



Management Succession: A Series of Online Courses from RightRisk

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Most rural family business owners plan to transition their business to other family members—the next generation. Often this is cited as the number one goal of family businesses. However, while many programs and materials have been developed to help families transfer business ownership to the next generation, few resources are available to help with transferring management responsibilities.

While it is true that only a third of all family businesses successfully transition to the next generation, the reasons behind why families do not adequately prepare for the change are many. There are tools to help successfully plan and accomplish a smooth transition of business ownership, leadership, and management of any family business.

Online Courses Available

The academic professionals at RightRisk.org have developed a series of three, online course entitled Management Succession: 1) *Where Are We?*, 2) *Where Do We Want to Go?*, and 3) *How Do We Get There From Here?* The series is designed to help rural business managers improve the chances of successfully transitioning the business to the next generation.



This newsletter is an instrument of the Enterprising Rural Families: Making It Work program of University of Wyoming Extension. For further information concerning the Enterprising Rural Families program or on-line course contact information@eRuralFamilies.org or go to <http://eRuralFamilies.org/>.

Management Succession Courses Online

To access one of the *Management Succession* courses, simply point your browser to RightRisk.org, and click the Courses tab at the top of the page, then choose from the list of a dozen or so courses on various risk management topics.

Tip of the Month

5 Tips for Social Media

Social media continues to change the way businesses advertise and interact with their customers. Social media networks provide unique opportunities for business to engage with consumers however; if businesses are not effectively using the right network they might be missing out on these great opportunities. Is your business using the right network? Here are a few tips that could help your enterprise be more successful.

Who's Your Audience?

Know what network your customers are using (Facebook, Instagram, Twitter, LinkedIn etc....) According to research, various networks are more apt to attract different audiences. Knowing whom your audience is and identifying the network (s) they are engaging with will help you connect with YOUR audience. Don't miss out on the chance to engage with

your audience via social media.

What's Your Network?

Choose your network(s) wisely. According to Aubre Andrus, author of [Social Media 101: 10 Tips for Small Businesses Just Getting Started](#), "Facebook and Twitter are great for businesses that generate a lot of unique editorial content that can be shared via a link. Instagram and Pinterest are great for highly visual companies that have access to lots of beautiful branded photography or products. Vine, Snapchat, and YouTube are great for brands with access to professional-level production equipment and a sense of humor."

What's Your Handle?

Every social network requires a "handle" or name. Remember to create one that is consistent, and is available to claim on all networks.

What's Your Message?

To successfully market your business on all networks, Andrus recommends there be a solid mix of self-promotion, testimonials, and randomness, as well as original content that's of pure value to your readers.

Is It Consistent?

Make it a habit to post to your various social network(s) on a frequent and regular basis. To have a presence online you need to constantly be in the view of your audience

Andrus, Aubre. "Social Media 101: 10 Tips for Small Businesses Just Getting Started." The Content Strategist. Contently 2015, 14 Nov 2014. Web. 27 Jul 2015. <<http://contently.com/strategist/2014/11/18/social-media-101-10-tips-for-small-businesses-just-getting-started/>>.



Where Are We?

The first course is intended to help families discover where they are in the transition process. The course is divided into several sections providing background on the issues and concerns involved in management succession.

All three courses follow a rural family business from the Kalang Ranch. They are a multi-generational family business, founded by Joe and his wife, Judy, who had just one son, Gra-

ham. Graham married Martha, a city girl who did not get along well with Joe. Graham and Martha had three children and believed they would one day own and operate the business. However, Joe died suddenly, leaving Graham to assume full responsibility for the entire business. He was not prepared to handle all the duties.

The courses provide many other details on the Millers and describe how their situation is similar to many rural family businesses. Including how passing on the management of a business developed after years of hard work is difficult at best.

The *Where Are We?* course introduces three important areas of transition planning: interpersonal issues, business issues, and succession planning issues. Background information and details are provided to help users better understand how each of these areas can become a barrier to successfully passing on management responsibilities.

Developing good communication skills is a common theme across all the courses. By the end, users are able to assess their individual situations and evaluate how to make their succession plans a reality.

Where Are We? also provides insights into the differences in perspective between generations. In addition, it supplies a set of assessment questions to help evaluate where a family business may be in working through those differences. Finally, it gives some suggestions for approaches to help improve communications and resolve conflicts. The final section offers an overview of an electronic assessment tool included with the course that may help identify areas needing the greatest attention.



Where Do We Want to Go?

Most founders plan to transition management responsibilities to the next generation. However, they often do not know where to begin and what steps to follow once they have made a start. The second course in the series, *Management Succession: Where Do We Want to Go?* outlines a process to begin developing the plans needed for a successful business transition.

Where Do We Want to Go? focuses on developing detailed plans to address areas of concern or conflict that may be holding back the changeover in management responsibilities.

The planning process begins with areas identified as most demanding of attention in order to break down the barriers to the change.

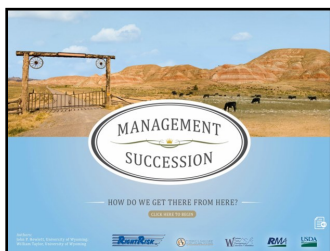
Next is presented a SWOB analysis that seeks to identify family Strengths, Weaknesses, Opportunities, and Barriers to the management shift. This approach can help further identify steps that can do the most to move things forward quickly.

Coupled with this are the Best Succession Management Practices or BSMPs that offer a progression of business practices used by successful firms to manage through difficult adjustments. These practices span the interpersonal, business, and succession planning areas mentioned earlier and offer really helpful suggestions on how to begin making the changes needed.

Finally, the worksheets offered in the second course provide space to describe the goals for change identified by the family members involved. These goals may include adjustments in specific management approaches, shifts in resource allocation or quantity, or other specific recommendations for how to begin moving forward.



The planning worksheets form the core of the second course. In order to help users better understand how these should be used, three alternative case studies are presented. Each has its own set of issues and challenges. Users help the families identify ways to begin making improvements and transition management skills to the next generation.



How Do We Get There From Here?

Detailed plans are needed to navigate the many stages of a succession journey. The third course *How Do We Get There From Here?* begins with a refresher on the seven stages of a management succession journey used in all three courses. The process begins with an Executive Summary and progresses through to the end with a look at Contingency Plans. Along the way, the user is guided through many of the issues and differences between transfer of ownership and transfer of management. Several alternative approaches are investigated.

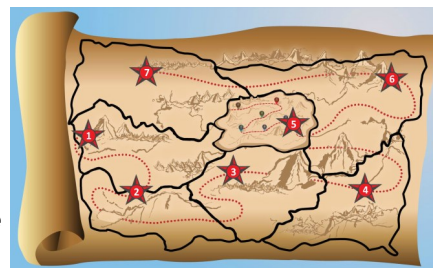
The second module—Beyond Goals For Change—begins where course two left off, drafting goals for change. The worksheets and resources in this module help users to think through and develop plans for accomplishing the transfer of management. It presents seven stops in a roadtrip to investigate the many elements needed, including: 1) Establish a Timeline, 2) Establish a Planning Team, 3) Select the Appropriate Successor, 4) Develop a Written Plan, 5) Communicate the Plan, 6) Plan for Retirement, and 7) Enjoy the Years Ahead.

The course also includes the *Management Succession Workbook* (120+ pgs) that includes many different worksheets, Best Succession Management Practices, resources, and links to outside materials and programs that can help with the succession process.

The final section of the course briefly reviews the issues surrounding management succession. In addition, it offers a look at issues that may crop up as the family begins to implement plans and transition the management responsibilities, including: mentoring, developing appropriate management skills, planning for the next management transition (the fourth generation and beyond), monitoring the process, and replanning were necessary.

Finally, the Where Do We Go From Here module provides a listing and description of a number of other courses and resources available to family business owners and next generation members who may be looking to improve their chances of successfully transferring the business to the next generation.

For more information or to access the online course materials, visit the RightRisk web site at RightRisk.org. Click on Courses and select: *Management Succession: Where Are We?*, *Management Succession: Where Do We Want to Go?*, and *Management Succession: How Do We Get There From Here?* from the many risk management courses available.



(Business management and record keeping in family businesses are covered in greater detail in the **Enterprising Rural Families: Making It Work™** on-line course.)