



Seeds of Succession

Edited by John P. Hewlett,
University of Wyoming Ranch/Farm Management Specialist*

Most farmers' dream is to pass their farm on to their children. Grooming a successor cannot, however, begin when the heir-elect reaches adulthood. Parents must begin laying the foundation for succession soon after a child's birth.

The first 15-20 years of a child's life are far more critical than the actual succession training phase. That is because children's values, attitudes, and goals are formed during their early years. Farm couples who hope to pass their farm on to their children must spark and nurture their children's interest in farming, from toddlerhood on.

Children are like sponges. They form their opinions about the attractiveness of agriculture as a career option at the dinner table, down at the barn, and out in the workshop. If they see and hear that the hours are too long, the weather, yields and prices are always bad, the government is taxing and regulating farmers to death, and there is no money for nice clothes, appliances or a holiday, then a secure, well-paying 9 to 5 job in town will look pretty attractive.

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/>.



Tip of the Month

Trust in the Family Business

Trust serves as the foundation on which relationships are built. If you do not trust a family member or business associate, your relationship with that person will neither thrive nor survive into the future. Once violated, trust is very difficult to rebuild. It must be guarded carefully and constantly nurtured.

Building Trust

How do we go about building trust? Families and individuals who are able to sustain a culture of mutual trust, generally adhere to three basic elements, whether intentionally or not:

- Individuals are reliable. They do what they say they will do.

- They demonstrate feelings of intimacy. They care about each other and generally like being together.
- They are honest with each other. They have open, direct communication — they are willing to speak and to listen when difficult things need to be said.

Truths about Trust in Business

- Trust is a multidimensional experience with behavioral and emotional aspects—each of which need to be nurtured on a continuing basis;
- Trust is dynamic. The order in which different aspects of trust develop vary. Each dimension of trust is usually associated with a different phase of the firm's development;

- Trust is both cyclical and renewing. Withdrawal of any one of the nurturing components of the trust cycle can jeopardize trust in the entire system;
- Sustaining trust at the individual or group level is intricately linked to the firm level; and
- Trust cannot increase without also affecting distrust.

Our own experience in relationships has undoubtedly taught us that trust is not something that can be taken for granted. Although trust can be an advantage of the family business structure, it may represent an aspect that requires even more attention than in other business structures.



“Farm couples who hope to pass their farm on to their children must spark and nurture their children’s interest in farming, from toddlerhood on.”

Communicate a Positive Picture

The best way to make farming an appealing occupation is to set a positive example. Enjoy what you do. Communicate the satisfaction farming gives you to your children. Don't

dwell so much on the negative. Challenging times are sure to show up in any line of work, so talk about the contentment that comes from working the soil, raising livestock, and harvesting a crop. Talk about the salesman who helped fix the tractor, the accountant who helped computerize the books for free, and the banker who over-looked a late payment. Share with them the satisfaction of negotiating a good deal, getting a top price at the auction, paying off a debt, and making a profit. Remember out loud with them the benefits of being self-employed and the quality of life farming offers, both financially and emotionally.

At the same time, paint a realistic picture. Farming is as challenging as it is rewarding. Discuss how you handle adversity, juggle priorities, and manage crises on an ongoing basis. Talk about the importance of having a business plan, a marketing strategy, and managing money and risk.

Remember the People

It is important not to forget the human side of farming or any family business. Talk about the importance of sitting down as a family or a team of employees to discuss goals and how they should be achieved. Talk about participatory management, consensus building, conflict resolution, negotiation, and leadership.

Because attitudes and behavior patterns are laid down early, parents hoping to pass their farm on to their children need to decide what values and skills their successors will need to farm successfully and consciously set about instilling them.

Ambition and a good work ethic, prudent financial management, and tenacity are attributes most farmers feel successors should possess. Innovativeness, an understanding of world affairs, self-reliance, marketing skills, and a willingness to change are the attributes many feel will be essential in the future.

The time-worn teaching techniques of example and experience remain the two best methods for imparting your values to the next generation.

Model Good Values for the Next Generation

Parents must model the values they want their children to adopt. They must also create opportunities for their children to learn first-hand the skills they will need to manage the farm in





the next millennium. Chores and special projects teach children responsibility, resourcefulness and work habits that will serve them a lifetime.

Giving children a chance to get involved and make a meaningful contribution to the farm also boosts their self-confidence.

Of all the values a farm couple strives to instill in their children, a healthy sense of themselves, their worth and capability is the most important. In the competitive marketplace of tomorrow, self-confidence will be a prerequisite to success.

Strike a Balance

Last, but perhaps most important, family business owners need to teach their children how to live a balanced lifestyle. If family and personal goals always take a backseat to business needs, if profits are all ploughed back into the business at the expense of summer holidays and weekend outings, the family business won't rank as an attractive career option. Actions speak louder than words. In between farming and teaching children the values and skills they'll need to keep the farm going for the next generation, take time out to have fun.

For more information on planning for the transition of ownership and management responsibilities to the next generation, see the resources available via a new University of Wyoming program entitled AG LEGACY. Visit the project website at <http://AgLegacy.org>.



* Originally authored by Lorne Owen P.Ag., Ph.D., Judy Carter M. A.

