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FREE ENTERPRISE ISN'T FREE

Bashing capitalism and blaming free enterprise is all the rage these days in Washington, D.C. Whether the sentiment is real or we're just political scapegoats, the message is the same: American entrepreneurs have deep pockets and a patriotic duty to share the results of their hard work with those less inspired.

Some politicians act as though business owners are endowed with unearned blessings. They cite numerous reasons for the unwarranted attacks in an effort to hide their self-interest. At a much deeper level, these barkers seem to think that private business owners are a resilient group of rugged individualists and they'll bounce back.

They're right. As the champions of industry, family-business owners are hardwired to overcome adversity and create a better tomorrow. Nothing can extinguish the eternal flame of an entrepreneur. I firmly believe each and every person needs to create, though some do it with more passion than others.

But free enterprise isn't free. It takes hard work, creativity, incalculable risk and indefinable tenacity. Family businesses account for 80% to 90% of all business enterprises in the U.S. They contribute 64% of the GDP and employ 62% of the U.S. workforce. We should take pride in our role and be comforted by the contribution of family business to our nation's economic strength.

The pioneer spirit. All business activities in the U.S. begin as an entrepreneurial adventure. Each business was at first, and for a time, an idea in the mind of one person.

College dropout Bill Gates is the founder of Microsoft (and now one of

the richest people in the world). Howard Schultz dreamed of neighborhood coffee shops with an Italian ambiance, so he created Starbucks. The ultimate dreamer, Walt Disney, created a place where adult and child alike escape reality into a world of make-believe. Sam Walton was the exemplar of retail success; his Wal-Mart is a boon to price-conscious consumers coast to coast.

Keys to success. Up and down your Main Street, there's a local Gates, Schultz or Walton. Though their accomplishments may not be celebrated beyond the local community, their contributions are just as important. The keys to success are the same.

The distinguishing traits of an entrepreneur are:

- Confidence to know anything can be accomplished.
- Courage to create something that otherwise would not exist.
- Vision to see the impossible and know "if it's going to be, it's up to me."
- Ability to risk reputation, time, humility, money and security to reach for something bigger than self.
- Fortitude, because everything takes longer and costs more than the most careful projections.

Writer and speaker Earl Nightingale summarized it well in his book *The Strangest Secret*: "The person who succeeds in America is the person who sets his or her own wages, goals, and lifestyle. Successful people are those who discover that life is ready and willing to meet their requirements. They set their incomes to meet their needs and wants by discovering within themselves a marketable factor and developing that factor

to whatever degree necessary in order to derive the appropriate reward response."

You see, succession planning is not just about passing the business entity to the next generation. It's about transferring the entrepreneurial spirit and intellectual capital to the business leaders of tomorrow. It's about gracefully exiting the business, ensuring the operation will continue to grow and prosper in the founder's absence. It's an owner anticipating and then planning for retirement or the next venture. Planning for succession requires good capital management and adequate cash flow. It answers the question of "what if" for emergencies or unforeseen circumstances. It addresses the almost certain collapse of a business from a disability or death of the owner.

Talk to your family. Visit with the individuals dependent on the business' success for their livelihood—extended family, loyal employees and third-party partners. Ask pointed questions and seek real answers. Discuss the inevitable transition of your business from this generation to the next. Find out:

- Who's interested in participating in the family operation?
- What roles/responsibilities is a person willing to assume to be included?
- To what extent is each person willing to invest, earn or purchase an ownership interest?

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