

# Rural Business Succession Planning

Strengthening Rural Families Education Series

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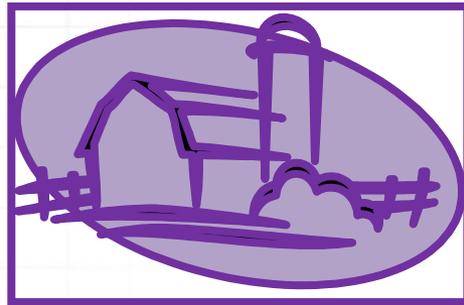
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# Our Goal



# An Ongoing Family Business & A Happy Family



# “It’s Complicated!”



# Succession Planning Steps

- Who should be involved?
- How will we work together to develop a succession plan?
- What are our vision, mission and long term goals for our family business?
- What does this mean for the business?
- Where do I fit in?
- Will this work?
- How do we transfer the business assets?

# Preparing to Plan

- Who should be involved?
- How will we work together to develop a succession plan?

# Developing the Plan

- What are our vision, mission and long term goals for our family business?
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# Succession Planning Steps

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# Who's At The Table?



Grandma and Grandpa  
(The Past Generation)

The Brothers' and  
Sisters' Kids (The Future)

Mom and Dad  
(The Current Generation)



The Brothers' and  
Sisters'  
Spouses

Farming Brother and Sister  
(The Next Generation)

Non-Farming  
Brother and Sister

# Other People

- Communication specialists
- Conflict management experts
- Counselors
- Mediators
- Financial analysts
- Lawyers
- **Succession planning facilitator**

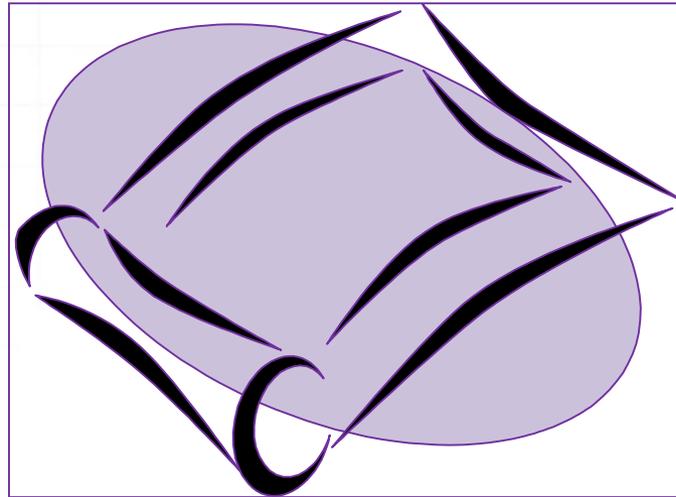
# Succession Planning Steps

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# Planning Together

- What is the purpose of our succession planning?
- What obstacles are in our way?
- How will we work together while planning?

# Succession Planning Team Agreement Document



# An Agreement That States...

- Our shared values
- Our planning vision
- Our planning mission
- Our planning goals
- Our planning obstacles
- Our planning rules

# Shared Values

Accountability

Commitment

Diversity

Respect

Fun

Empowerment

Integrity

Passion

Balance

Quality

Collaboration

Innovation

Consistency

# Planning Vision



At the end of our planning, we want to see...

# Planning Mission

- A short description about how your family will achieve the shared vision

“We will achieve our vision by...”

# Planning Goals



# Planning Obstacles



Pet  
Peeves



# Planning Rules



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# Family Business Strategic Planning

Values

Mission



Vision



Mission

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# Strategic Plan Implementation



- Increasing the pie
  - Take advantage of under utilized capacity?
  - Improve efficiency?
  - Expand present operations?
  - Add on new operations?
- How?
- When?

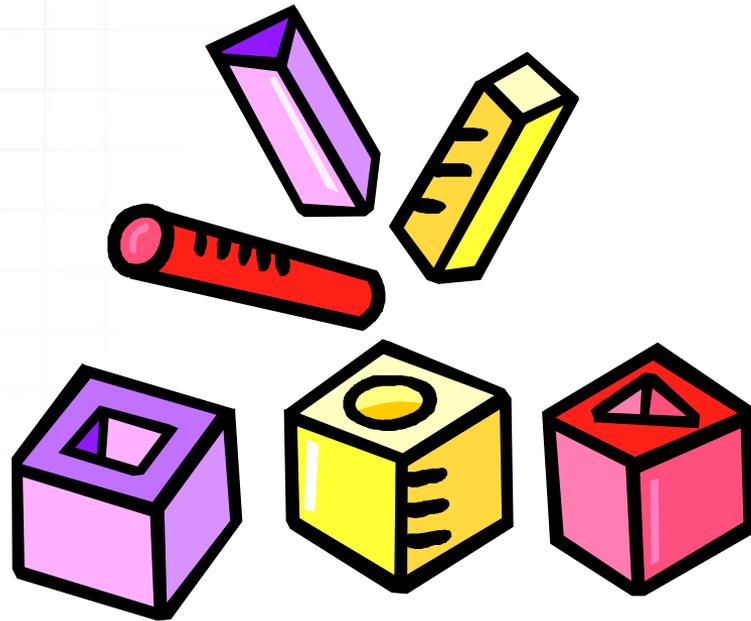
# Write It Down



# Succession Planning Steps

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# Where Do I Fit In?



# Who Does What?

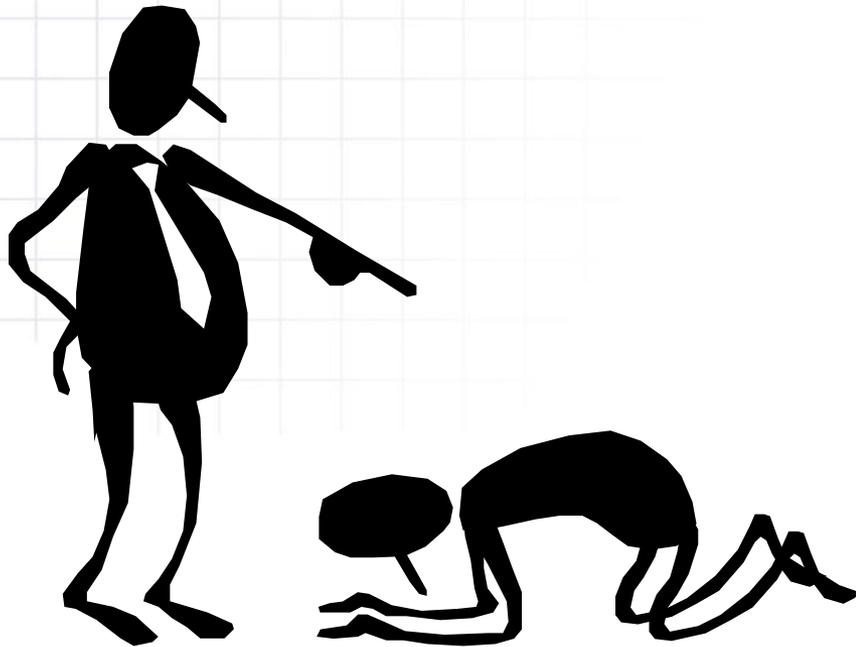


- Inventory the work, management and leadership needs of the future family business
- Inventory the knowledge, skills, likes and dislikes of the family members
- Who would be best/worst for what?

# Some Even Suggest...



# Work, Management and Leadership Responsibilities



- Important to discuss the work, management and leadership roles
  - Who's the boss?
  - How will this change over time?
  - When will this change over time?

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# Assessing the Plan

- Take your family business plan to experts for feedback
  - Operations specialists
  - Management specialists
  - Risk specialists
  - Financial analysts



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- **How do we transfer the business assets?**

# Estate Plan



- Once you have your family business plan analyzed
  - Show it to your estate planning attorney
  - Request that an estate plan be developed that complements your family business plan

# Things Just Don't End With The Business and Estate Plan



# Questions?

