

A Future-Proof Family Business



NUFFIELD
THE NETHERLANDS
FARMING SCHOLARS



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2024 Nuffield Scholar

Oktober 2025

Foreword

Writing this report has been more than simply answering the research question. It has become the story of a personal journey a search for what truly makes a family business future-proof.

The motivation for this research question comes from our own transition of taking over the family business. My wife and I were on the verge of taking over her family's farm. What began as a decision with a clear goal on the horizon grew into an intensive process filled with insights, encounters, challenges, and emotions. We discovered that a business transfer is not just about numbers, but above all about people, communication, trust, expectations, and the ability to grow together.

During this process, I had the privilege to participate in the Nuffield Farming Scholarship. This opportunity allowed me to look at the agricultural sector with an open mind and to learn from family businesses all over the world. The conversations and visits during my Nuffield travels provided not only knowledge, but especially inspiration and energy to think beyond our own farm and family.

Writing this report was at times confronting, but above all enriching. It made me realize that future proofing is not only about economic resilience, but also about human values, mutual respect, and the willingness to keep learning continuously.

I would like to thank my wife for her incredible support (with two young children), her belief, and her patience throughout this journey. In addition, I would especially like to thank Rabobank and LTO Noord for their trust and financial support during this period. Furthermore, I want to thank the entrepreneurs, friends, family members, and fellow Nuffield scholars for their openness, hospitality, and meaningful conversations. It was precisely this honesty and involvement that enabled me to write this story.

With this report, I hope not only to answer the question of how a family business can be future proof, but also to offer recognition to other young entrepreneurs who find themselves in a similar phase. Because a family business is more than an enterprise it is a lifelong endeavor that requires balancing head and heart, tradition and innovation.

Leon Kleis
Gaast, October '25



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Management Summary

A Future-Proof Family Business – Nuffield Farming Scholarship 2024

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Sponsored by Rabobank and LTO Noord

Introduction

This management summary presents the key findings, insights, and reflections from my Nuffield Farming Scholarship 2024, centered around the guiding research question:

“What does a future-proof family business look like within the dairy sector?”

The motivation for this study came directly from my personal and professional reality. My wife and I were in the middle of a succession process to take over her family’s dairy farm in the Netherlands. What began as a natural continuation of a family tradition evolved into a profound journey. This journey exposed both the strengths and vulnerabilities of family farming. I believe I was not the only one struggling with succession planning. Many young people in the agricultural sector face similar struggles.

The Nuffield Scholarship offered an opportunity to step outside the daily operational pressures, explore global perspectives, and reflect deeply on leadership, resilience, and the long-term viability of family-run agricultural enterprises. Thanks to Nuffield, I was able to look into a lot of family farms and see and hear their stories. Other than that, it gave me the opportunity to be part of a network that’s full of early adopters and positive-thinking entrepreneurs. Something I really was hoping to find within our family farm to help us move forward.

In the Netherlands, over 90% of all agricultural businesses are family-owned. In the dairy sector, the percentage is even higher. These farms provide food security, continuity of land stewardship, local employment, and a cultural landscape that defines Dutch rural identity. The landscape is something we should hold on to and something I’m really proud of.

Yet despite this importance, the continuity of family farms is under pressure. Increasing political uncertainty, shifting environmental regulations, high capital requirements, and rising societal expectations challenge the traditional model. Succession, once a relatively predictable intergenerational process, has become more complex, emotionally intense, and financially demanding. It’s becoming more and more challenging to take over a family farm for the younger generation.

With this research, I aim not only to gain insight into the future resilience of our own business but also to provide practical guidance for other young entrepreneurs in similar situations. This report walks the reader through our succession process, explores what happens when things go wrong, and ends with a personal conclusion. It is a practical and personal report, supported by insights from Nuffield that have helped us both professionally and personally.

Understanding the Family Business

A family business can be defined from several perspectives:

- Legally: the family owns more than 50% of the business and holds decision-making authority.
- Sociological: the focus lies on how the family works together, informal agreements, living and working on the same farm, and the transfer of values and traditions.
- Practical: parents and children work together on the farm, decisions are made within the family, and succession is part of the long-term strategy. Here, continuity takes priority over short-term profit.

These perspectives show that a family business is more than a legal structure. In many cases, the challenge lies in ensuring that emotions do not interfere with business operations. A family farm is also a social and cultural organisation, sitting at the intersection where economic objectives meet family traditions and emotions.

During my Nuffield Scholarship, my wife and I were working on her parents' dairy farm, operating as a partnership with my parents-in-law. My father-in-law had expressed his desire to step back from the business, giving us the opportunity to take over the farm.

The term “family business” can be interpreted in different ways. For us, it meant becoming the third generation to run my wife’s family farm. A possible succession brings new challenges: earning the trust of the older generation, ensuring that two households can be financially supported, and securing their retirement. The farm, after all, is their pension.

For the purpose of this report, a family farm in the dairy sector is defined as:

A dairy farm in which the family performs more than 50% of the work, holds decision-making authority, and operates with a long-term focus on maintaining the business within the family.

This report focuses specifically on family farms without external shareholders, as this aligns with our own situation. In such businesses, more is at stake financially, as the family often relies partly or entirely on the farm for their livelihood.

By being part of the Nuffield network, I sought answers to the central research question, with a particular focus on how to make Dutch dairy family farms future-proof. Insights gathered abroad contribute to answering this theme.

The Importance of the Family Farm

The significance of the family farm can be described from both a personal and a societal perspective.

I strongly believe in the strength of the family business. During my Nuffield travels, I visited many family farms, and each time I was struck by how a business can flourish when multiple generations work together in harmony. The commitment, pride, and long-term vision that families share give a farm a unique and irreplaceable value.

For me, the family farm represents continuity, the idea that what we build today can become a foundation for future generations. The thought that my son or daughter (or both) could one day build

upon this gives me great energy. People often say, “You don’t become a farmer; it’s something that lives within you.”

We recognise that sentiment strongly. Even though both of us have worked outside agriculture, we ultimately returned to our roots, farming. Working with cows, improving the business, and caring for the land and the environment is what motivates and energises us. We also appreciate the opportunity to raise our children on a farm, which is an important personal drive for us.

Especially now, in the midst of the succession process of my parents-in-law’s dairy farm, thinking about future resilience is more important than ever. It gives us the opportunity to shape the business in a way that suits the next generation and strengthens our financial position.

However, the importance of family farms extends far beyond our personal involvement. Family farms play a central role in rural life in the Netherlands and in global food production. The structure of dairy farms, grazing systems, permanent grassland, or arable crops significantly shapes the landscape. In addition to food production, family farms contribute to soil quality, water management, and biodiversity.

Yet succession is becoming increasingly difficult for the younger generation. During my travels, I noticed several trends and developments:

- The average age of farmers is increasing worldwide
- Conflicts between siblings and between parents and children occur far too often
- Barriers for young farmers continue to grow:
- Financial: high land prices, production rights, and stricter regulations make financing extremely challenging
- Competition for land: Purchasing land near the home farm is becoming increasingly difficult
- Spatial and political uncertainty: a clear long-term vision is lacking
- Pressure on successors: many feel obliged to take over, while economic risks continue to rise

These developments not only affect the future of family farms but also have far-reaching consequences for the agricultural sector as a whole:

- Continuity is at risk, as fewer young dairy farmers enter the sector
- Loss of diversity, as family farms often contribute to a wide range of management styles and activities
- Reduction in innovative capacity, since young entrepreneurs tend to be the most willing to invest and innovate; lower entry rates threaten the sector’s broader transition, which is increasingly crucial

For me, the family farm is of immeasurable personal value: it is an opportunity to build a future in agriculture together with my wife, continuing what previous generations have created. At the same time, I see the family farm as a cornerstone of our society, essential for food production, the vitality of rural areas, and the preservation and development of the Dutch landscape. For all these reasons, the family farm deserves a central place in the discussions about the future of the dairy sector.

The Hard Side of Succession

The “hard side” of succession refers to the financial and operational dimensions of running and eventually transferring a farm business.

These include profitability, cost structures, cash flow, and investment decisions. In the Dutch dairy sector, these aspects are under increasing pressure due to volatile milk prices, stricter environmental regulations, and high land and input costs.

In our own transition process, we discovered how strongly financial and strategic decisions influence both opportunity and emotion.

When analysing the business together with our accountant and later with a farm management coach, we explored several “levers” that determine economic resilience:

- Cost of production per kilogram of milk
- Feed and energy efficiency
- Debt structure and liquidity position
- Diversification and risk spreading.

The Lean philosophy also provides inspiration for family farms.

Lean thinking focuses on eliminating waste, standardizing processes, and fostering a culture of continuous improvement. Applied to dairy farming, it helps farmers optimize workflow, reduce costs, and empower family members to contribute ideas. And most of all, it focuses on a positive mindset.

Ultimately, the hard side of succession teaches that economic numbers are not cold facts; they reflect the quality of decisions, trust, and communication between generations. I’m not denying that it isn’t important, but the flexibility and creativity of a family can make a big difference in terms of the hard side of succession. During my travels, I have seen and spoken with families who had an almost impossible task to take over the farm. But I’ve learned that even the most difficult ways can work out if a family is going for it.

The Soft Side of Succession

While financial calculations and business plans are essential, the *soft side* of succession often determines whether a transfer truly succeeds.

This side involves emotions, communication, trust, and expectations, all deeply personal and intertwined with identity.

In our own case, we started the transition consciously and carefully. We worked with a business coach and completed personality assessments to better understand each other’s styles. Initially, this helped. But over time, our differences (personally) in mindset, risk tolerance, and vision resurfaced.

Working together as family members brings enormous opportunities but also emotional strain. Boundaries blur; the dinner table becomes the boardroom. Communication, patience, and respect are crucial, but so is clarity.

Questions such as “*What role will parents have after the transfer?*” or “*What does retirement look like?*” must be addressed early.

Living and working on the same property adds complexity. When roles and responsibilities are unclear, initiative declines, and confidence erodes.

A future-proof family business must create space for the next generation to take ownership, make mistakes, and grow into leadership.

The soft side of succession is about managing change through dialogue, not just between generations, but between heart and head.

When Things Go Wrong

A farm succession can break down in several ways. Common causes include:

- **Financial feasibility:** high takeover sums, expensive land, phosphate rights, and uncertainty around nitrogen and permit issues related to ammonia policy makes banks more hesitant. Profit margins are under pressure while debt levels and repayment periods increase.
- **Lack of agreement within the family:** disagreements about price, authority, roles, or the length of the transition period frequently lead to conflict.
- **Political and societal pressure:** uncertain policies, a lack of long-term vision, and increasingly strict regulations cause the older generation to doubt whether transferring the business is still meaningful, while successors question whether the investment has a future.

Our situation

In our own case, the succession process ultimately did not unfold as we had hoped. On 22 November 2024, my parents-in-law told us they had decided to stop the business. Although conversations had become more difficult in the months before, the final decision still came as a shock. No concrete explanation was given, but uncertainty about agricultural policy, the long-term outlook, and the financial position of dairy farmers all played a role. To us, it felt as though they wanted to protect us from an insecure future.

The impact was profound. We had worked hard for years toward the takeover and invested much of ourselves in the process. The loss affected not only the business but the entire future we had envisioned. It triggered a grieving process similar to personal loss.

The Grieving Process

In family farming, a failed succession is more than a business ending — it is the loss of a dream, a place, and part of one's identity. The Kübler-Ross model helps to describe the emotional stages we experience:

- **Denial:** initially, we responded respectfully, but once the reality sank in, the emotional impact followed.
- **Anger:** we questioned whether we could have acted differently and searched for someone or something to blame.
- **Bargaining:** inspired by success stories from the Nuffield network, we explored every possible solution — but the decision had already been made.
- **Depression:** accepting that the takeover would not happen, and seeing the cows sold and the barns emptied, created a deep sense of loss and uncertainty about the future.
- **Acceptance:** only months later did space emerge to look ahead; certain phases reappeared more than once.

Additional layers of grief included the loss of identity (“Am I still a farmer?”), strained family relationships, saying goodbye to my wife’s family farm, and the emotional difficulty of parting with the cows we had worked with for years.

The soft side of succession is often underestimated. Our story shows how powerful the influence of emotions, trust, expectations, and communication can be. Financial figures matter, but without clarity, mutual respect, and space for each person’s interests, even a financially healthy succession can fail. An external advisor can add significant value by providing objectivity, breaking patterns, and guiding families toward constructive dialogue. Ultimately, family resilience is the most critical factor: when it is strong, even seemingly impossible successions can succeed and when it is weak, the risk of failure is substantial.

How Nuffield has shaped my perspective and development

My Nuffield Scholarship has significantly broadened my view on succession, family farming, and personal leadership both during our own transition process and afterwards, when the succession unexpectedly came to an end. What Nuffield has given me most is insight and inspiration through conversations with entrepreneurs around the world, each with their own challenges, setbacks, and successes.

Key lessons from my Nuffield travels.

The importance of structure and professional guidance (New Zealand – Peter Templeton)

Peter demonstrated how carefully and deliberately a successful succession can be shaped. With the support of an external coach, his family spent a full year clarifying expectations, building trust, and creating a fair outcome for both sons.

Lessons:

- Involve all children in succession planning
- Take time for reflection
- An external facilitator prevents escalation
- Work from a long-term vision of continuity

Building a business from scratch (United States – Paul Windemuller)

Paul showed that it is possible to grow without an inherited farm, provided you manage investments and cooperation extremely effectively.

Lessons:

- Focus on return on investment
- Make use of other people’s strengths (“Who not how”)
- Growth is possible even without a family farm

Personal well-being as the foundation (Ireland – Joe Hayden)

Joe emphasised that physical and mental health form the basis of business continuity.

Lessons:

- Healthy entrepreneurs make better decisions
- Work–life balance is essential
- Surrounding yourself with inspiring people is crucial

Rethinking business structures (Ireland – Bryan Hynes)

Bryan showed that growth is also possible through creative business arrangements, such as long-term leasing of retiring farms.

Lessons:

- Multiple sites can strengthen one another
- Flexibility in business structure creates opportunities
- Family life and personal time should be factored into business choices

Keeping a helicopter view and trusting your team (New Zealand – Kylie Leonards)

Kylie deliberately chooses not to live on her farm in order to maintain distance and clarity.

Lessons:

- Distance can bring a better perspective
- Trust in your team is essential
- Diversification and property investment can be strategic choices

What Nuffield has brought me personally

- a global network that truly feels like a family;
- renewed energy and confidence to move forward after a failed succession
- increased self-reflection: what type of farmer and entrepreneur do I want to be, and why?
- the insight that a future in agriculture is still possible, even without a family farm to take over
- the realisation that resilience, mindset, and the right people around you are key to building a future-proof family business.

Nuffield teaches you to rise above your own situation and view your business, your decisions, and yourself from a broader perspective. Speaking with farmers and entrepreneurs around the world has shown me that every family, every business, and every succession is different — but that success always begins with communication, vision, trust, personal development, and a willingness to learn.

Conclusion

The central question of this report was: *“What does a future-proof family farm look like?”* Throughout my Nuffield research, I came to understand that long-term resilience is not determined by financial figures alone. It depends on the balance between three key elements: **economic strength**, **human balance**, and **societal integration**.

Economic strength

A solid financial foundation remains essential. Understanding cost price, profitability, and investment capacity determines whether a business can continue. Approaches such as Lean support this by reducing waste, improving processes, and encouraging continuous optimisation. Future-proofing, therefore, requires not only a business-minded approach but also a positive and proactive mindset.

Human balance

The soft side of communication, trust, expectations, and emotion are just as important as the hard numbers. Family farms contain two systems that can sometimes clash: the family system (driven by emotion and loyalty) and the business system (driven by logic and performance). Success requires balance between the two: giving each other space, letting go when needed, maintaining open dialogue, and working towards shared goals. The Templeton family story is a strong example of how guided communication creates understanding and commitment.

Societal integration

Family farms contribute far beyond the boundaries of their own land. They help safeguard food security, shape the landscape, and support rural vitality. Their strength lies in a long-term mindset: family farms think in generations, not in years.

Personal reflection

For my wife and me, this journey took an unexpected turn when the succession process at home came to an end. This was not only a business setback but a deeply emotional one. Yet it also brought important insights. Future proofing is not only about holding on to what you have, but about resilience, reorientation, and staying true to your values. Farming is in our hearts, and Nuffield taught us that opportunities remain possible for us even when the family farm itself comes to an end.

The role of Nuffield

Nuffield offered new perspectives on leadership, innovation, and family farming worldwide. The network provided inspiration, energy, and support, exactly what we needed during a challenging time. It reaffirmed that agriculture *does* have a future, provided that farmers continue to learn, collaborate, and look ahead.

In summary

A future-proof family farm is not a blueprint, but a balance. It is a place where people work together with passion and respect, where numbers provide direction, but values set the course. A place where each generation builds on something greater than itself.

Whether a farm continues into the future depends not only on milk prices or policy, but above all on the people behind it: their resilience, their willingness to collaborate, and their belief in the strength of the family.

When the younger generation enters the business, it is vital that they also gain experience outside the home farm through work elsewhere or through a programme such as Nuffield. This broadens their perspective, sharpens their thinking, and helps them take distance from everyday routines. It creates space for new ideas and encourages a wider view when tackling challenges. Personal development is just as important as professional skills for any young farmer.

Economic health remains crucial, but do not be discouraged if the financial picture seems difficult. When calculations suggest something is impossible, that is often where the real challenge and opportunity lie. Succession is a long process full of obstacles; the question is not only whether the business is strong enough, but whether the family is.

My advice to others is clear: involve an external adviser in time. This is not a sign of weakness, but a sign of professionalism. I have experienced firsthand that without clear guidance, things easily run past one another. During my Nuffield journey, I was often moved by the stories of family farms where succession did succeed. They also faced setbacks, but through openness, trust, and perseverance, they found a way forward.

Never underestimate the soft side. Communication, trust, and emotion are just as decisive for success as figures or policy. Only when generations keep talking, share expectations, and give space to each other's vision can a family farm not only survive, but thrive, now and in the future.