

Farm Management



WHOSE JOB IS IT TO TAKE THE LEAD IN FAMILY BUSINESS SUCCESSION PLANNING?

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Succession planning is one of the most crucial activities that any family owned company undertakes. Of course, there are several crunch points in a family company's life.

Start-up is a dicey time for any business, and a vast majority of those that are launched hit the pad again nose-first not too much later. Then there's the growth leap, the point when the business expands beyond the family style organization, management systems, and controls of its early years. If the business can't adjust to the demands of increased volume and complexity, it can fold under the weight of its own success.

Another major crunch point is the period when decisions about the business's continuity under family ownership and management are made. It's hard to overstate the importance of planning and executing the ac-

tions that ensure that continuity.

Succession planning is the key to maintaining the family's ownership of the business with minimal tax exposure and risk to the business's stability. It's the key to a smooth transfer of management authority and responsibility from one generation to the next. And succession planning is the key to a comfortable and rewarding retirement for the senior owners who have spent their working lives building their family's financial security.

So with all that's at stake, who's responsible for focusing the family's attention on succession issues, setting up the schedule and mobilizing resources, securing professional help when it's needed, and guiding the process to a successful conclusion? The senior owner? The rising successor, or successors? Other concerned members of the family? Loyal long-time employees who know that successful succession is necessary for the company's ongoing health?

The answer is — all of the above. Succession planning involves all the major actors in one way or another, at one time or another. It's especially important that key family members see eye to eye on several key points

right up front. The senior owners, the rising generation, and other family members who hold stock, or hold a stake (not always the same thing), in the company must agree on the following:

- The family wants to retain ownership of the business after the founding, or current senior, owners step down from executive leadership.

- The business is stable and profitable enough and its future in the marketplace is bright enough to justify keeping family ownership into the next generation.

- The rising generation includes persons with the basic qualifications and commitment to run the company successfully.

- All key family members are ready to undertake a systematic process of analytical assessment, planning and transfer that may take years to complete and call for some very tough choices.

- The senior owners are prepared to manage in a business-like fashion a succession planning and transition process that will ultimately result in their handing over leadership and letting go of decision-making authority.

- The rising generation and prospective successors recognize that an important obligation of the business will be to provide a financially comfortable retirement for the family members stepping down.

- All family members agree that preserving the business as a healthy, growing enterprise with a solid foundation and a bright future into the next generation and beyond takes precedence over all personal wishes of

New York Farm Bureau To Host Satellite Conference

GLENMONT, N.Y. — As part of its annual policy development process, New York Farm Bureau, the largest farm advocacy organization in the state, will host a statewide satellite conference for farmer members and prospective members on Wednesday, July 19 at 7 p.m.

With farmers busy in the fields all day, the utilization of satellite technology will minimize time away from the farm, as about 30 downlink sites across the state will be made available.

The satellite conference is aimed at involving farmers in the process of identifying and discussing the pressing issues affecting agriculture today.

"New York Farm Bureau is a grass-roots organization and members need to be heard," stated John W. Lincoln, New York Farm Bureau president. "We rely upon the policy development process as the backbone of our successful efforts to serve and strengthen the agricultural industry. This is an important event that all farmers have a

family members.

When a business-owning family comes to terms on those key points, then a good groundwork has been laid and succession planning can begin, with much better-than-average prospects for success.

stake in, members and non-members alike."

New York Farm Bureau staff and leaders will present the various issues which they have been following in Albany and Washington, D.C., that have the potential to impact agriculture in the next year. Through phone and fax lines, participants will have the opportunity to raise additional issues for discussion, as well as to ask questions and receive immediate responses.

In addition to the policy issues that will be discussed, representatives from the State Insurance Fund and Cornell's College of Agriculture and Life Sciences have been invited to make presentations.

Satellite downlink locations include the following County Cooperative Extension offices: Broome, Cayuga, Cattaraugus, Chautauqua, Chenango, Clinton, Delaware, Dutchess, Erie, Franklin, Fulton, Greene, Monroe, Oswego, Schoharie, Steuben, Suffolk, Tioga, Tompkins, Washington, and Wyoming. Also linked are Jefferson County Community College, SUNY Morrisville, Geneva Experiment Station, and SUNY Potsdam.

For more information, contact New York Farm Bureau at (800) 342-4143.

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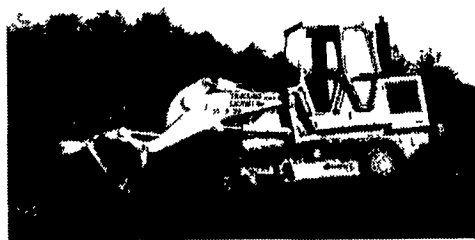
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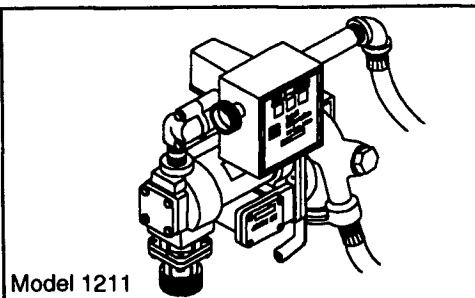
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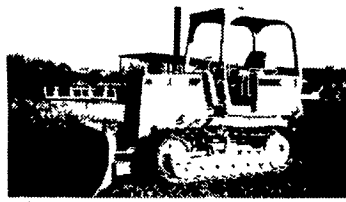


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