

Farm and Ranch Survival Kit

Working Together to Create a
Hopeful Future For Family Farms



Issue 3

In this issue, author Ron Hanson writes that the true test of any farm marriage is to throw a husband and wife together in a dusty corral to work cattle on a 100 degree summer day. Even the strongest of marriages show strain when up against these odds. Farming brings with it an element of “getting along” that out-classes most other small businesses. The daily challenges and problems that arise from equipment breakdowns, untimely rains or drought and sick or escaping animals often leave family members with taxed patience and flared tempers. When emotions run high, think twice and review this issue of the Farm and Ranch Survival Kit. It may be just what you need.

Warm regards,

Cheryl Williams-Cosner
Project Coordinator
cosner@bmi.net

In This Issue

Running a Successful Family Meeting.....	1
Roles and Relations in the Family Business.....	3
Stress Checklist.....	5
Ten Stupid Things That Cause Farm Breakups.....	7
Expressing Appreciation.....	8
Resources.....	9

Running a Successful Family Meeting

Good family meetings held on a regular basis are the key to any successful family business. A good meeting should draw us closer together as a family, sharpen our vision and kindle our passion for the business. It can educate family members on the operation of the business and provide sound advice and guidance to the people who are managing the business on a daily basis.

How can we lay the groundwork for a good family meeting? The following are tips I have picked up and used over the years for our own family meetings.

It is important to pick a good time and place for the meeting. Would you hold an important meeting in the middle of your office with all the phones ringing? Look at the primary purpose of your meeting and pick a time and place that will create the best environment to accomplish that purpose.

Decide who will be at the meeting. Will you invite all your children? Their spouses? Grandchildren? Managers? What about your advisors – attorney, accountant, financial planner?

Prepare a written agenda. Family meetings work best when there are no surprises or "hidden agendas." Write up a proposed agenda and send it out to all the participants before the meeting. This is the time to ask for their feedback and additional agenda items they want to see covered. If the family members know before the meeting that their concerns will be heard, they will be more likely to participate fully in the meeting. Identify proposed "action items" in the agenda – what decisions or actions do you want to come out of the meeting.

Decide and disclose up front how decisions will be made at the meeting. There are three major decision-making models: advise and consent, majority rule and consensus. Advise and consent means that we give our advice to dad, for example, and he does whatever he wants, hopefully taking our advice into account. This model works as long as everyone knows that this is the model being used. Majority rule means we vote either by ownership percentage or by person and consensus means we all have to agree. There is a place for all of these models, depending on the issue being discussed and the dynamics of the family.

"This material is based upon work supported by USDA/CSREES under Award Number 2004-49200-03123."

Running a Successful Family Meeting (continued)

Make sure that you give equal time to “people” as you do to “production.” Include agenda items for sharing passion such as why is this business important to us as a family? Also include agenda items for sharing vision and for building human capital in the form of educating, informing and inspiring each other. Create opportunities for family members to get to know each other as adults. Ask each other where we see this business (and our family) going over time? What do we like and dislike? What is important to you? What are your dreams and hopes for the future? What are your challenges today?

Realize that there is tension in the very phrase “family business.” Each participant has a different view of the relationship between the family and the business and of the relative importance of each. On one side, members will view the business as the most important thing and the family must serve the needs of the business. On the other side, members will view the family as the most important and the business must serve the needs of the family. Discussing and recognizing this tension among the family members will help a lot in reaching consensus in how the business operates.

Don’t avoid conflict, but outlaw a culture of conflict. Conflict arises because we are alive and thinking beings. We will have differences of opinion. This is good because we live in a complex and dangerous world and none of us has infinite knowledge and wisdom. However, at the end of the day, we have to agree to support whatever decisions are made and operate as a team with our whole hearts.

Allow and encourage all participants to speak out and share their ideas and concerns without fear of being put down or judged. All insights have value, even if they are not acted upon. Put yesterday behind you and start today. Don’t allow old disagreements or actions from the past color today’s discussions.

Follow up on action items and do what you say you are going to do. If family members see that their input is valued and acted upon, they will be much more willing to participate in the future.

Most of all, have fun. Celebrate your successes. Play together. Share family stories. Rejoice and talk about what makes your family unique and special.

Clint Bentz is a partner with Boldt, Carlisle & Smith, LLC, a full service CPA firm with offices in Salem, Stayton, and Albany, Oregon. He specializes in estate and succession planning for family business owners. He is also the managing member of Blue Den Ranch, LLC, a second-generation family forest operation in Scio, Oregon. Clint and his family were recognized as the 2002 National Outstanding Tree Farmers of the Year. He can be reached at (503) 769-2186 or cbentz@bcslc.com.



Complex Roles And Relations In The Family Business

Roles are expectations shared by both family and non-family members regarding the behavior of individuals within the family business. They involve beliefs about who does what and ways people ought or ought not to behave. For most people, work and family roles are separate. When at work one enacts roles such as boss, employee or laborer. Such roles are left at work and in the family new roles are taken on—parent, spouse or child. In the family business, the work and family systems overlap, blurring and confusing roles. Individuals are required to assume different, often competing roles simultaneously. A myriad of potential roles must be negotiated—parent-child, co-worker-family, management-labor, boss-subordinate, founder-successor.

Family Roles Develop Early

The roles people play in a family business are often an extension of the roles they play in the family. This can be problematic. For example, each person's birth order in the family has implications for what they want to do or are allowed to do at work. There is often the expectation that the oldest will take over the business whether or not he or she is the best choice. In many families, the roles that each member is expected to play becomes solidified when the children are young. Families may have, for example, the "serious first-born" or the "carefree baby." While these may have been characteristics the children exhibited when young, the expectation that they will continue to play these roles often plagues children into adulthood. While the youngest may indeed still be the one who enjoys a good time, he or she may also be a highly competent adult, ready to play an important role in the business. It's important that in a family and in a family business, members be allowed to become the person they want to be and assume roles that match their skills and abilities. In addition, most family businesses have deeply entrenched traditions. For example, in many businesses, the mother assumes the role of bookkeeper or secretary when she might be better suited as the investment manager or the supervisor. Even in a family business, it is important to allow individuals to assume roles that match their skills and abilities.

Negotiate for Role Satisfaction

In order to create a successful and dynamic family business system, roles need to be negotiated. These roles are negotiated through communication. How well the negotiation goes will determine the family member's satisfaction with his or her roles. Factors producing satisfaction include clarity of roles, acceptable load or number of roles, consensus among all family members to role expectations, fit between requirement of the role and qualities of the individual family member and whether the role is seen as important by the individual. The greater the satisfaction in these areas, the more positive the family member will be with the assigned role(s).

Founder and Successor

Many individuals and the relationships between them have an impact on succession in the family business. Two key individuals are prominent in this relationship; the leadership founder and the leadership successor. Simply put, if these two get along well then managing succession and negotiating all the pitfalls that come with it becomes much easier. Assessing the relationship between both the founder and successor and other key individuals will greatly help in facilitating the succession processes. It is good to ask questions such as does a founder have exclusive relationships with suppliers that are vital to the business? Have good relationships between a successor and important buyers been promoted by the founder and the business?

Several factors influence the founder and successor relationship:

- **Communication:** Open honest dialogue must ensue if participants are to adequately explore and deal with all the issues that arise during succession planning.
- **Readiness:** When the founder is not psychologically ready to relinquish control, the process can be unsuccessful. Conversely, the same is true when the successor is not psychologically ready to succeed.
- **Life stage:** Whether or not both are at the appropriate stage of life to facilitate a transition must be addressed. The founder may not be ready to "slow down" and neither may the successor be ready for the responsibility of leadership.
- **Values:** Individuals involved in family business succession need to focus on identifying the individual, family and business value systems so that options and solutions which best accommodate the various values can be incorporated.

Complex Roles And Relations In The Family Business (continued)

Adult Siblings in Family Business

One of the more striking features of family businesses is that family and business roles overlap. In family businesses, parents typically keep control over their children in the adult work roles. In most non-family business families, siblings generally emerge from under parental control when they grow up and leave the house. In family businesses, however, the ultimate power that a boss-as-parent holds over subordinates-as-children makes it difficult for the latter to acknowledge and express the full range of emotions that are part of parent-child relations. Expressions of anger or resentment by adults toward their parents may be inhibited when it means biting the hand that continues to feed them. Roles need to be negotiated in a successful family business.

In addition, since all siblings experience some degree of rivalry; it is an inevitable feature of life in family businesses. To improve the effectiveness of family businesses, learning how to deal with rivalry is crucial so that brothers and sisters are motivated to express their individuality but still cooperate in the best interests of the family business. Rivalry becomes destructive when siblings lack freedom to choose their family roles, when they feel resentment toward one another and when they have been denied opportunities for learning to solve disagreements because parents intruded in their attempts to do so.

Women in Family Businesses

Role conflicts for women can be particularly acute. Women who choose to work in the family business often hear double messages: “Dedicate yourself to the business, be independent and behave like a businessman, but be dependent, take care of the family and be a mother, don’t take the business home with you, but let’s talk shop tonight.” To a woman in a family business, loyalty to the business is fused with loyalty to her family of origin. At the same time, it competes with the intense loyalty and demands of her own family, especially if she has children. Naively, many women believe that they should be simultaneously and equally loyal to their family of origin, their family business, to their nuclear family and to their own selves. There is no way these things can be balanced; they must let go of something. A greater dedication to one area does not entail disloyalty to the others. This is a reality that women in family businesses need to accept.

Conclusion

Family members who work together must constantly remind themselves that they wear several “hats,” assume many roles and engage in complex interactions. These roles and interactions must be clearly defined and managed so that the family is able to separate the business system from the family.

Author Randy R. Weigel is a University of Wyoming Professor and Extension Human Development Specialist. For more information on this topic and the management of rural family enterprises, check the Enterprising Rural Families website at <http://eRuralFamilies.org>.



Farm Family Stress: A Checklist of Signs Of Farm Stress

As the result of several consecutive years of difficult farming conditions, many farm families are experiencing financial and emotional stress. There are several signs that a farm family may be in need of help. These are signs that can be observed by friends, extended family members, neighbors, milk haulers, veterinarians, feed/seed dealers, clergy persons, school personnel or health and human service workers. These signs include:

- **Change in routines.** The farmer or farm family stops attending church, drops out of 4-H, Homemakers or other groups or no longer stops in at the local coffee shop or feed mill.
- **Care of livestock declines.** Cattle may not be cared for in the usual way; they may lose condition, appear gaunt or show signs of neglect or physical abuse.
- **Increase in illness.** Farmers or farm family members may experience more upper respiratory illnesses (colds, flu) or other chronic conditions (aches, pains, persistent cough).
- **Increase in farm accidents.** The risk of farm accidents increases due to fatigue or loss of ability to concentrate; children may be at risk if there isn't adequate child care.
- **Appearance of farmstead declines.** The farm family no longer takes pride in the way farm buildings and grounds appear or no longer takes the time to do maintenance work.
- **Children show signs of stress.** Farm children may act out, decline in academic performance or be increasingly absent from school; they may also show signs of physical abuse or neglect.

Signs of Chronic, Prolonged Stress

When farm families are under stress for long periods of time—chronic, prolonged stress—they may exhibit a number of signs. Watch for the following in farm families you see on a day-to-day basis:

- | | |
|--------------------------|-------------------------------|
| ✓ Headaches | ✓ Sadness |
| ✓ Irritability | ✓ Backaches |
| ✓ Depression | ✓ Backbiting |
| ✓ Ulcers | ✓ Bitterness |
| ✓ Anger | ✓ Withdrawal |
| ✓ Passive-aggressiveness | ✓ Sleep disturbances |
| ✓ Frequent Sickness | ✓ Loss of spirit |
| ✓ Exhaustion | ✓ Alcoholism |
| ✓ Loss of Humor | ✓ Violence |
| ✓ Memory Loss | ✓ "I'm a failure." |
| ✓ "I blew it." | ✓ Inability to make decisions |
| ✓ "Why can't I ...?" | ✓ Lack of concentration |



Signs of Depression or Suicidal Intent

The greater the number of signs of stress a farm family member is exhibiting, the greater your concern should be. In addition, if farm family members are exhibiting the following signs of depression or suicidal intent, it is important that they get linked up with help as soon as possible. All cries for help should be taken seriously.

- **Appearance:** Sad face, slow movements, unkempt appearance
- **Anxiety and/or depression:** Severe/intense feelings, look of anxiety or depression; both may be present
- **Unhappy feelings:** Feeling sad, hopeless
- **Withdrawal or isolation:** Withdrawn, alone, discouraged, listless, rejection of friends and support
- **Negative thoughts:** "I'm a failure." or "I'm no good."
- **Helpless and hopeless:** Sense of complete powerlessness—"No one cares,"
- **Reduced activity:** "Doing anything is just too much."

A Checklist of Signs Of Farm Stress (continued)

- **Alcohol abuse:** There is a link between alcoholism and suicide.
- **People problems:** “I don’t want anyone to see me,”
- **Previous suicidal attempts:** May be previous attempts of low to high lethality.
- **Physical problems:** Sleeping problems, decreased appetite, various physical ailments.
- **Suicidal plan:** Frequent or constant thoughts with a specific plan in mind
- **Guilt and low self-esteem:** “It’s all my fault,” “I should be punished.”
- **Cries for help:** Making a will, giving away possessions, making statements such as “I’m calling it quits” or “Maybe my family would be better off without me.”

How To Refer A Person For Help

1. Be aware of the agencies and resources available in your community, what services they offer and what their limitations are.
2. Listen for signs that the person or family needs help which you can’t provide such as financial, legal or personal counseling.
3. Assess what agency or community resource would be most appropriate to address the person’s (or family’s) problem.
4. Discuss the referral with the person or family (“It sounds/looks like you are feeling _____. I think _____ could help you deal with your situation.”)
5. Explore the individual’s or family’s willingness to initiate contact with the community resource (“How do you feel about seeking help from this person/agency?”)
6. If the person or family is unwilling to take the initiative or where there is some danger if action is not taken, you should take the initiative:
 - a) Call the agency and ask to speak to the intake worker.
 - b) Identify yourself and your relationship with the person or family.
 - c) State what you think the person’s or family’s needs are (needs immediate protection from suicidal acts, needs an appointment for counseling needs, financial or legal advice.)
 - d) Provide the agency with the background information (name, address and phone; age and gender, nature of current problem or crisis, any past history you’re aware of; further information as called for.)
 - e) Ask the agency what follow-up action they will take:
 - When will they act on the referral?
 - Who will be the person for you to contact later if necessary?
 - What will be the cost of the service? Is there a flat fee or a sliding scale?
 - Do you need to do anything else to complete the referral?
7. Make sure the person or family and the referral agency connect and get together. Make one or more follow-up contacts with the agency if called for by the situation.

Farm Family Stress: A Checklist and Guide For Making Referrals was developed by Roger T. Williams, Professor of Professional Development & Applied Studies, University of Wisconsin-Madison.

The Top Ten Things Families Do To Break Up Their Farm Operations

There are times I just wish I could use duct tape and a 2 x 4. The duct tape so farm families would listen, the 2 x 4 so they'd get the point.

As a farmer and professional speaker, people in my audiences often confide in me. They tell me their stories about owning and working the farm with family members. Many are filled with anger, fear, disappointment and resentment. I listen carefully to their words and hearts. I share with them insight, realistic solutions and tools to use. Then the next week I'm with a different audience. I hear the same stories with familiar plots.

Generation One is retired. (Well, he/she still comes to the farm and struggles with the transition from being the "independent boss" to being the "hired help" while still being the main capital investor.)

Generation Two makes the management decisions and works very hard. (Communicates little, still trying to earn the unspoken respect of Generation One. Worries about the estate plan of parents. Seeks to bring in the next generation for labor and please, not too many ideas.)

Generation Three has many ideas, works very hard and brings those "in-laws" who ask questions. (He/she wants to be appreciated for energy and education and wants to know when he/she will be "old enough" to manage aspects of the farm. Exposure to technology and professions outside of agriculture have him/her asking questions, comparing and wanting answers.)

Problem

In this generational diversity of needs and dreams, we have forgotten that sound business and transitional management must be based on more than genetics, tradition, assumptions and emotion.

The Result?

We perpetuate what I call, "The Top Ten Stupid Things Families Do To Break Up Their Farm Operations."

1. Assuming all genetic relationships equal good working relationships.
2. Believing the farm can financially support any and all family members who want to farm.
3. Assuming others will / should / must change and not me.
4. Presuming a conversation is a contract.
5. Believing mind reading is an acceptable form of communication.
6. Failing to build communication skills and farm/family meeting tools when the times are good so they'll be in place to use when the times get tough.
7. Ignoring the in-laws, off farm family and employees.
8. Forgetting to use common courtesy.
9. Having no legal and discussed estate, management transfer plan or buy/sell agreement.
10. Failing to celebrate.

At my seminars, we face realities, laugh and learn, open eyes and sometimes even wipe tears. We discover solutions and tools that give us choices to move our farm families from stupidity to intelligence. If not, I always have available the duct tape and a 2 x 4.

© Copyright 2001 Jolene Brown. All articles belong to Jolene Brown, but you are free to reprint or repost them providing that you note Jolene's copyright, leave the article unaltered, and include Jolene's phone number, 319-643-2429.

Expressing Appreciation Among Family Members Farming/Ranching Together

Many times in a family farming/ranching operation, the efforts and contributions of individual family members are overlooked. Too often the hectic pace, the burdensome workload and the numerous stresses of the ranch business prevent family members from expressing their actual feelings and need for each other. Because of this, individuals involved in a family farming/ranching operation (or even in a farm/ranch marriage) feel as though they are being “taken for granted” by others.

Often it is not that these individuals are not appreciated but rather that it is often never expressed or shared between the family members farming/ranching together. Even the simplest expressions such as “I love you,” “I need you,” or “I appreciate you” are often left unsaid between these family members. How sad that these words are often said when the other person is no longer there to hear them.

A son or daughter farming/ranching with dad often believes “that no matter how hard I try or how many hours I work, I never hear a word of appreciation or praise for what I have done well. But if I ever mess up or make a mistake, I will never hear the end of it.” It is easy for someone in this type of situation to become frustrated and even discouraged to the point of no longer trying to do his or her best.

Some farm/ranch marriages can illustrate lack of appreciation between spouses. A wife once shared “If my husband just told me that he loved me and cared about me as much as his new pickup, I would have stayed on that ranch and found a way to have saved my marriage.” Another wife wrote that “the only thing that my husband and I share together is our mailing address, and now I am going to change that.” It is so easy to get wrapped up in the demands of the farming/ranching operation itself that we often forget or ignore the needs and personal feelings of those that we love the most in our lives.

With the pressure and long working hours of farming/ranching, it is all too easy to take out our frustrations on those that we work with on a daily basis. I have often said that the best way to test the strength of a farm/ranch marriage is to let a husband and wife sort livestock together on a hot summer day. Or note the reaction when someone brings home the wrong part to repair the hay baler or how each spouse behaves when pulling a tractor out of the mud in the middle of a wet field. These situations can often test the limits of any farm/ranch marriage.

It takes a real effort and commitment to express and share personal feelings with other family members in the farming/ranching operation. Everyone needs to know that someone else cares about them and worries about them. Sharing a few simple words of appreciation and love can make a dramatic difference in the farm/ranch family relationship.

Dr. Ron Hanson is a professor of Farm Management and Agricultural Finance in the Department of Agriculture Economics at the University of Nebraska-Lincoln.



Resources

Websites and Internet Resources:

Colorado State University Cooperative Extension East Region

Tips on Building Better Working Relationships and Improving Communications Between Ranch and Farm Family Members by Dr. Ron Hanson

http://www.coopext.colostate.edu/pf/dr_hanson_tips.html

University of Wyoming Cooperative Extension

Learning for Individual and Families Through Extension (LIFE). Extensive resources for helping individuals and families with personal growth and development.

http://www.uwyo.edu/ces/FAMILY/LIFE/LIFE_Main.html

Western Risk Management Library

Generous information on all aspects of managing risk. Contains a special section with resources on human resource management.

<http://agecon.uwyo.edu/RiskMgt>

Cox Family Enterprise Center

Articles on human resource management in family-owned business.

<http://www.kennesaw.edu/fec/>

eRural Families

Enterprising Rural Families Newsletters addressing many aspects of family related business.

<http://www.erurfamilies.org/>

Books and Print Resources

Covey, Stephen. *The Seven Habits of Highly Effective People*. New York: Simon and Schuster, 1989.

Covey. *The Seven Habits of Highly Effective Families*. New York: Golden Books, 1997.

Events

November 17 - “Generating Wealth: Keys to a Profitable Ranch Business”, Thursday, November 17th from 6-9 pm at Columbia Gorge Community College, Building 2, Room 2.384. Costs are \$25 per person or \$35 per management team. Please pre-register by Tuesday, November 15th. Contact OSU Extension Service, 400 East Scenic Dr., #2.278, The Dalles, Oregon 97058 Phone: (541)296-5494 e-mail: Brian.Tuck@oregonstate.edu.

February 2 - “Passing the Baton: The Art of Handing Over the Farm to the Next Generation,” Thursday, February 2 from 1-4pm at Columbia Gorge Community College, Building 2, Room 2.384. Costs are \$29 per person. Please pre-register by Tuesday, January 31st. Contact OSU Extension Service, 400 East Scenic Dr., #2.278, The Dalles, Oregon 97058 Phone: (541)296-5494 e-mail: Brian.Tuck@oregonstate.edu.



Watch For These Topics in Upcoming Issues!

- **Do You Need All That Insurance?**
- **What Should You Consider When Joining the Family Business?**
- **Is Value Added Farming For You?**