



Don't let family feuds kill your family farm

Here's how to anticipate —and head off — tensions that arise when business partners and co-workers are also close relatives

Farming is a family affair. At least, that's the perception among farmers and non-farmers alike. Yet a majority of family farms do not pass smoothly to the next generation. Surprising though it seems, at current rollover rates, only 30% of existing farms will end up in the hands of second-generation family members, and just 10% will be successfully handed down to a third generation.

Farm consolidation is one reason. Family size is another — with the career choices now open to kids, small families often do not have a son or daughter who wants to farm. But many farms fail to reach the next generation simply because of poor personal relations. People don't get along with each other. They can't or won't work out their differences.

Running any family business is tricky, says Lorne Owen. He's a farm business management specialist with the B.C. Ministry of Agriculture, Fish-

eries and Food. Many factors conspire to diminish a family's chances of success and long-term survival in the agri-food business.

It doesn't matter, he adds, whether it's a big multi-faceted corporation like McCains, or a Mom-and-Pop roadside stand; the goals and challenges of running a family business are pretty much the same. Only the amounts of money involved and publicity received are different.

No matter how big or small the business, its goals should be "to keep the family together, keep the business together, and keep both healthy enough so that there's something meaningful to pass on to the next generation."

Trouble is, explains Owen, these goals often conflict. What's good for the family is often bad for business, and vice versa.

Businesses and families exist for different and often incompatible reasons. A family's purpose is to nurture

and support its members so they turn into responsible, self-sufficient, fulfilled individuals. A business exists to make money.

A family offers unconditional love and is patient with its members. A business demands performance within a limited time frame. Family decisions can be based on feelings. Business decisions must be based on facts, figures, efficiency, and expediency.

A primary cause of most family woes is an inability to separate personal and professional roles, says Owen. The farm's founders are bosses and parents or grandparents. Children are both cherished offspring and employees/partners/co-workers.

Non-family businesses don't have to cope with role blurring. Employees

show up, do their work, and go home — alone.

In family businesses, work and home life are intertwined to some extent. Emotions can run high. In addition to confusion over family and business roles, conflict can arise from a sense of unfairness, often triggered by the belief that children should be treated equally.


Feeling unacknowledged ("my contribution is not appreciated") or powerless ("I can't do anything to change things around here") may also lead to tension.

Not surprisingly, these conflicts are most likely to flare up when a farm is being passed to the next generation. That's why it's so important to have a definite, detailed succession plan. Parents and children alike need to know what's going to happen, and when.

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Instead of postponing the transfer of power, as many farm operators do, it's wiser to involve children in farm management as early as possible. If parents don't grant cheque-signing and decision-making authority until they're 85 and infirm, their successors will be 60-ish, bitter, and ready to retire. They won't have the drive and enthusiasm to go out and revitalize the farm, which is central to keeping it competitive and prosperous, says Owen.

The sooner successors learn the ropes and are let loose to run the farm, the happier and more successful they'll be, and the sooner their parents can relax and enjoy retirement.

Giving children responsibility for specific aspects of the business lets them prove themselves and learn the skills they need to run the farm. Mistakes have less serious consequences if made while parents are still around to help out. 

Try this recipe for family harmony

Besides giving their children more and more responsibility, parents can pave the way for a smooth transfer by talking about what makes a successful family business.

Fine, you say, but where do you start? How do you talk about something so complex in a way that gives the children guidelines they can follow? Relax. It's easier than you think.

No matter where in the world they're located, and regardless of what they produce, family businesses that survive and thrive have 12 traits in common. Here they are, in no particular order of significance:

• **Trust**, the foundation of all good relationships, is doubly evident in strong family businesses. People

are honest and keep their word. Without trust, they know family relationships wither and die — along with the business.

• **Shared goals** — a common vision — keep all family members focussed on the continuity of their business and its on-going revitalization. Everyone understands the difference between immediate and long-term goals

• **Power** is shared across generations, between spouses, and among siblings. At the same time, family members accept that all people are not created equal. Those with specialized experience or expertise have more say when it's appropriate and beneficial.

• **Mutual respect** extends to each other's contribution to the family and business. Abilities and talents are recognized and put to wise use. Strengths and weaknesses are acknowledged and taken into account, without being judged.

• **Direct communication** leads to prompt and direct action when differences of opinion arise. At the same time, family members remain respectful of each other.

Compliments and support flow freely — as does constructive criticism.

• **Open minds** and a willingness to learn and grow keeps everyone receptive to new ideas. Families eager to consider other points of view and try new approaches can solve virtually any problem that arises. They're also more competitive and resilient.

• **Shared values** prevent time-wasting disagreements. Family members work together best when they have similar values concerning work, money, time, and interpersonal relationships. Compatible views on education, achievement, decision making, problem solving, community involvement, lifestyle, and morals also help.

• **Traditions** help bind members

together. A ski vacation in winter or summer camping trips are fun and strengthen family ties. Getaways for Mom and Dad are good, too.

• **Personal boundaries and privacy** are respected. For all their closeness, family members don't live in each other's pockets.

They also take care not to fight each other's battles.

• **Roles** are clearly differentiated. Family and business responsibilities are kept completely separate.

• **Relationships**, like crops and livestock, are carefully tended. By sharing good times and having fun, successful families build their emotional bank account. When stress or dissension strikes, they can draw on these reserves of goodwill.

• **Mutual support** gets more than lip service: Members of successful farm families genuinely care about each other. They express their feelings openly and purposefully. They visit. They call. They have fun together. They rally to each other during times of pain, loss, struggle, and failure.

