



Ag Legacy

How are you
communicating with
the next generation?

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Speaker Notes:

Ag Legacy 

What is an Ag Legacy?

Effective Communication

- **Questioning**
 - *Closed Questions*
 - *Open Questions*
 - *Personal Questions*
- **Listening**
- **Explaining**
- **Reflecting**



Speaker Notes:

To communicate effectively you need to understand the processes and skills that make up human communication. The basic skills required are: Questioning, Listening, Explaining and Reflecting.

In addition to the verbal aspect, non-verbal communication is vitally important. Facial expression, posture, orientation and voice tone all add richness to the message.

•Questioning: Questioning is how we get information, but different kinds of questions yield different results. For example:

- Closed questions elicit yes/no answers
- Open questions elicit longer responses and seek input/information
- Personal questions have a special role in leadership (i.e., appropriate ones can create a sense of camaraderie between employees at all levels)

•Listening: Active listening seeks to hear what the other person is saying and understand what they are feeling. The understanding of where another person is coming from – what his or her wants and needs are – is called empathy. Empathy is a state of harmony that exists between two people. It is a positive state that encourages better communication and better outcomes.

•Explaining: Some conversations require a lot more time, effort and involvement than others. If you want to have a conversation that will require a significant amount of effort from the other person, it will go better if that person understands what he or she is getting into and consents to participate.

•Reflecting: Reflecting is the key skill of a master listener. In a reflective response, the listener restates the feelings and/or content of what the speaker has communicated and does so in a way that demonstrates understanding and acceptance.

Ag Legacy

What is an Ag Legacy?

Barriers to Communication

- Physical can be easily identified and allowance can be made when dealing with such barriers:
 - Speech impediment
 - Deafness
- Emotional barriers might be less obvious:
 - Perceptions
 - Prejudices
 - Fear and threats



Speaker Notes:

Barriers to good communication can be split into two main groups: physical and emotional.

Physical barriers are easily recognized by observing the other person. Where they have challenges in communicating, we usually are able to identify those and adjust our approach accordingly.

Emotional barriers, however, are not so easily recognized.

- The other person may have the perception that we are communicating something other than what are words are intended to convey.
- The listener may hear something different based on their own prejudging of what we mean or due to some type of prejudice
- The other person may have a profound fear or feel threatened by what they understand we are trying to communicate.

For these and a host of other reasons the message that we are **SENDING** may **NOT** be the message that is **RECEIVED**.

When this is the case, **OPEN QUESTIONING** may be needed to verify if the message has been correctly received. This approach can help break down the barriers.

Ag Legacy

What is an Ag Legacy?

Conflicts

- Approaches to resolve conflicts include:
 - Work it out
 - Mediation
 - Arbitration
 - Separation



Speaker Notes:

All families and families in business together experience interpersonal conflicts.

It is not a matter of if, but a matter of when. Put two or more people together for more than ten minutes and you run the risk of interpersonal conflict.

There are some basic approaches you might try to resolve conflicts when they come up.

- *Work it out:* Encourage the family members to work out their own conflict and reward them for solving their own problems. Encourage family members to address the PROBLEM, not the PERSON.

- *Mediation:* Mediation is a process where the parties involved in a conflict meet with an objective third party who recommends a solution. The important thing about mediation is that it is not binding. The mediator suggests a solution, but it is up to the individuals involved to implement it. This is a half-step between solving it yourself and the third tier which is arbitration.

- *Arbitration:* Arbitration is a binding solution that is imposed by someone else. In a family team setting, the arbitration could be completed by any other team/family member as long as all parties agree that they will live by whatever solution the arbitrator will impose.

- *Separation:* When all other attempts to resolve the conflict fail and as a LAST RESORT one or more family members may need to agree to not work together in the business. If this happens, it is important to maintain respect for the each individual as family members, as family relationships do not simply go away where people are unable to resolve their differences.

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What is an Ag Legacy?

Resolving Conflict

1. Treat the other person with respect
2. Confront the problem
3. Define the conflict
4. Communicate understanding
5. Explore alternative solutions
6. Agree on the most workable solution
7. Evaluate after time



Speaker Notes:

Conflict is a natural part of life brought on by our different beliefs, experiences and values. If not managed carefully, however, conflict can harm relationships.

Let's quickly run through seven steps that adults can use to resolve conflicts.

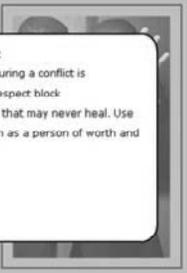
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1. Treat the other person with respect
Although respecting the other person during a conflict is challenging, we must try. Words of disrespect block communication and may create wounds that may never heal. Use your willpower to treat the other person as a person of worth and as an equal.



Speaker Notes:

Treating the other person with respect may be challenging. But any sort of disrespect will only serve to build up even bigger barriers to a resolution.

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2. Confront the problem
Find a time and place to discuss the conflict with the other person. Choose a time when you aren't arguing or angry. The place should be comfortable for both of you -- away from either party's "turf".

Speaker Notes:

Addressing the problem directly is best done at a mutually agreed place and time. That likely does NOT mean in the heat of the moment.

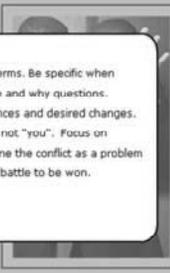
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3. Define the conflict
Describe the conflict in clear, concrete terms. Be specific when answering the who, what, when, where and why questions. Describe behaviors, feelings, consequences and desired changes. Be specific and start sentences with "I" not "you". Focus on behaviors or problems, not people. Define the conflict as a problem for both of you to solve together, not a battle to be won.



Speaker Notes:

Working to first define the point of conflict can go a long way toward understanding the situation. I statements are best here, rather than YOU. It is best to focus on actions or behaviors, not the people or our perceptions.

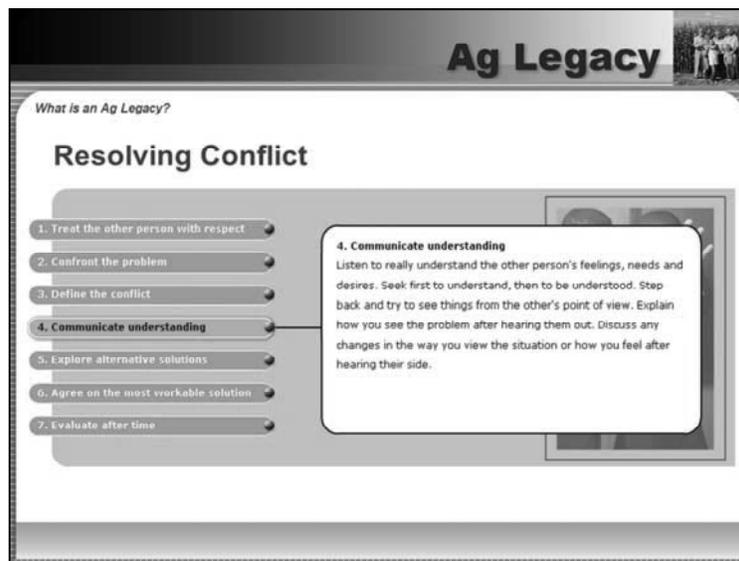
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4. Communicate understanding
Listen to really understand the other person's feelings, needs and desires. Seek first to understand, then to be understood. Step back and try to see things from the other's point of view. Explain how you see the problem after hearing them out. Discuss any changes in the way you view the situation or how you feel after hearing their side.



Speaker Notes:

Where the two parties are sincere in resolving the conflict, they should carefully consider how they communicate their understanding with the other person.

Ideally they will seek first to understand the other person's perspective, before trying to express their own position.

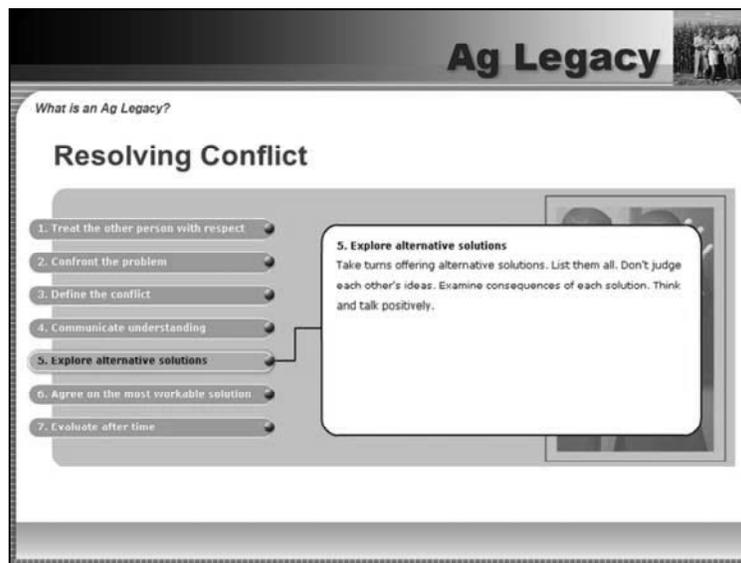
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5. Explore alternative solutions
Take turns offering alternative solutions. List them all. Don't judge each other's ideas. Examine consequences of each solution. Think and talk positively.



Speaker Notes:

Once there is a good understanding of all sides of the conflict, everyone involved should contribute to exploring possible solutions.

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6. Agree on the most workable solution
Agree to a solution you both understand and can live with. Work to find a "win-win" solution. Be committed to resolving the conflict.

Speaker Notes:

After discussing the alternatives, the next step is agreement to try what appears to be the most workable approach. Ideally the solution will one that everybody agrees is a win.

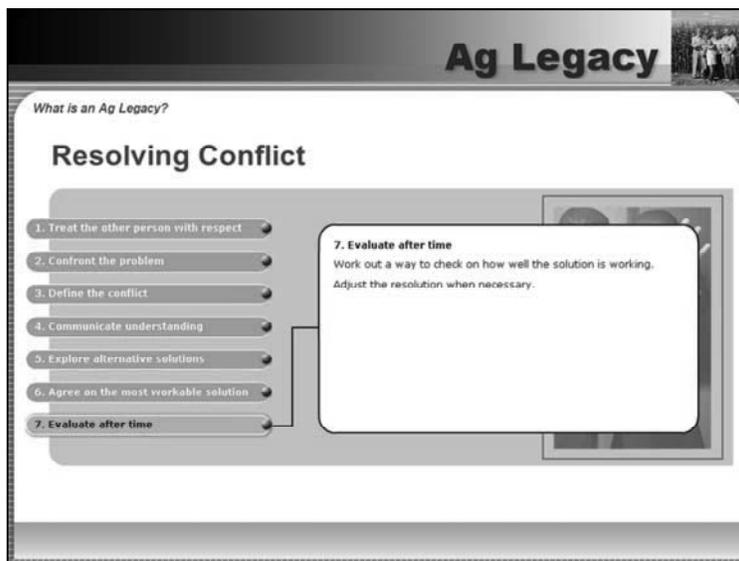
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7. Evaluate after time
Work out a way to check on how well the solution is working.
Adjust the resolution when necessary.



Speaker Notes:

The best resolution to a conflict will have those involved checking-back after some time has passed to verify that the approach adopted is actually working for them.

If not, adjustments can help avoid another conflict from developing.

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What is an Ag Legacy?

Forgiveness

- Forgiveness is a gift you give yourself
- It does NOT mean:
 - You will forget what happened
 - The person is not responsible for what he/she did
 - You need to bring him/her back into your life
- You don't need to say anything to the other person!



Speaker Notes:

Forgiveness dares you to imagine a future based on the possibility that your hurt will not be the final word on the matter.

It challenges you to give up your destructive thoughts and to believe in the possibility of a better future.

It comes from your confidence that you can survive the pain of a conflict and grow from it.

TO start, identify the situation to be forgiven and ask yourself, “Am I going to waste my energy further on this matter?” If not, then that’s it!

It does NOT mean you will forget what happened or that the person is not responsible for what he/she did or that you need to bring him/her back into your life.

IF you tell someone about it, that is a bonus!

However, forgiveness doe NOT require that you speak to any other person to begin your own healing process. It has little or nothing to do with another person because forgiveness is an internal matter.

To forgive another simply means you no longer allow another person’s actions or words to cause you resentment, anger or pain.



What is an Ag Legacy?

Misconceptions About Forgiveness

- Another misconception is that forgiveness depends on the other person. That they must:
 - Apologize
 - Want you back
 - Change his/her ways
- Forgiveness is the experience of finding peace inside you



Speaker Notes:

The greatest misconception about forgiveness is the belief that forgiving the offense means that you condone it.

That is NOT true.

In fact, we can only forgive what we know to be wrong. Forgiveness does not mean that you have to reconcile with someone who treated you badly.

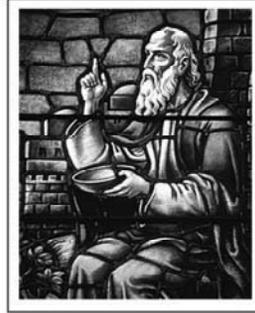
Forgiveness is the experience of finding peace inside and can neither be compelled nor stopped by another.



What is an Ag Legacy?

Misconceptions About Forgiveness (cont.)

- *To not forgive another person is like taking a poison and then expecting THEM to die!*



Speaker Notes:

Forgiveness is a creative act that changes us from prisoners of the past to liberated people at peace with our memories.

It is not forgetfulness, but involves accepting the promise that the future can be more than dwelling on memories of past injury.



What is an Ag Legacy?

Communication

- Effective communication between parents and their adult children is essential to a mutually satisfying legacy transfer:
 - Transfer of ownership
 - Transfer of management



Speaker Notes:

The skills described in this lesson are essential for managing intergenerational issues throughout the legacy process. Communication breakdowns are the single most influential barrier to successfully completing the process.

Ag Legacy

What is an Ag Legacy?

How Do We Manage the Family Component?

- To effectively manage the communication channels in the family component, utilize:
 - Family Council Meetings
 - Family Business Meetings
 - Family Business Rules and Policies



Speaker Notes:

The Founders of the farm or ranch need to know and understand the family members' expectations as they relate to the current and future management and ownership of the family farm. People are and will be planning their lives and they need information to make informed decisions.

Lack of effective communication among family members is the root cause of most family business failures. Family Council Meetings, Family Business Meetings and Family Business Rules and Policies provide communication channels through which the family component can be managed.

There may be benefits to using an outside family business expert to facilitate family business meetings or at least to get them started. Engaging the services of an expert who works with family businesses, understands the significance of family dynamics and is willing to deal with family issues could be one of the best investments you make.



What is an Ag Legacy?

Family Council Meetings

- Given the potential size and composition of the family council:
 - Meeting should be held annually or bi-annually
 - Meetings are most effective when they focus on keeping family members informed of the "big picture" issues



Speaker Notes:

Family Council Meetings are intended to provide a forum to keep the broader family informed of what is going on in the family business as well as the current and anticipated role of the family in it.

These meetings are typically comprised of the broader family, including spouses, in-laws, children, grandparents and grandchildren whether active or non-active in the family business.

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What is an Ag Legacy?

Family Business Meetings

- The purpose of the Family Business Meetings is to provide the active family members with a dedicated forum to discuss family issues that impact the management and ownership of the farm



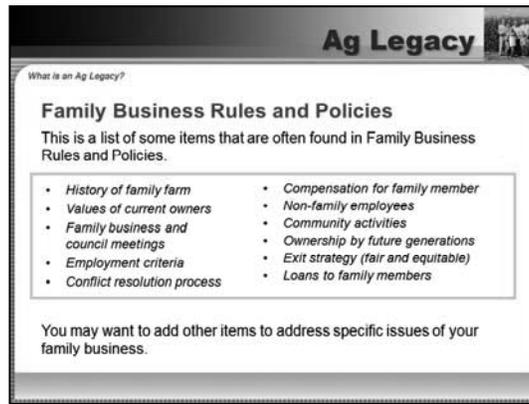
Speaker Notes:

Unlike Family Council Meetings, Family Business Meetings are comprised only of family members who are active in the business.

Family Business Meetings are not intended to replace regular business or management meetings. These are meetings for family members who are working together in the business that are dedicated to dealing with the interaction between the family and business.

The agenda of the meeting can be primarily business issues or primarily family issues or both.

The meetings are intended to help family members who are working in the business deal with the interaction between the family and the business.



Establishing family business rules and policies could result in the most important piece of work achieved by the family business in effectively managing its “family component.”

Family business rules and policies are intended to provide a set of guidelines to help family members in their personal business and family relationships. Some points to consider here might include:

- *History of family farm:* A good starting point is to write the family/business history so everyone is aware of how the family and the business have gotten to where they are today.
- *Values of current owners:* Many of the family farm's operational activities are governed by the values of the current owners. These should be shared with all active family members.
- *Family business and council meetings:* A good way to develop leadership among family members is to provide leadership opportunities. One way to do that is to rotate the responsibility for planning and executing the family meetings among different family members.
- *Employment criteria:* The employment criteria spells out who can work on the farm and what the requirements or criteria for employment are.
- *Conflict resolution process:* All families experience disagreements and conflicts. It is important to spell-out the recommended method for managing disagreement.
- *Compensation for family members:* What is the family business policy with respect to compensations for family members? A full discussion on how to develop a compensation strategy is outlined in the workbook.
- *Non-family employees:* Some thought should be given to non-family employees. How will you work to create an environment where they can work comfortably and productively along-side family members in the business?
- *Community activities:* Should active family members be involved in community activities? Which ones? How much is too much?
- *Ownership by future generations:* What is the current thinking with respect to the future ownership of the farm? Who can own it? How will ownership be determined and when will it occur? How will it be funded?
- *Exit strategy:* Rules and policies should include an exit strategy for family members that may want to leave the ownership ranks of the farm. How will this be handled?
- *Loans to family members:* What guidelines are there for providing loans to family members? What are the expected terms and conditions of the loan? Should other active family members view this as a part of their compensation?

There may certainly be other issues or items that should be addressed that are unique to the family or situation. Feel free to include these as may be needed.

Ag Legacy 

What is an Ag Legacy?

Team Building

- Ideal team members display:
 - Commitment
 - Cooperation
 - Contribution
- All of these characteristics are dependent upon good communication
- It must be an expectation that information flow quickly and easily between family members

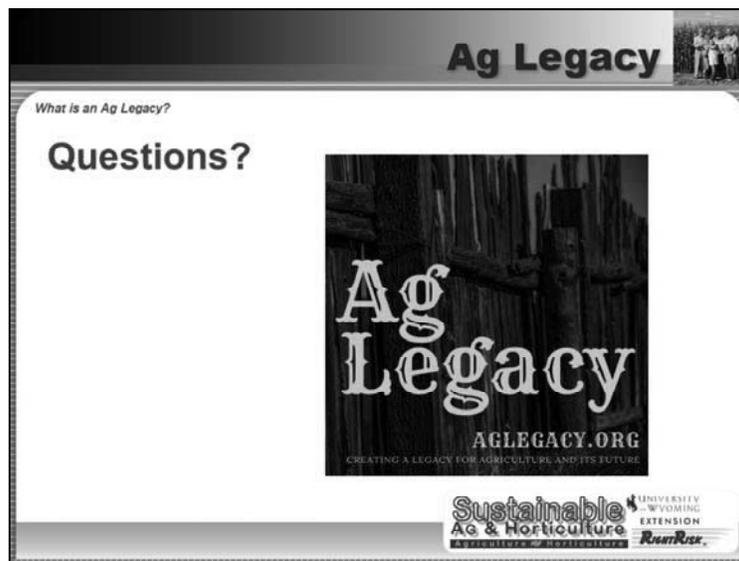


Speaker Notes:

Successful family businesses are based on strong teamwork among active family members. Strong teamwork leads to greater productivity and creativity, increased family self esteem and ultimately to the success of your family, your business and yourself.

An ideal team member:

- *Committed:* All family members must be committed to the mission and goals of the business and to each other. Allowing all active family members to participate in the decision-making process is a good way to ensure commitment.
- *Cooperates:* Cooperation is based on a shared sense of purpose and mutual gain. For full cooperation, the team must be willing to reward cooperation. Founders or managers must be willing to link pay increases and recognition to team performance and productivity.
- *Contributes:* Contribution should never be an option. All family members must contribute toward the missions and goals of the family business. The founders cannot afford to sacrifice the good of the family team for the good of one individual.



Speaker Notes:

A legacy is something that is handed down from one period of time to another. An individual's legacy is a summation of a lifetime of achievement and the context in which that lifetime will be remembered.

Each of us will leave behind a legacy, whether we want to or not.

Is yours ready?