Agriculture & Horticulture
University of Wyoming Extension

HOW·TO

When Do You Transfer Management Skills for the Operation?

The right time depends on numerous factors, including: who will take over, what skills they have to qualify them, how long the founding generation wants to be involved, whether the operation needs to expand in order to support more family members, as well as the strategy for passing on these skills and the steps the family has in mind for the next generation to take over.

Planning early and identifying who will take over, as well as how the process will unfold is important to the long-term success of the operation. It takes more than just telling the next generation when and how to do things, but also explaining why things are done the way they are.

Getting Started

When looking to begin the transition of management skills, consider:

1. What are everyone's goals and objectives for the future of the operation? What are their goals for themselves and their families?
2. What skills does the founding generation currently bring to the operation?
3. What new skills can the incoming generation contribute to the operation?
4. What skill gaps might be filled through additional training or how might new skills be obtained?
5. Who is the best fit to take over management of the various aspects of the business? Is that the same person in each case?

AgLegacy Helping agriculture nurture its legacy. . .

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6. What roles are members of the incoming generation best suited to take over?
7. What roles might other family members take on that could lead to further participation in the transition plan?
8. What are the retirement plans for the founding generation?

Encourage all family members, including founding and incoming generations, to share their goals and objectives for the operation and themselves. Clear, open, and non-judgmental sharing about the future can help the family come together and lead to a better understanding of each person's expectations and desires.

Skills Inventory

Identify skills contributed by those currently in the operation, as well as those that might be added by family members interested in joining the business. This approach can help recognize potential gaps and who might be prepared to fill them. Identified skill gaps may help individuals choose a relevant degree in college or support them when working off the farm or ranch for a period of time to gain helpful knowledge or experience. Following this approach might also permit family members to find their own niche within the business, as well as better understand how they fit into its future, even if they are not explicit owners.

It is also important that the founding generation share their goals and expectations for retirement. Do they have plans for their financial support once they leave the operation? Do they have enough savings to sustain them or will revenue from the farm or ranch operation be needed? If so, how much and where will it come from?

A Little at a Time

It is more than likely, that the management skills and understanding of the business the founding generation has gained up over the years was not gathered-up all at once. Likewise, the best strategy for conveying this information to the incoming generation will be to work on it over a period of time.

A daughter interested in managing the farm might begin by leasing a field from the farm or from a neighbor. She could be given responsibility for all decisions about inputs, harvest, marketing, etc. A son interested in taking over management of the ranch might begin by purchasing a few of cows and leasing the needed forage from the ranch. These approaches would allow the daughter/son to make important management decisions, learn from their successes as well as from their mistakes, while not threatening the bottom line of the overall operation. This might also represent an opportunity for members of the founding generation to serve as mentors.

For mentoring to be successful, the mentee must be:

- Willing to accept constructive criticism,
- Able to learn from their mistakes, and
- Willing to consider alternative approaches for handling decisions as well as challenges

The founding generation must be:

- Willing to give advice when asked for it,
- Willing to allow the next generation to make decisions and learn from their mistakes

Another option might be to allow the next generation to make decisions on marketing this year's commodities and then, before any phone calls are made, sit down and talk over the various alternatives. Take time to explain why and how past choices have been made and what factors were considered. Often, sharing the details behind past decisions helps the next generation gain a better understanding of how to formulate business strategies for the future.

It is often said that "It's not what you know, but who you know." While knowledge is important, building relationships is essential to future success. This is also true in agriculture. Take the time to introduce the next generation to key people and explain how they can assist in addressing business challenges.

Next steps

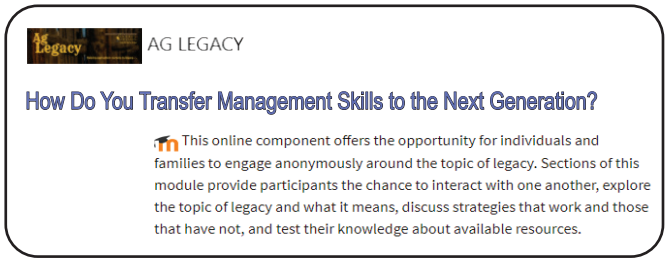
The goal for most founders is to transition the next generation into positions of greater responsibility as they gain the necessary management skills and prove they can be successful in managing various components of the operation. This progression, along with mentoring and continued family discussions about the future of the business, will pave the way for their growth and increased confidence needed for managing the larger operation or the portion which they are best suited to handle.

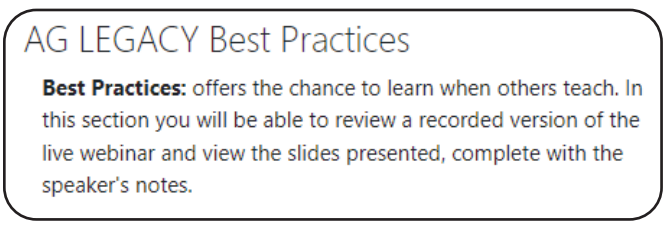
Developing a more formal process for the transition can increase the chances of success, rather than have them wake up one day to find themselves managers of a farm or ranch for which they had no previous experience or understanding.

Online Module

AGLEGACY.org hosts a set of online modules to allow individuals and families to explore legacy concepts further. Modules are available free of charge to all who are willing to register to participate (self-registration is available 24/7).

Modules, posted in Moodle courseware, offer the opportunity for individuals to engage anonymously around the topic of leaving a legacy. Sections of this module provide participants the chance to interact with one another, explore the topic of leaving a legacy and what it means, discuss strategies that work and those that have not, and test their knowledge about available resources. Each module includes several components to allow participants to engage the topic from several different perspectives.





Best Practices -

Best Practices begins with a short recorded presentation on the topic. Slides with narration is one format, but materials are also available in audio-only (MP3) format, as well as a version with the slides and accompanying narration as text, for those more comfortable reading the presentation offered. A short Q&A session

AG LEGACY Ideas to Build On

Ideas to Build On: offers the chance to learn by observing others. In this section you will have the opportunity to engage in a discussion forum. You will have the chance to share what has worked for you and to learn what strategies others have used and how they worked as you each react to the posted discussion questions.

offers participants the opportunity to hear others' questions and the presenter's response.

Ideas to Build On -

Ideas to Build On offers discussion questions for families or individuals to respond to. These responses might include relating what has worked for you or stories you have heard of techniques that have worked for others. In addition, you might also learn what strategies others have used and how they worked as you each react to the posted discussion questions.

Tips for Success -

The Tips for Success section offers a set of AGLEGACY newsletters for further reading, as well as a chance to teach others about resources you are aware of, approaches you have tried and that have worked, or to describe methods that families you are familiar with have used. In this way, you may uncover new ideas for yourself or help others refine an approach they might try.

AG LEGACY Tips for Success

Tips for Success: provides a chance for participants to teach others about strategies that have worked. In this section you can teach others about resources you are aware of, approaches you have tried and that have worked, or describe methods that families you are familiar with have used. In this way, you may uncover new ideas for yourself or help others refine an approach they might try.

AG LEGACY Practice

Practice: allows participants the chance to learn by practicing the concepts covered previously. Practice may include completing an assignment, submitting a document you've prepared for comment, or checking your knowledge level with a short quiz.

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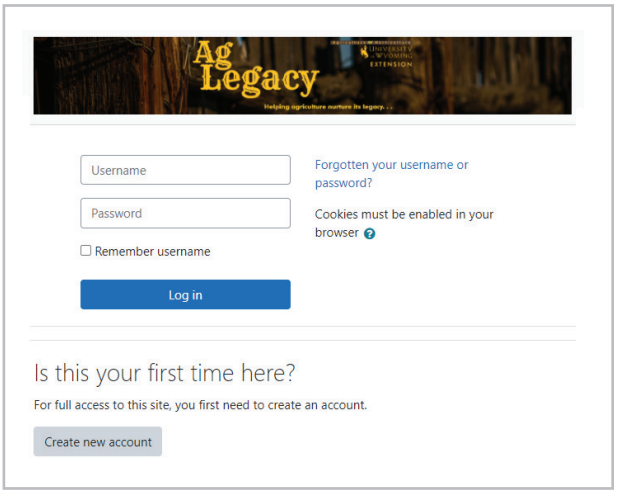
ACCESS:

To access the online module, point your browser to **AGLEGACY.org**. Click on the Modules tab (at the top) and select any module from the list with a Moodle icon.

Click a title to begin your registration process if you have never registered for an Ag Legacy module before. Then click the Create New Account button to enter your registration information. An email message will be sent to the address you enter that includes a link allowing you to finalize your registration once you complete the form. Now login and enjoy your AGLEGACY online module!



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