



Starting the Family Succession Conversations

A Report for

The Kellogg Rural Leadership Programme 2016

Course 33

Executive Summary

Why is family succession planning an issue we should be concerned about? It comes back to the word family. Family succession planning within the agricultural landscape conquers within, an emotional connection to the land and a cultural identity within New Zealand. There have always been family businesses running farms and there appears to be a strong desire for this to continue long into the future within New Zealand Agriculture. Family succession also deals with the love and affection of those most dear to us and with significant wealth at stake it must be done well for family relationships to be enhanced through the process.

However when it actually comes to family farm succession, no one size fits all and that is primarily why succession is still discussed, researched, and written about. It has never been an easy conversation to navigate through to the desired outcome with operating environments constantly changing and continuing to evolve. However there are processes that can enable the conversations to occur within the family business to focus them on a desired outcome they can achieve together.

In some cases the terminology of family farm succession is also beginning to change. Being referred to as an 'intergenerational business model' and 'family business continuance' where the sole concept of asset transfer has broadened to include the transfer of knowledge and experience between the generations (McLeod & Dooley, 2012). This in itself infers a shift in mind set to intergenerational or continuance indicating a natural progression through the generations as opposed to simply succeeding in the family business or a sale of an asset.

Those spoken with and throughout the literature identified numerous triggers for a family succession process to begin ranging from a death in the family, an accident or injury, marriage or divorce, son or daughter wanting to 'come home', age and stage, someone asking the family the question of succession, through to business opportunities being identified which require a succession conversation. The trigger point will vary depending on the family situation. Once identified by the family as a priority the process can begin and conversations initiated to determine the way forward. Key attributes contributing to the success or otherwise of the process is a commitment and good will to see an agreed outcome achieved. This will often require patience and perseverance along with mutual respect for all involved.

Communication was identified time and time again underpinning the succession conversations because this is where and how the process has to begin. Addressing the 'icebergs' within the family business is about clearly articulating a number of often unspoken expectations, aspirations, assumptions, concepts such as fairness and equality and ultimately what the vision of the family business actually is. The part of communication which is often forgotten is the ability to listen and respect each person's contribution and opinion to the conversations as the process unfolds. As George Bernard Shaw stated "The single biggest problem with communication is the illusion that it has taken place".

Starting early often yields the best outcome for the family as time allows identified issues or concerns to be raised and addressed before it is too late. Dr James Lockhart points to the Dutch as an example of how to begin the conversations around family business governance. He indicates this should start from an early age discussing family business matters around the kitchen table. As the

family grows and develops keeping the family involved in planning meetings and discussing the future helps to shape business principles and future conversations about their place in the business or what the future may hold. The family is exposed to the process of sharing ideas, listening and discussing plans for the current business and its future. By discussing the family business from a young age, siblings are exposed to business processes and skills which are required when it comes to more formal discussions around family succession planning.

What became clear from interviews with professionals and farmers is that strategic business planning is an area of running a family business that is not given enough priority. Rather time is spent working in the business but not on the business. The planning process involves disciplined time set aside to think about and plan for the future needs of the current business. Thinking through where are we now and where do we want to be with a plan of how to achieve that. Prioritising business planning enables a step towards succession conversations as this should come up within these planning sessions as the future is discussed. Encouraging business planning and governance principles within a family business is an important enabler for a strong platform for succession conversations to begin from.

Ultimately the outcomes of a family succession conversation will be determined by the family, for the family, as success will look different to every business. Following a structured process to succession planning which is led by a strong chair or independent facilitator to navigate a series of conversations, interviews and family meetings can enable this to occur and an outcome achieved rather than being put off or put in the too hard basket.

It is for the family to decide together what they want to see happen in the next phase of the family business cycle, how they determine that to occur, when the transfer will take place and why they want that to be their future.

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1.0 Introduction

1.1 What is Family Farm Succession?

When it comes to succession the word evokes numerous responses from people. At the core of succession is a process to enable the transfer of the financial assets of the business to the next generation along with the transfer of business knowledge and experience. Most strategies designed to achieve this result are based on a combination of tax minimisation and the division of assets in equal portions based on the current owners (Mum and Dad) wishes. Often little or no attention is given to the question of 'fairness' nor the dreams, desires, and expectations of those involved in the family business until the last minute, often too late (McLeod, 2014).

There is an alternative approach to family farm succession if it is the wish or values of the family members involved. It starts with business planning from the outset with the mind-set of an intergenerational business model and function. McLeod (2014) refers to it as the business continuance model. It works from the outset that the family business will be in a position to be continued past the current generation with or without family members at the helm. In order for this model of succession to function it requires the future needs, wants, fears and expectations of those involved in the family business to be communicated via family business meetings from an early age. The financial performance of the business requires a focus on positive cashflow and a profitable return.

1.2 What are the Options?

Quite simply there are three main options for the outcome of a succession process:

- Intergenerational business transfer within the family both financially and operationally
- Intergenerational business with family not at the helm operationally but involved financially
- Family farm sold and assets distributed as per the memorandum of wishes

1.3 What does a Farm Succession Plan Contain?

When looking at what a succession plan contains there are three key areas which need to be discussed and agreed upon and then documented. The first of these is that the current owners of the asset to be passed on (usually Mum and Dad) must be financially looked after and their wishes respected. This will involve understanding the future financial requirements of retirement and how much equity will be required for this, along with discussions during the succession process about what their wishes are for the current business and why. To enable a discussion on future needs of the business a current assessment of the financial position of the business must be conducted and included in the plan. What is the equity position of the business and cashflow situation and does this allow for the desired plan to move forward?

The second part of the plan once Mum and Dad's needs & desires have been identified and acknowledged is that all family members are clear on the plan and process for the transfer of both wealth and knowledge of the family business with an actual plan formulated. This needs to include an action plan with tasks required to be completed by when and by whom. Within the plan getting

clarity and alignment about what 'fair' and 'equal' look like and documented along with why the business exists, what the family values are and what the future business aspirations are. Once this is written down and agreed upon by the family an annual ongoing review will be required until the transfer is completed as circumstances may change.

Thirdly the succeeding child and or children need to see that the succession plan is financially viable and workable for them to continue with the business. Part of the workable process for the succeeding child and or children needs to focus on the handing over of control for decision making for the business and clear lines of expectations to this process (Flaus, 2016).

1.4 Why is Farm Succession Planning Important?

Globally

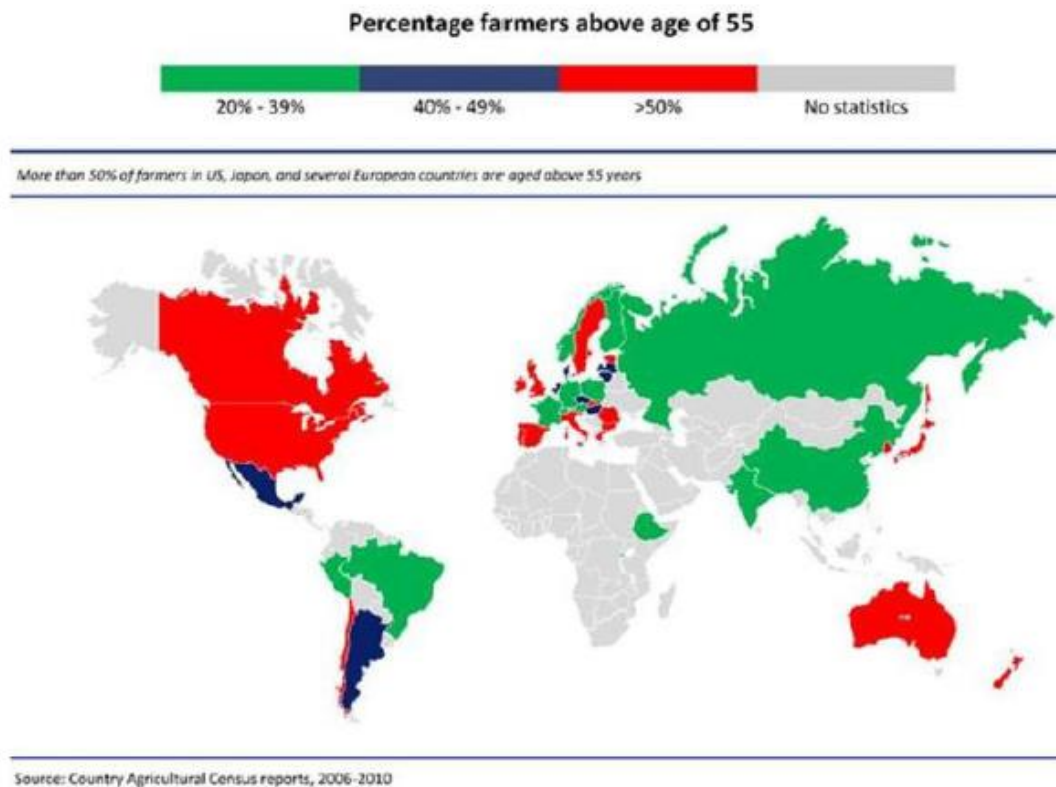
Farm succession is a global challenge. It is one of the complex solutions we must move forward on to enable farmers worldwide to increasingly feed a world population predicated to rise from 7 billion to 9 billion by 2050. 'Farm succession is not just an issue for intergenerational businesses to be passed on, as the implications are far wider on the long term impact on food production at stake' (Van Raalte, 2010).

At the heart of succession lies a common denominator – emotion. For farmers worldwide farming is more than a job, it is a way of life and being, so succession brings about the challenge of passing your life's work to the next generation (Van Raalte, 2013).

Age Profiles of International Farmers

The age of farmers internationally is on the rise. In the US the average age of a land holding farmer in 2007 was 58 (USDA, 2007). In Australia by 2012 the average age of the land holding farmer was 56 up from 44 years of age over the past 30 years (Abares, 2012). Figure1 shows the % of farmer's age worldwide with the red indicating an average age of over 55. So what are the implications of age for farm succession? One: that farmers are working longer on the land and not looking to retire thereby not enabling the next generation into the business. Two: the successor is taking their time in deciding if they will come back and work within the family business. Both situations result in the succession conversations not being held or addressed early enough.

Figure 1: Succession Challenge % of Farmers above Age of 55



(Global Census Report, 2006 -2010)

Nationally

Dairy NZ the levy funded organisation representing Dairy Farmers in New Zealand has identified a lack of information on dairy farm succession as an area of risk to New Zealand dairy farmers. Information is not freely or readily available along with few specialists in the field. Largely advice and support is provided by rural professionals advising from their perspective and discipline whether it be banking, accountancy or legal (Dooley & McLeod, 2012). This can make starting the succession process difficult for farmers as they do not know where to start or how to start.

An International Farm Succession Summit took place in New Zealand during 2012 which saw leading researchers and stakeholders from New Zealand and around the world converge at Massey University. The aim was to gather information around farm succession to enable quality professional development programmes for rural professionals in New Zealand to be able to support their clients navigating farm succession (Dooley & McLeod, 2012). So how much progress has been made since 2012? The presentations from the summit are available online and have received up to 27,000 views. Workshops were held in Methven and Hamilton during 2013 to help rural professionals gain a further understanding of the dynamics of farm succession and the impacts these can have on the business. Topics such as communication, barriers and conflict management were covered in relation to intergenerational transfer of the family business. It remains unclear as to how much progress has really been made in addressing the aim to provide information through the professional networks

and industry organisations to support farmers in the succession process and hence forms a key recommendation and finding from this report to address it.

New Zealand Research

Recent research carried out in New Zealand by Kevin Old and Peter Nuthall found some fascinating insights into the thinking of New Zealand farmers towards farm succession. Figure 2 shows 46.3% of farmers do not intend to leave the farm. Presumably intending to 'retire' on farm in some form or another. Around 32% of farmers expect to pass the farm onto siblings with close to 22% thinking they will sell up and move on. By looking at the data provided here the conclusions drawn are that those intending to sell up and invest of farm or distribute wealth to their heirs accounts for 19% of this dataset leaving another 81% of the farms to deal with some form of succession planning.

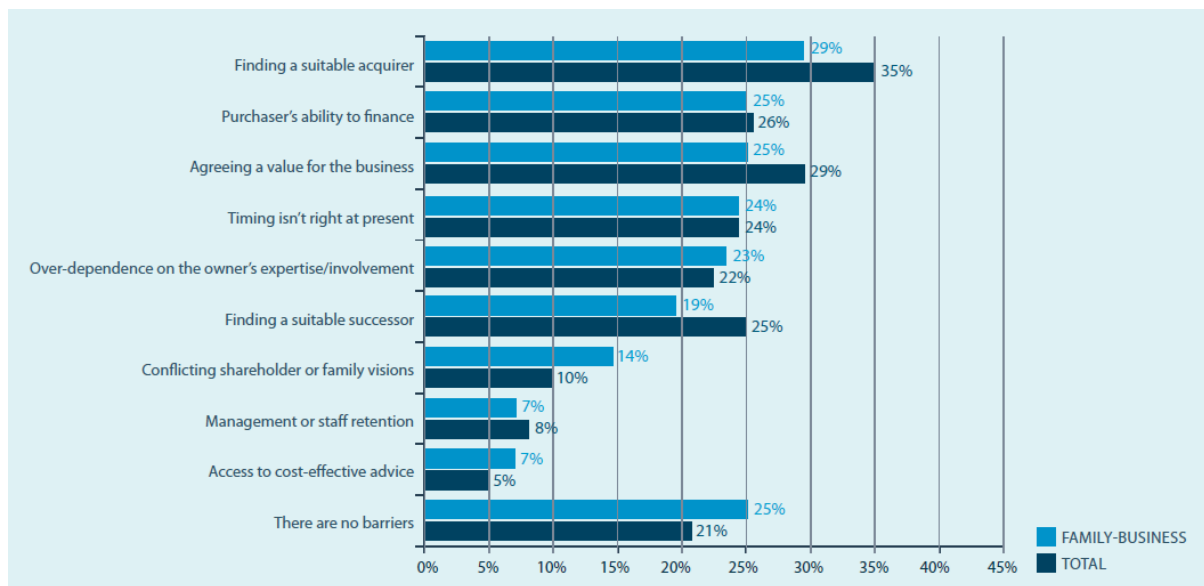
Figure 2: Intentions of Farmers Leaving Current Business before Retirement

Intention	%
Sell up and invest off-farm	12.3
Sell up and purchase another farm	3.0
Sell up and gift some or all to heirs	6.5
Pass farm to heirs	31.9
Do not expect to leave farm	46.3

(Old & Nuthall, 2015)

ANZ's business barometer provides insights into business owner attitudes and behaviours. The 2012 barometer highlights some significant differences in succession issues faced by those in family businesses compared to non-family business and is an interesting contrast between the two. Looking at Figure 3 the top barriers to succession this survey found for family businesses were finding a suitable acquirer, purchasers ability to finance, agreeing on the value of the assets, there are no barriers and the timing is not quite right. Through the written literature and speaking with farmers and consultants there was significant cross over in the insights from the ANZ Barometer which will be expanded on through the report around the actual transfer of the financial capital but also the human capital and who the actual successor may be in the business transfer. Of interest is the comment around 'there are no barriers to succession' which when looking at what Old & Nuthall found with 81% of farmers intending to transfer their business could contradict this finding as they run up against the succession process.

Figure 3: Barriers to Succession – Family Business Compared with Non-Family Businesses



(ANZ, 2012)

The insights into succession also highlighted that:

- 10% of business have a formal succession plan
- 17% have an informal plan
- 24% are developing some form of plan
- 50% have no plan at all

Therefore the opportunity and need created by over half the farming population having no form of plan and another quarter only beginning the process on engagement around succession needs to be addressed as it possess significant risk to land use holding in New Zealand. The question is who will be farming in the next generation?

2.0 Aims & Objectives

The reason for selecting family farming succession comes from my current role as a Consulting Officer with Dairy NZ working directly with dairy farming family businesses where a common conversation focuses on where to from here or what next for the business from an ownership perspective. What I am discovering is a lack of direction or knowing where to start and why starting the conversation is important.

By looking at a succession which is a large and complex process I narrowed this project down to beginning the process which is starting the conversations. Focusing on this allowed a depth of analysis into the succession process and why starting is often stated as the hardest part of the process. The aims and objectives were:

- Why starting the succession conversation is not addressed and what actually triggers the process to begin. If an understanding can be sought around this, then what are enabling strategies for the succession conversation to make it to the agenda for discussion
- What is a helpful process or framework to enable a successful succession outcome
- Common barriers or perceptions to the succession process and what are the enablers to help progress past the barriers or challenges perceived or real
- Business principles and practices that can enhance a successful succession process

3.0 Methods

The chosen method to assist with the published literature consulted was face to face interviews with a questionnaire (Appendix 1). Both dairy farmers and rural professionals were consulted to gain valuable real life experience in dealing with family succession conversations. Interview questions were developed to gain an understanding of the views held from both individuals perspective on family farm succession. In the first instance determining what was actually meant by succession and what the process involved; Followed by identifying barriers and enabling factors; and who or what material had been consulted to help with initiating the succession process.

This qualitative approach focused on asking open ended questions to enrich the conversation and understanding. Interviews typically lasted for 1.5 – 2hours depending on depth of answers and kept closely to the questionnaire provided to ensure a fair representation of answers or comments given across interviewed participants.

The farmers selected were from a range in their journey around family succession from those who had undertaken a successful transfer already to those who were just beginning the process. A cross selection of rural professionals were chosen from the professional services representing; banking, accounting, farm consultants and specialist succession consultants. Those selected are known for their work with farming families across the industry and considered leading experts.

Data from each interview was summarised to ensure confidentiality and analysis was carried out across each group of interviews to identify any patterns or similarities and also the differences in approach and findings during the succession process. Insights from the interviews shaped the outcomes and findings in this research report.

4.0 Discussion - The Broader Context

4.1 Why is Family Farm Succession a Challenge?

Dealing with the Iceberg

Perceived Fears

- Loss of control of the business and a passing of the batten which invariably leads to what is next?
- Loss of identity; what will your new 'label' be? How will you spend your time? How will your relationship change? (Baker, 2008).
- How will I feel if the succeeding generation farms it better than I was capable of?
- What will happen to the family social status in the community if the next generation does not farm the land well?
- Where do we start? How do we start?
- Change and what that entails

Certainties of Life: Taxes and Death

'Maybe what makes succession the biggest challenge is the fact that succession confronts the giver with the fact that life is final' (Van Raalte, 2013).

Emotional Connection to the Land

Significance of the land to the family which wrapped up in the land itself is an array of heritage, memories and where 'home' is considered to be for those brought up on the family farm. There is often a connection to the land for those siblings who have long since moved away from the family farm (Flannery, 2015).

Fair vs Equal

A common concept identified through the literature and those interviewed are the terms 'fairness' and 'equality' around the succession process. The general consensus is that this must be agreed upon by the family and not imposed by those guiding the process as it is situation and family dependent. What is deemed fair may not be equal in some cases if the desire is to keep the family business intergenerational. A conversation and agreement by the family must be reached to determine what the family agrees these terms mean for them and the associated actions.

If applicable, consideration must be given to valuing the contribution of a son and or daughter who have been working in the business prior to the succession outcome if they are identified as the successor. Often they have given extra time, taken a reduced income, either added value to the farm or preserved the wealth of the family business and as such, require consideration for the financial return of this (McLeod, 2014).

Communication and clarity underpin the fair and equal conversation as it is up to the family to decide what this means to them personally. Consideration is required around some of the following situations:

- A lump sum payment to non-farming family members is more valuable now than in 30 years' time
- If during a period of capital gains in land, family ownership of the farm has been retained and the succeeding sibling has increased the performance of the business is it fair for the successor to settle the siblings equally?
- How should a sibling remaining in the business over a period of time be treated if they are the successor compared with those siblings who have moved on and made their own way in life?
- What about a sibling who may have worked for less than market wage for a number of years?
- If a successor has contributed their own capital and taken risk to increase the production of the business over a number of years how this should be treated?

(Flannery, 2015)

What is agreed upon is that 'fair does not necessarily mean equal' and every family will have their own view on how the above scenarios should be treated. Fairness can be viewed as a subjective process based more on feeling and perception, with equal an objective process based more so on fact and logic. So communication, clarity and compromise are required to agree upon the answer to fair vs equal.

Finances

For some family farming businesses the underlying issue of succession can be traced back to the current financial performance and profitability of the business. If the business is carrying too high a debt level and struggling to generate a profit then how does this enable a successful transfer to the next generation? The fundamentals of business require the focus and attention on positive cashflow and profitability to prepare the farm for succession in the first instance.

Another reality is the amount of capital tied up in the family business often in assets not cashflow from profit. This can make the sale of those assets at market rate difficult for the next generation to purchase. Asset values relative to earning potential is considered a significant issue from both generations and that few if any successors would be able to pay market value for the asset outright or at all, challenging the fair and equal concept for other siblings within the family (McLeod & Dooley, 2012).

Adding financial information to the succession conversation can help to ground conversation and expectations in real life, by basing decisions and ideas on facts rather than wishes. Using terminology such as cashflow, operating profit, assets and liabilities can keep the conversations grounded in facts and reality. It also becomes important when looking at options and futures for 'mum and dad' for where the equity will come from to support their desired retirement (Hammington, 2014). By

speaking in terms of cashflow, operating profit, assets and liabilities the core cog underpinning the farming business can be used to set priorities and manage expectations.

When it comes to valuing the business assets, an independent valuation is vital to ensure all members agree upon the value and the process is transparent for the transfer of financial assets. The valuation reflects what the business is worth now, not in the past or the future. It is a guide based on fact and not feeling (McLeod & Dooley, 2012).

Legal Structures Help or Hindrance

A discussion with the accountant and lawyer is always required as each family business is unique. When thinking about the legal structure of the business however one must think about why the structure was selected in the first place and for what purpose does it serve? Traditionally family trusts have been promoted for asset protection and tax purposes, not so for vehicles of wealth creation, wealth transfer or wealth distribution. The most common business structure around the world currently to transfer wealth from one generation to the next and between siblings is the company structure (Lockhart, 2015).

The key conversation to have with your lawyer and accountant is around whether the legal structure will suit the succession plan being proposed? Once the plan is agreed upon by the family then a conversation can take place about suitable legal structures.

Culture

When looking outside our agricultural industry to those of family business around the world which choose to transfer business wealth and knowledge onto the next generation, Lego is a fascinating case study. For Lego the succession process is regarded as a continuous process which has to be planned for and managed, coming as no surprise that succession is inevitable. It forms part of the culture of the Lego Company and is an on-going operation of running the family business, becoming part of the companies culture (Lockhart, 2015).

So what can be taken from Lego's company culture and applied in the agricultural setting? That succession is a constant state of planning and thinking about the future, not solely a specific point in time transaction. Succession is a continuous process of passing on knowledge to the next generation and thinking about how the transfer of the business will take place. The business discipline required is to spend time thinking about and planning for the future.

Is there a Natural Successor?

Tension can arise in the family succession process if there is no clear successor identified or if there is disagreement between the family members about the skills or lack thereof for the identified successor. For the clear successor they must bring certain skills or attributes to the fore. Is there a natural fit between them and the business objectives and values discussed by the wider family? Have they got the skills required to take over and run the family business? (McLeod, 2014).

There must also be willingness and conversations held to ensure the successor actually wants the role and can see a future for themselves rather than a feeling of obligation or family expectation.

If the succession process identifies this as a barrier or gap, as long as there is willingness and the right attitude from the identified successor a training and mentoring plan can be developed to acquire the skill set deemed necessary. However, this needs to have been identified early enough through the succession conversations.

Business Planning

In some instances as James Lockhart (Lockhart, 2015) comments, the process of family succession involves business planning and discussions on the future, concepts which can be hard to think about or picture for families. The process of planning requires time and attention given to it as a priority activity rather than 'working in the business' but 'working on the business' asking the where, why, what, when and how questions to think about where is this business heading in the future.

One of the most common arguments for a lack of business planning is that it is too complicated, takes too long and there is no clear process to follow. Both national and international research points to this as a key barrier to starting (McLeod, 2014).

Succession conversations should flow out of business planning meetings as the future of the current business is discussed and what the future considerations will be. The succession plan should articulate the strategic direction for the business which then will help to align the farm management practices required to achieve the plan. If the business planning process does not leave the business in a healthy place then there is no real viable succession plan (Betker, 2011).

Communication

"The single biggest problem with communication is the illusion that it has taken place"

George Bernard Shaw

Dealing with family can prove a challenge when assumptions are made about thinking you know what each member wants, needs and thinks. The most common barriers to communication between generations as stated by Kaplan *et al* (2008) are:

- Avoidance of raising perceived uncomfortable issues
- Assuming everyone has the same expectations and understanding about the future
- Resistance to change
- Fear of the unknown
- Desire to avoid conflict
- Uncertainty about individual family members plans for the future
- Established family decision making patterns
- Facing up to the reality of growing older and passing on control
- Avoidance of having to make difficult decisions about the distribution of assets

Hardly surprising then that poor and ineffective communication in family businesses rates as the main cause of ineffective transfer of the family business between generations with 60% of failed transfers attributed to this (McLeod, 2009).

It takes commitment and good will from each family member to choose to communicate effectively and is why an external facilitator or chair is often recommended to help with the communication process and draw on the above points.

Conflict

Conflict can arise when there is a difference in opinion between the family members involved about the different needs, wants, values, expectations and interests of the family business. It does not need to be a negative however how it is handled must be in a respectful way. A set term of agreement and meeting rules will help to create the space required for these conflicts to be discussed to a point of resolution or at least compromise. Peter Flannery makes the comment that 'there is nothing more certain to create conflict than a lack of leadership, clarity and certainty about the succession processes'. Suspicion and jealousy can arise out of uncertainty and a lack of understanding, and ignoring the problem for long enough will not make it disappear.

Insights from McLeod & Dooley (2012) raised the fact that both generations regarded the succession conversation as to 'risky' or 'touchy' and so the conversations were put off or delayed. Often help is required in these situations to start the conversation and manage the perceived fear of conflict.

So why is family farm succession planning difficult? Because it deals with those closest to us in terms of family members and has the tendency to touch on some underlying aspects of life that tend not to be everyday topics of conversation. Much of the conversation can be perceived as subjective which for many is uncomfortable.

4.2 Turning the Challenge into an Opportunity

Factors Which Enable the Process

Start Early

Starting is the hardest part, where do we begin? How do we begin? What process should we follow?, are common statements made in regards to starting the succession conversations. Part of the issue is moving the urgency of the discussion from important to urgent so it receives attention and then action. Better this happens through family leadership before a crisis point forces the discussion onto the table through triggers such as a health scare, sudden death, births, son or daughter ready to move into the business, marriage or divorce, simmering tensions within the family or frustration at the lack of progress on the succession conversation.

Everyone approaches succession from a different starting point and there is no one 'of the shelf' approach. A key enabler in the process though, is to start early. There are differing views on how

early to begin within the literature, with some pointing to age and stage of the business being the deciding factor. What is clear is starting the conversations is where the process must begin.

Dr James Lockhart from Massey University's School of Management suggests that the Dutch are renowned for starting the succession conversation with their children from a very young age (4-7 years). Conversations focus around introducing and re-enforcing family values such as responsibility, integrity, honesty and promoting spoken communication. These conversations around the table are about embedding strong family values and business principles from a young age to the next generation. It is interesting to contrast this type of informal conversation from a young age to those conversations required at a formal level when dealing with succession planning. Trying to communicate through conversation what the business values, individuals values and family values must be upheld and continued with the transfer of the family business during succession.

Build and Run a Strong Business

The reality is that building a strong profitable and resilient business will provide more options for the succession process. If the current business performance is limiting from a financial perspective with few options or an ability to correct it the most likely course of action will be for the current business to be sold. However if the issue is addressed early on in the process and the commitment to addressing the underlying financial performance is identified then plans can be put in place to correct the position and allow for future succession options to be considered (Flannery, 2015).

Communications

Creating habits of communication which encourage sharing of views and ideas without the commitment to action, is a practice to be encouraged within families. This type of conversation is less threatening and encourages participation long before key decisions are required to be made within the business. This process also enables the opportunity for family members to practice having conversations where they are required to offer their view and opinion, while growing in confidence and competence over time (Hammington, 2014). In working closely with farming families Peter Flannery (Flannery, 2014), is of the view that parents that are able to discuss the activities of the business 'across the kitchen table' from a young age with their children are often better placed to initiate the type of conversations required around succession.

The environment for conversations taking place must be considered as it sends a signal to all involved as to the importance of the conversations. This can help facilitate the formal nature required as decisions and discussions progress towards actually making a plan. A neutral space should be used rather than the family household, to separate or clearly distinguish family space from business planning which may or may not be a comfortable conversation (Hammington, 2014).

Communication involves good will from all family members involved to participate and offer their perspectives. A common process discussed with professionals and through the literature is the work that goes into communicating expectations prior to any formal family meeting with all members involved. This process can take the shape of a questionnaire or meeting face to face with members of the family with the facilitator or the chair for the meeting. By working through this prior

communication, the opportunity is available for complete open and honest conversation in which concerns can be raised, expectations discussed, individual thoughts on how the outcome should look, what the values and goals of the family and business are, and a conversation around what is the future legacy we can build or want to build as a family? This information can then be summarised and used in the first initial meeting with the family to guide the conversation and shape the succession plan.

Family farm succession represents an opportunity to work together discussing and addressing the idea of what the family wants to create into the future. If the process is run well, it can be a much more energising process than simply 'what is my share?' (Hammington, 2015).

Part of the successful process of communication is all members are aware of their contribution required to input into the initial information gathering process and then during the first meeting together as a family. Arranging the first meeting together requires face to face communication and for all members to be informed of the key information around logistics and process. An outline or agenda is a critical document to cover expectations of the meeting, what is going to be covered, where the meeting will take place, when the meeting will be, how long the meeting is intended for and what the outcomes are. This is the responsibility of the nominated chair or the independent facilitator. The framework outlined in Figure 4 summarises a communication process that can be followed for a successful meeting.

Figure 4: Family Business Meeting Framework and Guidelines



(McLeod, 2014)

Communication will be at the heart of any successful plan to carefully navigate through the conversations which can be based on a range of emotions and well as facts and logic. The aim with communication is to ensure everybody has the opportunity to contribute openly and honestly and to address any preconceived ideas or assumptions held.

"Retirement"

For the current asset holders the issue of retirement can be perceived as the giving up of life known and heading into the unknown but it does not have to be that way. As Baker (2008) states, 'retirement is an unfortunate word in many ways as it means to withdraw which may be the exact opposite of what is wanted'. The notion of being put out to pasture is not exactly an endearing image. Replacing the word 'retirement' with 'succeeding' along with a targeted approach to this new phase of life can be a helpful concept to discuss.

Taking a planned approach to 'succeeding' life after the farm, can be a useful process to focus on during the change phase. This could begin with planning the first year with a travel plan to holiday, visit friends or family, attend a conference or take up a hobby. As with farming it would be important to think about the seasons and what could fill their time throughout the year (Baker, 2008).

Think about the skills and experience gained over the many years prior and how they could apply these to:

- An instructor, teacher, coach or mentor
- Farm advisor or mentor
- Voluntary work in the community
- New hobby
- Directorships

Part of the succession conversations need to encompass the succeeding member's desires for any retained involvement in the business or the transfer of many years of knowledge built up. Communicating clear expectations and clear role descriptions for the business moving forward is key to clarifying expectations and decision making if mum and dad want to remain involved in the business (Flannery, 2014).

A financial analysis needs to round out the retirement thinking and planning for quantifying how much money will be required from the day of transfer of the farming assets to life completion. Many business owners have never quantified how much they will require for their desired lifestyle they want or deserve. A personal budget will be required to help answer this question (McLeod, 2014).

Use of Checklists

Consulting a set of checklists on succession planning can be a useful enabler to simulate thought and then transition to action and help to keep the process on track moving forward. Example checklists can be seen in Appendix 2, 3, 4 & 6.

The common theme to enabling a successful succession conversation could be summarised around two concepts: planning and communication. Having strong business and personal disciplines around setting time aside for prior planning resulting in thinking about and planning for the future is critical to form an effective succession process and plan. Communication again underlies the conversations required to shift the thinking into action and discussions with those involved in the family business.

5.0 The Process

Progressing the Family Conversations

What is it that the family want to achieve by the end of the succession process? Beginning with the end in mind from the outset can help to shape what it is the family are aiming to achieve.

A facilitated process with an independent person keeping in mind the desired outcomes of the family is a vital link to achieving the succession plan. This may be a consultant, lawyer, bank manager, accountant or someone from within the family or current business on which all members agree can carry the role of an *independent*, unbiased chair.

In both communication with rural professionals and that contained in the written literature, the most common process worked through to enable a written succession plan follows:

- An initiation of the succession process or a trigger to begin.
- Meet with the current business owners to determine their intentions and key issues as they see it.
- A questionnaire or face to face interviews with each member of the family and in some cases their partners to be included in the succession conversations.
- An initial first meeting with the family airing assumptions, concerns, values, aspirations, the future, needs and wants, current SWOT of the business, financial position both equity and cashflow, and how to progress from here.
- Minutes taken and distributed as follow up after the initial meeting.
- Time for reflection and processing of the first meeting which could lead to a second and or third meeting to clarify expectations and confirm plans.
- A documented plan to be formulated by the family with intentions written down and expectations clearly laid out.
- An action plan which contains dates and key tasks required by who, by when, for the plan to actually be implemented.
- A review process to maintain momentum and ensure the actions have been followed through along with any adjustments to the plan as required.

A similar concept can be seen in Appendix 6 with work from Betker (2011), following a similar process known as a work back schedule containing a detailed checklist of what needs to be covered and addressed in a succession plan, by whom, by when. This provides an example of the detail that needs to be covered and why the process is time hungry. The work back schedule enables the family to visualise what needs to be done and break it down into workable sections that are time bound and agreed upon by the family. A formal process to follow is important to keep the conversations focused and on track.

Initial Information Gathering

Beginning the information gathering process should start with the current business owners (Mum and Dad) to determine their future intentions and the key issues as they see it within the family.

What are their wishes, future needs and wants, and their desired outcome from the succession process?



It would be common practice to then initiate either a questionnaire or individual face to face meeting with all family members (and in some cases their partners) to be involved in the succession process. The purpose of this initial interaction is too allow the opportunity for family members to communicate their concerns, determine the values of the family business, how they see the process proceeding, any conflict to be aware of or work through, what their aspirations really are, and what the future of the business could look like.

Determining Family, Business and Personal Values

Defining the values of the family in the succession process are important in making decisions as they act like a framework or filter to discern a way forward. Identifying the top values in the process will form part of the non-negotiables for the succession plan to succeed. Figure 5 demonstrates a framework for a values determining process used by Peter Flannery of Farm Plan.

Figure 5: The Three Dimensions Matrix

The Three Dimensions			
	Family	Business	Ourselves
Values			
Purpose			
Have			
Do			
Be			



The Matrix – An Example

The Three Dimensions			
	Family	Business	Ourselves
Values	What should the Family values be?	What are the Business values and what is the purpose of the "Family Business"	As a couple, what are our values.
Purpose	Here you can almost write your own "Family Charter"		
Have	Fair opportunities for all. Strong Relationships Sense of belonging A place to call home.	Continue in family ownership Strong base Room for more than one if that is what is required.	Good health Happy family Continued involvement in the Business Time to enjoy life
Do	Follow their dreams. Get along with each other	Provide opportunities for all family Support Mum & Dad	Travelling Playing golf and bowls
Be	Happy Not to be in Business with each other	Successful Growing Run by family member	Carried out in a box Proud parents and Grand parents Respected for knowledge



(Flannery, 2015)

First Family Meeting

Once the information from the questionnaire or interviews is collated, a summary document is sent to the family prior to the first meeting where all members are asked to be involved. The purpose for the first family meeting is to enable and encourage conversations about the future of the business, both from a personal perspective and from a collective family perspective. It is the time for issues to be raised and addressed, any assumptions tabled and agreement sought to reduce conflict and uncertainly moving ahead. Discussing the actual process of succession and clarifying the 'how', may require a second and or third meeting before a succession document is tabled.

Moving Forward with the Plan

In some cases a follow up family meeting will be required to determine the actual 'how' of the process, where confirmation on the plan needs to be agreed. This may include the establishment of a timeframe for the operational management of the family farm to be passed over and clear roles for family members defined and agreed upon in writing to reduce friction and potential conflict arising. A plan for the financial transfer of assets must also be agreed upon.

Action Planning

This will be put together by the chair and or facilitator, clarifying the outcomes and what is actually going to happen. It should contain the expectations agreed upon, define the process to actually transfer the business to the next generation, who needs to be consulted from here such as the legal and financial professionals, and what if any, issues are still to be resolved.

Once this is circulated amongst the family and all agree on the wording, it should be signed by all members.

6.0 Advisors as Change Agents

Involving Advisors

The need to be respected and trusted by all parties around the table and not ‘mum and dads’ chosen advisor came through as a strong element amongst those spoken with and in the literature. The key attributes of the advisor is based around their ability to listen and understand the core issues that are being discussed or need to be addressed. They need to ensure the issues are understood, then help align some common ground and clarity on the way forward. All the while maintaining an ‘independence’ leading with questions not answers. At the core of the facilitators role is to ‘take the family through a process that leads them to *their* desired outcome’ according to Matthew Pickering.

Two key themes are involved in the process of formulating a succession plan, the human element (subjective) and the legal, financial and accounting element (objective). Where advisors can add value is around both aspects of the planning process. The human element can be the more challenging of the two processes to work through as it involves a conversation about the family business currently and into the future. Once this aspect of the plan is formulated the objective aspect involving the legalities and financial aspect of the plan can largely be worked through to achieve the desired succession plan.

Advisors are often in a privileged position within a family business and can be the trigger for flagging a conversation about succession if the family has not considered or started the process.

What the Statistics Highlight

Many farmers may not necessarily have formalised family succession plans written down, but what Figure 6 shows is on average the amount of time spent seeking advice from various sources regarding succession planning. What is interesting to see in this data set is that advisors are used very sparingly by respondents, with a vast majority spending between 0-6 hours per annum on succession. By contrast those spending 8-10 hours per annum discussing succession is with company representatives, bankers, and a trusted person. What this data set points to is the importance of the trusted person when it comes to farmer’s decision making process and where advice is sought.

Figure 6: Hours Per Annum Spent with Advisors on Succession Plans

Type of advisor	0-2 hrs	2-4 hrs	4-6 hrs	6-8 hrs	8-10 hrs	>10 hrs
Farm consultant	62.6	6.1	10.2	0.7	10.9	9.5
Accountant	52.8	15.7	12.9	2.8	7.5	7.5
Lawyer	66.8	6.3	12.4	1.1	7.8	3.3
Business consultant	75.8	4.4	4.4	2.2	6.6	6.6
Banker	61.9	4.8	14.3	2.3	14.3	2.4
Company representative	40.0	20.0	0	0	20.0	20.0
Trusted person e.g. relative	5.0	0	5.0	10.0	35.0	40.0

(Old & Nuthall, 2015)

7.0 Conclusions

What Got You Here Will Not Get You There

What became clear from speaking with farmers, rural professionals and consulting the written literature was that time needs to be invested upfront discussing what the family business stands for, why it exists, what the values of the business and individual members involved are and what the future business aspirations are. Seeking clarity around the reason for the existence and the future of the business then helps to shape the following conversations about the transfer of not only the financial capital of the business but also the human capital in terms of knowledge and farming practices built up over a long period of time.

Starting the process of succession planning early, allows for issues to be addressed and conversations to occur without time pressure. Beginning before you think you need to is the answer to the question of when should I begin? It is never too early to begin thinking about and speaking about the future. In the initial instance, informal conversations around the table are fine but these conversations need to progress to a formal structured family meeting run by either a chair or independent facilitated process where issues are addressed, fears discussed, expectations put on the table, decisions are agreed upon and written down and a succession plan formulated with action points and dates to move the succession process ahead.

Underpinning a successful succession process is the commitment to achieve a desired set of outcomes based on the goodwill of all involved.

8.0 Recommendations

- Redefine 'retirement' by taking a planned approach to life and time after the farm passes from one generation to the next. Include retirement in the succession conversations. How much money will be required in retirement, what will occupy 'mum and dads' time, where will home become. Addressing the fear of the unknown by talking about it and planning for it is the first step.
- As parents of farming business sharing business activities and discussions across the 'kitchen table' with children from a young age is a practice to put in place, preparing them for succession discussions as adults. As the family matures including them in annual planning meetings or business reviews can help to develop an understanding of the business as well as teach good governance practices and business disciplines.
- Example succession processes and succession process checklists could be collaboratively developed and made available for farmers through the Industry Bodies in New Zealand such as Dairy NZ, Dairy Women's Network, Federated Farmers and the rural profession network (NZIPIM) much like the Beef & Lamb NZ Farm Ownership & Transition Workshop Resource Book.
- Succession conversations need to be structured around a formal process run by a chair or independent facilitator. Part of this process is to set up meeting agendas, circulate information prior to the actual planned meeting, plan a venue and dates that are communicated early and 'neutral' ground. Minutes are required to be taken during the meeting and circulated as follow up. This structured process signifies the importance of the conversations and level of engagement required, while keeping the process on track and moving forward.
- Instilling business planning processes in the current business is a starting point for thinking about the future and being disciplined to spend time working *on* the business and not *in* the business. With strategic planning processes in place the succession conversations are a natural progression and can build on the existing disciplines in the business.
- A clear vision and purpose for the family business is vital for considering why the family business exists and what the family aspirations are. If there is no business plan or strategic plan in place then this is recommended as a starting point to align family values and focus them on the future direction of the current business.

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10.0 Appendix

Appendix 1: Questionnaires

Starting the Family Succession Conversations – Rural Professionals

1. What is *succession planning*?
2. What are the *objectives* of succession planning?
3. What should a succession plan *contain*?
4. What *process* do you work your clients through?
5. Where do you *start* with succession planning?
6. What *initiated* the succession process?
7. Who does the ultimate *decision* lie with?
8. *Who* is included in the conversations and how are *expectations* communicated?
9. What planning *timeframes* are required for the succession process?
10. What *resources* do you make available to aid the process?
11. Explain how the *communication process* has worked or has not worked for your clients?
(Needs, wants, fears, conflict, expectations)
12. What are the key *pieces of advice* you offer clients on succession?
13. What do you see as the main *challenges* to succession and what do your clients say they are?
14. What do you see are the main *enablers* to succession and what do your clients say they are?
15. How does the *financial position* of the business effect succession planning?
16. How are *non-returning siblings* to the business handled?
17. How do you address the issue of *fairness and equality*?
18. Which *legal structure* best supports the succession process?
19. How have *wills* been adequate to communicate future intentions?
20. In your opinion who else should I speak to on succession planning?

Starting the Family Succession Conversations - Farmers

1. What is *your* desired outcome from succession?
2. What are the *objectives* of succession planning?
3. What should a succession plan *contain*?
4. What *process* did you follow for succession planning?
5. How was that process *helpful* for formulating your succession plan?
6. *Where/When/Why* did you start with succession planning?
7. Who does the *final decision* with the succession plan lie with? Who owns the plan?
8. What planning *timeframes* are required for the succession process?
9. Explain the process of *communication*?
(Needs, wants, fears, conflict, expectations)
10. *Who* is included in the conversations and how are *expectations* communicated?
11. Who did you *consult* with regarding succession planning and what *key information* did they provide?

12. What were the best *resources* that informed your succession process?
13. What have you found the *most challenging* part of succession planning? Why?
14. What have you found the *most rewarding* part of succession planning? Why?
15. How does the *financial position* of the business effect succession planning?
16. How are *non-returning siblings* to the business handled?
17. How do you address the issue of *fairness and equality*?
18. What is the *legal structure* of your business? Has this *helped or hindered* the succession process?
19. How well does your *will* communicate your future intentions?
20. In your opinion who else should I speak to on succession planning?

Appendix 2: Elephants in the Room to Address

Key questions/confrontations

These are the conversations needed to be had. Also known as the “elephants in the room”, they ensure everyone is on the same page and moving forward together in the same direction. They are often the precursor to a fundamental change in the business and or holding someone accountable for their actions. A typical critical conversation in a family business could be where the successor believes current farm practices are not in line with new or emerging regulations and, if continued, put the business viability and success at risk. Another example is where the trusted advisor to the parents is thought to be favouring one sibling over the other, and has undue influence over decision making in the business.

Key questions all families need to discuss:

1. Are we committed to the future of our family business? How is this measured?
2. Are we obligated to work on the farm, or can we pursue other opportunities?
3. How do we decide which family members are employed by the business? Where do in-laws fit in?
4. What education or work experience is required of family members who work in the business?
5. How do we evaluate and pay family members who work in the business?
6. What should we do if a family member doesn't perform?
7. How and when do we select the next leader of the company?
8. Do we need an advisory board? If so, who should serve on the board? Family members? Employees? Outside advisors?
9. Who should own shares in the business? Family members who do not work in the business?
10. What do we do if a family member wants to sell out or leave the business?
11. How do we teach in-laws and younger members of the family about the values and traditions of the family business?
12. What do we do if there is a divorce in the family?
13. How do we protect the contributions of non-family employees?
14. To what extent do we involve key employees in family business disagreements?
15. Could a non-family member be the next leader of our business?²

² www.exuberantaccountant.com

Summary

- Know where the family and family business is now and that the current environment in which the business is operating is clearly understood by all
- Identify the key people in your business and ensure they have the right skills to grow the business
- The closer the alignment between people's natural skills and their job, the less stress and potential for inadequate performance
- Implement a clear human resource strategy for both family and non-family employees
- Ensure all employees or contractors have appropriate legal documentation such as contracts, position descriptions and health and safety plans
- Pay based on skills, experience and the position to be fulfilled
- If you hire family, you **must** be able to fire family

(McLeod, 2014)

Appendix 3: Family Business Transition Readiness Assessment

FARM OWNERSHIP AND TRANSITION WORKSHOP RESOURCE BOOK

ACTIVITY: Family business transition readiness assessment

How well are you facing the future of your family business? Take a few minutes to assess your readiness by placing a score in front of each statement. Answer the question from the perspective of the owner. If you are a prospective successor see how many of these questions you know your parents have considered.

0 = Not at all

1 = I/they have thought about it

2 = I/they have mentioned it occasionally to family or friends

3 = I/they have dealt with it properly

- | | |
|---|---|
| <input type="checkbox"/> Wills are up to date and fully reflect my wishes | <input type="checkbox"/> I have identified who will take over the management of the business |
| <input type="checkbox"/> All my family members are aware of the content of my will, know my wishes and the name of the executor(s) | <input type="checkbox"/> The identified successor has agreed and knows what is required to take over the business |
| <input type="checkbox"/> I have talked to my immediate family members individually about his/her future dreams and plans | <input type="checkbox"/> There is a firm plan in place to ensure my successor has the appropriate skills and knowledge to take over and grow the business |
| <input type="checkbox"/> I know my individual family members' needs, wants, expectations and fears, as they relate to the transition | <input type="checkbox"/> My successor knows and understands everything in the business (financial and management) should I die unexpectedly |
| <input type="checkbox"/> My main objective when thinking about transition is to minimise tax | <input type="checkbox"/> My successor is capable of running and growing the business successfully in my absence |
| <input type="checkbox"/> The business is able to be passed on as a viable business and can continue to grow | <input type="checkbox"/> The family has regular talks about the business and family's future |
| <input type="checkbox"/> If my business partner dies or is disabled unexpectedly, I know the contents of their will as it relates to our business | <input type="checkbox"/> The business has a strategy for achieving the vision which is known and understood by both family and employees |
| <input type="checkbox"/> I have spoken to my family members about the business and other investments | <input type="checkbox"/> Business values are well understood by all involved |
| <input type="checkbox"/> I have spoken to my family members about inheritance | <input type="checkbox"/> The identified successor has values consistent with those of the business |
| <input type="checkbox"/> My family does not always communicate effectively and I am trying to resolve this | <input type="checkbox"/> I have other interests besides work |
| <input type="checkbox"/> Family conflicts and disagreements are known | <input type="checkbox"/> I know my/our retirement needs |
| <input type="checkbox"/> Any known family conflicts are in the process of being resolved | <input type="checkbox"/> The business can afford to provide the retirement lifestyle I/we desire |
| <input type="checkbox"/> Each member of my family is able to talk face to face about all disagreements | <input type="checkbox"/> I have set my date of retirement and made plans |
| <input type="checkbox"/> Each of my children is assured they will be treated fairly in my will | <input type="checkbox"/> I have a team of people to guide the business and help me |
| <input type="checkbox"/> I have discussed management transition with my employees | <input type="checkbox"/> I know where to go for assistance if I need it |
| <input type="checkbox"/> I wish to have a successor | |

Total Score:

0-70: Consider setting up a family meeting with an independent facilitator to discuss your family's business future. If not dealt with properly and in a timely manner, you run the risk of family disharmony and business failure.

70+: Well done! Consider a review of your plan to ensure it is current and the five Ds of death, divorce, disability, disaster and dispersal (of assets) are covered such that they are capable of being implemented tomorrow should the need arise.

(McLeod, 2014)

Appendix 4: Pre-Prepared Checklist on Family Farm Succession

Checklist

To help you start your journey, this checklist helps you determine where you should start and what you may require in the way of resources.

Think about what timeframe you need to start distancing yourself from daily activities; who might take over the

family business and when this process should start. It will also help you determine who should be involved, where and when. It is recommended spouses and partners of your children are involved as they play an important role in the lives and decision making of your family.

	Notes	Resources	Timeframe for completion
Retirement Plan	What is your total current expenditure? How much income do you need to support your desired lifestyle? When and over what timeframe do you plan to distance yourself from the business?	Historical budgets Statement of current expenditure and what it includes Lifestyle wish list	
Successor identification and assessment	Have you identified a successor/s? Has he/she agreed to be so? Do they have the right skills, knowledge and attitude? Can they learn?	Vision for the business Skills and knowledge for business growth Position description Skills and training assessments	
Viability assessment	Is the business viable or can it be? Can it support the income required by the successor in addition to the owners?	Financial accounts Equity position Asset valuation Roi/roc	
Documents	Are all the business and personal documents in a known safe place? Are they up to date and will they achieve the desired outcomes?	Wills Power of attorney/ enduring care Loan documents Insurance documents Company/partnership agreements Guardianship Other legal	
Stakeholders	Family Professional Key management	Business meeting skills Role identification Communication and conflict resolution Decision making process	
Contingency	Are you prepared for: Death Divorce Disability Disaster Dispersal of assets		

(McLeod, 2014)

Appendix 5: Determining Your Values

Exercise: Determining your values

The following words describe some values generally accepted by individuals and may be useful in helping you determine yours:

Integrity	Competition	Honesty	Resourcefulness
Honesty	Concern for others	Honour	Respect for others
Loyalty	Connection	Improvement	Responsiveness
Character	Content over form	Independence	Results-oriented
Intelligence	Continuous improvement	Individuality	Rule of law
Perseverance	Co-operation	Inner peace, calm, quietude	Safety
Environment	Co-ordination	Innovation	Satisfying others
Sustainability	Creativity	Integrity	Security
Social welfare	Customer satisfaction	Intensity	Self-acceptance
Animal welfare	Decisiveness	Intimacy	Self-control
Capitalism	Delight of being, joy	Justice	Self-giving
Openness	Democracy	Knowledge	Self-reliance
Truthfulness	Discipline	Leadership	Self-thinking
Honour	Discovery	Love, romance	Service (to others)
Spirituality	Diversity	Loyalty	Simplicity
Accomplishment	Ease of use	Meaning	Skill
Success	Efficiency	Merit	Solving problems
Accountability	Equality	Money	Speed
Accuracy	Excellence	Openness	Spiritual growth
Adventure	Fairness	Patriotism	Stability
All for one and one for all	Faith	Peace, non-violence	Standardisation
Appearance	Faithfulness	Perfection	Status
Beauty	Family	Personal growth	Strength
Belonging	Family feeling	Pleasure	Success, achievement
Best use of time and resources	Flair	Power	Systemisation
Calm, peace	Freedom	Practicality	Teamwork
Challenge	Friendship	Preservation	Timeliness
Change	Fun	Privacy	Tolerance
Cleanliness, orderliness	Global view	Progress	Tradition
Collaboration	Goodwill	Prosperity, wealth	Tranquillity
Commitment	Goodness	Punctuality	Trust
Communication	Gratitude	Quality of work	Truth
Community	Hard work	Recognition	Unity
Competence	Harmony	Regularity	Variety
	Health	Reliability	Will to succeed
	Helping		Wisdom

Circle those that appeal to you—ten words for a start. Then from this list of ten, make a list of five. If you could only choose one of the five, which one would it be? These five will be your core values, with the one chosen out of five, the one you will least negotiate on and will not tolerate others who have the opposite corresponding value.

What are your Core Values?

(McLeod, 2014)

Appendix 6: Work-Back Schedule Process

Action	Sub-action	Responsible people	Start date	Complete date	Milestone event
Involvement		All			Yes
Goals		All			Yes
Values		All			Yes
Financial Performance		All			Yes
Management		All			Yes
Personalities		All			Before organising
Communication		All			Before implementing
Strategic direction		All	27 April	15 June	
	Mission vision				Yes
	SWOT analysis				Yes
	Critical issues				Yes
	KPIs				Yes
	Action Items				Yes
Communication		All		30 June	No
Business plan		All	1 June	15 August	optional
Risk assessment		All	15 July	15 August	No
Communication plan					
	Internal and external	All	15 June	15 July	No
Governance					
	Components	All	15 June	15 July	No
	Organisation structure	All	15 June	15 July	Yes
Preliminary legal review		All	15 June	15 July	Yes
Human resources					
	Job list by management area	All	15 June	15 July	Yes
	Job descriptions	All	15 July	15 August	No
	Performance review process	All	15 July	15 August	
	Roles, responsibilities and authority	All	15 July	15 August	Yes
	Training and skills programme	All	15 July	15 August	No
Estate plan elements					
	Retiring generation needs	Parents	15 August	15 September	Yes
	Fears	Parents	15 August	15 September	No
	Estate distribution	Parents	15 August	15 September	Yes
	Wills, power of attorney, executor	Parents	15 August	15 September	No
	Tax management	Parents	15 August	15 September	No
	Insurance	Parents	15 August	15 September	No
Compensation					
	Ownership, management and labour	All	15 September	1 October	Yes
	Stakeholders and entitlement	All	15 September	1 October	Yes
Deal breaker issues		All	15 September	1 October	Yes
Agreements			15 September	1 October	
	Unanimous shareholder agreement	All	15 September	1 October	Yes
	Business related agreements and contracts	All	15 September	1 October	No
Communication		All		1 October	Yes
Entities structure		All	1 October	15 October	Yes
Accountant review		All	15 October	5 November	Yes
Legal counsel review		All	15 October	5 November	Yes
Plan adjustments		All	15 November	15 December	Yes
Accountant and lawyer sign-off			15 December	15 January	Yes
Communication		All	15 January	31 January	
Plan implementation 31 January					

(Betker, 2011)