

KEVIN SPAFFORD



NAVIGATE THE ROAD AHEAD



Rough Road. Proceed With Caution. Stop. Yield. Dead End. Construction Zone. Passing Lane Ahead.

These common road signs can be metaphors for the economic struggles ahead and instructions for managing the challenges of a weak economy. Business owners, large and small, are bracing for a rough ride. Many will use this economic crisis as a convenient excuse to throw in the towel. Others may hunker down and hope for survival. Yet some will use this opportunity to examine existing business practices and creatively plan to thrive.

Today's floundering economy serves as a great equalizer. We all face challenges—real and imagined. No one will escape unscathed. The business environment on the other side of the current adversity will look a lot different than it did before.

One of our clients likes to say, “We develop bad habits during good times and good habits during bad.” Right now is the perfect time to focus on improving business management, marketing proficiency and leadership development.

Effective solutions do not exist, but rest assured there is a resolution. The leading bootstrappreneurs will be our guides. American history is rich with industrious characters who adapted to challenges and created life-defining revolutions. Agribusiness owners must resolve how their operations can adapt to a new reality and develop the capabilities necessary to weather the inconsistencies of a wrecked economy, government interventions, onerous tax burdens and political unrest.

Look at the signs, and use this time to create something bigger, better, stronger and faster than existed before.

Rough Road: Almost everyone in the U.S. and around the globe knows the economy is seriously impaired. With the world's strongest financial system staggering under the weight of a faltering credit system, investment funds struggling to reconcile derivative accounts and industrial conglomerates teetering on the brink of bankruptcy, we all know that the outlook is grim.

All too often we sense a collective apprehension: “If they can't make it, how can I?” The future is uncertain, but the future has always been uncertain.

Proceed With Caution: The action here is to “proceed,” and prudence defines how. Before the downturn, every agribusiness owner had a picture of what his or her future should look like. Maybe it was a secure retirement, an additional location or a form of vertical integration. It might have been a store remodel, new customer software or additional service trucks. Whatever your picture is, this is not the time to eliminate your plans and hunker down to wait it out. This is an opportunity for the astute agribusiness owner to accept the challenge, make improvements and grow an operation of strength and fortitude.



Stop: Eliminate any activity that does not add to the bottom line. Examine everything—leave no stone unturned. There is no room for “sacred cows” in a tight budget. Time, money and attention are precious commodities. Invest them for the best return.

Start 2009 with a renewed business plan. Examine every facet of your operation and, build a better path to the bottom line. A complete business plan includes:

- a single unifying vision
- strength, weakness, opportunity and competition analysis
- clearly defined goals
- action plans to support each goal
- budget of income and expenses

Yield: As in most crises, “why” does not matter. We’re all facing stacked odds, so the important question becomes “how:” How do we manage the challenge and maximize the opportunity? I encourage you to lean into the challenge, acknowledge the mental, physical and monetary pressures and then work harder, smarter and more creatively to succeed.

Dead End: Don’t chance false hopes and hope that something is going to save you. Security comes from strength and independence. Resolve now to be the solution you’d like to see in others, to become a beacon of hope to your associates, vendors, colleagues and competitors.

Construction Zone: Use this odd time to reconstruct a bigger, better, stronger, faster business. Reconfigure your operation to address challenges, fortify your financial foundation and resolve to grow a multigenerational operation. Every adversity has the seeds of an equal or greater benefit. Plant the seeds of success with the tools of patience and persistence.

Passing Lane Ahead: For those clever enough to maximize this opportunity, now may be the perfect time to engage in the succession planning process. You may be thinking, “We’re trying to survive, and you’re talking about spending more time and money?” In reality, just the opposite is true. Succession planning is about creating a pathway to multigenerational success. It is designed to fortify the operation, enhance leadership, improve financial security, provide a seamless ownership transition and create a lasting legacy.

Comprehensive succession solutions include:

- ownership transition
- estate distribution
- retirement option design
- wealth management
- leadership development

The outcome depends on your outlook, and success is the result of the decisions you make and the actions you take.

Kevin Spafford is the author of *Legacy by Design: Succession Planning for Agribusiness Owners* and is a certified financial planner whose firm guides farmers and agribusiness owners through the succession planning process. You can contact Kevin at leavealegacy@farmjournal.com
