

Tools to Help Along the Way

A family focused on taking constructive action will achieve succession planning success. To aid in the process each step of the way, you'll find several helpful legacy tools at www.FarmJournalLegacyProject.com. Here's a sampling of what's available.

1 The Family Meeting

Meeting as a family may sound formal—but it's essential to generate results. The most important aspect of the succession planning process is communication. The family that learns to communicate on a constructive level, putting the health of the operation before the wants of each individual, is far ahead. Use the family meeting guide to plan for the initial gathering, and then use it throughout the process to keep everybody informed and engaged.

2 Conversation Starters

One way to drop all preconceived ideas is to ask in an open and welcome manner what each person's interests or intents are regarding involvement in the operation. The conversation starters worksheet includes six questions that should be asked of and answered by each family member, in a nonjudgmental fashion.

3 Goals Clarification Worksheet

Without clearly defined objectives, it's hard to know what you're working toward. The goals clarification worksheet will help family members define their succession planning goals.

4 Succession Planning Self-Assessment

Family members should complete the self-assessment and score themselves for readiness and commitment to the planning process—and then the results should be discussed during the initial family meeting. This tool will help each person consider which elements of the process may be productive and which may be constraining.

5 Business Plan Self-Assessment

It's hard for many family business owners to imagine further dividing an income to allow another member of the family to participate in the operation. Most families, operations and owners would be better served planning a bigger business, rather than subdividing a limited income.

6 Leadership Skills Inventory

Leadership development may be the most overlooked and under-valued aspect of the succession planning process, but it's key to continuing success. The leadership skills inventory tool will help focus resources on developmental needs.

7 Buy/Sell Review

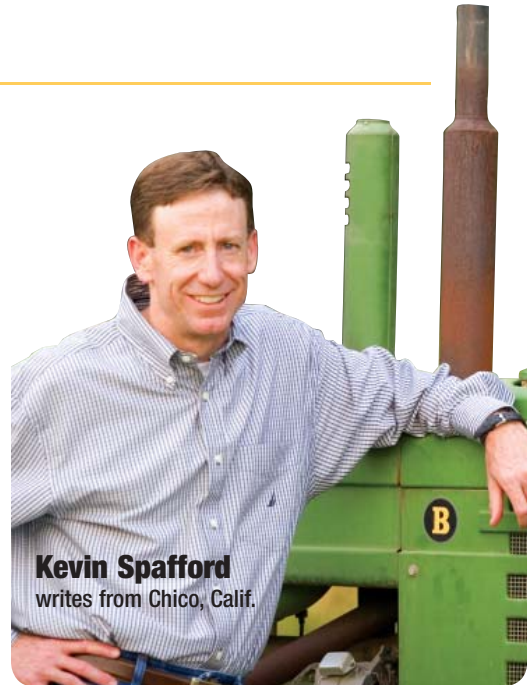
The buy-sell agreement protects the operation from the whims of inactive owners and off-farm interests. A well-written and properly executed agreement can ensure the operation remains in the family and is protected from death, disability, divorce and dissolution.

8 Ready for Retirement?

Change is always hard, and there may be no bigger change for a hard-working independent farmer than giving up a career and passing the baton to the next generation. Are you ready for retirement, or are you prepared for the next challenge in your vocational life?

9 Trust/Will Review

We all want succession to be a once-and-done affair, but it isn't—and a simple estate plan is not a comprehensive solution. However, an estate plan is a necessary component to



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avoid probate, ensure ownership continuity in case of death and to mitigate the estate tax—regardless of what laws or limits are in effect.

10 Commitment Agreement

Without commitment, there is hesitation. Take a few moments, complete the form and return it to us by e-mail, fax or mail. We'll follow up with the encouragement and support you need to take the next steps.

If you have questions or concerns, please don't hesitate to ask me. I promise you won't ever see your name in print, but you will get the answers you need to help your family create a lasting legacy.

Kevin Spafford serves as Farm Journal's succession planning expert. His firm, Legacy by Design, guides farmers and agribusiness owners through the succession planning process. Send questions and comments to Legacy by Design, 2550 Lakewest Drive, Suite 10, Chico, CA 95928, (877) 523-7411 or legacyproject@farmjournal.com.

