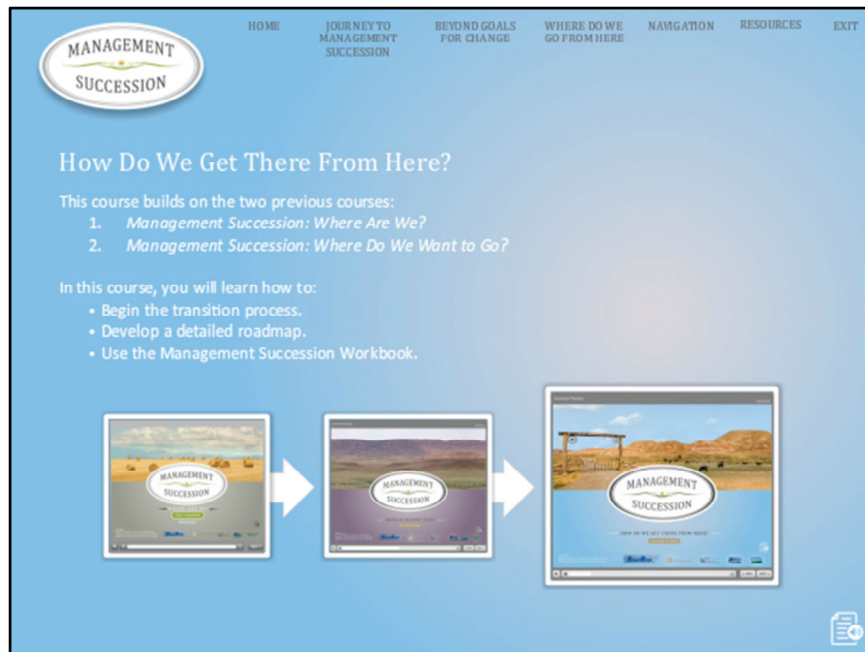


Welcome to “Management Succession: How Do We Get There From Here?” This course is designed to help founders and successors of farms and ranches transition management responsibilities from one generation to the next.

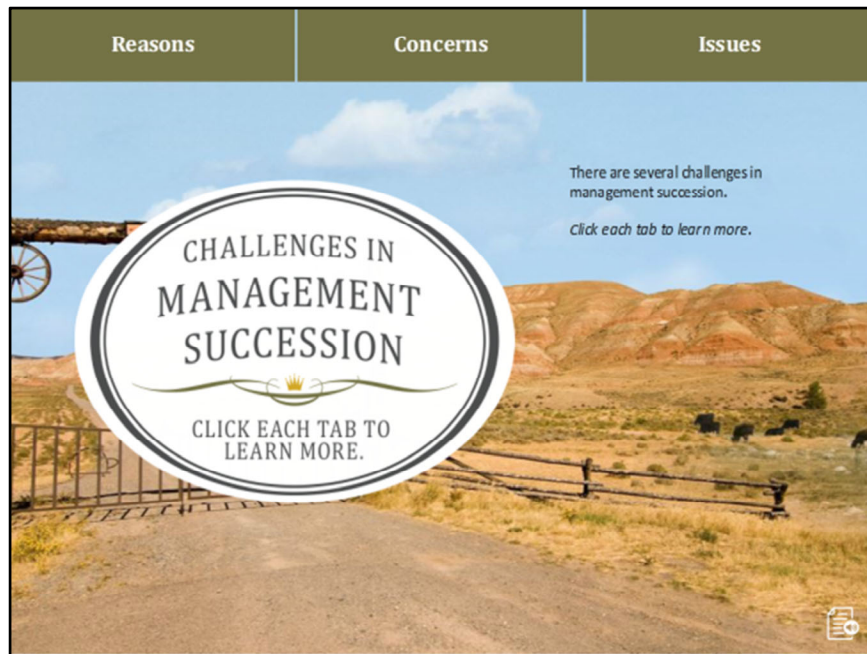
It is likely that an individual in a family is taking this course to assist him or her with the challenges of management succession. Throughout the course we use the word “you,” which is intended to refer to the person wrestling with these issues, such as the founder, successor, a family member, or a non-family member.



This course builds on the foundation created by the two previous courses in the series:

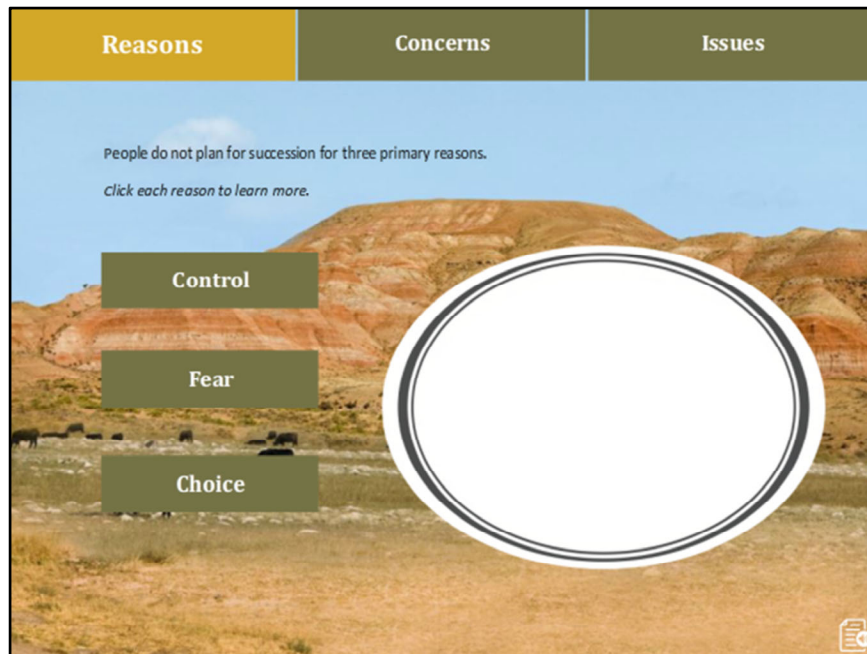
1. Management Succession: Where Are We?
2. Management Succession: Where Do We Want to Go?

With the approach outlined here, you will better understand how to begin the transition process, develop a detailed roadmap for succession, and use the Management Succession Workbook to facilitate the communication between the individuals involved.



Challenges in management succession include reasons why people do not plan for succession, concerns about transitioning management responsibilities, and issues that create barriers to management succession.

Click each tab to learn more about these challenges.



There are three primary reasons why people do not plan for succession:

1. Control,
2. Fear, and
3. Choosing a successor.

Click each reason to learn more.

Reasons	Concerns	Issues
<p>People do not plan for succession for three primary reasons. <i>Click each reason to learn more.</i></p>		
<b>Control</b>		
<b>Fear</b>		
<b>Choice</b>		



**Control**  
Founders don't want to give up control of the business.

Founders may struggle to give up control of the business. Facing the reality that others may be able to run “their” businesses as well or better than they can, could be painful or threatening.

Reasons	Concerns	Issues
<p data-bbox="472 470 857 491">People do not plan for succession for three primary reasons.</p> <p data-bbox="472 506 683 527"><i>Click each reason to learn more.</i></p> <div data-bbox="472 579 688 632"><b>Control</b></div> <div data-bbox="472 674 688 726"><b>Fear</b></div> <div data-bbox="472 779 688 831"><b>Choice</b></div> <div data-bbox="751 573 1192 894"><p data-bbox="943 678 1003 705"><b>Fear</b></p><p data-bbox="857 707 1089 779">Founders are anxious that the business may be able to operate without them.</p></div> 		

Fear of retirement can also be a powerful force. The thought of leaving their day-to-day involvement in the business and adapting to a whole new life style may be scary.

Reasons	Concerns	Issues
<p data-bbox="472 468 857 489">People do not plan for succession for three primary reasons.</p> <p data-bbox="472 504 680 525"><i>click each reason to learn more.</i></p> <div data-bbox="472 575 686 632"><p data-bbox="540 590 618 615"><b>Control</b></p></div> <div data-bbox="472 674 686 730"><p data-bbox="557 688 605 714"><b>Fear</b></p></div> <div data-bbox="472 779 686 835"><p data-bbox="548 793 613 819"><b>Choice</b></p></div> <div data-bbox="748 569 1190 892"><p data-bbox="930 684 1015 709"><b>Choice</b></p><p data-bbox="878 716 1066 762">Founders are unable to choose a successor.</p></div> 		

Founders may be unwilling or unable to choose a successor. Choosing one member of the next generation over another may cause strife within the family.



Reasons	Concerns	Issues
<p>Founders often have a number of concerns or worries that trouble them about transitioning management responsibilities to the next generation.</p> <p><i>Click each concern to learn more.</i></p> <div data-bbox="483 548 699 625"><b>Emotional Attachment to the Land</b></div> <div data-bbox="483 642 699 720"><b>Farming as a Lifestyle</b></div> <div data-bbox="483 737 699 814"><b>No Plan for Retirement</b></div> <div data-bbox="483 831 699 909"><b>No Retirement Income</b></div> <div data-bbox="748 573 1190 894"></div> <div data-bbox="1195 932 1227 968"></div>		

Founders often have a number of concerns or worries that trouble them about transitioning management responsibilities to the next generation. In some cases this may make them uncomfortable to even begin the conversation about the subject.

Click each concern to learn more.



Reasons	Concerns	Issues
<p>Founders often have a number of concerns or worries that trouble them about transitioning management responsibilities to the next generation.</p> <p><i>Click each concern to learn more.</i></p>		
 <div data-bbox="483 554 699 625"><b>Emotional Attachment to the Land</b></div> <div data-bbox="488 642 695 714"><b>Farming as a Lifestyle</b></div> <div data-bbox="488 741 695 812"><b>No Plan for Retirement</b></div> <div data-bbox="488 829 695 900"><b>No Retirement Income</b></div> <div data-bbox="748 575 1187 894"><b>Emotional Attachment to the Land</b><p>Most farmers are emotionally attached to the land they own and manage.</p></div> <div data-bbox="1192 934 1227 968"></div>		

Most farmers are emotionally attached to the land they own and manage. In many cases, these lands have been part of the family for more than one generation. Even thinking about giving it up can make them uncomfortable.

Reasons	Concerns	Issues
<p>Founders often have a number of concerns or worries that trouble them about transitioning management responsibilities to the next generation.</p> <p><i>Click each concern to learn more.</i></p>		
<p><b>Emotional Attachment to the Land</b></p>		
<p><b>Farming as a Lifestyle</b></p>		
<p><b>No Plan for Retirement</b></p>		
<p><b>No Retirement Income</b></p>		
<p><b>Farming as a Lifestyle</b> Most people who have spent their whole life in agriculture have a hard time considering any other way of living.</p>		

Farming is a lifestyle and most people who have made their entire life in agriculture have a hard time considering any other way of living.

Reasons	Concerns	Issues
<p>Founders often have a number of concerns or worries that trouble them about transitioning management responsibilities to the next generation.</p> <p><i>Click each concern to learn more.</i></p>		
	<p><b>Emotional Attachment to the Land</b></p>	
	<p><b>Farming as a Lifestyle</b></p>	
	<p><b>No Plan for Retirement</b></p>	
	<p><b>No Retirement Income</b></p>	
		<p><b>No Plan for Retirement</b></p> <p>Many full-time farmers often never expect to fully retire from farming.</p>

Many full-time farmers have a very difficult time “hanging up their hats” when the time comes to retire. They often never expect to fully retire from farming. They have difficulty imagining what they will do with all their time.

Reasons	Concerns	Issues
<p>Founders often have a number of concerns or worries that trouble them about transitioning management responsibilities to the next generation.</p> <p><i>Click each concern to learn more.</i></p>		
		

No source of retirement income is another big concern that often prevents agricultural managers from fully retiring. They also worry that they will not have enough money to live on and to allow them to do other things in retirement.



Planning for the transition of management responsibilities to the next generation brings up a number of additional issues. We have grouped those into three broad categories.

Click each category to learn more.



Issues can arise from differences in perspective of the founder and next generation managers. Those perspectives vary across family and non-family members of the business, as well as across blood relations versus those who have married into the family. Furthermore, the success of any family business is more likely with good communication. This is especially true during times of transition. The approach used for communication can be a source of issues for management succession. Finally, a common belief about conflict is that it is uncomfortable and should be avoided. Have you ever considered that conflicts can have some positive benefits? How individuals in the business and in the family handle conflict can make all the difference in how smoothly the transition proceeds.

Reasons	Concerns	Issues
<p>Planning for the transition of management responsibilities to the next generation brings up a number of additional issues.</p> <p><i>Click each category to learn more.</i></p>		
<p><b>Interpersonal Issues</b></p>		
<p><b>Business Issues</b></p>		
<p><b>Succession Planning Issues</b></p>		<p><b>Business Issues</b></p> <p>Business issues include:</p> <ul style="list-style-type: none"><li>• Formalized management</li></ul>



A background image of a savanna landscape with a large white oval callout box. The callout box contains the text 'Business Issues' and 'Business issues include: • Formalized management'. There is a small icon in the bottom right corner of the image.



Reasons	Concerns	Issues
<p>Planning for the transition of management responsibilities to the next generation brings up a number of additional issues.</p> <p><i>Click each category to learn more.</i></p>		
<p><b>Interpersonal Issues</b></p>		<p><b>Succession Planning Issues</b></p> <p>Succession planning issues include:</p> <ul style="list-style-type: none"><li>• Ownership of the business</li><li>• Management of the business</li></ul>
<p><b>Business Issues</b></p>		
<p><b>Succession Planning Issues</b></p>		

Some families are hesitant to formalize the management of their farm businesses. However, by formalizing the management of the business, the family can more smoothly undergo a transition like ownership and management succession. Goals can be set, milestones determined, and progress evaluated more easily. Failure to effectively communicate with other business members is the root cause of most family business failures. How business communication is handled, who gets to know, how authority is delegated, the process for assigning business roles and responsibilities all can create issues for management succession.

MANAGEMENT SUCCESSION

HOME JOURNEY TO MANAGEMENT SUCCESSION BEYOND GOALS FOR CHANGE WHERE DO WE GO FROM HERE NAVIGATION RESOURCES EXIT

## Management Succession: Where Are We?

The first step to address the challenges of management transition is to establish where you are by completing an assessment with all individuals involved, looking at:

- Interpersonal issues
- Business issues
- Succession management issues

The assessment can identify:

- Issues that may be critical to address before the process can begin
- Where individuals differ in perspective

MANAGEMENT SUCCESSION

WHERE ARE WE? [Click Assessment](#)

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To begin addressing the challenges, it is helpful to understand where things currently stand. Not only do different individuals have differing perspectives on where the process is, but not everyone will agree on which areas are most critical to address or which to address first.

The assessment can help establish where the management transition process currently stands in order to provide guidance on what the next steps should be.



Once an assessment has been completed, the next step is to begin addressing those issues that have been identified as most critical. A process for identifying strengths, weaknesses, opportunities, and barriers (SWOB) for the business can provide suggestions of where to focus our attention. Best suggested Management Practices (BSMPs) offer ideas for specific steps to take to make improvements and to smooth the way for the successor or successors to assume management responsibilities. Goals for change can help everyone involved understand what is planned as things begin to move forward.



The *Management Succession: How Do We Get There From Here?* course outlines a roadmap for change that includes details for implementation and looks at how those plans will be monitored, In addition, it helps you move beyond the goals for change to become more specific with plans. Finally, it establishes a schedule for reevaluating those plans over time.



Click one of the icons to select a module to view.