The Soft Issues
Communication and Conflict in Succession Planning

Changing Lands, Changing Hands Conference

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Family Business System

Source: Taguiri and Davis
Life Cycles of Family Business Sub-Systems

Family
- Young Business Family
- Entering the Business
- Working Together
- Passing the Baton

Business
- Start-Up
- Expansion / Formalization
- Maturity

Ownership
- Controlling Owner
- Sibling Partnership
- Cousin Consortium

Source: Gersick, et al
Participant responses to: *In your opinion what are the major obstacles in transferring the farm to the next generation?* Individual responses were coded and categorized by percent (n=357).

<table>
<thead>
<tr>
<th>Obstacle</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Treatment of Heirs</td>
<td>9.5</td>
</tr>
<tr>
<td>Communication / Conflict</td>
<td>16.0</td>
</tr>
<tr>
<td>Taxes</td>
<td>14.3</td>
</tr>
<tr>
<td>Money / financial viability</td>
<td>26.3</td>
</tr>
<tr>
<td>Legal</td>
<td>3.9</td>
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<tr>
<td>Getting Started / Planning</td>
<td>13.7</td>
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<tr>
<td>Own Fear</td>
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<tr>
<td>Doubts about Junior</td>
<td>5.9</td>
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<td>TA / Resources</td>
<td>2.2</td>
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<tr>
<td>Misc</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Source: Heleba, 2007
Common Themes among Farm Family “Successes”

- Business and financial acuity.
- Effective communication and conflict management skills.
- Mutual respect.
- Family harmony.
- Family pride.
- Balance of work and fun (business / family subsystems).
Legal
Financial
Relationships

Source: Dr. John Fast, John Fast & Associates
Ideas at Work

• Values-based Goal-Setting.
  – Start early in business life cycle.
  – Growing Places, Tilling the Soil of Opportunity

• Shared mission / vision statements.
  – Sharon’s worksheets at Transferring the Farm

• Enhance Effective Communication.
  – Model / facilitate Family Meetings.
  – Active listening. “I” statements.

• Policies and Procedures.
  – Clarify roles (Job descriptions). Create boundaries.
Family Meetings!!!

“We, every Friday, sit down...and talk about some of these bigger issues and some of our weekly planning what our goals are. We also try once a month to sit down with the spouses...and involved them with the same type of decisions so that they feel part of what’s going on and kind of know what we’re doing and what sort of things we’re talking about.”
Related Resources

- *Sharon Danes worksheets and guides
- Holistic Management International
- Stephen Covey
  - [https://www.stephencovey.com/](https://www.stephencovey.com/)
- Conscious Communication Institute
- State Ag Mediation Service