

# RIGHT RISK™

## RIGHT RISK NEWS

### DATES TO REMEMBER

**ARC/PLC Enrollment**  
- Mid-April 2015 through Summer 2015

**Spring crop acreage reporting deadline**  
- July 15, 2015

**Spring premium billing deadline date**  
- August 15, 2015

**Fall crops sales closing date**  
- September 30, 2015

*For more information see:*  
<http://www.rma.usda.gov>  
<http://www.fsa.usda.gov>

### Farm Families in Business Together: Building and Maintaining Relationships, Some Do's and Don'ts

Families in business together have the opportunity to create a legacy that brings with it a sense of accomplishment and pride. Family members tend to demonstrate a greater sense of loyalty to each other and the business than do non-family business relationships and partners. However, even non-family employees typically enjoy the unique working environment of a family business.

However, like any other business, family businesses experience conflict and strained relationships. The most common reasons for family disagreements are:

- Who has the final say in business decisions
- Willingness to consider and implement new ideas
- Conflicting goals and values
- Conflicting personalities
- Expectations and work ethic
- Scheduling of vacation time or time off
- Employment of other family members
- What is fair compensation

Many of these issues can be avoided if families address them before the issues arise. Dr. Kathryn Beckham Mims of Albany State University offers some suggestions for building and maintaining healthy relationships between adult children and their parents:

- Be honest – come to terms with your mistakes and misgivings. Fears, self doubts, blame and guilt keep us from understanding others and changing our behavior.
- Communicate – listen and try to understand the experience of the other person. Share your own expectations feelings, hopes and concerns.
- Validate feelings and beliefs – recognize that the feelings and beliefs of adult children and parents are real. Each deserves the right to their own opinions, even if they are different from the other.
- Respect one another – respect breeds respect and recognized individuality.
- Let go – recognize that each generation makes decisions and must suffer or enjoy the consequences. Allow each generation the opportunity to learn from each situation.
- Don't take all the credit or all the blame – both parties contribute to the strengths and weaknesses of the relationship. Neither is completely responsible for the resulting successes or failures.
- Choose for yourself – make the decision to build and maintain a healthy relationship between generations in your family.

Failure to communicate is probably the biggest stumbling block family businesses face and the root cause of many family business failures. Cornell University did a research study of rural families. They examined the family satisfaction levels of 242 senior generation farmers and 239 junior generation farmers. They found neither generation is happy with the communication in their two-generation farm family. Skills such as handling arguments, providing constructive criticism, and family problem solving were ranked low by both generations.



## HIGHLIGHTED COURSE

A course entitled *A Lasting Legacy* was developed by RightRisk specialists and is designed as a comprehensive tool for producers to define their legacy for their life and family. Clearly, there is much more to estate planning and defining someone's legacy than simply making decisions about assets or management transition. We tend to think of succession and estate planning in terms of "who gets what." While this is important, sometimes just as important are the aspects about someone's life that may not be material in nature, such as beliefs, history, and wishes for the future.

To read more see: <http://RightRisk.org> > Courses > A Lasting Legacy, courses #1 & #2.



## FARM FAMILIES IN BUSINESS TOGETHER

CONTINUED FROM PG. 1

There are resources and tools available to provide families with important communication channels. It is important to use these tools to build and maintain strong relationships. The Canadian Farm Business Management Council recommends three business best practices to address communication channels on multigenerational family farms: 1) Family Business and Council Meetings, 2) Family Business Code of Conduct, and 3) Family Business Practitioner.

**Family Business and Council Meetings** – The purpose of the business meetings is to provide the active family members with a dedicated communication forum to discuss family issues that impact the management and ownership of the farm. These family business meetings are not intended to replace regular business/management meetings. They are designed to deal with the interaction between the family and the business. Council meetings are typically comprised of the broader family including spouses, in-laws, children, grand parents, and grandchildren. The family council is a communication forum that allows all family members to learn more about the family business and to express their views on family issues that impact the business and business issues that impact the family.

**Family Business Code of Conduct** – The code of conduct is intended to provide a set of rules to guide family members. Agreed upon policies help reduce the chances of having to deal with conflict. Such things as family employment opportunities, compensation, community activities, future ownership, exit strategy, distribution of profits, leaves of absence, and loans to family members (terms and conditions) is a partial list of items that may be included in the code of conduct.

**Family Business Practitioner** - There may be benefits to using an outside the family business expert to facilitate the family business meetings or at least to get them started. Engaging the services of an expert who works with the family businesses, understands the significance of family dynamics and is willing to deal with the family issues could be one of the best investments you make.



For more information on building relationships on a family farm visit: [RightRisk.org](http://RightRisk.org) > Courses and review Legacy Course #1.

# RIGHTRISK™

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RightRisk News is brought to you by the RightRisk Team

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