

Topic 17: Transition Options

SUCCESSOR ASSESSMENT

In family farm transition, the choice of successor for the farm is usually one or more of the retiring generation's children. This does not necessarily mean that the children are ready to take over management of the farm. Nor does it mean that they even have all the necessary skills. The successor of a farm business will be the future leader and manager of the business. The retiring generation are the best option to determine what management and leadership traits are necessary in their business.

The following assessment has two sections — leadership and management. Each section has statements related to leadership or management skill. The successor's skills in each of these categories will be assessed, based on their accomplishment level of the skill statements.

Why is this relevant?

Understanding your successor's skills, strengths and areas for growth are the starting point for building training and development plans for the next farm leader. The survey provides an opportunity for both generations to discuss together what leadership and management traits have been necessary to bring the farm to where it is today. It helps to show your successor(s) what will be required in the future. Plans resulting from assessment discussions help to set expectations for the type of leader and manager that you are looking for in your successor(s).

How will this help transition planning?

- The exercise requires that you specifically focus on the abilities of your successors.
- The exercise can reveal concerns that require some attention. Proactively dealing with the concerns helps to avoid undesirable outcomes.
- The exercise promotes discussion between the generations about leadership and management. The two areas are very important parts of a successful transition.

Instructions

This survey is to be filled out by the retiring generation together.

1. Read each statement listed under the leadership and management categories.
2. For each statement, enter the appropriate number in the right hand column.
 - 5 – exceeds expectations
 - 4 – meets expectations
 - 3 – inconsistent
 - 2 – below expectations
 - 1 – needs improvement
3. Add the scores for leadership and management together and assess the results using the following scale.
 - < 40 Leadership and management skills are less than desired. Attention to improving these skills should be a priority **before** proceeding with implementing your transition plan.
 - > 40 < 70 Leadership and management skills are adequate but attention to improving these skills is still required. Proceed with implementing your transition plan **cautiously**.
 - > 70 Your successor demonstrates strength in his or her leadership and management skills. Implementing transition plans should not encounter difficulty from issues that are related to the leadership and management of your successor.
4. Discuss the survey results with the successor(s). Make sure that you refer to both strengths and weaknesses.
5. Decide where improvements could and should be made.

How does this apply?

During successor assessment you will discuss and decide on a training plan for the successor(s) that may include some leadership and management training.



PLANNING POINTERS:

- Do not worry about getting the exact right score for each statement.
- The survey is designed to be a guideline that can be used to zero in on the skill sets of your successor(s).
- The intent is to use the exercise to identify where additional skill set development may be required and used to develop an appropriate training program.



WHAT TO WATCH FOR:

- Be positive when reviewing the results with your successor(s). Very few, if any, successors will have all the traits as they are presented in the survey. It is not the purpose of the exercise to criticize anyone.
- There could be some differences of opinion and therefore, disagreement and conflict.
- Consider using an external facilitator if you are concerned about the potential for conflict.



EXERCISE: Go to the forms appendix at the back of this guide for a blank copy of the Successor Assessment exercise on page 279.

Next steps

Congratulations on completing this topic. You are now a step closer to having a transition plan for your farm. Please proceed to the next topic area on your Transition Plan, but don't forget to add any assigned tasks that were generated by working through this topic.

Successor Assessment

Leadership	Score
creates and effectively communicates a clear vision	
recruits a team to achieve business and operational goals	
treats partners, employees, third party vendors and all other stakeholders as important team members	
recognizes the importance of complementary characteristics and builds a team with diverse sets of strengths, skills and abilities	
creates a positive, constructive, results-oriented working environment	
recognizes potential areas for conflict and proactively mitigates the negative impact.	
knows that a leader strives to create other leaders and creates opportunities for others to excel	
displays good business customs and sound ethics	
delegates with clear responsibility and accountability	
accepts criticism and uses failure as a learning opportunity	
TOTAL	

Management	Score
selects team members based on their respective skills and abilities	
performs all tasks, duties and responsibilities with an owner's determination	
is committed to continuing education, additional training and self-study	
demonstrates excellent financial management	
uses technology to increase efficiency, improve effectiveness and cut expenses	
demonstrates clarity, patience and commitment to employee training, operational safety and hazard avoidance	
delegates effectively, encouraging others to take on and accept responsibility	
effectively prioritizes and demonstrates good time management	
understands personal relationships and operational politics using good communication	
uses a technique of good planning, thorough analysis, goal setting, budgeting and record keeping	
TOTAL	