

Three Types of Farm Meetings to Strengthen the Business and Start a Farm Transition Plan

Families may be inclined to only conduct meetings when they need to make critical decisions. However, regular meetings create a culture of communication and inclusive decision-making. Scheduled communications also create opportunities for the family and the farm to evolve towards more open communications building trust and allowing the family to address areas of potential conflict. Communication allows a family to gather additional information and to acknowledge differences in management approaches when making decisions. This allows the farm business to be more creative and entrepreneurial. Therefore, regularly scheduled meetings increase the likelihood of business success and successful transitioning the farm.

This publication discusses three types of meetings family businesses should consider holding to manage different family business needs: farm operating meetings, family business meetings and family council meetings. To assist families as they start these meetings, we also provide example topics for each type of meeting and guidelines for running a successful family meeting.

Farm operating meeting

Held daily or weekly, farm operating meetings allow attendees to discuss business operations. Include the people who are involved in day-to-day operations — for example, primary operators, farm managers and full- and part-time employees.

When you meet, key decision-makers should explain why they make certain choices. By explicitly describing how daily decisions or weekly tasks align with the farm's vision and goals (e.g., expansion, diversification, adding value), you can better prepare the farm to pivot when necessary. Plus, it allows younger generations to learn how the senior generation manages the farm.

Family business meeting

Invite family members who regularly engage in farm business matters to family business meetings where you set the farm's strategy and plan its future. Topics to discuss at these meetings could include business expansion, diversification, marketing strategies, risk management and succession planning. Include key advisors such as veterinarians, nutritionists, lenders, accountants or lawyers as needed to inform important decisions.

Although family business meetings occur less frequently than operating meetings, you should follow an intentional, regular schedule. Find an appropriate space to hold these meetings. Preferably, choose a location away from the farm so meetings don't get interrupted by operational issues.

Family council meeting

During family council meetings, update family members about the family business, and create a forum to discuss how family decisions will affect the business and how business decisions will affect the family. These meetings should involve everyone who is a part of the family: off-farm heirs, spouses and partners, in-laws, children, grandparents and reasonably aged grandkids.

Schedule a family council meeting at least once a year. Many families avoid this type of meeting because they fear conflicts and disagreements may arise. However, these meetings are the most important mechanism for ensuring open communication within the family.

When making decisions, not everyone will get what they want. However, by surfacing and addressing issues during family council meetings, everyone has the same information. Such transparency may prevent business issues from negatively impacting family relationships and eroding trust. When you clearly explain how the business makes decisions and the challenges and opportunities shaping certain decisions, the dissenting individuals may more easily accept hard decisions.

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Example meetings for a farm family starting to plan the farm's transition

Planning a farm transition takes time. Consider the following example topics that a Missouri farm, raising a mix of corn/soybeans and a small herd of cattle with 450 owned and 1,100 rented acres, might address. This hypothetical family has three adult children with one son actively involved in the farming operation and a son and daughter living in the area but not actively involved. The following topics are examples of agenda items to increase intentional communication, set business goals, and outline a succession plan.

Farm operating meetings

These meetings are likely already occurring informally on a roughly weekly basis including Mom, Dad, actively involved children and farm employees.

Example family business meetings to discuss fall and winter management topics

- *November* – post-harvest assessment of 2022, begin discussing tax year implications and schedule a meeting with farm's accountant, revisit program sign-up and insurance policies, develop a marketing plan for stored grain and weaned calves, and prioritize purchases.
- *December* – finalize annual purchases, discuss lease negotiations, develop planting schedule, revisit farm's income and expenses and discuss necessary changes to improve profitability, and evaluate options for diversification.
- *January/February* – perform annual evaluations of all farm employees (family and non-family), assess job descriptions and role alignment, evaluate roles and compensation packages.

Each family farm business has different needs. As you consider establishing meetings, make a list of the most important management topics you want to spend time addressing throughout the year.

Initiating a series of family council meetings to discuss farm transition

If the family has never before held a family council meeting and desires to establish a transition plan, here are a suggested set of meetings that incrementally builds the habit of communicating while keeping each meeting focused on an attainable set of objectives.

- *February* – Hold an initial meeting with all children and spouses to discuss the farm's current status. Parents can begin to explain their initial thoughts on retirement plans and timeline. Spend time documenting the farm's history, discussing the

mission, values, and goals of the family business. All family members are encouraged to ask questions to gain a greater understanding of the farm's financial situation and operations.

- *March/April* – Discuss the farm's future as a family giving everyone an opportunity to ask follow up questions and share thoughts since the last meeting. Afterwards all family members should be given a minimum of time period (possibly 60 days) to consider their own desires to participate in farm ownership and/or management/employment. Then plan to convene as a family and discuss possible future outcomes of the business.
- *June* – All family members are required to submit their desired involvement in the farm business in one year, three years, and five years from the current date. This involvement should include what each individual wants to contribute to the business and what qualifications they possess. The senior generation evaluates the expectations of all family members and compares them to the mission, values, and goals of the business.
- *July* – Hold a meeting to discuss everyone's expectations and conduct open dialogue on alignment and where adjustments need to be made. Employment and ownership policies are discussed and started. Job descriptions and compensation packages are discussed.

This example series of family council meetings assumes the family needs some time to discuss everyone's future roles but is aided by proactive planning and open communication. There are no major conflicts present at this time. In this scenario, these conversations occur at regular intervals while the farm continues to operate normally. However, a family planning for the farm's transition abruptly after someone's death, or a family that is deeply divided on desired roles and future of the farm, will have different needs for communicating and working through issues.

Running effective family meetings

The frequency and length of meetings will vary according to familial and business needs. Adapt the meeting structure over time as appropriate. Most importantly, meeting roles and responsibilities should evolve as key individual's business roles change. Checklists for preparing and running successful meetings are found in Figure 1.

For more about transitioning farm management roles, see MU Extension publication G514, [Clarifying Roles in Family Farm Businesses](https://extension.missouri.edu/publications/g514) (extension.missouri.edu/publications/g514).

Figure 1. Checklists for preparing and running successful family meetings.

Three weeks in advance of family meeting:

- Choose someone to lead the meeting.
Consider rotating this responsibility or, if necessary, bring in a third-party facilitator to navigate difficult conversations.
 - Develop an agenda with start and end times. Identify action items and key decisions that will be discussed to avoid any surprises.
 - Determine how to make decisions at the meeting. Choose one of the following approaches.
 - Advise and consent – other parties offer advice to the majority owner, who makes decisions for everyone.
 - Consensus – all parties must agree to the decision.
 - Majority rule – all parties cast one vote or a proportional vote equal to their ownership stake, and the majority makes the decision.
 - Decide who should attend the meeting.
Invite attendees to select among three suggested times in an off-farm location where everyone present can be fully engaged.
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Two weeks in advance of family meeting:

- Finalize the meeting time and location and communicate with everyone.
 - Send out the agenda and ask attendees if they would like to include additional items.
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One week in advance of family meeting:

- Send out a meeting reminder and notes from previous meetings.
 - Choose someone to take notes at the meeting and ask them to send out the notes within one week after the meeting is over.
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Run a successful meeting by doing the following:

- Don't make things personal. Remember to distinguish each person's family roles from business roles.
 - Follow the agenda. If items arise during the meeting that are not on the agenda, assign them to a "parking lot." Address these items if there is time, or table them until the next meeting.
 - Open the floor for everyone to speak. Consider using a timer to limit a single speaker's remarks on a topic. That allows everyone to have a chance to share opinions.
 - Practice active and reflective listening skills. Focus on what each person is saying and ask clarifying questions to ensure you are hearing each speaker. Resist the urge to interrupt, jump to conclusions or focus on a rebuttal while someone else is speaking.
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Adapted from: Clint Bentz. 2004. "[Running a Successful Family Meeting \(PDF\)](https://ucanr.edu/sites/placernevadasmallfarms/files/134696.pdf)" (ucanr.edu/sites/placernevadasmallfarms/files/134696.pdf). *Farm and Ranch Survival Kit*, Issue 3. Edited by Cheryl Williams-Cosner.

Finally, individuals involved in family-owned businesses should prioritize time for non-business interactions. Families should play, celebrate personal and professional milestones, recognize accomplishments and spend time together away from the business. These exchanges help solidify familial relationships, which can ultimately strengthen the business.

Sources

1. Pitts, Margaret J. et al. 2009. "[Dialectical Tensions Underpinning Family Farm Succession Planning](https://doi.org/10.1080/00909880802592631)" (doi.org/10.1080/00909880802592631). *Journal of Applied Communication Research* 37(1): 59-79.
2. Dyck, Bruno et al. 2002. "[Passing the baton: The importance of sequence, timing, technique and communication in executive succession](https://doi.org/10.1080/0898/02592631)" *Journal of Business Venturing*, 17(2), 143-162.