

SUCCESSION PLANNING – BOUNCING FORWARD IN UNISON

Tony Hammington
Rabobank

There is often more trepidation than anticipation when farm succession is mentioned. Whilst history has reported instances of dramatic and chaotic outcomes, the fact that family farms are still a cornerstone of NZ agriculture reflects that there are a lot of great stories in managing farm businesses across multiple generations. Maybe they just don't make for sensational journalism!

When the focus is on the challenges of, “What can we collaboratively achieve?”, and “What will be our legacy?” rather than, “How do we allocate the family pie?” then we have an energised pool of talent working in unison.

“To manage and strive through change in chaotic times, it seems to me that it comes back to a matter of trust – trust in yourself and others. So how can we build this trust? Family are inherently connected and during periods of dramatic and chaotic change, the need to stay connected is enhanced. Family members need to know where they stand so they can let go of any fears and their own questioning around, “Am I good enough?” and, “Do I belong?” and can refocus on contributing. This is why a more formal business planning process and discussions around accountabilities and expectations (based on behaviours around shared values) are just so important. Formal planning works!” (Dennis Hoiberg's blog June 2015.)

Provide context in important communication and create an environment for all family members to talk about their aspirations, thoughts and concerns in a non-judgemental manner. Identifying where people's passion lies is a critical enabler.

Be open and encourage people to engage in these conversations. Dialogues, rather than monologues mean people's voices are heard - or at least people feel as if their voices are heard. Collaborative language – “we” and “us” as opposed to “you” and “them” engage people.

Notes:

This will allow clarity on what success for the family looks like, individually and collectively, and creates a platform to build a view on what success for the business looks like. Ideally it is a learned behaviour to be replicated periodically.

Using professionals to facilitate the discussion will add objectivity and can complement the family's technical knowledge.

Sharing information about the ownership of the assets and responsibility for the liabilities of the business, plus recent profit and loss trends, builds trust and openness. Intangible and unpaid entitlements can be considered. Explore the work that needs to be done to grow the business to engage participation in the journey ahead. This is the essence of building a business plan.

Summarise discussions with written notes, including a table of action points that identify tasks to people, with timelines for reporting back.