

FARM

OR

BUSINESS

# Succession

## Planner

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2-58



This planner will help you get an overview of a complex and delicate situation for any family and business. It is designed as a checklist of the steps which will involve family discussion, gathering of vital information, and further investigation of alternatives.

- outlines key topics involved in farm or business succession.
- identifies areas where information may be critical to decisions.
- is directed to the generation involved in the process of transferring the farm or business and preparing for a change in lifestyle.
- is designed to be used with other existing resource materials that offer additional perspectives, emphasize different topics, and require more detailed information.

An important outcome of doing succession planning is that you come away with the outline of a personal plan that you can use in the coming months and years as you approach retirement. You can prepare for this transition by:

Assessing your current position (Steps One, Two, and Three).

Seeking information on key planning issues (Step Four).

Identifying initial goals or priorities for action (Steps Five and Six).

Checking your progress (Step Seven).

This master planner is intended to help you balance your goals and identify alternate outcomes of any decision.



STEP 1 **Work—Who does what?**

I now do \_\_\_\_\_percent of the work.

My partner does \_\_\_\_\_percent.

I currently enjoy my work:

**For me**

**For my partner (if applicable)**

Very much

Very much

Less than I used to

Less than I used to

Not very much

Not very much

I/we would enjoy the work more if:

Our current work load can be maintained for:

**Me**

**My partner (if applicable)**

\_\_\_\_\_years

\_\_\_\_\_years

I/we could reduce my work load \_\_\_\_\_percent by transferring:

\_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_ to \_\_\_\_\_



## STEP 2 Management—Who decides?

Major decision making is:

- My responsibility entirely.
- Open to influence, but I decide.
- Shared with another (please specify relationship).
- Shared with adult child(ren) in the following ways:

Right now, I am ready to transfer decision making in the following areas:

- Production
- Marketing
- Personnel
- Other

I am not ready to transfer decision making because:

I want my/our names to stay on the deed of some/all of the land until:

I/we need \$\_\_\_\_\_ income/year from the business or farm for \_\_\_\_\_ years.

The business or farm, as it is now, can support \_\_\_\_\_ family/families.

I use the expertise of the following professionals:

**Name**

**Phone**



STEP 3 **Ownership—Who owns what?**

**Land and buildings**

Description:                      Market value:                      Liabilities:                      Owned by:

**Machinery and equipment**

Description:                      Market value:                      Liabilities:                      Owned by:

**Crops, inventory, livestock**

Description:                      Market value:                      Liabilities:                      Owned by:

STEP 4 **Personal and family issues**

My approach to farm or business succession is influenced by the following family traditions or values:

For me, retirement means:

Involving my child(ren) in farm management would mean that:

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Seeking  
information  
on key  
planning  
issues

The expectations of my child(ren) are:

Other family members now involved in planning are:

Identifying  
initial  
goals or  
priorities  
for action

## STEP 5 Evaluate your future lifestyle

Current interests/activities or hobbies (outside of work) include:

**Me**

**My partner** (if applicable)

Work options in the future include:

**Me**

**My partner** (if applicable)

Activities or interests I/we would like to explore include:

**Me**

**My partner** (if applicable)



## STEP 6 **Work out your strategy**

I prefer to complete all transfer arrangements:

- While I'm alive
- Through my will
- Other

If I died suddenly, the business/farm would:

My transfer options include:

I am concerned about the following tax issues:

Do you need a family meeting?

It may be necessary to discuss ideas and strategies with other family members who have a stake in the future operation of the business. Try to develop an agenda that you can follow so that your meeting has direction and creates results.

## STEP 7 **Review your progress**

### **Business issues**

- My successors and I agree on management options.
- My successors understand the transfer process.
- A proposed time-line has been agreed to.
- The business/farm is profitable.
- Transfer is affordable.



### Family relationships

- An agreed process is in place for handling family disputes and family change (i.e. death or divorce).
- My successors and I have established a clear and open line of communication.
- Other family members are supportive of the transfer plan.

### Financial planning

- In addition to reviewing our current budget and cash flow statement, I/we have completed budget projections for retirement.
- I have reviewed my investments for balance and diversification. I have evaluated our need for insurance.
- I/we know where we will live in retirement and have set aside funds for:
  - purchase of new home
  - renovations

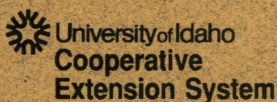
### Refer to other University of Idaho Cooperative Extension System publications:

CIS 1013 Your Financial Action Plan for Retirement  
Ext 762 Your Income Sources after Retirement  
CIS 1057 Estate Planning: An Idaho Guide

### About the author

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