



## "HOW TO GET THE 'SUCCESSION' CONVERSATION STARTED"

with Rural succession planning expert and Accredited Facilitator Christine Malseed

### Some definitions:

- **Succession:** The intergenerational transfer of operational and managerial control.
- **Retirement:** Gradual withdrawal from physical labour/managerial control. Intergenerational transfer of managerial control.
- **Inheritance:** The intergenerational transfer of ownership of land & farming assets.

### Why has succession failed in farm businesses in the past?

The statistics:

- 3% - poor financial planning
- 25% - heirs not ready for responsibility
- 60% - lack of communication

### Emotions play a big part in our actions or inaction and so the following are all normal reasons for avoiding the conversation so far.

- Fear of the future – if changes happen
- Fear of confrontation
- Afraid of the unknown
- Afraid of hurting someone/family disputes
- Don't know the right words to use
- Anxious about money
- Previous approach unsuccessful

I am sure you might recognise some of these.



Christine Malseed

### 1. Work out what you want.

First ask yourself what you really want. Personal and business goals? What is your intention....?

- I would like more responsibility
- I want to be more than an employee
- I want more time for my family
- I don't want to work so many hours on the farm
- I want to see the farm continue
- I would still like to be involved on the farm

With all the changes happening in agriculture, (post Brexit, reduction in BPS, ELMS), where do we as a family see ourselves and the farm business in the future? Then think about how you will explain your wishes to your family.

## 2. Suggest a family meeting with the aim to find out the needs and expectations of your own family, including non-farming family members.

- “I think it’s time we come to the table to talk”.
- “I feel overwhelmed not knowing where to go next”.
- “I want to be clear about the income streams and financial viability of our farm”.
- “We want to work as a family & business together”.
- “It’s important to clarify each other’s perceptions”.
- “Dad/ Mum, how did you take on the farm from your parents?”.

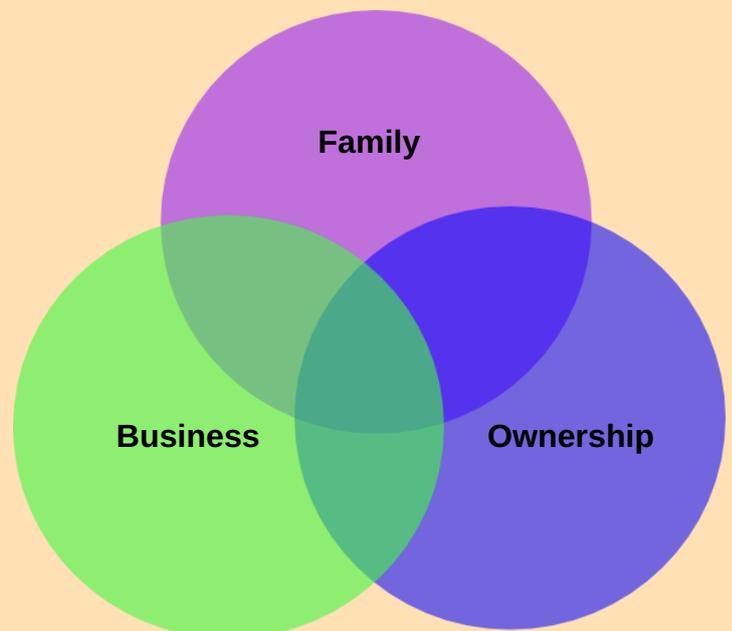
Ideally have the meeting not in the farmhouse kitchen, but on neutral territory. The meeting opportunity could open the proverbial can of worms, but all discussions need to start somewhere. You may want to have maybe a regular monthly/quarterly meeting. You can use a third party/facilitator to prepare each person for the meeting and chair the meeting. Have an agenda with set topics. Be respectful to each other. Be prepared to listen. Write down agreed common ground and record actions from the meetings.

This can be the start of discussing the three most common areas: Sustainability of the farm business moving forwards

1. future income streams for all parties
2. housing
3. fairness to non-farm siblings

## 3. There are three circles of planning.

Think about where you are placed in this diagram.



## 4. Talk to your advisers.

Once everyone knows what needs and expectations of your own family, including non-farming family members, then speak to professional advisers to work out the best ways to move forward. Note: check your current advisers are the best match for your needs.

## 5. Be prepared for:

- it to take time and effort
- it to sometimes move back a ‘couple of steps’ before it moves forward again
- emotions – be compassionate including to yourself. Access help and support.