

“You cannot escape the responsibility of tomorrow by evading it today”

Abraham Lincoln

Families involved in farming remain the backbone of the New Zealand economy. These farms have rapidly evolved from husband and wife operations, to become large scale enterprises. Additional land purchases and increased productivity have meant leadership, people management, financial and governance expertise are now essential skills required to run these businesses profitably and sustainably.

Identifying options, up skilling and transitioning the next generation into managing and leading the business is critical.

Ideally the succession process includes planning for the timely and continuous transfer of wisdom and skills to the succeeding generation. Without this occurring, there is potential for successors to become frustrated and feel held back and for family and business relationships to become strained.

The tipping point

Common issues and opportunities that ‘steer’ families into a succession process are:

- Family member returning home to work for the family business.
- Parents, or the family business, purchasing another farm or business.
- Knowing a family where their process, or lack of process, has resulted in family dysfunction.
- Parents unsure of what children’s plans for their futures are.
- Death, divorce, incapacitation or health issues.
- Successor(s) and their mother’s frustration from inaction.

Taking control by starting succession conversations with all family sooner rather than later creates choices, improves risk management, can maximise growth opportunities and can strengthen family relationships and unity. Deferring these conversations until tomorrow, reduces choices and often limits decisions to being about exit and sale, rather than creating sustainable family business options.

Success factors

- Investing in an independent facilitator who is not conflicted in their role.
- Establishing up front clear visions for the business and for each family member - establishing a platform for greater clarity and objectivity in decision making.
- Having a structured process for individuals and the collective family to work through.

The Coach Approach

This approach has been developed through working with many rural families since 2009. From this experience key components of best practice have been identified as;

- Having working family relationships – confirming/achieving this before proceeding
- Begin with the end in mind – once your destination is clear, it is possible to then navigate your journey
- Shared understanding – family members learn and appreciate what is important to each other and why
- Explore and develop options – utilising your professional team to uncover preferred pathways
- Create a formalised written plan – documenting specifics, including accountability steps
- Regular reviews – to celebrate successes, identify changes and to adapt the plan as needed.

No family situation or solution is the same, each requires a tailored approach.

To find out more about how our rural coaches can facilitate you to begin your transitioning and how to keep going, please contact one of our team at www.ruralcoach.co.nz.

