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Succession planning

Where it all started

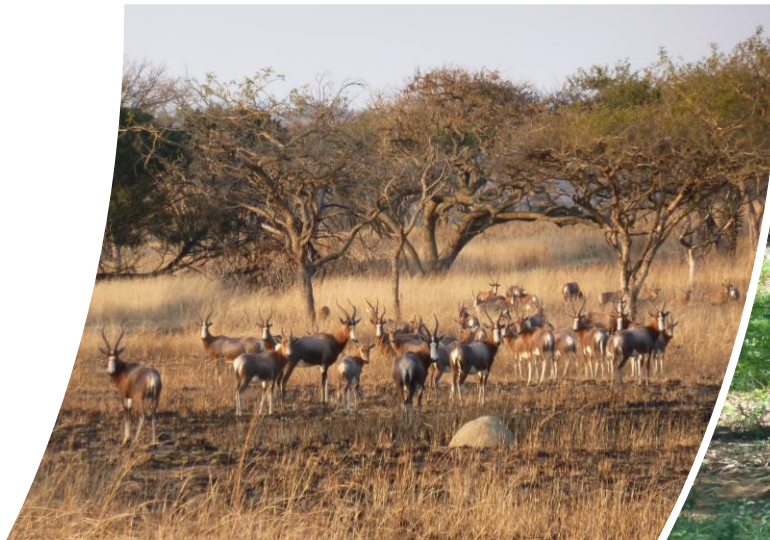
- 6th Generation Family Business. Since 1858.
- Biologically focused pasture based dairy business milking 900 cows.
- Beef enterprise. Breeding 1200 cows.
- Private Game Reserve.




Our game farm:

A balanced eco-system

- Browsers
- Grazers
- Trees
- Savannah
- Fire





The Drakensburg Mountains: 3300m

Farm: 1300m ASL, 720mm
summer rainfall (29° South)

When the winds of change
blow, some people
build walls and
others build windmills.

-Chinese proverb

Succession and continuity planning



Getting Started: what we will cover today!!

1. How to start.
2. When to start. Today would be good!!
3. Who should start the process.
4. How can we make it equal and fair ?
5. Is succession planning and estate planning the same??
- ▶ 6. Understanding NEEDS

LOOKING at the FUTURE DiStURbS the PRESENT



►but it's coming so why not be prepared.

*Because this is
often easier*



YOU ARE NOT LISTENING



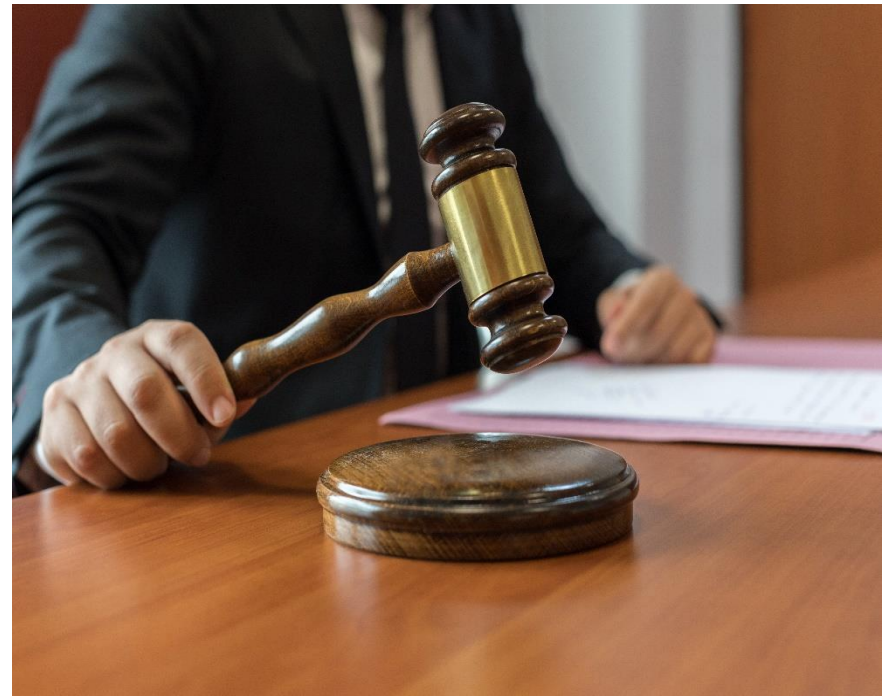
Yes, I am loud and
clear!!
What are you trying
to tell me?



Is succession planning and Estate planning the same thing?

Succession planning, is about living.

Estate Planning, is about dying.



The choice

PROACTIVE

You create Choice

Buys you time

Increases Energy

Builds trust

Solves problems

Creates generational wealth

Builds strong relationships

REACTIVE

Reduces choice

Wasted time

Kills enthusiasm

Destroys trust

Highlights past problems

Divides generational wealth

Destroys family relationships

Group exercise YOUNGER & OLDER GENERATIONS

Question?

If you were going into discussions with your family about succession and the future of the business what would be the most important outcomes YOU need to have settled/agreed upon for the process to be a success ??

Try and identify 3 or more.

OLDER

- ③ HAPPY + HARMONIOUS FAMILY...
- ② COMMUNICATION
- ① FINANCIAL SECURITY..
\$\$.

YOUNGER

- ① REGULAR / EFFECT COMMUNICATION
- ② FAIR
- ③ PROGRESSIVE TRANSITION..
CLEAR⁺ TIME LINE

OLDER

- ✓✓✓
① FINANCIAL SECURITY FOR BOTH GENERATIONS
- ✓
② HAPPY FAMILY
- ③ A PURPOSE/INTEREST
- ④ FAIRNESS
- ✓
⑤ COMMUNICATION
- ⑥ PLAN/TIMELINE
- ⑦ PHYSICAL SECURITY - HOUSE

YOUNGER

- ① VIABILITY FOR BOTH GENS
- ② FAIR + EQUITABLE
- ③ CERTAINTY
- ④ PARENTS EXPECTATION + NEEDS
- ✓
⑤ FIN/EMOTIONAL/ASSET SECURITY - Both Gens
- ✓
⑥ COMMUNICATION/TRANSPARENCY
- ⑦ AUTONOMY

OLDER

- ① FAIRNESS (OF FARM)
- ② FINANCIAL SECURITY
- 3 HARMONY
- 4 INDEPENDENCE
- 5 MUTUAL AGREEMENT ON A STARTING POINT (IS PARTNERS / AND OR FAMILY).
- 6 SEEK EXPERTISE
- 7 PLAN / PREPARE
- ⑧ COMMUNICATION / CLARITY OF POSITION / GOALS.

YOUNGER GEN

older gen to be comfortable

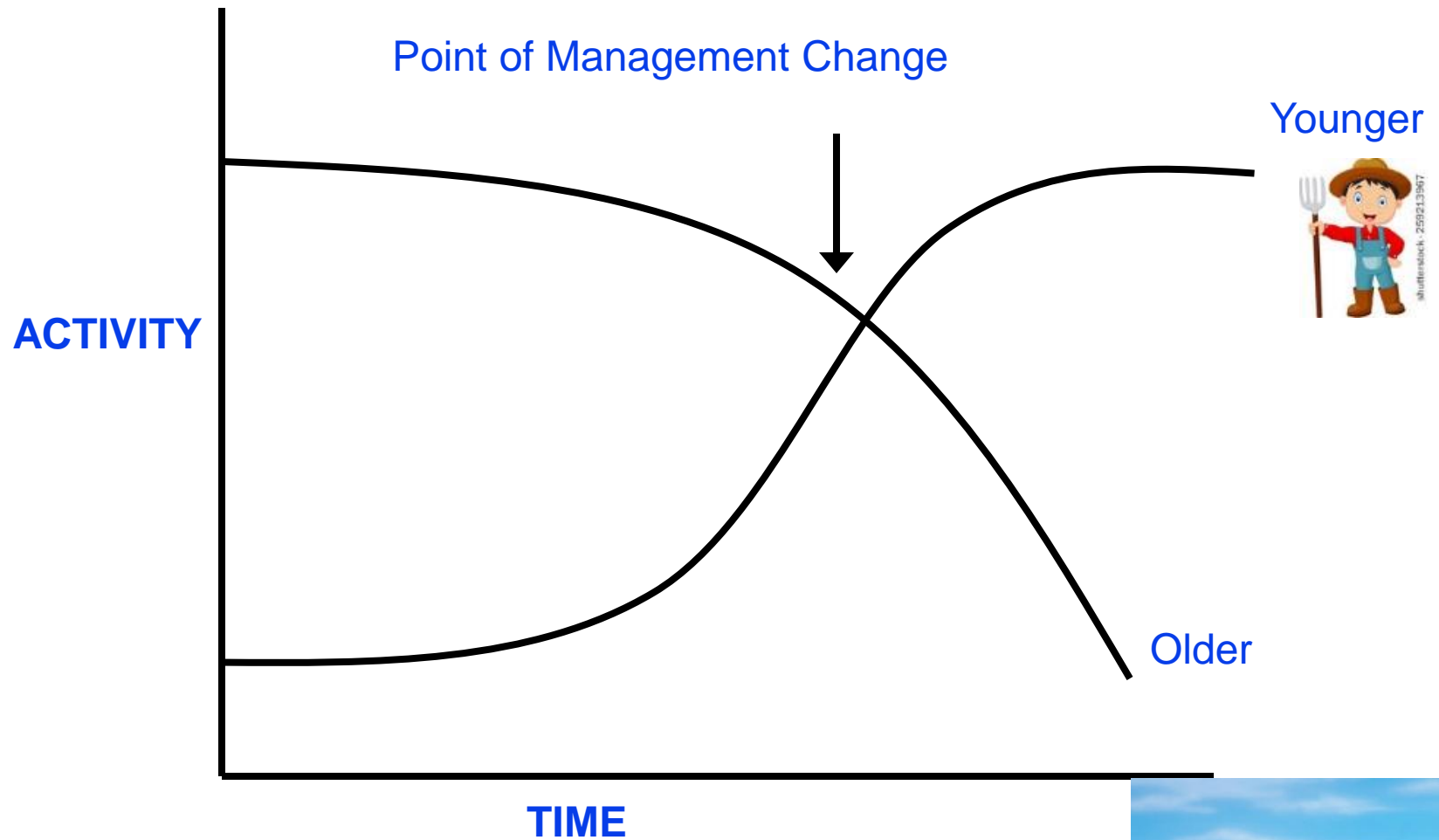
10 Things our younger generation want to tell us

1. They want to be heard.
2. They want a to Have a crack, Take RISKS!!
3. They want to use their heads more than their backs.
4. They want a life and farming.
5. They want the freedom and independence of farming.
6. They want to be globally smart.
7. They want a wide range of experiences.
8. They want it done just good enough, not perfect!!
9. They want fewer hassles.
10. They want to know what's going on.

In response the older generation.... **NEEDS.**

- ▶ To have their contribution acknowledged.
- ▶ Have a greater need for Security. Financial, physical and emotional.
- ▶ Reduce risk.
- ▶ Reduce debt.
- ▶ Seek meaning as they “retire”. Most don’t know how.
- ▶ Retirement is when you “**have the choice to do what you want to do not what you have to do**”
- ▶ Feel valued, included, important.
- ▶ What ever is left after satisfying all the above younger and older generations needs is available for transfer.

MANAGEMENT TRANSITION



3 Simple
steps to
SUCCESS



Communication

Communication

communication

3 Simple
steps to
SUCCESS



NEEDS

NEEDS

NEEDS

3 Simple
steps to
SUCCESS



OPTIONS

AGREEMENT

ACTION/IMPLEMENTATION

How to hold a family meeting

Before the meeting

Agree to have a FACILITATOR

Select a NEUTRAL VENUE

Arrange CATERING

Set an AGENDA

Invite ALL family members

Set Clear GOALS

Preferably over 2 DAYS

At the meeting

Have agreed GROUND RULES. A code of conduct.

Allow open communications

Let people finish their sentence.

Listen without intending to respond.

Let EMOTIONS flow.

DEAL WITH CONFLICT.

Ask the DIFFICULT questions

After the meeting

Circulate MINUTES

Set ACTIONS

Agree on TIMELINES

Set next MEETING DATE

Who needs to be involved

- ▶ All **family members**.
- ▶ **Facilitator**, who brings independence to the meeting.
- ▶ **Accountant** for Tax planning
- ▶ **Lawyer** for legal structures
- ▶ **Financial planner** for retirement planning.
- ▶ A big dose of **compassion, trust, goodwill and humor !!!**

Stop pushing
start pulling

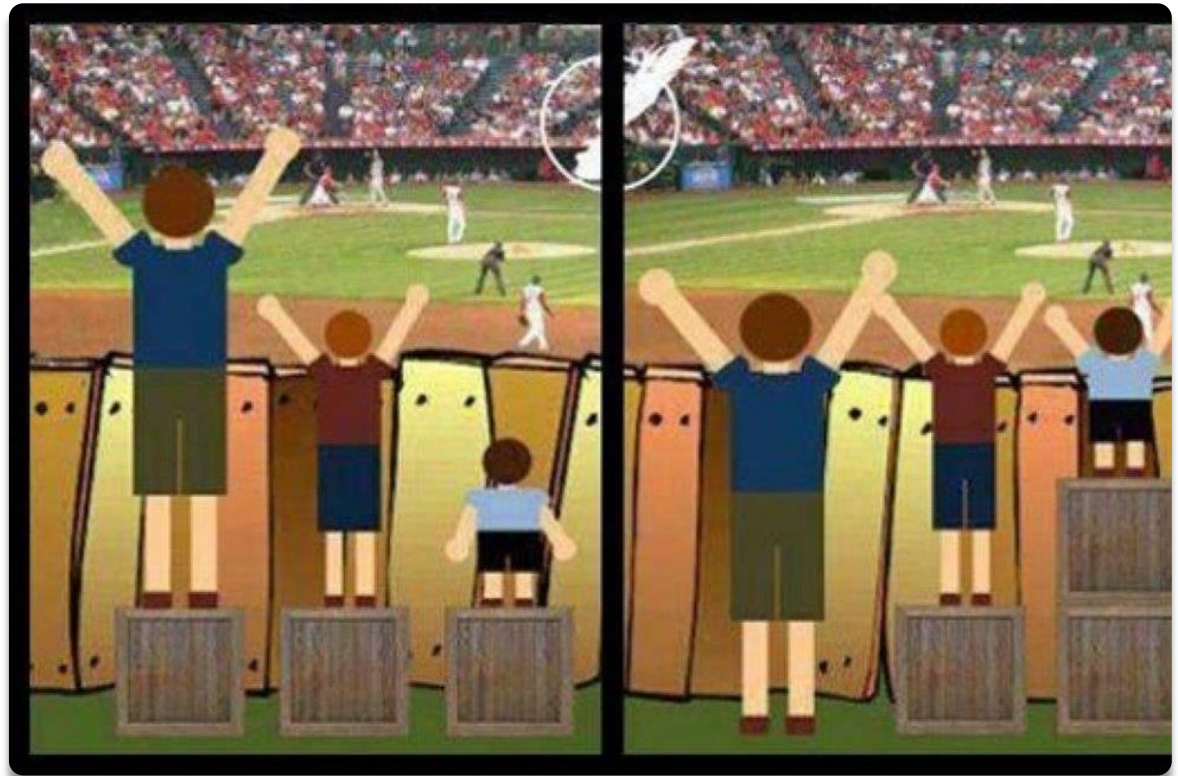
1. Reduce the resistance by dismantling **the fear**. What are your greatest fears??
2. Reduce the resistance by understanding the **needs**. What are the younger and older generation needs ? Lists.
3. Reduce the resistance by providing **options**.
4. Reduce the resistance by taking a **step back** so you can understand each other again.
5. Reduce the resistance by **agreeing to disagree**, its ok...

The Million-dollar question!!

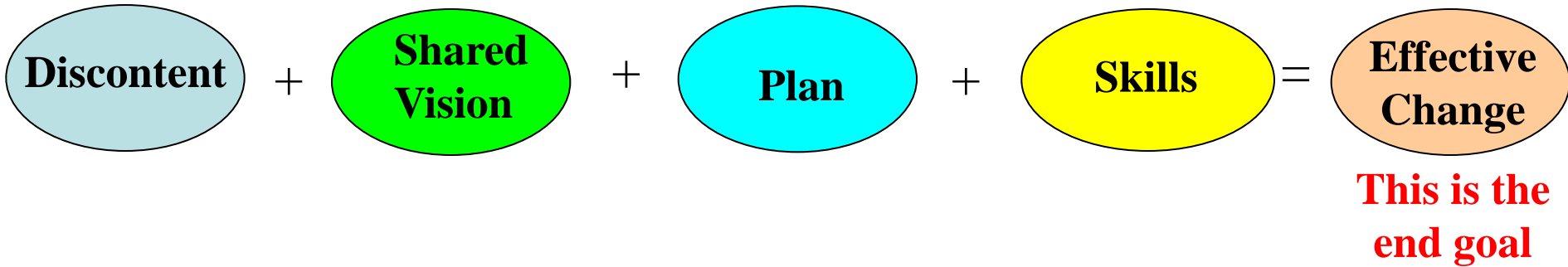
Equal

Fair

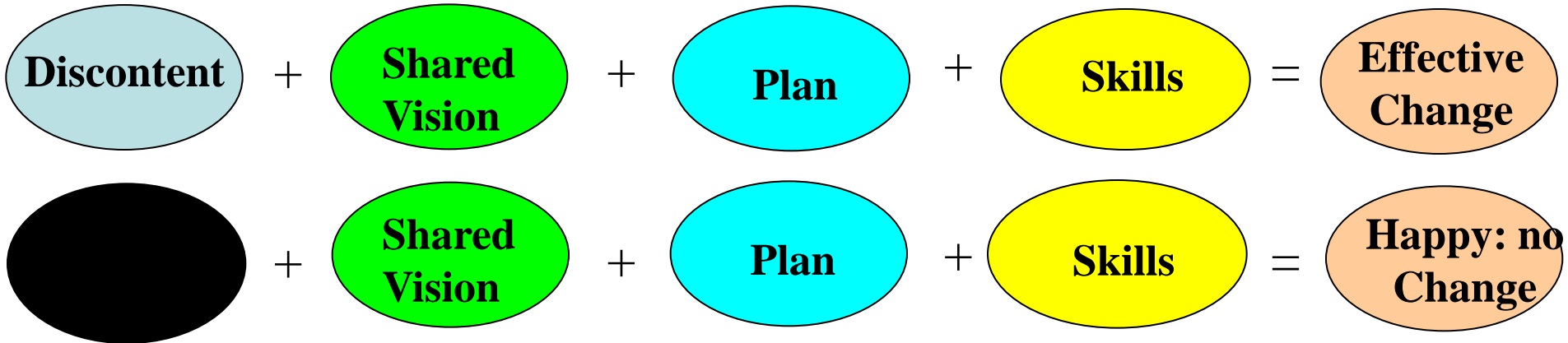
- ▶ Sweat equity.
- ▶ Ownership.
- ▶ Off farm children.
- ▶ Blended families.
- ▶ Property values
- ▶ Economic unit.



A CHANGE MODEL

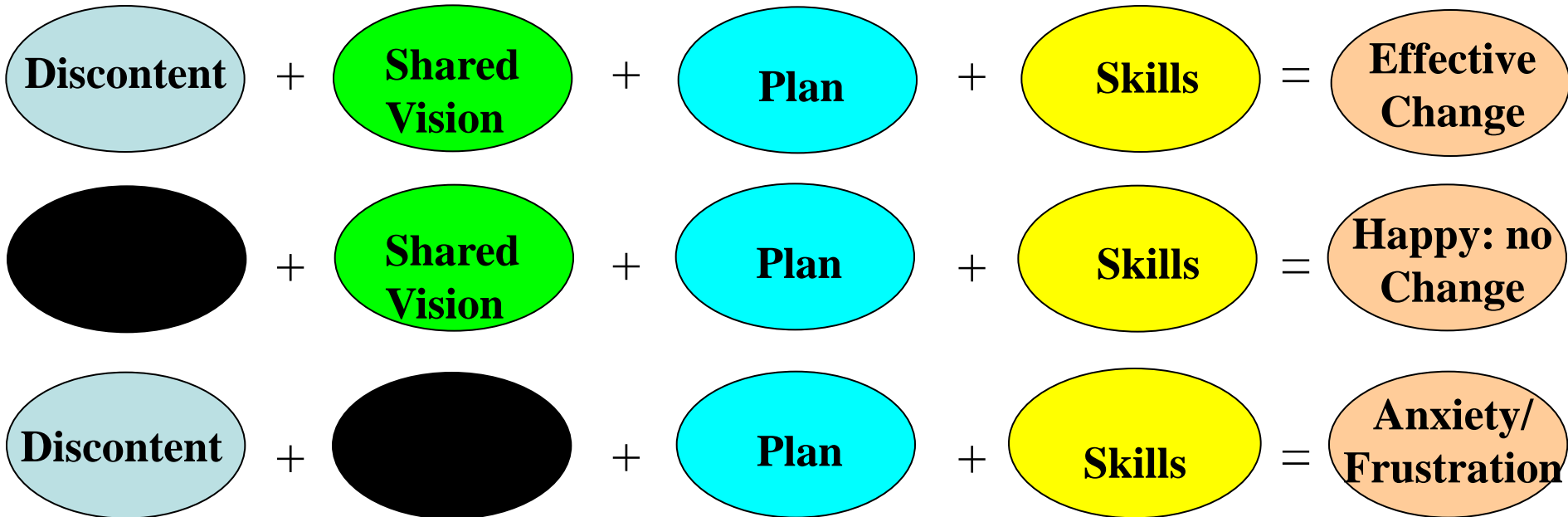


A CHANGE MODEL



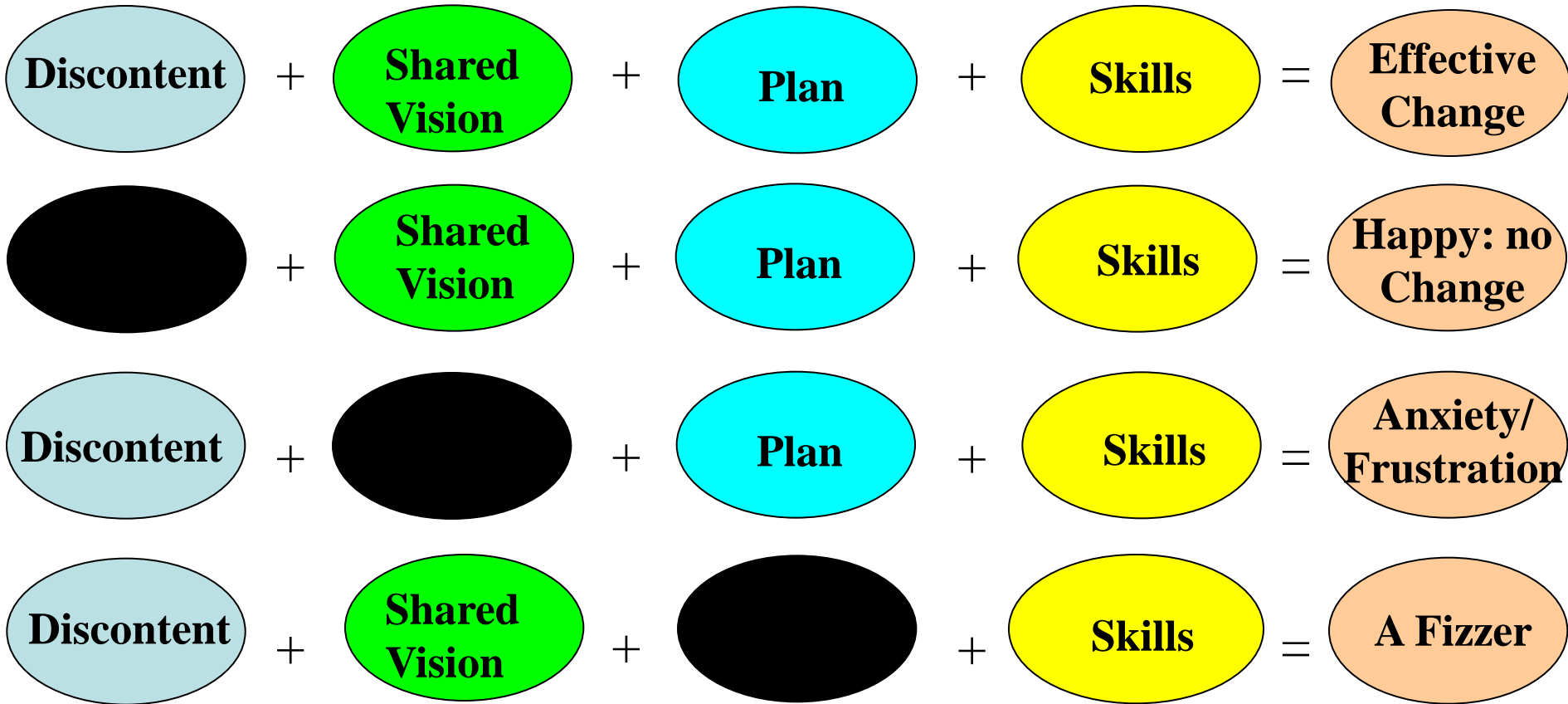
**"No Agitation,
No Change"**

A CHANGE MODEL



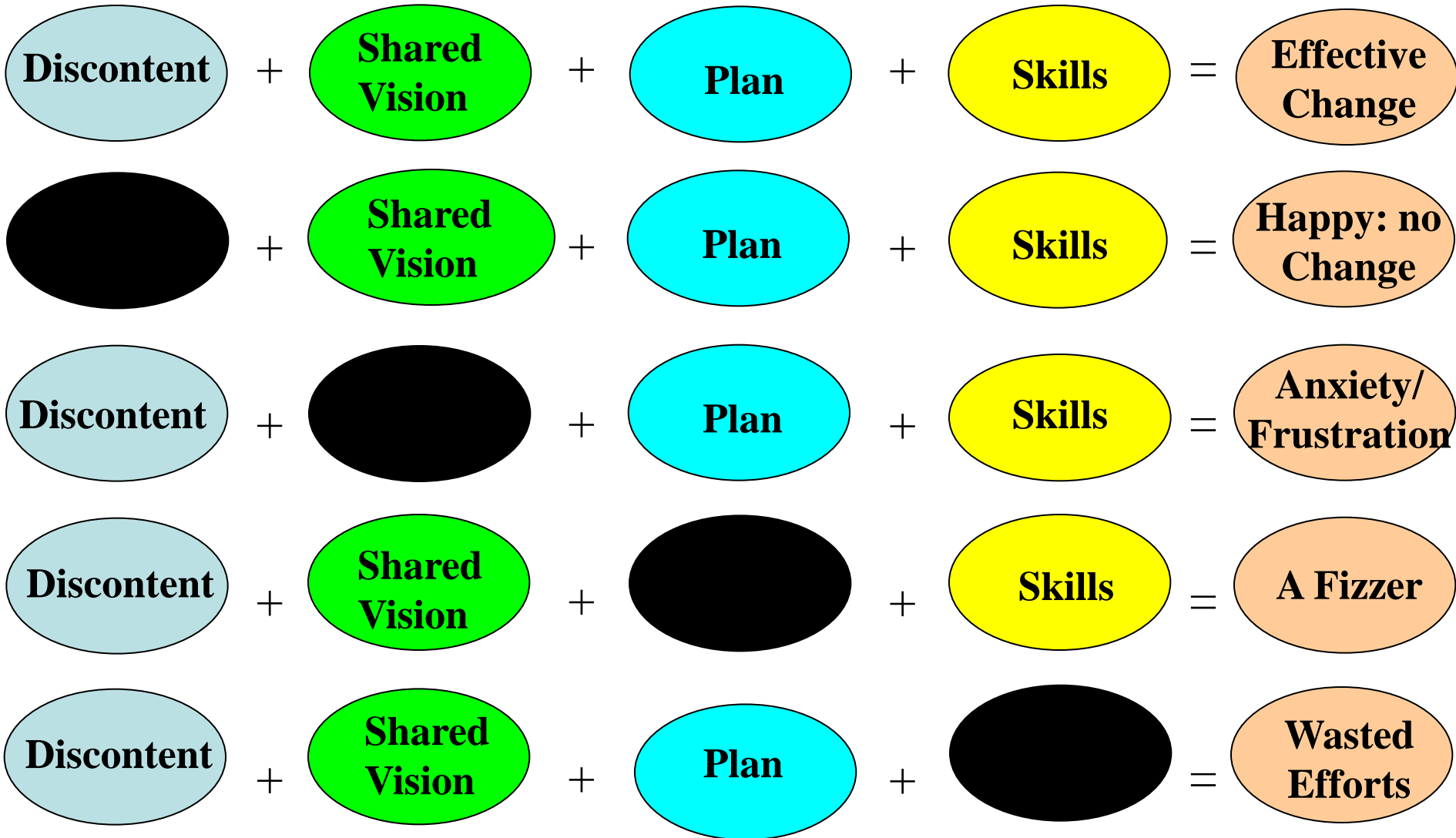
REMINDER:
A SHARED Vision
TRUMPS THE RIGHT
VISION EVERY TIME.

A CHANGE MODEL



~~PLAN~~ ~~A~~
~~PLAN~~ ~~B~~

A CHANGE MODEL



Here are some traits that I strive to achieve as a mentor and facilitator.

1. Observe without trying to solve or judge.
2. Access the untapped potential.
3. Be a catalyst for new ways of thinking.
4. Challenge the status quo to allow exploration of new ideas
5. Support what could be possible.
6. Be an enabler to allow people to see their potential.
7. Ensure IMPLEMENTATION not just conversation.
8. Help remove you far enough away from the doing (operational stuff) so you can look down/back on the being (strategic stuff and life).
9. Help you find the Fun and Purpose in what you do.
10. Ensure the people and business are developed together.



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THANK YOU