

Chapter 3: Initial Planning

Getting Started

Farm families who are in or intend to start transition planning often find it challenging to know where to begin.

Ideally, the retiring generation should initiate a first conversation about transition planning, as they hold control over the farm operations and assets and, ultimately, the timing of transition. If the retiring generation consistently delays discussion about transition planning, however, the successors may choose to attempt to get the conversation started.

Once participants agree to the concept of transition, it is time to move planning towards a more formal process. Making the leap from discussing theoretical, future-oriented ideas about transition to starting on actual transition planning can be a challenge. Many people find that creating structure by outlining the planning process and scheduling formal meetings can help.

Preparing for an initial planning meeting:

1. Write an agenda. It is very likely that the participants involved in your transition planning process are your relatives or other people with whom you feel very comfortable. Though it may feel strange to hold a formal meeting with people you know well, getting and staying on track is vital to the planning process. A sample meeting agenda is provided on the next page. Adjust it as necessary to meet the specific needs of your farm operation and all of the individuals included in the planning process.
2. Distribute the agenda to all participants before the meeting occurs. Allowing time for each person to think about the issues and formulate thoughts, questions and concerns in advance can help reduce conflict and make the meeting more productive.

3. Agree in advance how much time to allocate for the meeting and then stick to that time limit. If discussion results in not getting through all the agenda items, leave any remaining items for the next meeting. While it can sometimes work to agree mid-meeting to extend the length of meeting, be aware that as people tire, emotions can change and conflict may result. Not everyone will have the same tolerance for a longer meeting. Keep in mind that it is better to work slowly and consistently to completion than to push overly hard but burnout short of the finish line.
4. Try to minimize or eliminate distractions and interruptions during the meeting. Organize childcare; turn off televisions and mobile phones; keep conversations on track; agree to focus solely on the topics at hand, etc.
5. Consider having the meeting in a location other than the family kitchen or living room. A private off-site location will help participants focus and invest in the discussions.

The next few pages provide an outline of how to run your meeting.

Initial Meeting Agenda

Date:

Time:

Attendees:

1. Administration

Meeting Roles:

- Chairperson
 - Identify someone to chair the meeting. The role of the Chairperson is to keep the meeting on track, to ensure discussion involves everyone present, to attempt to mediate conflict, and to transition discussion from one agenda point to the next. The Chairperson can change from meeting to meeting.
- Secretary
 - Taking accurate notes at each transition planning meeting is important. The notes can be simple and point-form but should cover every key point of agreement, disagreement and discussion. Comprehensive notes help the planning process move forward rather than getting stuck. These notes should be circulated amongst all individuals involved in the transition plan, whether or not they attended the meeting.
- Attendees
 - Effective transition planning depends on input and participation from each individual who will be part of the actual transition, and may involve other key stakeholders who are invested in the farm and transition process. Wherever possible, all transition

participants should be part of each and every transition planning meeting. Luckily, distance is no longer the obstacle it once was. For example, individuals living in another town or province can join an online meeting using a web-based tool like Skype at virtually no cost.

Meeting Rules:

- Decorum
 - Transition planning discussions may initiate strong emotion in some of the participants. Emotion is not a bad thing. In some cases, in fact, it can be positive and helpful as it may help clarify priorities and / or provide deep honesty. In other cases, however, emotion can become intense and result in conflict.
 - Transition planning requires deep thought, significant effort, and a willingness to hear others. Conflict can occur among any group of transition planning participants. As such, a discussion and agreement about behaviour expectations, conflict management and positive listening is recommended. When tensions start to rise, it is the Chairperson's responsibility to remind everyone about the behavior agreement.

- Participation
 - Sometimes, one or more of the individuals who will be involved in transition may decide that they don't want to participate in transition planning. This is a difficult and unfortunate situation. Should this happen during your transition planning process, invite the individual(s) anyway and keep inviting them to every subsequent meeting. Send them copies of the notes from each meeting. While they may never actually participate in the planning process, it is best for everyone involved if they are given every opportunity to be informed and to change their negative stance on the process.
 - Those who do attend meetings and want to be part of the process should be given fair opportunity to participate. It is the Chairperson's responsibility to ensure all participants are included in every discussion, and all other participants should prioritize and foster this goal.

2. Purpose of the meeting

- a) Overview

Clarify and ensure all participants agree on the initial planning meeting's purpose. Discuss the priorities of the meeting. Having clarity about and agreeing on the purpose of the meeting will help keep discussion productive, on track and moving forward throughout the meeting.

- b) General discussion
- c) Questions

3. Current status: personal, family and farm

a) Overview

Each participant should use this opportunity to speak about their own situations. In addition, at least one person should be prepared to speak about how the farm is currently doing. In-depth discussion about financial status and performance is not necessary now. Rather, use this opportunity to speak in general terms about the current status of oneself, the family/group, and the farm business.

- b) General discussion
- c) Questions

4. Current status: transition planning process.

a) Overview

Each participant should use this opportunity to speak about the transition planning process, including how they see it proceeding and what their thoughts are on the process, the priorities and the outcome. By investing time to discuss expectations now, all participants can gain better understanding of the transition process itself and other participants about their own situations.

- b) General discussion
- c) Questions

5. **Transition planning specifics: ownership and management transition**

a) Overview

Transition plans are unique to each farm. Depending on the circumstances and priorities of all participants and the current status of the farm, some early discussion regarding expectations about ownership and management transition may be helpful. At this early stage in planning, this discussion need only be a brief overview of initial thoughts.

- b) General discussion
- c) Questions

6. Estate planning specifics: wills, power of attorney, tax, insurance.

a) Overview

Estate planning is unique to each farm. Depending on the circumstances and priorities of all participants (particularly the individuals expecting to transition out of farming) some early discussion regarding estate planning may be helpful. At this early stage in planning, this discussion need only be a brief overview of initial thoughts. Note: this discussion may overlap with agenda item #4.

b) General discussion

c) Questions

7. Communication processes

a) Overview

Open and effective communication is vitally important to transition planning. Pre-planning how information will be communicated internally (within the family) and externally (to advisors) can help decrease stalls and conflict later in the transition planning process.

b) General discussion

c) Questions

8. Timelines

a) Overview

All participants must be clear on transition planning timelines, including the frequency of meetings, expected completion date, and intended implementation timing. Agreeing to specific timelines creates a degree of accountability necessary to keep the planning process moving forward.

b) General discussion

c) Questions

9. Concerns and issues

a) Overview

Open communication about concerns and issues is key to resolving potential conflicts. Participants should use this opportunity to bring up any concerns or issues that have not yet been discussed during the meeting.

- b) General discussion
- c) Questions

10. **Next steps**

- a) Overview

All participants need to understand what comes next in the transition planning process. Identifying next steps helps keep the process moving forward.

- b) General discussion
- c) Questions

11. **Next meeting**

Set a specific time and day for your next meeting.

12. **Adjourn**