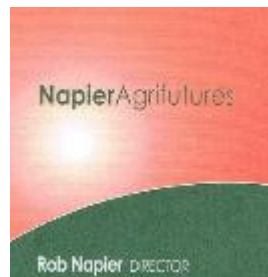




A Check List for Family Farm Succession

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Introduction

- Why I am passionate about good succession planning
- What is succession
- Why succession is tough
- Strategic & business planning critical – makes succession planning easier
- Unleashing the capabilities of all family members
- Start early – a stimulus for family & business development
- The equation for family success:

Energy/formal training of youth + experience & wisdom of excellent relationships = teamwork/harmony/productivity/p

The Bases to Cover

- Relationship building
- Regular formal communication
- Understanding succession planning
- Identify family goals & needs
- Consider all the options
- Plan transfer of management
- Plan asset transfer
- Prepare for retirement
- Check plans with experts
- Contingency planning
- Regular reviews of plans



The Bases to Cover

Relationship building

- Leadership/persistence
- Trust
- Understanding the different personalities of family members
- Building capabilities – people/business management
- Having fun together



Regular formal communication

- Family meetings/boards
- Agendas/minutes
- Pre-meeting preparation



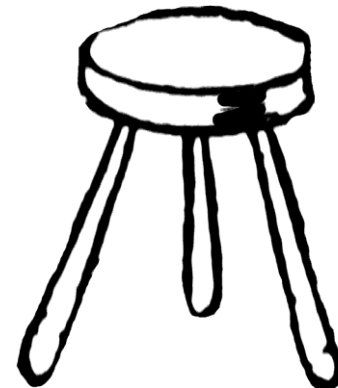
The Bases to Cover

Understanding succession planning

- Succession planning is a process designed to achieve a smooth transfer between generations to benefit the business & strengthen family relationships
- Obtain agreement to the process before the start
- Don't rush to conclusions

Identify family goals & needs

- Include in-laws
- Individual, family & business goals
- Discuss how everyone can help the goals to be achieved



The Bases to Cover

Consider all the options

- Prepare strategic & business plans
- Consider potential opportunities & threats
 - well researched & documented (share the load)
 - creative
- No gender bias
- Adding businesses
- Keep the eggs unscrambled (independence) where possible

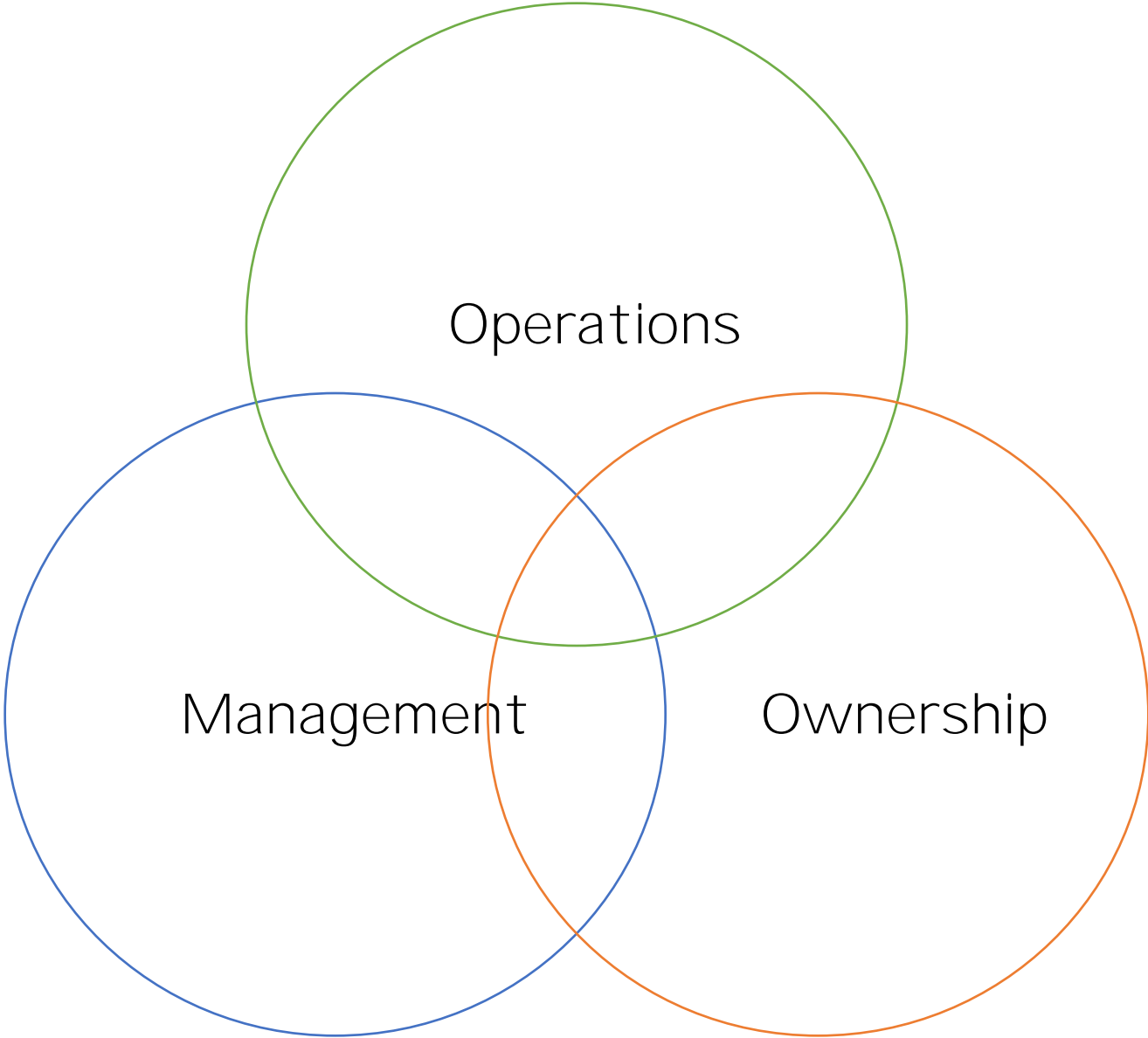


Plan transfer of management

- Off-farm/international/corporate experience
- Trials
- Adding businesses
- Using Mum & Dad's memory bank



Components of a Farm Business





İ KY' \ UX' hc' XYW
whether to coast or
invest in the future. I
made a decision to
invest in the next
[Y b Y f U h] c b Đ' '

**Andrew Bishop, Noggin's
Corner Farm Market,
Greenwich, Nova Scotia**

The Bases to Cover

Plan asset transfer

- Sort out each generation
- Fairness does not necessarily mean equal asset distribution
- The value of a 'living inheritance' – 'Early Money Is Like Yeast'
- Wills are an integral part of succession plans
- Parents, as owners, have the rights (& responsibilities) to make the ultimate decisions

Prepare for retirement

- Retirement for most farmers is not easy – 'who I am is what I do'
- Parents are living longer & retirement needs have changed
- Start retirement actions early
- Accommodate parents' needs to be wanted, valued & respected
- Retirement has not occurred until the next generation has full financial control

The Bases to Cover

Check plans with experts

- Accountants/Lawyers/Financial planners
- Family relationship experts
- Experts may have narrow perspectives
- The family must do the thinking



Contingency planning

- Succession is a long term process
- Marriage, births, deaths & disabilities can occur
- Divorces & re-marriages
- Do the 'What ifs'
- BUT – don't box at shadows



The Bases to Cover

Regular reviews of plans

- Review when significant events occur
- Review at least annually
- Build trust so that although exact outcomes are uncertain, family members are comfortable that the criteria for the succession plan will be applied fairly



The Bases to Cover (Checklist)

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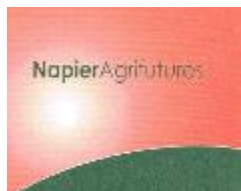
Conclusions

- Succession planning is part of good family and business management & can be stimulus for development
- Remember the purpose
- Start early & agree to a process
- Good succession planning requires considerable skill & effort but the rewards make this worthwhile
- Leadership, communication, people management
- Relationships & trust
- Families that can plan together, work together & play together can achieve great happiness, satisfaction and rewards

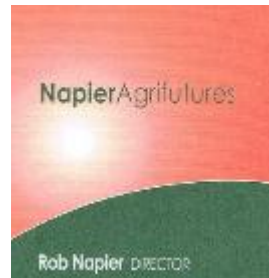


Thank You!

We wish you every success!



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