

Family Business Continuance: A Global Perspective

Continuation of Sustainable Family Farm Businesses in a time of public scrutiny and challenge over the environment, carbon; animal welfare, security and supply issues of food and energy.



Mandi McLeod
Nuffield Scholar 2009

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Foreword

I have been working with family farms as a business and production systems consultant for the past fifteen years during which time I completed a Masters Degree in Rural Systems Management and worked with farmers in Australia, China, UK and Russia as well as New Zealand.

I have lived and worked with famers through floods, droughts, industry deregulation and financial crisis and have seen business go from high profitability to negative equity and business loss as the value of core assets decrease overnight. Corporate farms and equity partnerships coexist side-by-side with traditional family farms; high feed input systems beside pasture-based. Dairy farmers can choose to supply co-operative or corporate dairy factories as the single-desk marketing board has coalesced into a multitude of processors and supply options . for most of them.

My observations throughout my career to-date, including a four-year stint producing and presenting a farming show on local TV and the development and implementation of a Rural Support Trust, has been that whilst family farms still dominate the landscape of rural New Zealand; they have come under pressure from an increase in volume and complexity of regulations and the requirement for a more professional approach to their businesses in terms of financial management and HR etc. Whilst this is no different to those in the corporate¹ farming sector, the family farmer appears to be least ~~em~~otionally+prepared to deal with these pressures. Pressures, which coupled with long work hours, rising production costs, uncertain income from product sales and the relatively high cost of land relative to its productive capacity has seen farming parents actively discourage their children from entering the agricultural industry as farmers.

In addition, my own experience has been that taking on the family farm is fraught with innuendos, emotion and or conflict with often very little thought given to preparation of the next generation as leaders and successful entrepreneurs that they are required to be in order to succeed in the business of farming.

As someone who has taken on the family farm myself, I have experienced first-hand many of the issues associated with succession despite having a well considered plan in place! My own journey into farm ownership and leadership in agriculture has highlighted to me the need to have a paradigm shift in the way in which succession of both the family farm and leadership in the agricultural sector is conducted. A greater focus on management skills and capabilities required to lead the business forward as opposed to the current focus on assets and lineage is, in my opinion the only way forward for businesses intent on profitable and sustainable futures.

Travelling and studying agriculture within the current global context of financial recession; food and environmental security and scrutiny; Carbon emissions; disease pandemics and the war on terror has resulted in a process of maturity of my own knowledge-base and subsequent opinions. Learning to be a diplomat under-fire and defend an industry through what was perceived by many of the countries I travelled through as having unfair trading practices (Fonterra's auction system), poor food safety standards (Fonterra's melamine

¹ defined for the purpose of this report as those farms with multiple ownership

scandal) and questionable animal welfare codes (Crafer Farms animal welfare allegations) has been life-changing.

My experiences and knowledge gained throughout the past twelve months has resulted in the following report documenting my opinion of what is required for family farms to be profitable, sustainable, environmental champions and continue to be in business in a world facing such challenges as it currently is.

In many cases, I have felt like a gopher coming out of its hole and seeing the world for the first time² .



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Acknowledgments

Without support from the following people and organisations this study and report would not have been possible:

- “ Nuffield New Zealand . thank you for allowing me the opportunity to participate in this program and have learning for life.
- “ Sponsors . Including Federated Farmers of New Zealand; Meat (& Wool) NZ; Dairy NZ; Rabo Bank NZ; Landcorp Farming Ltd FMG Investment Services; Mackenzie Charitable Foundation Without your support, this scholarship would not exist
- “ My partner, Ant Beet. Thank you for your encouragement, love, support and being the go-to man whilst I was away. Behind every Nuffield Scholar are the un-sung heroes who allow us to have these amazing experiences.
- “ My parents, family and friends who have encouraged me to keep going when times were tough.
- “ My on-farm business partners . Gerald and Ana Wiseman and Gary and Edna Hendricks. Thank you for your understanding and patience.
- “ Jim Cotman, Peter Buckley and Stew Wadey . thank you for your references and encouragement, without which this may never have happened for me.
- “ To my Global Focus Program family . thanks for going through this amazing experience with me; suffering though all my questions and returning with a few curly ones of your own.
- “ Jim Geltch and Nuffield Australia . thank you for organising the Global Focus Program. This has been one of the most challenging and rewarding experiences of my life.
- “ To John Baker, Elaine Froese, William Haire, Karen Daynard, Ron Mullins, William Haire (and family) and Julie Brien . thank you for helping put me in touch with the movers and shakers in the succession world. John and Elaine . worlds cannot express how grateful I am to you and your spouse (Vicki and Wes) for all that you did and continue to do for me.
- “ International Farm Family Succession Conference Committee; American Agricultural Law Conference Committee
- “ To ALL the amazing people who gave up their precious time to meet with me, sometimes with short notice. Your willingness to do this humbles me.
- “ To every farmer in New Zealand who has contributed to Nuffield through their support of the sponsors: this report is for you.

Nuffield for Life - I L-O-V-E it!

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Abbreviations and Glossary

- “ GDP . Gross Domestic Product
- “ Primogeniture- entitlement of eldest son to land assets
- “ NIMBY . Not In My Backyard
- “ SMART . Specific, Measureable, Achievable, Realistic, Time-bound
- “ Continuationer - person or persons who are responsible for continuation of the business.
- “

Executive Summary

Background

The term *succession* is usually used in the narrowest sense of asset transfer between generations with little attention paid to management succession in the case of a (family) farm business or succession of board members at a board and governance level.

With agriculture contributing approximately 15% of GDP, New Zealand's aging agricultural population is of concern, not only in terms of food production but in agricultural leadership as well. The majority of agricultural leaders are derived from a practical-farmer base which has an estimated average of 65 years. These farmers have developed skills through their active involvement in Federated Farmers and other industry organisations.

Traditionally, New Zealand has had a relatively self-replacing dairy industry through share-milking which allowed new entrants the opportunity to build up a herd of cows and develop crucial business skills before purchasing their first farm. Whilst this has allowed a ready-market of first farm buyers, most dairy farmers still aim to pass the family farm on to family members.

The sheep and beef industry has a more traditional approach to succession, with family members taking over the family farm or the property sold and assets divided equally between the family.

Changes to the entry cost of farming (increase in land value; introduction of Fair Value Shares³ etc) relative to income has altered the perception of farming as a *easy* option for those who saw themselves as academically-challenged to that of a business with increasing regulations and decreasing profit-margins.

The opportunity to work with Sydney-based accounting firm Grant Thornton Pty to assist in the development and implementation of family farm succession programs coupled with my personal situation of being *the* farmer in the family^q with four non-farming siblings has impressed upon me that succession is not the primary domain of lawyers, accountants and/or financial planners.

Families are complex beasts consisting of individuals linked through a common lineage, sometimes with little more in common than the blood that binds them. It is these individuals that form the heart and soul of a family-farm, ensuring its ultimate success or failure, yet it is these same people that are forgotten about in a traditional succession planning model, which is developed around tax-effective mechanisms for reallocation of assets when the matriarch and/or patriarch are deceased.

Aims

Business Continuance and Succession Planning . the primary aim is to provide a readable document that highlights the issues and provides some commentary and suggestions as to

³ Value of shares in Fonterra Co Op independently determined and required by suppliers to equal their supply

how these might be handled. It is very much intended that the primary beneficiaries of this report are family farmers and their advisers.

To create a heightened awareness and understanding of the gaps that currently exists in our collective knowledge base around the continuation of family farming businesses via transfer of knowledge, skills and experiences from one generation to the next.

On a personal front, I would like to develop pragmatic models and tools for achieving efficient, harmonious and successful transitions between generations of agricultural and farming leaders; family farm businesses and individual family members.

Smooth and timely leadership succession is vitally important to the financial success and longevity of any business whether it be the family farm, corporate farm enterprises, Maori Trust farms or multi-million dollar co-operatives such as Fonterra, Ravensdown Fertiliser Co-op, Ballance Fertiliser Co-op etc The Alliance Group Co-op is a particularly good example of a poor process for succession of their Chair as shareholders vented their spleen over the industry politics surrounding this decision.

Continuation of family farm businesses is vital for the continuation of agriculture and food production locally, nationally and globally and for industries to recognise the importance of this for their own survival.

Method

The approach I have taken was to study those who have managed this aspect of the succession process well and who have developed models for success and/or best practise guidelines for family farm businesses.

The countries I visited during my scholarship were:

UK, Belgium (Brussels), France - Contemporary Scholars Conference

Australia, Philippines, Hong Kong, China, US, Canada, Ireland, Northern Ireland . Global Focus Program

Canada, Australia, US, Northern Ireland, England⁴, Wales, Scotland, India . Study Specific

The countries chosen specifically for the purposes of my study were based on a desk-top research of those individuals, organisations and conferences/seminars that I deemed to be of relevance. In many instances, as a result of my visit I was referred on to other experts in a form of an intellectual snow-ball waltz.

A semi-structured interview and/or active participation in conferences and seminars were used to gather information.

⁴ The UK and India component of trip are not included in this report due to time of visit relative to time of report due.

Introduction:

The traditional definition of succession in a family business is to pass the assets on to the next generation based on either primogeniture or split equally amongst siblings. Very little thought is given neither to the business aspect nor to the emotional complexities which are inherent in a family business and are possibly the most significant factors to be considered in terms of success or failure.

A lack of transparency and poor/ineffective communication between individual family members are cited amongst the main causes of conflict and failed management transfers. In a paper written by Danny Klinefelter⁵, Mark Voeller reports that 60% of failure can be attributed to these issues and 25% as a result of poorly trained successors.

This supports my experiences working with dairy farmers on the South Coast of Australia and conversations held with many farmers in both New Zealand and Australia prior to my Nuffield Scholarship. It also supports the reading I have done and conversations I have had with various agricultural leaders in terms of their own plans for succession of themselves their fellow board members.

Such is my concern for the future of agriculture, in particular family farms in New Zealand and beyond that I have made this the basis of my Nuffield Scholarship study for the past twelve months and will continue to be a study in progress for many years to come,

During the course of the past twelve months I have had the opportunity to discuss, challenge, be challenged and learn from some of the most progressive thinkers in the field of family business planning, continuance and succession in the world. A number of things stand clear. Family farmers cannot remain ignorant of the global context in which their businesses operate nor can they ignore the more professional and strategic aspects of managing their businesses i.e. finances, human resources, communication and conflict management etc

Farmers need to take responsibility for where they are today and where they want to be in the future and not blame others for taking the opportunities that they themselves saw but did not take advantage of. To do this, they must become more cognisant of the global perspective of agriculture and food production, the possible impact of this on their businesses and their role within this.

Farmers, like any business must embrace the concept of succession and view this as a segmented process, which takes into account people; their visions, dreams and desires for the future rather than the singular tax-driven asset transfer process that defines succession today.

⁵ Successor Development and Management Transition on Family Farms and Ranches; Prof. D Klinefelter Texas A & M; To be published in *Top Producer*

Global Agriculture in Context

See Appendix One for a breakdown on individual countries.

Chapter One: Global Agricultural Summary

“NZ oblivious to massive security challenges facing world” Dr Heiler⁶

Distilling the information gathered from all the countries I have visited, the major issues that stand out to me are:

- “ Sustainability: producing enough high quality food to feed a population of nine billion; utilizing technology (not yet invented) that will decrease the carbon footprint from agriculture and improve the environment (no-till, no chemicals etc); animal welfare focused and has minimal reliance on fossil fuels. There is also a social driver to ensure that the ascetics of the rural environment, including historically significant features are maintained or enhanced and that consumers have access to locally produced food. Food miles appear to be soon made redundant by an increase in awareness of the total energy cost of consumer-available food, irrespective of where it is produced. Drought stricken countries like India and Australia could be seen as exporting water in the food they sell off-shore and importing droughts from those countries they sell to. The EU desire for ~~Not~~ in my backyard (NIMBY) environmentally expensive food has had disastrous effects on rainforests in South America and the water table in the drought-stricken Punjab area of India.
- “ Security . (food, water and energy) in the past 50 years, the demand for water has increased three times and is expected to be the single largest threat to global food production in the next ten years. By 2050, the half a billion people who live in countries chronically short of water will increase to more than four billion and the global population increases trends towards 9.2 billion. Changes to the climate will result in an increase of 40-170 million undernourished people worldwide and energy, the single most important driver in food prices in recent years, has had insufficient lack of on-going investment in new oil production to prevent this from becoming even scarcer in the future. The World Bank projects that by 2030 worldwide demand for food will increase by 50% (meat by 85%) and water by 30%. Possibly of greatest

⁶ Retiring Irrigation NZ CEO in NZ Herald Article. December 2009

concern is that history dictates that hungry, thirsty people pick up guns and search out food and water. If water-rich countries are not seen to be making the most of their resources, other countries, such as China, could potentially cross the border to rectify this.

- “ Supply of production inputs: as countries such as China and India, the two fastest growing countries in the world, increase their standards of living, competition for the world's resources increases at a cost to food producers globally. The correlation between commodity price and crude oil has never been stronger. Competition for fertiliser, animal health products, steel and oil etc are directly responsible for the sharp increases to the cost of food seen in the past three years. The resultant competition for core inputs as opposed to collaboration will continue to impact agricultural food production in countries such as New Zealand who rely on countries such as China for fertiliser inputs, and compete with the building trade for animal health products such as zinc, copper and magnesium.
- “ Subsidies: these are the back-bone of European and North American agriculture and appear to be designed to create a fair playing ground for those involved via production caps etc. They could also be viewed as guardian-grants to ensure that aesthetically the landscape does not change; nor environment and animal welfare practices be unacceptable to consumers as they drive past on a Sunday. It appears that some of the basis for subsidies is to ensure that a population of regional food producers is retained to prevent reliance on 100% agricultural imports and the vulnerability that this could bring in the event of another war or similar crisis. It is true that there are those farmers who are farming subsidies but equally and more importantly there are those who are frustrated with the rules and regulations and want to get on with the task of producing good quality food in an efficient, sustainable and profitable manner. Contrary to the enviousness of subsidies, they could now be seen by non-subsidy farmers as disempowering and a disincentive for agricultural production innovation and potentially the real Armageddon of agriculture. Subsidies could also be viewed as a tool for agricultural communism by ensuring that there will be sufficient food supply in the future . or if there is another war. The debate over subsidies as public good vs. private income does not yet appear to have been held, and in times of food supply uncertainty, may not occur as consumers demand cheap, wholesome and safe food despite the real cost on the environment and economies in general.

“ Succession: the aging agricultural population is a significant global issue with the price of land and non-subsidy farm returns making the challenge for the next generation extremely difficult. Those farmers who do succeed in taking over the family farm are then frustrated by the disempowering regulations that appear to practically force subsistence farming in the name of sustainability and fairness (production caps; environmental regulations; nitrogen fertilizer caps etc). On the flip side there are non-farming opportunities for increasing incomes through farm shops, barn-conversions into office and retail space and subsidy chasing. However as more of the instant-generation are put off by the long hours and low incomes, the questions of WHO will feed the next generation are as problematic as ever. How we can attract new entrants to agriculture especially at this time of public scrutiny and challenge over the environment, animal welfare, food and energy security and supply issues remains central to the issue of succession and farm business continuance. If there is no-one to take over the family farm, no new entrants willing to purchase farms the flow-on effects to land price and asset valuations; to industry survival and food production could be devastating.

Mission Impossible

- “ Increase food production but also:
- . reduce our carbon footprint irrespective of what this really means and how it is measured
 - . AND reduce our reliance of fossil fuel despite having no viable alternatives;
 - . AND reduce our impact on the environment, especially greenhouse gas emissions from livestock;
 - . AND use less water
 - . AND do it cheaper but remain in business

Farmers and producers throughout the world are expected to accept Mission Impossible from a global consumer, we are lead to believe, who neither understands nor wants to understand the complexities involved in successfully operating a multi-input system reliant on the vagaries of the weather and fickleness of suppliers and purchasers of their goods.

Historically farmers have been able to treat their business as an extension of their lifestyles. Today's farmers must embrace their operation as a profitable and sustainable business, adopt practices long since adopted by their urban-peers; that is accept full responsibility for financial management and control and a desire to see their business independently from their own psyches and not as a job. Therefore the business should be capable of existing beyond the founder's passion and traded between generations of successors, whether family or not.

Chapter Two: Farm Family Business Continuance and Succession Planning

*"Succession seems to be considered something you need to go to the chemist for... but it is NOT a disease, you know"*⁷

Having spent the past twelve months officially researching the topic of succession planning I do not believe that the term *succession* is appropriate for the processes that I believe family farm businesses need to go through if longevity of their business is the key outcome they desire. As an outcome, I have coined the phrase *business continuance* to emphasis that the focus must be on people and business management not property and asset transfer.

However, I must highlight a valid point raised by John Baker who heads up the Beginning Farmer Centre at Iowa State University. John cautions that the term *business continuation* can include the sale of the business and therefore loss of control of any successor training. His concern is that if the business is sold as part of a continuation strategy, assuming money is the driving purpose of the sale, and the buyer runs the business into the ground and/or bankruptcy, that this is not continuance of the business. The point is, that the successor, subsequent operator or continuation⁸ has to have the skills required to *continue* the business.

With this in mind, I believe that it is a process of *profitable, sustainable business continuation* that requires attention. Profitable, sustainable continuation of farm businesses in an industry will result in continuation of the industry itself.

A Definition:

The art of ensuring the family *and the* business endures through implementation and acknowledgement of the following:

- " Orderly transference of responsibility for business management from one group of people to the other⁹
- " Relationship management and planning - manage the conflicts between family, management and ownership and asking the critical questions¹⁰
- " Ownership vs. Management . what do the owners of the assets want/need in relation to the needs and expectations of the business
- " Asset management and protection . ensuring that current assets are managed in such a way that they continue to grow and are not at risk from ill-conceived plans
- " Key people - family vs. non-family; what skills does the business need to continue and who has these or who can develop these through shared experiences and wisdom

⁷ Queensland cane grower comment

⁸ New word, coined for me by John Baker, to mean person or persons who are responsible for continuation of the business.

⁹ Rob Napier, Napier Agrifutures

¹⁰ See Appendix 2

- “ Identification, attraction and retention of key skills required to ensure that the business has sustainable growth into the future
- “ Wealth creation and/or preservation . ensuring that assets outside the business are created to prevent reliance on one asset to fulfil all future financial requirements
- “ Financial structures for financial freedom etc Having the right financial structures in place that best fit the strategic direction of the business and are fiscally sound and up to date from a financial efficiency perspective
- “ Estate and retirement planning . plans in place to ensure that there is independent income and leisure activities to prevent post-farming depression and create feelings of self-worth independent to the farm.
- “ Strategic Planning . everyone should know, understand and take ownership of the implementation of the strategic direction the business must take to meet the financial, social and emotional goals of the owners and key stakeholders. This vision should be jointly held between the owners and key stake holders who have all participated in its creation.
- “ Growth or death. If a business is not growing, then by fact of inflation, lack of reinvestment and interest, then it is dying a slow death. Identification of where the business is on the business life cycle¹¹ is vital in establishing the strategic direction and growth plan.
- “ There's more to consider than simply Asset Transfer and Tax Avoidance!

The Issues:

Despite the number of different countries visited; professional and farmers interviewed, the issues central to succession planning remain the same:

- “ The activity of ignorance; not dealing with the issues of succession/business transfer results in no wills, business continuance or retirement plans
- “ Succession is considered death of mind, soul and/or body. I won't have anything to do, nor will I be needed+
- “ The most common catalyst for change in family business management is death or incapacitation of one or both parents or key stakeholders in the business.
- “ Resistance to change. Failure to experience life in each others shoes and genuinely understand and appreciate their point of view . especially that of the older generation and daughter/son in laws.
- “ Failure to recognise the different needs, wants, fears and expectations of different individuals in the family. I.e. Failure to acknowledge the psychological aspects of the process.

¹¹ See Appendix 3

- “ Ineffective or non-existent communication and failing to ask the critical questions resulting in unmet/unrealistic expectations. Failing to accurately identify and/or acknowledge the elephant in the room and resolve it in a civilised manner.
- “ Inability of current generation to engage and negotiate with their parents regarding the process of management and/or business transfer.
- “ Ineffective relationship management caused by and resulting in layers of conflict between family members. This is especially relevant when considering the position of daughter and son in laws.
- “ No business strategy or financial acuity . profits made accidentally not deliberately.
- “ Failure to recognise or accept liability owed by the business to the on-farm heir for un- or under-paid work.
- “ No time budget, therefore poor time management
- “ Failure to involve professional facilitators with effective social and relationship skills in the team that should also include accountants, lawyers etc
- “ NO PROCESS!
- “ Lack of new entrants identifying farming as a profitable and rewarding business opportunity.
- “ Perceived lack of returns vs. capital required to profitably and sustainably operate a farming business.

Key Success Factors/Process

These are the elements of a successful business continuance program as amalgamated from my panel of international experts:

- “ Determination by the parents that they are ready for a partner in the business.
- “ That the identified successor committed to farming and what it may take to follow the strategic direction required by the business to grow.
- “ Utilising an independent professional facilitator who is skilled in effective, responsible communication¹² and conflict resolution management who can guide the family through identification of key issues and develop a business continuance plan that meets the needs, wants, expectations and appropriately deals with their fears,
- “ Knowledge that the business is viable or that it can be viable and what it may take to achieve this followed by an acceptance that this is what is desired.
- “ That the successor has the necessary management and business capability or has the aptitude that they are willing to learn and/or manage a team with the appropriate skills.

¹² See Appendix Four

- “ Effective and responsible communication to ensure that there are no unmet or unrealistic expectations between family members and/or staff. Mind-reading is neither a pre-requisite skill nor one that should be required to be developed.
- “ No unresolved conflict that could derail the entire business . 60% of failed management transitions stem from unresolved family conflict and communication issues.¹³
- “ NO secrets.
- “ Time management vs. time drift . plan time like it was cash and spend it just as wisely.
- “ Having non-farming siblings and partners supportive of the transition process and involved as much as is appropriate.
- “ Shared vision between out-going and in-coming management leads to multiplication not division.
- “ Commonality/mutual purpose (vision) for the business.
- “ Expectations vs. realities in terms of who will get what and when. Having an explicit time-line for transfer that meets both parties needs.
- “ Having a continuance plan that is SMART - specific, measurable, achievable, realistic and time-bound.
- “ Professional approach to the business management aspects to ensure that the business is ideally placed to prosper in the future. Including mutually shared and accepted vision, values and intention for the future of the family business.
- “ Knowledge and understanding of the businesses position globally and taking ownership of marketing functions to ensure maximum returns.
- “ What makes a difference between success and failure is the manager of the business - Motivation x Capability = Performance
- “ Culture shift from production to management of the business
- “ One person to drive or champion the project and see it through a fear of the planning process and what it may entail

Why Planning Does Not Take Place

- “ When there is no concern about what happens to the farm family business.
- “ When there is no consideration if the next generation own and operate the farm family business.
- “ When losing money, assets or managerial control is affordable

¹³ Mark Voeller

- “ When there is no personal accountability or responsibility for the family or the business

Pessimism in the industry appears to be confusing the issue of business continuance and succession planning, which is perceived to be all about transference of assets at no real cost or debt incurrence to the in-coming heir, despite business assets possibly being the only assets held by the family.

Why Planning Should Take Place

- “ Risk Management
- “ Key Performance Indicators/Benchmarking
- “ To achieve your desired future . the way you want, when you want.
- “ Opportunity for buy-in
- “ Operational and Business assessment . current and future
- “ Growth
- “ Strategy for success via structured review/renew
- “ A family that plans together, stays together
- “ To act whilst still in a position of control
- “ Fail to plan = plan to fail. %6 you don't know where you are going, you can't be surprised at where you end up”¹⁴

Good succession doesn't just happen; it needs to be planned whilst there are leaders and mentors in a position to pass on their knowledge and skills to the next generation of leaders.

¹⁴ John Baker, Beginning Farmer Centre, Iowa State University.

Summary:

In the current global climate, where food, water and fuel security are the top three agenda items, family farm businesses are now as important as they ever have been. However, there is a paradigm shift required by most family business operators to acknowledge and accept their position in the global economy as producers of food that is purchased by consumers who see sustainability as a fashion-statement (fad x publicity²=fact) rather than a deep-seated belief. This is evidenced by the NIMBY attitude experienced in the EU and the willingness of consumers to purchase food from drought-stricken and/or environmentally sensitive countries such as China, India and Australia.

Farmers in countries with reliable water will need to be seen as maximising returns from this resource or face the consequences of other countries crossing the borders and competing with them for this and other resources. Hungry people use guns!

No longer can farmers ignore the responsibilities of marketing their produce, whether sold through a central point such as via a Co-op, or individual sales. Greater participation in leadership of their industries is essential if control is to be maintained by farmers and not regulated by governments, lobbyists or activists . animal or environmental.

Current leaders will need to assume responsibility for passing on their accumulated knowledge, wisdom and skills to succeeding generations in a managed and deliberate process of leadership continuation to ensure smooth transitions and have greater chance of success than the abrupt change over that often happens in organisations today.

On the flip side, consumers will have to develop a greater respect for the producers of their food if there are to be food shortages such as were seen in the past 18-months. They will need to look at farmers as integral components of their dietary requirements and become their champions in ensuring a fair price is paid to them for the food that they produce.

Collaboration between farmers is essential in dealing with the power wielded by supermarkets that are too adept at pitting farmer against farmer to ensure they pay the lowest cost possible for their products. Internationally farmers need to see themselves as collaborators and not competitors to ensure a united front to both consumers and the supermarkets.

The holy grail of food production is food safety which should be a point for farmers to unite on not used as a position for competitive advantage as it can damage the whole image of that product irrespective of where it was produced.

The emphasis on increased research into fuel and energy alternatives and oil production cannot be understated. Agricultural food production in the western world, with high labour costs, relies heavily on energy-dependant mechanisation for scale and intensity of production. Investment into viable alternative energy sources such as from dairy shed waste needs to be encouraged. The current emphasis on production-related research will require a paradigm shift towards management efficiencies and more sustainability . focused programs.

Added to these global pressures, family farms need to recognise their own importance as key players in food production, and assume responsibility for preparing their businesses to

continue beyond the next two generations and for agriculture to be seen as a career of choice with plenty of opportunity and scope for advancement.

The future of farming must be seen as important and valued with a clear vision for the future. People will not do what they don't want to do. What they don't value or deem to be important. It is therefore imperative that the farming community sell themselves as worthy business managers with a business that has an intrinsic value beyond that of the assets involved.

A program of business continuation for the farming sector should be embraced by farmers, industry and governments, who must surely recognise the importance and contribution of agriculture to their own economy in addition to global food supplies. Such a program is required to take into consideration the generational differences between the current farm owners and the new generation. The instant gratification generation; the fear vs. opportunity that can arise out of a well managed transition; time management and not time drift; reinvention and not retirement.

Countries such as America and the UK have adopted programmes to encourage and provide opportunities for young farmers and new entrants who want to gain a foot-hold in the agricultural sector as farmers in their own rights. The Beginning Farmer Centre based at Iowa State University and led by John Baker and managed by David Baker run seminars, workshops and programs that assist beginning farmers and those operators who want to exit the industry to find each other.

The International Farm Transition Network is helping to create beginning farmers centres is a significant effort in the United States. In addition to this, the funding of the Beginning Farmer/Rancher Development Program in the last American farm bill has allocated significant funding to beginning farmer centre, although it remains to be seen if any of this grant money awarded will provide any tangible results.

CREAM, a course offered at Greenmount Campus, CAFRE, offers Diploma and Degree courses in Agriculture based on a practical knowledge of farming obtained first-hand. Students are responsible for running the farm system of their choice (Dairy, Beef or Crops) on a weekly roster in addition to attending classes. The project allows students with an interest in milk production to manage a high genetic merit dairy enterprise. This herd is one of the top recorded herds in Northern Ireland and was the regional winner of the 1999 BOCM-Pauls Premier Performance Herd award. More recently the CREAM herd topped its class in the 2003 Holstein NI herds production competition. Graduates are highly sought after for their practical knowledge and skills in addition to their managerial understanding.

Farmers in Quebec are able to access a Canadian Government subsidy of 25% towards the cost of a succession plan and farmers in parts of Australia may be eligible for a grant towards the development of a business plan. However, this does not appear to have resulted in an increase in the uptake of succession planning significantly different to that of other countries I visited. This may be more about the lack of willingness by farmers to face up to the issues, farmer-perceived relevance of programmes offered and/or the outcomes delivered than the availability of funds per se.

Whilst the New Zealand dairy industry has developed programs such as share-milking and contract milking which have historically allowed an ease of access for young farmers to enter

the industry and progress through to farm ownership, changes to regulations around the cost of supply to Fonterra, for example, and the dramatic increase in land prices have made this progression more difficult. The increased capital requirements have largely predicated alternative models for entry, such as the implementation of Equity Partnerships which in turn allowed farmers to increase their holdings through strategic partnerships with investors has made it more challenging for those who wish to own a farm outright. However it may also offer new opportunities to those who want to have a stake in ownership and gain experience, advice and mentorship from the other equity partners.

Participation at a management or board level requires a different set of skills than those required operationally on-farm and, like those required at a farm level they take time (and experience) to acquire. The processes required for both are the same and require attention to the capabilities needed to successfully operate the business and/or industry into the future and involves regular, detailed scans of the global environment and appropriate actions taken.

Rewards go to those who see the possibilities before they arrive.¹⁵

Succession of the Family Business: A new perspective

Succession is a word loaded with different meanings to different people with perhaps the most popular of these interpretations meaning the transfer of the family assets to one or more heirs. Most strategies designed to achieve this result are based on a combination of tax minimisation and the division of the assets in either equal portions or on the basis of primogeniture . the eldest son takes all. The question of fairness is seldom raised nor is any attention paid to the dreams, desires and expectations of the people involved until it is too late. More emphasis is paid to the value of the asset(s) than the overall viability of the business.

An alternative view is to look at succession as continuance of the family farm business . with or without family members at the helm. This interpretation assumes that the business is in a position¹⁶ to be continued beyond the current generation and that this is the deliberate intention of the current owners. This model takes the humanistic view that the current and future needs and wants of the people involved are identified and a plan put in place to achieve before any technical/legal and accounting advice and structures are considered. Communication and conflict resolution skills are essential to ensuring that everyone can also fully operate and participate as business partners in addition to being members of the family and that time is set aside for business meetings to ensure family time is just that.

Inherent in the business continuance model is that the founders are committed to passing the farm on to another generation, whether in the family or not. Unless the founders will make this commitment the farm could be considered a personal old folks home with no staff . a place to die with your boots on!

In cases where the successor cannot be found within the family, the same process is applied to ensure that succession of the business is successful, whether it remains in possession of the family or not.

¹⁵ Rob Napier Napier Agrifutures.

¹⁶ Is profitable or capable of being profitable; can sustain the family and environment

The Business Continuance model also requires a fair process for determining the in-family heir (as opposed to an equal share amongst siblings) or non-family successor, which includes an allowance for sweat for equity and/or the time-value of money. An analysis of the skills and knowledge required to operate and grow the business is required to be matched up with the relevant current skills and ability of potential successors. Where possible and appropriate a training plan is developed and phased in . and where it is a poor match a decision made to look for an alternative solution; a supporting team, external successor and/or sale. No-one wants to set their family up for failure by supporting them into a venture that is not, cannot and will not be successful either due to their management capabilities (including business and financial acumen) or the scale and scope of the business.

Other considerations will that require working through are the strategic business plan to determine where the business is now, where it wants to be and how it will get there; retirement and estate plan to ensure that the founders can live the life they deserve when they reinvent themselves post-farm; wills - current and accurately reflect desires and discussed with family; remuneration of both family and non-family members of the business is equitable with the position, experience and difficulty of replacement.

To put the Success back in Succession© a professional facilitator who specializes in succession and business planning is recommended to ensure that the families key values and issues (the critical questions) are asked and answered; processes for management (practical, business and financial) are put in place and that effective communication, conflict resolution, business meeting and negotiation skills are developed and/or enhanced.

The secret to happiness is freedom...

...the secret to freedom is courage+

Recommendations:

Industry:

- “ Investment by Governments, industry and farmers in Business Continuance and Succession Plans that identify all the issues and incorporate the key success factors.
- “ Development of an innovative alternative extension program that will effectively deliver the key success factors and address both the personal and managerial aspects of family businesses.
- “ Instigation of a professional team approach to business continuance planning that involves accountants, lawyers AND a professional facilitators who can manage the relationship aspects of the process.
- “ Lawyers and accountants accepting independent professional facilitators with good relationship, communication and conflict management skills as a vital integral part of the team. That they develop linkages and/or teams with these professionals in the knowledge that it adds to their credibility and can generate better client relationships.
- “ Development of professional standards for facilitators to ensure that they deliver a service that is responsible and sensitive to all that the process encompasses, including referrals to other professional (counsellors, psychologists, accountants, lawyers, financial planners etc) when appropriate. ~~Leaving~~ Leaving a family with half a paddle is far worse than leaving them with no paddle at all. Do not open Pandora's box without the integrity to see it through¹⁷
- “ Communications strategies that are effective and targeted at the most motivated group of farmers . those that have a proven open approach to change and not one-size-fits all. Farmers will self-select into groups of change averse or change acceptance.
- “ Identification and training for key farming champions who can tackle the issues of animal welfare vs. animal rights and environmental sustainability in a responsible and non-defensive manner that can effectively counter the opposition from organisation such as PETA (People for the Ethical Treatment of Animals)

Farmers

- “ Utilise an independent professional facilitator who is skilled in effective, responsible communication and conflict resolution management who can guide the family through identification of key issues and develop a business continuance plan that meets the needs, wants, expectations and appropriately deals with their fears,
- “ Have a working knowledge of the key success factors for business continuance and succession and expect your professional advisors to deliver.

¹⁷ Rob Napier Napier Agrifutures

- “ Take more responsibility for their own image and industry to ensure highest possible farm-gate returns.
- “ If you are involved in a family business, you are involved in succession whether you are aware or not. It's YOUR family; YOUR business; YOUR future; act whilst you are still in a position of control
- “ Farmers embrace business management skills and drive their businesses from a position of profitability and not production.
- “ Recognition by farmers and their advisers, that there is a difference between intergenerational asset transfer (succession) and business continuance and act accordingly.

Global:

With increasing challenges in viable farm business succession and the threat of farmers becoming an endangered species, the question of **who** will produce the food must also be addressed. The relative importance of the family farm to international agriculture is in real danger of being underestimated as the drive to push production increases. It is apparent that whilst the affluent world wants an environmentally-enhancing food production system, there is a general lack of understanding as to what this actually is and what implications this may have of the quality, quantity, variety and ultimately the price of food. There is also little appreciation of what is involved in food production at the farmer-end of the equation and how much of the total energy required to produce consumer-ready food is generated on-farm relative to processing and packaging.

To prevent being the next endangered species, farmers need to recognise and accept strength in unity. Ancient cave-man did not evolve through a process of competition, but a process of collaboration. We need to stand together, recognise our areas of strengths and weakness and unite in front of SUPER-markets who are very adept at divide and conquer by playing to our vanities and short-term motivations.

No Farmers

No Food

NO FUTURE

Appendix 1: Individual Country Comment

Philippines

- " The Aura of Rice . a snapshot of the rice industry in the Philippines
- " The International Rice Research Institute at Los Banyos,
- " Is the place for rice research in the world and has the world rice gene bank which holds more than 100,000 native and modified rice varieties from all over the world.
- " IRRI has three main functions: Scientific and genomic reproduction; plant breeding and production and has 208ha of land upon which it grows 60-80ha of production rice (double cropped) with the remainder of land used for research, campus etc.
- " As 70 percent of the world relies on rice for food and or employment, the rice industry is certainly far more important that I ever thought
- " IRRI is leading a ~~Green~~ Revolution to enable rice producers to escape poverty but still produce good quality, nutritious rice for consumption and at an affordable price. This is an enormous challenge . to economically and sustainably increase rice production using less water . the current amount of water required to grow one kilo of rice is 3000L.
- " The rice industry in the Philippines is dominated by the Low Land Irrigated system of farming - an intensive method of rice production that is constantly under pressure for land competition by urban industrial development.
- " One of the greatest challenges for the Philippines is the increasing population and its status as the poorest nation with the biggest discrepancy between wealth in Asia.
- " Approximately 70 percent of Filipino\$ are catholic and the church has a huge impact on the way this country is now and where it will be in the future.
- " Filipino families tend to be large and there is some concern that the population may get out of control, however with the suggestion that the Philippine\$ economic strategy is exporting labor, this potential issue may be all part of the grand plan.

China

- " Schizophrenic mix of chaos, culture and communism
- " Only 7% of land mass classed as arable . or available for food production. China has made significant investments in African agriculture with the intention that they can minimize their reliance on third party producers of food. It also gives them access to

an inexpensive labour source which in my opinion will become a major issue for China in the next five to seven years as wage expectations of Chinese workers increase.

- “ Communistic policies and the one child rule in urban areas make sense when you consider that 22% of the world's population (1.8b people and growing) of which 81% live outside the main cities in China. However this may also create unperceived problems as these only child people grow up with more self centered personalities and lack of interpersonal skills.
- “ China faces some significant challenges around food and water availability which currently are resolved by net importations of staples such as pork, cotton and soy beans. It is my belief that China will not stay at the mercy of the markets which potentially makes them reliant on other nations and does not fit with their overwhelming desire to be self-sufficient and challenges the China-centric world view they aspire to attain.
- “ Food and water security issues drive government strategy - approx. 30% of Govt. strategy about food supply
- “ A land of great opportunity for the Chinese and Chinese-sanctioned foreign investors
- “ Time as a global giant in manufacturing is nearing the end as international and national environmental and social pressures force them to implement safer, cleaner and more socially conscious practices in their manufacturing sectors. This will result in higher wage costs and dramatic changes to infrastructure in an effort to counter pollution to air and water. Some manufacturers are already considering a move in the next decade to countries such as Egypt and Africa to take advantage of the lower labour costs etc.
- “ Ability to maximize and have faith in its people power is beyond belief however with increasing demands for higher wages and more Western thinking by the current generation, this control maybe short-lived and may explain the growth in infrastructure. The level of control that China has over the freedom of information and its control over the internet . my theory is that an uninformed population is easier to control, but even the Chinese Government must appreciate that this will eventually hinder progress and that their young people will not stay informationally suppressed for long.
- “ Farm succession does not appear to be a significant issue with the Chinese government owning all the land. Primogeniture appears to be tradition with respect to continuation of the business
- “ China will continue to be a major player in the global economy . their investment in national infrastructure is and will continue to absorb a significant amount of the world's resources and the resulting impact of this will prolong the recovery time in many sectors that compete with China for these resources, such as agriculture.

USA and Canada

- “ Farm succession is a significant issue as many agricultural producers struggle to justify their existence to themselves and their families. Many encourage their children to seek off-farm employment opportunities rather than become farmers at the mercy of poor farm-gate returns relative to increasing land prices.
- “ Many succession experts believe that the lack of business focus, ineffective or non-existent communication and poor conflict management are some of the biggest challenges to US family farm businesses today.
- “ The reliance on subsidies to keep farmers in business is staggering. The figure I heard quoted at the American Agricultural Law Association conference in Virginia was that 80% of farmer income in the US is from subsidies. According to Prof. Danny Klinefelter (Texas A & M) 87% of total asset value of US agriculture is in real estate, of which approximately 80% is in land. A further 40% of this value is linked to subsidy, hence removal of subsidies would result in a massive devaluation of land price.
- “ Global dairy crisis impacts felt as strongly in the US as anywhere with farm-gate milk prices said to continue to drop beyond the current decrease of 40%¹⁸. An estimated 30% of the Californian dairy herd has been culled under an incentive program.
- “ Animal welfare vs. animal rights. Professional animal rights activist groups appear to have the agricultural lobbyists on the defensive, with huge budgets (Humane Society of US have a budget of \$125m USD) and large legal teams devoted to animal welfare litigation.
- “ Land for GM corn and soya bean production competes with land required to wheat and cattle. Bio-fuels still ~~hot~~ despite the apparent neutrality of conversion of one litre of bio-fuel from one litre of diesel required to produce it.
- “ Fuel, energy and water supply security are major concerns for the future of food production. American agriculture is largely intensive and highly mechanized which historically has been one of their strengths however, may be now considered one of their greatest risks.
- “ Swine ~~flu~~ epidemic has had a major impact on pork production, as ill-informed consumers draw erroneous connections between the pandemic and pigs. The US and Canadian pork industry has been devastated by this consumer perception.
- “ Buy Local campaigns are having an impact as consumers increase their awareness and therefore demand for locally grown produce. Subsidies are now in place to support local ~~entrepreneurs~~ to bring new products to markets.

¹⁸ Daniel Whitley; USDA, July 2009

- " The Buy American campaign designed to help the US recover from the financial recession has had significant negative impacts on the Canadian economy with cross-border trading all-but halting.
- " Active ignorance . The only way he could be dumber was if he was bigger The American population appears to thrive on being blissfully ignorant of many greater social issues. Relying on what information is delivered through a 24hr news cycle and fear campaigns designed by the multi-billion dollar lobby groups.
- " The American Medical Reform is a classic example of active ignorance. Lobby groups funded by the mega. rich health insurance companies send emotional mixed messages and half-truths under the banner of unbiased information. Yet to me, the current system of employer-sponsored health insurance in States which have at-will employment laws form a 21st Century form of indentured slavery as employees are too afraid of demanding their legal rights such as holidays for fear that they will lose their job and their health insurance.

UK/EU

- " Food security is the new buzz term, led by a historical fear that should there be another war; the EU/UK will not be in a position to be self-sufficient in terms of food production.
- " Succession of family farms is as much of an issue here as anywhere. Farming is not perceived as a sexy productive career choice for many young people and the heritage value of land means very little is sold outside the family. Inheritance tax is also another challenge to succession.
- " Model Farms The call for greater co-operation and collaboration between farming businesses and a closer relationship between farmers and consumers is required to redress the power supermarkets have on the economics and therefore future of food production.
- " Open Farm Sunday a concept developed by Nuffield Scholar Ian Piggott is once such way that ordinary consumers can gain a greater understanding of how their food is produced and develop an empathetic relationship with farmers as opposed to the antagonistic view that currently exists of farmers being lazy, subsidy driven and harmful to the environment.
- " Subsidies: The future for the farmer from a Euro-centric view is as a guardian of the visual physical environment; model farms that everyone can enjoy with no noise, air or water pollution; no dirt, mud or mess and fat, happy animals. Every family needs a farmer . just not in my backyard thanks!
- " Regulations: farming in the EU/UK is becoming increasingly regulated to the point one must wonder if they are not becoming employees of the state more than independent businesses.

- “ Buy Local: consumers are responding to the call to buy local with the marketing message that local produce is better for you and the environment. However, labelling loop-holes mean that there is no guarantee that the origin of the main ingredient was produced locally.

Australia

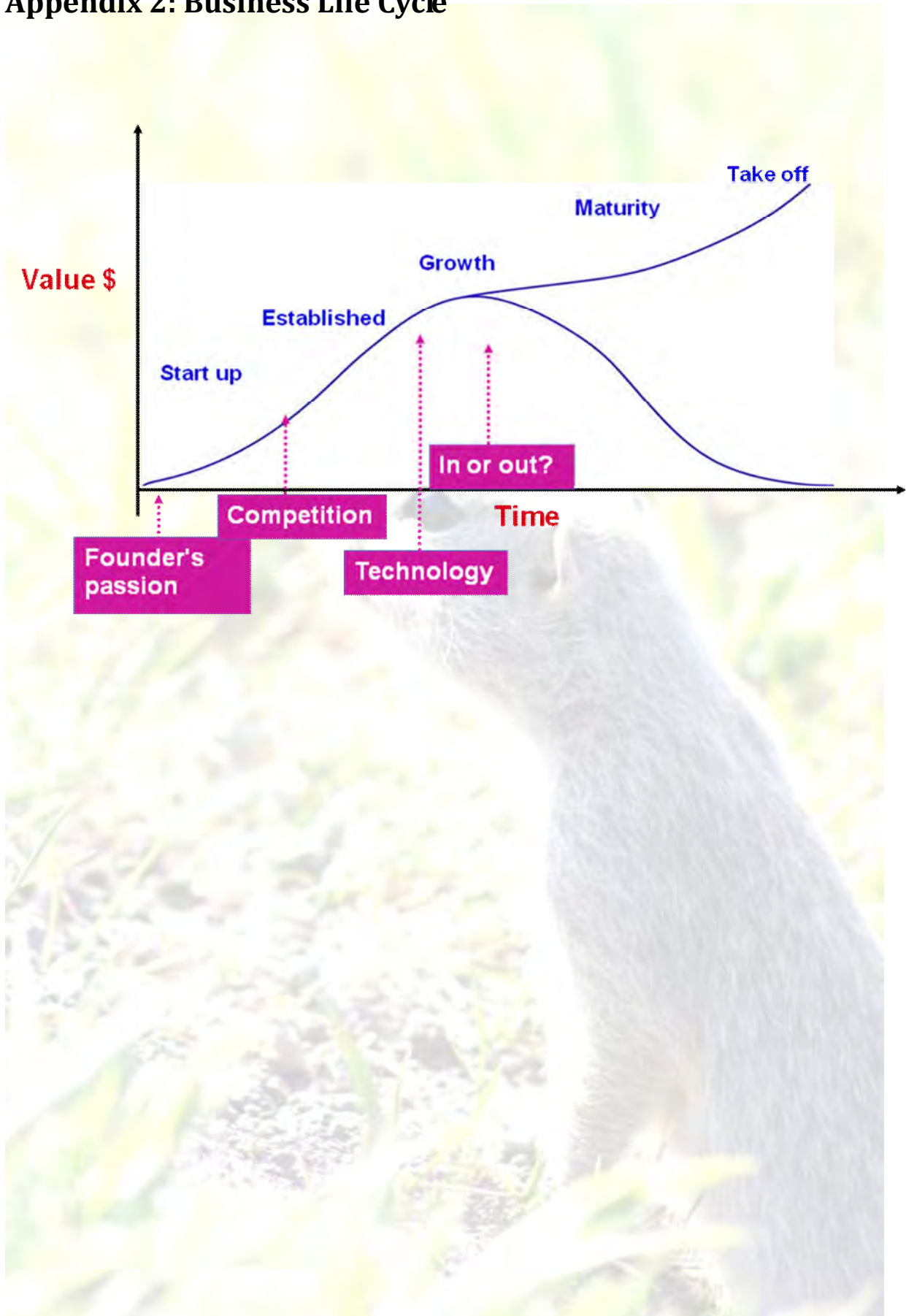
- Agricultural production is challenged by climate change and droughts to the extent that it could be argued that farmers are exporting water along with their produce. Many farmers are looking to more semi- and arid countries for research initiatives to continue productive farming in drought-prone and low rainfall areas.
- Fires have swept through parts of Victoria, Canberra and New South Wales, devastating communities and individuals. Whilst part of the natural cycle of regeneration in the Australian bush, it is those fires lit by arsonists that are the more concerning. In low rainfall and drought areas, the threat of fire can curtail activities such as harvesting, in extreme heat.
- Mineral-rich Australia has enabled the explosion of mining over the past decade or more. Whilst it recession proofed the country to some degree, it has also been a significant factor in drawing people away from agriculture with the lure of high incomes and low expenses.
- Water wars are inevitable as farmers and States argue over the future of the Murray-Darling River and other significant waterways that have historically been utilized by farmers and growers for irrigation and are now under close scrutiny by environmental groups. The availability of water is one of the most significant threats to Australian agriculture, and will continue to challenge farmers, environmentalist and Government.
- The impact of agri-chemicals on the Great Barrier Reef is under scrutiny at the present time causing tensions between cane growers, environmental groups and Government bodies. Controversy surrounds the dissemination of information and the relevance of testing in relation to developing practical solutions on-farm.
- Farm-gate prices for inputs vs. outputs are a driving factor for profitability, with few farmers adopting a cost-of-production financial management system.
- Currency fluctuations, have, as in most exporting countries played havoc with commodity returns and therefore farm income.
- Succession planning and attraction /retention of new entrants is a significant issue for Australian agriculture. In the past few years, Federal and State money has been available for eligible programs delivering succession and/or business planning. However, there is some anecdotal evidence to suggest that despite participation in a workshop, seminar or other group-based activity there has not been a similar uptake in individual family plans. This suggests that a different extension approach for

business continuance and succession planning is required. One that adequately deals with the personal and management aspects of family businesses and recognises the sensitivity of such discussions.

India – not yet visited at time of report



Appendix 2: Business Life Cycle



Appendix 3: Critical Questions

- " Is there a desire to continue family ownership of the family business?
- " Can the family withstand the stresses generated by continuance planning?
- " Is there a successor capable of managing the family business?
- " Does the successor want to manage the farm family business?
- " Will the owners recognize the authority of the successor?
- " Will the owner transfer managerial and financial authority to the successor?
- " Will the owners actively manage developing business succession plan?
- " Have all interested parties been identified, informed and involved?
- " Has a decision-making process been agreed upon by all parties?
- " Is there a compatible vision of the future of the farm family business?
- " Have the roles that need to be filled been identified?
- " Have successors been chosen for key positions?
- " Have training plans been developed for those positions?
- " Is there an estate plan?
- " Does it provide for equitable distribution of the farm business property and other assets?
- " Is everyone aware of the details of the farm family business succession plan?
- " Have contingency plans been developed?

Appendix Four: Succession of the Family Business; A New Perspective

Communication Responsibility

Communication is the exchange of information between individuals . information that can be exchanged in a variety of ways; written, verbal, body language, gestures, drawings, signals art, literature, etc. It is so ingrained in who we are as humans that it takes a conscious effort to NOT communicate at all. Effective, communication is non-judgmental. the message and its implications are fully understood by both parties - remembering that approximately 75% of communication is non-verbal is essential in ensuring that what you intend to say is what is understood. Effective Communication is hard work but the rewards of getting it right far outweigh the consequences of getting it wrong.

The multiple modes of communication ensure that this is one of life's most enduring frustrations with the populist catch-phrase 'poor communication' seen as the cause of all that's wrong in the modern world. Communication is the deliberate will to send a message to one or more people and have this received and understood as it was intended. This requires responsibility on behalf of the effective **communicator** to ensure that this message is clearly and accurately sent and that it was received and understood. Far too often this responsibility is abdicated in favour of the message recipients such that they become responsible to accurately receiving and correctly interpreting the message/s. thus the ancient art of Chinese whispers is continued. As a means of transferring information this is similar to winking at a girl in the dark and hoping she will come over to ask you out!

The responsibility of effective communication includes understanding the importance of and control over the non-verbal cues (including the increased challenge of accuracy when these are absent as in written communication) to ensure that there is agreement between the verbal and non-verbal message being delivered and how this is received. Understanding the different preferences for information intake is also an important part of the communication process. there is little to be achieved in sending written communiqués to those with poor or no literacy skills, yet it still occurs with an expectation of successful communication. Likewise, the practice of simply increasing the volume at which the message is given, without altering the method or mode of delivery, and expecting that the message will be made clearer when it is shouted out.

There is however a place for the recipient to challenge any discrepancies between the actions and the words being communicated. This can take courage, especially when there are intense emotions involved, but there is also a responsibility to not let these discrepancies go unchallenged or uncorrected. the saying 'there is none so blind, as those who will not see' is very apt when applied to communication. This is also true when applied to not asking the critical questions due to a feared inability to deal with the answers.

It is the absence of personal responsibility for communication that is largely to blame for many of the things that go wrong in the process of succession and business continuance

planning. People ignore the Importance and value of clear, concise, effective communication and underestimate the damage that unclear, imprecise and ineffective communication can do, especially when it is built up over time. In many cases, inadequate communication is not a deliberate act of harm. Behind every poor communication is someone thinking they are doing a good job of communicating! For example the man who said "I love my wife so much". Why, I once almost told her so! I thought he was communicating but was not taking responsibility for his wife receiving the message of love and would be disbelieving to learn that she felt unloved much of the time.

In planning of any kind, communication is the most significant factor that will determine the outcome of the plan. This is especially true when planning the future of family businesses. Effective communication is hard work. However the hard work of effective communication or the **lack** of hard work of effective communication will result in the success or failure of the succession and business continuance and plan. The effective communicator takes the responsibility for the messages they send and the responsibility in that it was effectively received and understood. When this is done many issues will resolve themselves and the process of getting on with the plan can occur with a much higher degree of success. You can't win the game if no-one knows what the rules are or how to score a point!

Ignore the People at your Peril

People; their needs, wants, fears and expectations are at the centre of every Succession and business continuance plan, yet they are often ignored or discounted in favour of the so-called technical aspects of the process.

These often-called "soft issues" are in fact the hardest to deal with and therefore are ignored at the expense of the family. Asking the Critical questions such as: What do you REALLY want? Do you want the farm business to succeed another generation and if so, when? Do you really want to die on the farm? What are the contents of your will? are often seen as invasive and disrespectful and therefore go unasked and unanswered. Each family has a question that should be asked and so often is not; not because they fear the question, but because they fear the answer.

The ultimate end result is a breakdown in communication and family relations. The family become secretive trying to second guess each other and the farm may be used as an emotional tool to hold the family back e.g. "One day, someday son, this will all be yours"

John Baker of Iowa State University BEGINNING FARMER CENTER likens this to two blind snipers in a room with a 12 gauge shotgun each - THEY can do a lot of damage before they hit each other.

The point is that this breakdown is not an intentional result but a casualty of poor communication, unstated or misunderstood values and/or an unprofessional approach to what is one of the most important family discussions that will take place. Or not as the case may be.

The very question(S) that needs to be asked is the one that is not asked. it is the elephant in the room that everyone knows is there but no one wants to acknowledge its existence which leaves it open to speculation. it is far better to ask the question(s) and deal with the consequences in a managed environment and before it becomes a problem, than to have the issue raise itself later when it is inopportune and cannot be handled.

Planning of any kind is stressful . change is seldom welcome. succession and business continuance planning are no different. What happens to the family and business if there is NO planning is more stressful however, and can destroy families and relationships if left until it is too late.

So What is the planning process?? In short-form, the planning starts with communication and conflict resolution strategies that work for those involved in the process. Identifying those that are in the family, including in-laws, and determining what roles they play in the business and family are important. to prevent conflict, all family should be involved in the discussions initially, to prevent Chinese whispers and ensure that the process is transparent.

The guts of the plan is in the identification of what the individuals REALLY want and how honest they are prepared to be about disclosure of these wants. The devil is not in wanting to die on the FARM; it is in not disclosing this early enough so the appropriate plans can be made.

These wants or values should cover both immediate and long-term aspirations and have a goal-based plan developed for their attainment. They should also be SMART¹⁹. A time-line for transfer, if appropriate, should also be developed.

Business viability needs to be addressed . is the business profitable or can it be made profitable? There is nothing more soul-destroying than passing on an asset that is in reality, a liability.

Retirement or Reinvention needs to be planned for. How much money is required to achieve the desired lifestyle and how will this happen?

Last but certainly not least, are the legal and financial structures that need to be put in place by competent professionals to achieve the desired objectives.

The most valuable part of the planning process is in dealing with unresolved issues is central to this, as these have a habit of derailing the process if they are not adequately and appropriately addressed. Learning that the power lies in responding to a situation and not in reacting to it is vital.

¹⁹Specific, Measurable, Achievable, Realistic, Time-bound

Appendix 5: Photos



Figure 1: Global Focus Team Two 2009. Canberra



Figure 2: Knowing where you are going is vital when life gives you many alternatives



Figure 3: Australians faced with low rainfall climates seek innovations to improve production reliability and yield



Figure 4: People have different perceptions of what is 'food'



Figure 5: Water is vital to life on this planet



Figure 6: Farmers content with the weather wherever they are



Figure 7: Bio-security on-farm is taken seriously in Northern Ireland



Figure 8: Family Business Continuance and Succession Planning must take into account the personal and management aspects of the family business



Figure 9: AT the end of the day; this is what we all want

