

## Getting Started In Ag: Looking to the Future with Ag Legacy

Legacy, transition, and estate planning can be difficult subjects to address, especially in agriculture. If you are new to agriculture or just getting started, this topic is probably the last thing on your mind. Our recommendation is: Do not neglect it, however difficult it may be to address.

Farming and ranching are dangerous businesses and the last thing you want to do is leave your family scrambling should the unthinkable happen. Owning a farm or ranch is often a lifetime proposition; passing it on to the next generation takes effective planning and forethought. The statistics on the subject are not encouraging.

Only 33 percent of family-owned small businesses successfully transition to the second generation, less than 30 percent to the third generation, and only 10 percent survive to the fourth. The businesses that survive are often the ones that pull-together a comprehensive succession plan involving not only legacy planning but management succession as well.

We suggest thinking about it from a risk management perspective: Could your family farm or ranch continue if you were unexpectedly unavailable tomorrow? Have you imparted the essential values, skills, and management abilities to your next generation? Too often the answer to these questions is no. If the goal is to build a legacy that includes a successful transition to the next generation, it is time to start the process of communicating with your potential successors.



### Comprehensive Resources from AgLegacy.org

The Ag Legacy Program, developed by academic professionals from the University of Wyoming and RightRisk.org, is a comprehensive resource designed to help family farms and ranches create their own legacy and embrace the concept of management succession.

Communication is key to successfully developing an estate and management succession plan. Often families need outside resources that form a catalyst to launch better communication within the family; the Ag Legacy program is meant to be a starting point for the process. Available at AgLegacy.org, Ag Legacy is an educational resource for producers looking to plan for the next generation. The site offers instructional materials, online courses and modules, bulletins, and newsletters covering topics including estate planning, management and succession planning, and how to improve communication between generations.

### Program Modules

The Ag Legacy program offers many modules, each of which include links to a newsletter article introducing each topic and a presentation. There are six modules in total, designed to help encourage better communication at various stages of the process.

Building a complete legacy is about much more than making decisions about inheritance and estate planning. The successive Ag Legacy modules emphasize the importance of communication in building a comprehensive plan. This includes building relationships with the next generation and constructing a plan for management succession.

Management of the business is often the most difficult and nearly always the last thing for farm and ranch business owners to hand over. Oftentimes the out-going generation has built the business with countless hours of labor and hard-earned capital, and they are not accustomed to including others in their decision-making process. Communication and building bridges are key components for succeeding in this process.



## The Lasting Legacy Course

Included in the Ag Legacy site are the Lasting Legacy courses. This free two-part series is designed to help individuals build their true legacy for passing on the farm to the next generation. A person's legacy entails so much more than the disbursement of material possessions in the event of a loss. The Lasting Legacy courses define a legacy as a lifetime of achievement and the context in which it will be remembered. A successful legacy plan has four main parts: values and life lessons, personal possessions of emotional value, instructions and wishes to be fulfilled, and financial assets/real estate.

The first course covers inter-generational relationship building, including where to start and a process to catalog values and life lessons for the family. The second course discusses how to ensure instructions and wishes are fulfilled, and how to transfer financial assets and real estate. Each course includes real-world examples and workbooks to help participants navigate the process.

## The Management Succession Course

This three-part Management Succession course is designed to help farm and ranch families prepare the next generation to assume management, leadership, and ownership of the business. The course presents a process for working through how the transfer should take place according to the family's wishes.

As with the other Ag Legacy course materials, communication is emphasized. Part one of the series—Where Are We? —deals with many of the interpersonal and business issues that can arise in succession

planning, outlining techniques and skills that can help overcome generational differences and conflicts. The second part of the series—Where Do We Want to Go? —demonstrates how to establish goals and objectives for management succession planning, including a discussion of the family unit and how it fits in the succession process.

The final component of the course—How Do We Get There? —is where families learn how to move into the implementation phase of their succession plan. This section includes a planning workbook outlining the succession plan in depth. It also provides guidance on how families can update and modify their plans as needed when circumstances change, as they undoubtedly will. Numerous producer profiles and examples are included in the Management Succession courses, and in the companion workbook.

## News and Updates

Ag Legacy's quarterly newsletter covers a wide variety of legacy topics, including estate planning, communication, and guides for navigating the process. Links to beneficial how-to guides are provided as well; these materials cover a variety of important topics ranging from dealing with anxiety in the process and engaging in difficult conversations to mentoring and improving relationships with the next generation.

The External Links tab on AgLegacy.org includes links to numerous other online resources on taxes, mediation, estate planning, transitions, family business planning, and more.

## For More Information

Start working on your own Ag Legacy today by visiting AgLegacy.org. View the various course workbooks and publications under the site's Materials tab. Sign up to receive the Ag Legacy newsletter to stay informed on a broad variety of issues, news, and resources related to building your ag legacy.

## AG LEGACY SELF-PACED LEARNING MODULES

- 1) Why Don't Family Businesses Plan for Succession?
- 2) Why Grow Relationships with the Next Generation?
- 3) What Is Your Management Succession Plan?
- 4) How Are You Communicating with The Next Generation?
- 5) How Are You Mentoring the Next Generation?
- 6) What is an Ag Legacy?

## AG LEGACY REFERENCE MATERIALS

Just some of the available references at [AgLegacy.org](http://AgLegacy.org), including:

- **Management Succession workbook:** Designed to accompany the *Management Succession* course series
- **The Western Farm and Ranch Transition Strategies workbooks**
- **Lasting Legacy Workbook:** Designed to accompany the *Lasting Legacy* courses
- **Passing It On:** An Estate Planning Guide for Wyoming's Farmers and Ranchers
- **The "Planning Ahead, Difficult Decisions" Series:** Eight publications from the University of Wyoming dealing with transition and estate planning

