



FAMILY CASE STUDY

The Howell Family: Sibling Rivalry

Summary

The Howell family is a third generation farm family. Carl and Bertha Howell are the primary owners/managers. They have three children who have different expectations of what will happen when Carl and Bertha retire. Kenneth has been working on the farm and has visions of taking over the farm. Betty graduated from college to prepare herself for taking over the farm. Jack has no interest in the farm, but expects to be treated equally.



Family Background

The Howell Family Farm

The Howell family is a third generation farm family. The farm consists of 300 acres of irrigated cropland and 1,000 acres of rangeland for grazing both cattle and sheep.

Carl and his wife are the primary owners/managers of the farm. Two of the Howell's three children currently work on the farm.

Carl Howell

Carl is 63 years old. His health has been good, so he continues to work long days with few signs of slowing down. Carl knows his age will catch up with him at some point, but he expects to manage the farm until he dies.



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Bertha Howell

Carl's wife, Bertha, who is 62 years old, also works on the farm fulltime. Her primary role is to keep the financial and production records for the farm and provide everyone regular updates on financial performance. Bertha's goals for retirement are quite different than Carl's. She would prefer to scale back over time and turn the farm business over to their three children within the next 5 to 10 years. She would like to move off the farm closer to town.

Kenneth Howell

Kenneth, age 38, is the oldest child. He has been working full-time on the farm since he graduated from high school. Being the oldest son and having worked in the business the longest, Kenneth has visions of taking over the farm when his dad retires.

Betty Howell

Betty, age 36, is the second oldest child. She attended and graduated from college to prepare herself for taking over ownership and management of the farm. Because of her additional knowledge and training, she assumes her dad will identify her as the best choice to succeed him in the management and ownership of the farm.

Jack Howell

Jack, age 31, is the youngest child. Jack is married and lives and works in a large town about 300 miles from the farm. He and his wife, Ann, have four sons. Ann is a stay-at-home mom. Jack has no interest in coming back to the farm, but expects to be treated equally when his dad decides to transfer ownership of the farm to the next generation.

Interpersonal Issues: The Birthday Party

At a recent family gathering for Bertha's birthday, Betty accidentally started talking about what changes she would like to make on the farm when she assumes ownership. Her comment caused the whole family to start yelling and arguing about the future of the farm. Every family member had a different perspective of succession and retirement and left the birthday party mad. No one talked to each other for several days.

Interpersonal Issues: Family Meeting

Finally, Bertha couldn't stand it anymore. She demanded that everyone gather at the house. She ordered everyone to sit down together and express their desires and hear what everyone else was thinking about the future of the farm. Everyone was encouraged to be civil and give everyone a chance to talk without being interrupted. Tensions were high and very little happened after this first discussion. Everyone was instructed to think about their discussion and meet again together in a week.



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Interpersonal Issues: Management Succession

Before the second meeting, Kenneth came across an on-line assessment tool designed to help families assess their readiness for management succession. At the second meeting the family, some reluctantly, agreed to work through the Management Succession Assessment.

They determined the family typically practiced good communication in most all aspects of the business, except for management succession. Because of the threat of conflict between Kenneth and Betty, all family members had intentionally avoided the subject, hoping it would just work itself out. The family experienced little conflict, but that was mainly because they avoided discussing subjects in which conflict could occur.

Business Issues

Bertha has kept detailed financial and business records for years. It has been her primary responsibility in the business. Financial reports are produced and shared with family members on a regular basis.

The Howell's put a big emphasis on running a financially-sound business and use financial data to help make business decisions. However, very little else in the business has been documented and shared.

Carl has always had plans and goals for the business, but they were not shared with others. There are no regular meetings where the future of the business is discussed.

Succession Planning Issues

Carl is determined to remain in control of the business as long as he can. As a result, there had been no discussion about how the management and ownership of the farm will be transferred to the next generation. In fact, the subject has been intentionally avoided. Carl does not want to have to choose between his children. He sees that each of them have different skills and abilities, all of which are valuable to the business. It has been easier for him to avoid the whole idea of management and ownership transition than to risk making decisions that might offend one or more of his children.

It wasn't until recently that he even knew that Bertha wanted to scale back sooner rather than later. He isn't sure what he would do with himself if he wasn't working on the farm.