The Perfect Invitation



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[Bio](#)

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Many family business owners invite their adult children to return to the business. It can happen immediately after high school or college. Or, the younger generation may come back after working for a few years in another job or industry. In a few cases, the unexpected death of a parent brings the next generation home. And sometimes it's less of an invitation and more of an expectation that the business will continue with family members returning as owners.



Include a spouse in the invitation to come home to farm; their attitude can make or break the business. (DTN photo by Marcia Zarley Taylor)

But what if you, the business owner, have yet to extend the invitation to return? Here are four factors to consider regarding the next generation's homecoming.

1. Be aware of your expectations. Parental expectations of children are powerful influencers, and parents' expectations are often shaped by their own experiences. Were you, as a young adult, expected to return to the business? If so, how is that shaping how you communicate with your children about the opportunity? I know several businesses where the parents felt forced to return when they were younger, and because of that they have pushed the next generation away from the business. I also know families who have a history of five, six or even seven generations continuing the business, and while not said outright, there is an implied assumption that a family member will return. Such pressure can create unhappiness, unhealthy relationships and destructive behaviors in a family business. Simply being aware of your experience and how that shapes your communication with your children is a good first step.
2. Encourage their experience. I'm often asked if there is a single strategy for ensuring the permanence of a family business. Unfortunately, there's no silver bullet. However, families that have encouraged members to work somewhere else for two to five years seem to approach the business more professionally and create better conditions for continuity. The experience of job interviews, supervision by a non-family member, going through performance evaluations, negotiating pay, managing others, and experiencing professional business policies like set business hours, vacation, and expense reimbursement helps the next generation more clearly separate "family" from "business."
3. Clarify the ground rules. If you're inviting a family member to return, what are the basic principles that set the stage for a good experience? Answering the following key questions will help articulate your expectations: Will someone else supervise them for a period of time? Will they do grunt work before taking on management tasks? Is there a waiting period before they begin accumulating ownership? Is their compensation at a market rate or some other benchmark? What are the expected hours and benefits? There are many stories of young generation members who came home without clear ground rules, expecting it would all "work out." In many cases, it didn't.

4. Consider the spouse. Realize that when you hire someone into a closely held agriculture business, you're also bringing his or her spouse into the system of relationships. That spouse may not physically work in the business, but his or her concerns, feelings and expectations will have an impact on the success of the integration. In short, the spouse can make it or break it. If you're inviting a married child or grandchild to return to the business, it's important to include them as a couple in the conversation, to make sure they both hear your expectations for how the return will work and allow for discussion of uncomfortable issues up front.

The dynamics surrounding the return of the next generation create the need for a delicate dance. The next generation needs to own their return, but your terms frame the opportunity. The basic steps outlined here, if done well, help create the opportunity for a lasting family enterprise.

Editor's Note: Lance Woodbury writes for both DTN and our sister publication, The Progressive Farmer. He is a Garden City, Kan., author, consultant and professional mediator specializing in agriculture and closely-held businesses. He will be presenting at a pre-Ag Summit DTN University workshop Dec. 7 in Chicago. For details go to [www.dtnagsummit.com](http://www.dtnagsummit.com) . Contact him at [lance@lancewoodbury.com](mailto:lance@lancewoodbury.com)

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