Coaching Farm Families Through a Facilitated Farm Transition Planning Process FAQ

Who are Ag Transitions Partners?

We are a team of four business consultants, each with unique skills, who will coach farm families in planning to transfer their farmland and/or farming business to one or more successors. The focus will be on Midwest farm families, but farm families from beyond the Midwest will be accepted as space permits. This approach was selected following a thorough evaluation of best practices and known barriers.

Bob Olson was born and raised on a Wisconsin dairy farm and was employed in federal service for 25 years as an Extension Agent/Educator with the University of Minnesota, specializing in Agronomy/Soils and Farm Management, including farm financial, estate and transition planning. Currently he serves on the staff of one of the nation's Cooperative Development Centers where for the past 12 years he has worked with value-added agricultural business performing feasibility studies, market assessments, and business plans. In this project, Bob will contribute his expertise to the webinars.

Bob founded Elm Grove Enterprises to pursue independent projects outside his regular work regimen, and is now transitioning to full-time consulting as a grant writer, business developer and educator. He resides in Stillwater, Minnesota

Joe Colyn is an innovative and entrepreneurial agri-food professional with progressive value-chain / supply-chain experience in research, development, procurement, training, quality programs, and new business development. He is committed to visionary leadership and strategy development in support of client needs with experience in scenario planning and creative problem solving. Joe will contribute to the webinars and serve as a business coach to farm families. Since founding Originz, LLC in 2001 he has managed a range of short-term and multi-year projects for clients requiring the expertise of a professional services provider specializing in agri-food technology, strategy, and market innovation.

Joe will contribute to the webinars and serve as a business coach to farm families. He resides in Battle Creek, Michigan.

Kristine Ranger provides consulting, coaching and specialized services and tools to capitalize on human, social and intellectual capital. Her transactional and transformational interventions improve employee engagement, build team cohesion and develop strong leaders while focusing on organizational results. Kristine is the Project Manager, contributes to the webinars and will conduct the on-farm family coaching. She resides in DeWitt, Michigan.

Kristine launched The Learning Connection in 1994 to help people, teams and organizations gain the competitive advantage. She served on the leadership team that designed and implemented the first multi-channel "Buy Local" campaign in Michigan, and consulted in the development of several Farm to School/Farm to Chef programs and the MSU Product Center for ANR. As a certified Ag Innovation Counselor, she teaches and coaches agri-preneurs in business and cooperative development initiatives. She is an Authorized Partner and Accreditated Facilitator for the Five Behaviors of a Cohesive Team, as used in this project.

Doris Mold is an Agricultural Consultant, Agricultural Economist and Educator, as well as a farm co-owner/operator. She is the President of Sunrise Agricultural Associates, LLC an agricultural consulting firm based out of Minnesota and Wisconsin. She has worked on a wide range of projects within her consulting practice including working as a business plan/transition plan coach for several years, coaching numerous producers in the Trade Adjustment Assistance Program for Farmers; Doris teaches Farm and Agri-Business Management at the University of Minnesota (U of MN) for the MAST International Program. Previously, she worked as an Agricultural Economist at the U of MN. Doris has been very active in American Agri-Women and a number of other agricultural organizations. She will contribute to the webinars and serve as a business coach to farm families in this project.

Why are Farm Succession and Business Transition Planning Important?
An estimated 70% of farms/farmland will transition in the next 20 years and fewer than 50% of farmers have estate plans, less than 70% had named successors, and less than 11% had farm business transition plans in place.
Delayed planning is a complex and challenging problem. The consequences of a failure to plan can be severe—if the farm is inherited by multiple heirs, inheritance taxes and other fees may cripple the farm and its new owners. Inadequate farm succession planning may result in heirs becoming owners who are incapable of running the farm business; family conflict among heirs; and partition of family-owned and operated farm business assets to satisfy heirs who simply want to "cash in" on their share of the business. These *worse-case* scenarios can be avoided when families learn how to work together as a team, confront the difficult issues and decisions, and commit to a decision. We believe that poor family communication is a symptom of a deeper issue, and that effective two-way communication with a transition team is essential and cost effective.

What are the Steps in this Process?
In this grant, we will concentrate on a business plan transfer and retirement planning. Farm families that complete those two steps can proceed with estate planning. Our blended approach for coaching families through these steps includes webinars; individual and family assessments and on farm coaching; onsite or virtual coaching for business transfer planning; and the University of Minnesota's Ag Transitions online template for capturing the action plan. Each family will be coached by either Joe or Doris, and Kristine to complete this process.

What is the Cost?
There is no cost for farm families to participate. Funding for this project was provided by the North Central Extension Risk Management Education Center and the USDA National Institute of Food and Agriculture Award Number 2012-49200-20032.

What is the Timeline?
The activities of this grant are projected to run from September 1, 2015 to September 30, 2016.

Webinar One, "Farm Transition: Planning for Success I - Getting Started" on Tuesday, August 18, 12:00 CMT for an overview and explanation of the process.
Webinar Two, "Farm Transition: Planning for Success II - Mapping the Process" on November 17, 12:0 CMT to cover specific information about business plan transfer, retirement planning and estate plan preparation.
Webinar Three, "Farm Transition: Planning for Success III - Making it Happen" will be conducted in December to provide approved participants with an overview of the on-farm coaching piece. All participants will be notified in advance.

We anticipate that family coaching will take place January-April and upon completing that process, families will be guided thru the process of designing a "Family Charter" (see below) to ensure forward momentum.

Farm families can begin working with business coaches and an existing or newly formed transition team immediately.

How Will Families Work Together?
For the on farm family coaching piece, we will utilize technology (Hangout, Skype, phone conferencing, etc) to bring geographically dispersed families and successors together to discuss and overcome the interpersonal barriers to successful planning. Two business consultants will serve on farm transition teams to simultaneously guide the business aspect of this project. We anticipate that most of the coaching and guided facilitation will be completed December-March, 2015.

A "Family Charter" (similar to a Team Charter) will be used in this phase to document the overall farm transition goals and clearly define individual roles, responsibilities, and operating rules; as well as establish procedures for family members on communicating and decision-making. It lays out a blueprint for conducting the steps in farm succession and business transition and also defines how the family unit will work together in an empowered manner.

Specific details regarding the on farm family coaching piece are available in Webinar Three

Will There Be Any Workshops?
At this time we have not planned any face to face meetings except for the family coaching phase. The grant specified innovative uses of technology, so we will design, conduct and record webinars to explain the processes and tools used in our project. During the family coaching phase, a consultant will facilitate a team process that has been adapted to families.

What if I Don’t Have a Named Successor?
You are encouraged to participate even if a successor hasn’t been name. A successor can be a family member, nonfarm heir or other interested party. Farm families can work with their consultants to complete this step.

What Resources Will Be Used?
We anticipate that all participants will use the online Ag Transitions planning template from Farm Financial Management at University of Minnesota. Participants can create their own accounts at https://www.agtransitions.umn.edu. Using this platform, principle farm owners, with the help of a business consultant, will develop farm transition goals and record pertinent information that include assets, liabilities, business structures and financial trends. Using this process will stimulate multi-generational discussions and allow for sharing of a plan with successors and transition team members to generate feedback and assistance.

Farm families will use information from the best selling business book, The Five Dysfunctions of a Team, to identify, discuss and forge action steps for developing trust, overcoming conflict, gaining commitment, and holding each other accountable to a plan. Through guided facilitation, this approach will help family members learn to work together better to become more effective and more focused on achieving a written transition plan. This phase of the project includes a 36-page highly personalized assessment with results for individuals and families, which will guide the on farm family discussions. **All family members will be required to complete *The Five Behaviors of a Cohesive Team* online assessment to generate the discussion tool.**

How Do We Know if We Can Benefit From the Family Coaching Services?
In many families, there is a feeling that they are unable to make immediate progress due to unresolved issues or uncertainty tied to the lives of individual family members. Research has shown that personal disappointments, strained relationships and high stress levels are evident when considering and discussing farm planning issues.

To prepare for this phase of the program, consider the following questions:

- ✓ Would the family dynamics improve if people were more frank with their opinions?
- ✓ Does the future of the farm suffer because people aren’t committed?
- ✓ Would the succession planning process improve if people were better at holding one another accountable?
- ✓ Have you seen progress stifled because people put their own needs ahead of the farm needs?

How Much Time Will This Take?
Each farm situation is different, so it is difficult to predict the amount of time that will be needed for coaching each family through the steps of a business plan transfer and other preparations that must be completed prior to estate planning. The total time estimated for the on farm coaching piece is ten hours, split into two-three sessions of two-four hours each. The length of each session depends on the participants and their needs.

How Do I Access Recorded Webinars?
Our partner American Agri-Women will host the recorded webinars on their website: www.agriwomen.org, so if you miss the live webinar you can always watch the recording. Also watch for news releases and additional information on how and where to access this information.

How and When Do I Involve my Local Professionals?
All participants in our project will form “Transition Teams”, which are comprised of one or more consultants and local subject matter experts such as a lawyer, accountant, real estate agent, insurance agent, and other professionals. Our hope is that families will be better equipped to communicate their goals and plans to these local professionals, resulting in a smoother and more economical estate planning process.

NORTH CENTRAL
EXTENSION
RISK MANAGEMENT
EDUCATION

HARVESTING OUR PAST
40
PLANTING OUR FUTURE
AMERICAN AGRI-WOMEN