

Where Do We Want To Go? INTERPERSONAL Issues

Assessment		Strengths/Weaknesses Opportunities/Barriers	Best Succession Management Practices to Adopt External Resources to Access	Goal for Change Description of Where We Want to Go
Areas	Scores			
Perspectives:	543	<p><b>Strengths:</b></p> <ul style="list-style-type: none"> <li>Founders have identified values desired for the next generation.</li> <li>Transferring control of the business to the next generation has been discussed by all family members.</li> <li>Succession and business goals have been developed, discussed, and agreed to by all family members.</li> <li>Goals are SMART.</li> <li>For those family members involved in the business, skills have been assessed.</li> <li>Retirement plans and financial needs of the founders have been discussed.</li> </ul> <p><b>Weaknesses:</b></p> <ul style="list-style-type: none"> <li>Some family members are concerned about the founder being able to relinquish complete control of the business.</li> <li>Founders may not have sufficient financial resources to do all the retirement activities desired.</li> <li>Founders have future business goals in mind. However, these have not been discussed with next generation family members.</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>Founders may re-kindle old friendships.</li> <li>From their travels, founders may bring home new ideas for the business.</li> </ul> <p><b>Barriers:</b></p> <ul style="list-style-type: none"> <li>Tragedy could strike the family causing business plans to change significantly and quickly.</li> </ul> <p><b>Comment:</b></p> <ul style="list-style-type: none"> <li>The founders should develop a budget for their financial needs in retirement, determine if the plan for the business matches their desired needs, and share their findings with all family members.</li> </ul>	<p><b>BSMP:</b> Founders and next generation members work together to outline how control of the business will be transferred to successors.</p> <p><b>External Resources:</b> Family budgeting worksheet (especially one for retirees)</p>	<p><b>Goal:</b> Family members should discuss and secure Dad's willingness to relinquish control of the business according to the approved plan.</p>
Communication:	208	<p><b>Strengths:</b></p> <ul style="list-style-type: none"> <li>Family members understand the importance of effective communication.</li> <li>Listening is encouraged.</li> <li>Family members understand the importance of non-verbal communication.</li> </ul> <p><b>Weaknesses:</b></p> <ul style="list-style-type: none"> <li>Questioning and other effective communication techniques are not used.</li> <li>There is little commitment to investing time and money for family members to improve their communication skills.</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>Improved communication skills could lead to increased efficiency and reduced redundancy.</li> </ul> <p><b>Barriers:</b></p> <ul style="list-style-type: none"> <li>Not taking time to improve communication skills may prevent the family from improving their relationships and patterns of interacting.</li> </ul> <p><b>Comment:</b></p> <ul style="list-style-type: none"> <li>While family members understand the importance of effective communications, techniques for effective communication are not widely used.</li> </ul>	<p><b>BSMP:</b> Don't be embarrassed to keep questioning until you fully understand the communication.</p> <p><b>BSMP:</b> Emphasize the importance of practicing and improving effective communication skills.</p> <p><b>BSMP:</b> Invest in helping yourself and other family members to improve communication skills (facilitation, training, etc.).</p>	<p><b>Goal:</b> Use questioning and other techniques to have more effective communications.</p> <p><b>Goal:</b> In two family business meetings per year, the family members will practice various techniques.</p>
Managing Conflict:	147	<p><b>Strengths:</b></p> <ul style="list-style-type: none"> <li>The family has few conflicts.</li> <li>Conflicts rarely injure relationships in the long-term.</li> </ul> <p><b>Weaknesses:</b></p> <ul style="list-style-type: none"> <li>There is no agreed upon strategy for resolving conflict.</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>Developing a process for resolving conflicts will lead to improved communication skills.</li> <li>Immediately resolving conflicts may enhance interpersonal relationships.</li> </ul> <p><b>Barriers:</b></p> <ul style="list-style-type: none"> <li>Without a process for resolving conflict, conflicts could lead to damaged relationships.</li> <li>Without a process for resolving conflict, conflicts could reduce business decisions and operating effectiveness.</li> </ul> <p><b>Comment:</b></p> <ul style="list-style-type: none"> <li>While the family experiences few conflicts, there is no agreed-upon process for resolving those conflicts that arise.</li> <li>Conflicts are viewed as a negative rather than as an opportunity for needed change.</li> </ul>	<p><b>BSMP:</b> Family business members acknowledge that conflicts are natural in ongoing relationships.</p> <p><b>BSMP:</b> Family business members have discussed and mutually agreed upon a set of policies for handling conflicts. These policies outline a process for collaborative conflict resolution that may include facilitated discussion, mediation, or arbitration.</p> <p><b>External Resources:</b> Communications training</p>	<p><b>Goal:</b> Develop and agree on policies for processing conflicts.</p>

Where Do We Want To Go? BUSINESS Issues

Assessment		Strengths/Weaknesses Opportunities/Barriers	Best Succession Management Practices to Adopt External Resources to Access	Goal for Change Description of Where We Want to Go
Areas	Scores			
Formalized Management:	424	<p><b>Strengths:</b></p> <ul style="list-style-type: none"> <li>Financial statements are completed quarterly.</li> <li>Information on financial statements is used to make management decisions.</li> <li>Financial statements are used to communicate with family members involved in the business, with non-actively participating family members, and others outside the business.</li> <li>Successors have been identified and legal documents are in order for them to act on behalf of the Company.</li> </ul> <p><b>Weaknesses:</b></p> <ul style="list-style-type: none"> <li>An employee handbook has been developed but it is incomplete and a bit out of date.</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>Having an up-to-date employee handbook may limit or prevent future conflicts.</li> </ul> <p><b>Barriers:</b></p> <ul style="list-style-type: none"> <li>A lack of complete and up-to-date business documents could lead to an environment of distrust.</li> </ul> <p><b>Comment:</b></p> <ul style="list-style-type: none"> <li>The family has a very strong formalized management plan.</li> </ul>	<p><b>BSMP:</b> An employee handbook which contains information about business policies and procedures pertaining to both family and non-family employees.</p> <p><b>External Resources:</b> U.S Small Business Administration - <a href="http://www.sba.gov/content/employee-handbooks">http://www.sba.gov/content/employee-handbooks</a></p>	<p><b>Goal:</b> Develop and agreed to an employee handbook, including policies for family member employees.</p>
Business Communication:	67	<p><b>Strengths:</b></p> <ul style="list-style-type: none"> <li>Regular meetings are held by the family members involved in the business.</li> <li>Annual meetings are held for all family members.</li> </ul> <p><b>Weaknesses:</b></p> <ul style="list-style-type: none"> <li>There is no Code of Conduct for the business.</li> <li>Some business policies are not formalized.</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>A Code of Conduct will enhance an environment of trust and honesty.</li> <li>Sharing business documents, which are up-to-date, will increase family member's comfort with business operations.</li> </ul> <p><b>Barriers:</b></p> <ul style="list-style-type: none"> <li>Failure to share business documents creates barriers between individuals.</li> </ul> <p><b>Comment:</b></p> <ul style="list-style-type: none"> <li>The family business is strong in this area; however, more business policies need to be formalized.</li> </ul>	<p><b>BSMP:</b> A Code of Conduct has been established which outlines the rules and policies that help guide family members in their personal, business, and family relationships.</p> <p><b>External Resources:</b> Institute For Family Business - <a href="http://www.instituteforfamilybusiness.com/">www.instituteforfamilybusiness.com/</a></p>	<p><b>Goal:</b> Develop and agree to a Code of Conduct.</p>



Where Do We Want To Go? SUCCESSION PLANNING Issues

Assessment		Strengths/Weaknesses Opportunities/Barriers	Best Succession Management Practices to Adopt External Resources to Access	Goal for Change
Areas	Scores			Description of Where We Want to Go
<b>OVERALL:</b>	313	<p><b>Strengths:</b></p> <ul style="list-style-type: none"> <li>The family developed, discussed, and agreed to a formal plan for transferring the business to the next generation.</li> <li>A succession planning team of family members and outside advisors was selected.</li> <li>A timeline for transfer of ownership and management and Founder retirement was included in the plan.</li> <li>Regular meetings were held by family members involved in the business.</li> <li>Annual meetings were held for all family members to review progress.</li> <li>Founders planned for a retirement and held true to the timeline for transition of ownership and management and for retirement.</li> </ul> <p><b>Weaknesses:</b></p> <ul style="list-style-type: none"> <li>None</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>Updating the employee handbook will increase everyone's understanding of future employment opportunities on the farm by family members.</li> </ul> <p><b>Barriers:</b></p> <ul style="list-style-type: none"> <li>None</li> </ul> <p><b>Comment:</b></p> <ul style="list-style-type: none"> <li>The founders have effectively and successfully facilitated efforts for a successful transition to the next generation.</li> <li>The founders are enjoying their retirement as planned.</li> </ul>	<p><b>BSMP:</b> Establish a timeline for succession which is specific when the process will start and when it is expected to be completed. Start early in the process, it is a process not an event.</p> <p><b>BSMP:</b> Plan for retirement. Define what retirement would look like and estimate financial needs.</p> <p><b>External Resources:</b>                      Institute For Family Business -  <a href="http://www.instituteforfamilybusiness.com/">www.instituteforfamilybusiness.com/</a>  <a href="http://RightRisk.org/">RightRisk.org/</a> [courses] [Lasting Legacy #1]</p>	<p><b>Goal:</b> Continue to have family council meetings at least annually.</p> <p><b>Goal:</b> Ted and Sally (the founders) should make a list of retirement activities.</p>
<b>Timeline:</b>				
<b>Planning Team:</b>				
<b>Successor Selection:</b>				
<b>Written Plan:</b>				
<b>Plan Communication:</b>				
<b>Retirement Plan:</b>				

