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CONVERSATIONS ABOUT SUCCESSION PLANNING CAN BE CHALLENGING. HERE'S HOW TO MAKE THEM EASIER FOR ALL GENERATIONS.

**IS IT TIME FOR A CONVERSATION ABOUT YOUR FARM'S FUTURE?**

Whether it's due to very different personalities or conflicting visions for the future, farm families often experience tension when making decisions about the future of the business. While every family has its own unique dynamic that can make those choices hard to discuss, these are the most common topics that lead to disagreement:

- Whether to buy land or equipment
- When to start estate planning
- How to bring another family member into the operation
- Issues related to marriage and divorce
- Financial challenges
- Changes in management structure
- Labor issues

While these conversations will always be challenging, successful resolution is possible. A few communication strategies go a long way toward ensuring individuals are heard and consensus is reached.

Before the conversation

Operation-oriented discussions with family are a business conversation, first and foremost, and that calls for preparation. We encourage customers to do a few things before any family conversation:

**Set aside the time.** It's important to approach family members and let them know you want to have a discussion. Don't just sit down at Sunday dinner and start asking your relatives questions about estate planning; they may leave feeling attacked or disoriented. It is far more important to express concern about a certain issue and ask to talk about it. You can then find a time that works for all interested parties.

**Gauge your family members.** While brainstorming how to approach a certain issue, think about your family members' personalities and anticipate their reactions. Try to identify and avoid any triggers, such as specific events or words, that have caused negative reactions in the past. The goal is to create an environment where each family member feels accepted and heard, and is not put on the defensive.

**Do your research and write things down.** Prior to sitting down with family members, do some research. That could mean asking an expert for guidance or exploring options online. The more complicated the issue, the more research you should do. After you feel comfortable with available options, take time to write out your talking points, questions and goals for the conversation. This will help keep the group on track.

**Consider bringing in a third party.** If a topic is especially sticky, it may be best to bring in a third-party financial advisor, attorney or other expert. Conversations about money can be particularly hard, and individuals may be judged as protecting their own self-interests. A neutral third party can suggest solutions and provide professional guidance without this negative perception. Your loan officer can be a wise choice, as he or she has a holistic view of your operation's short-term and long-term goals, as well as industry expertise.

During the conversation

With your prep work complete, it's time to sit down with your family. While having your talking points and research laid out will help you follow your agenda, the tips below can help keep the conversation from devolving into an argument.

**Be intentional.** While some conversations are emotional, it's vital to be intentionally patient, thoughtful and kind. Be aware of your body language and make sure you appear open and receptive. Above all, take time to listen to what others are saying without appearing defensive. Don't shy away from apologizing if needed; these discussions aren't about who is right, they are about what is right for the farm.

**Know when to take a break.** Things can easily get heated and people can begin to lose their tempers. If this happens, take a 10- to 15-minute break to give everyone a chance to cool down. It may be necessary to pause the conversation and schedule a different time to pick it back up.

**Focus on what matters.** In the end, two things are most important: your relationship with your family and the long-term success of the operation. The person who controls the assets is ultimately the one who

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must make decisions. Don't sacrifice the joy of rewarding family relationships or the overall success of the operation for short-term gains.

#### Moving forward

You may want to consider scheduling regular family meetings. When these kinds of conversations become an established part of the operation, it relieves tension and helps people open up over time. Annual family meetings can include discussions on financial

performance, short-term and long-term goals, and planned production improvements.

Having family conversations about your business may not be easy, but avoiding these discussions can have a detrimental effect on your relationships and the farm. Taking the time to prepare, knowing when to bring in a third party and coming to the table with empathy can move you toward positive, healthy decision-making for your family's farm. ♦

