

FARM TRANSITIONS



Chapter 2

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Communicating Effectively

2.1. The Importance of Communications in the Transition Planning Process

Family farm managers are entrepreneurs, and therefore frequently are “doers” rather than “talkers.” However, a successful farm transition requires open, candid, and frequent communication with all farm stakeholders. In fact, research by leading business experts suggest there are three factors that correlate significantly with family business longevity: (1) frequent family meetings, (2) strategic planning, and (3) active boards of directors for the family business.¹

While communication is one skill often ignored by farm and ranch families, the list of benefits it provides is too extensive to ignore.

1. Study after study shows good communication is vital to improving the performance of the farm business in the “here and now,” as well as improving chances for success in implementing your transition plan.
2. Strong communication has the potential to significantly strengthen family relationships.
3. Open, candid communication can help obtain buy-in for the transition plan from farm stakeholders with very diverse interests.
4. Secretiveness, whether actual or perceived, can cause resentment or even active opposition to the transition plan. Conversely, opening up succession talks avoids or reduces thoughts that the process was secretive or manipulative.
5. Communication is the vehicle for informing stakeholders about how the succession process works and how the decisions forming the transition plan are to be made.
6. Open lines of communication can help identify and train the management successors for the farm business.
7. Engaging multiple generations in the communication process can help document and preserve the history of the farm business.
8. Well-conducted family business meetings portray the farm as a professionally run business, which encourages better professional behavior among all involved.

Better communication among your farm stakeholders is something that must take place many times each day, in many different environments. However, as you begin your transition planning process, you will likely start the communications process in the form of family meetings.

A common perception is that business meetings are a “waste of time.” This perception likely stems from historical experiences involving poor meeting practices. Family business meetings can be a very effective tool to facilitate communication, coordinate work flow, and improve decision making.

Depending on the business, very different types of meetings may be needed at different times, and involving different subsets of the business stakeholder team. In situations where several individuals are coordinating work efforts during a busy time, regular staff meetings may be needed to line out task responsibilities for the day, week, etc. in order to keep the day-to-day functions of the business running smoothly. This may involve an informal 10 minute planning meeting first thing in the morning, or a specific time allotted at the start of each week. Managers involved in the daily activities of the business, and employees involved in the operations would be key participants. Periodic management meetings to discuss resource issues, establish priorities, and assign responsibilities may also be needed. These meetings would involve the

management team of the business. Every farm and ranch business will need to determine the appropriate mix of these “tactical” type meetings, depending on the complexity of the operation and the number of managers and employees involved.

The primary focus of this discussion is on the need for, and implementation of, longer-term strategic discussions that involve the full array of stakeholder interests (all of the people with ownership, managerial, or emotional interests in the family business). Most families underestimate the importance of these types of meetings, as shared decision making and effective communication are primary keys to successful family businesses.

The framework for conducting successful big-picture family business meetings must be established ahead of time. Below are some important issues to consider as you plan your meetings:

1. How will we start the conversation?
2. Who will be invited to participate?
3. Who will facilitate the conversation?
4. What will be discussed?
5. When will meetings be held?
6. Where will meetings be held?
7. How will meetings be conducted?
8. How will decisions be made?
9. How will a record of the meeting decisions be maintained?

2.2. Starting the Conversation

Perhaps the most difficult part of the farm transition conversation is simply starting it. By definition, the term “transition” means change, and change is almost always scary for many of us. In “the way things are” (*i.e.* the status quo), the farm stakeholders likely know what to expect, how to react to other stakeholders, how to behave, and have a good understanding of the “rules” (both spoken and unspoken) about the farming operation.

Even discussing the possibility of change through creating and implementing a transition plan can make many stakeholders uncomfortable since it may throw all of these “known” factors into question. Changing the course of the farm operation can require individual change, and that requires everyone to evaluate a number of factors about themselves, including:

1. Their perception of their own control over the operation
2. Their attitude regarding change
3. Their core values
4. Their knowledge and skills (and their willingness to develop them)
5. Their work habits
6. Their emotional and physical health
7. Their feelings regarding other stakeholders’ roles and investment in the farm

Since the transition process may challenge some or all of these very central ideas, some (or many) stakeholders may be reluctant to even engage in the conversation, and this is a very common response to the prospect of significant change. How can we engage these reluctant participants? There are three potential avenues to examine

1. **Information:** First, if stakeholders do not see a need to change, they may not feel any need even to discuss the possibility of it. Providing objective sources of information that support the need for transition planning may help people come to the conversation on their own. Using objective information helps communicate the need for the planning process is real while, at the same time, showing you are not trying to steer the process with information biased only to your point of view. This is also a way of inviting other stakeholders to share their own information, which is an important step toward establishing a good environment for communication, as discussed next. This workbook and the references it provides can be a starting point for providing this information.
2. **Environment:** All the facts in the world will not matter unless all the stakeholders feel there is an environment in which they can safely share their thoughts and feelings. Without such an environment, no one can freely contribute to “the pool of shared meaning.” The pool of shared meaning for any group is the collection of information that has been shared by the participants and upon which all the parties hold some measure of agreement. The larger the pool, the more meaningful information the group has upon which it can act; conversely, the smaller the pool, the more difficult (or even impossible) it becomes to create meaningful decisions. Later you will see how you can work to create a safe communications environment for all farm stakeholders.
3. **Communication skills:** Better communication skills start with you. Starting with you is the best way to ensure both effectively conveying meaningful information and creating an environment in which all stakeholders feel safe in sharing their thoughts and feelings. With an improved set of communication skills, you will be better able to engage reluctant stakeholders and put the overall communications process in motion. This section and its references provide a number of ways that you can improve these critical skills.

Throughout the rest of this section, ways to create a safe communications environment and to improve communication among all stakeholders will be presented.

2.3. Engaging the Farm Stakeholders

Any conversation about the future of the farm operation must necessarily involve all those who hold some stake in it. How can we identify these stakeholders, and what do we need to know about them to engage them in the transition conversation?

2.3.1. Who are the farm stakeholders?

It is important that all stakeholders be involved in making the major decisions affecting the business. One of the first questions that arises is: who are the “stakeholders?” Consider three categories of family business stakeholders. The first two are obvious, and include anyone with either a financial *investment* (financial stakeholders) or significant *managerial* (management stakeholders) role in the business. This would include the farm owners and those that participate in the day-to-day operations of the farm. The third category includes those with an *emotional* stake in the business (emotional stakeholders). In the case of farms and ranches, these could be individuals who spent their youth on the farm years ago, and perhaps return periodically on vacations or family holidays, but who are not currently directly involved in a financial or managerial role. It seems that for farms and ranches, the emotional ties run deeper than they do for other family businesses, and it is often this set

of stakeholders who feel overlooked in the business transition planning process. Note that farm family members likely occupy two or three of these roles simultaneously.

2.3.2. Understanding Stakeholder Perspectives

2.3.2.1. The value of diversity in farm decision making

It is difficult for one to truly relate to and understand the decision making process of others who have different personality styles than their own; however, it is especially hard when one is not even aware of the different personality styles with which one is dealing. One suggestion for facilitating communication is for all the stakeholders to develop a more complete awareness of both their own personality style and the other personality types that are involved in their operation. Numerous tools are available and have been successfully utilized to accomplish this task including but not limited to profiling exercises such as “Real Colors” (www.realcolors.org), or the Myers Briggs (MTBI) exercise (www.myersbriggs.org). The authors’ experiences in working with farm and ranch families involved in a transition is that the stakeholders actually enjoy discovering more about their own personalities, and the characteristics of the personalities of the other stakeholders. Thus, this type of exercise can create multiple benefits for the transition process.

Personality styles to a large degree dictate the way in which individuals communicate, and the way in which individuals make management decisions. For example, some individuals are comfortable making significant decisions “on the fly” and actually enjoy the feeling of accomplishment that comes from making decisions. Others avoid commitments and have extreme difficulty in making even decisions of small consequence. Some stakeholders in the family business may make decisions based on significant research and fact finding, while others are prone to let the opinions of others drive their decision making process. There may be stakeholders who are very much bound by history and tradition in their decision making process, and others who make each decision based on well-defined goals and objectives.

Large corporations have long recognized the value of diverse perspectives in making critical business decisions. Similarly, when farms can capture different personality styles and thought processes, they can often create better decisions through the diversity of options created by engaging all the farm’s stakeholders.

2.3.2.2. Understanding generational differences

Almost by definition, farm transition discussions involve groups of stakeholders from different generations. It is important to remember that each generation comes to the table with a different set of life experiences, and to a large degree a different set of values, as well as alternative ways of looking at the world in general, and business in particular. Characteristics of the various generations that are still significantly involved in family businesses today have been well studied and documented.²

Sociological research has shown that the characteristics discussed tend to be “modal,” among the respective generations, meaning that such traits are more likely among a plurality of that generation than other traits. This is *not* to say that *all* members of that generation share those traits. To do so would be akin to saying that every Oklahoman is a Sooner fan and every Kansan a Jayhawk. The authors would vigorously assert that is *not* the case. Thus, while this discussion is meant to provide awareness of the traits one is *likely* to encounter in dealing with individuals of that generation, it should not be taken to guarantee such traits will be encountered. Keen attention to the individuals in the conversation is vital.

In production agriculture, the reality is that the senior living generation (those born from about 1920 through the end of World War II in 1945), maintains control of a large percentage of the business assets (and in many cases the management) on farms and ranches today. Many of these individuals experienced the great Depression, the Dust Bowl, and several significant wars so they grew up in difficult times and developed a strong work ethic. Traditional value systems and the importance of extended family are deeply instilled. Their perception is that strong leadership moves people and organizations forward, so the command and control

organizational system is a perfectly acceptable way to run the business, and subordinates should accept decisions made by the leaders, sometimes without question or any need of leadership to explain how or why things are done the way they are.³

The “Baby Boomers” (generally considered to be those born between 1946 and 1964) experienced the Cold War, the civil rights and women’s movements, and the Vietnam War. They question the integrity of leadership, and evolved with a very career-driven mentality to prove their worth. They expect to work hard, but also expect to be compensated fairly, and their perception of family is more nuclear than extended. From a business perspective, they expect broad participation in leadership and decision making.

The Generation X’ers (born from 1964 to 1980) experienced the introduction of personal computers, MTV, and Operation Desert Storm. Many grew up with single, or AWOL parents (*i.e.* as “latchkey kids”) in an era of rapid change. They developed a sense of family among friends and a survivor mentality. Their perception of family includes more of a blend of biological and friendship relationships. From a business perspective they tend to be self-reliant, non-committed to organizations, and unimpressed with authority.

Finally, Generation “NeXt” (sometimes called the “Millennial” generation) was born after 1980 and grew up experiencing numerous violent public events, including the Oklahoma City bombing and the Columbine massacre (made all the more terrifying given its setting in a school). These individuals also grew up with very busy, over-planned agendas. They are incredibly technologically adept, and they view their parents as advocates for their views, feeling somewhat entitled to much of what they desire. Their sense of family likely includes more un-related friends than it does actual relatives. From a business perspective they have not yet developed a commitment to work (or schedules for that matter), and they have little understanding of those who are less technologically savvy than they are. They expect immediate responses because they grew up in a completely connected world. Numerous authors have written extensively on the “NeXt” generation, and have indicated that they are perhaps more different from previous generations than any generation ever studied extensively.⁴

The point of this discussion is that examining and understanding generational differences is an important part of facilitating effective business communication. One fairly simple suggestion for business stakeholders is to go to their local library and check out a sample of the wealth of literature on the subject of generational differences. The important point to remember is to choose resources that are fairly recent, so they include the youngest generations that will be involved in the discussions.

2.4. The Who, What, When, Where, and Why of Family Meetings...

Regularly meeting together as a family to discuss business issues can help focus the communications of the stakeholders on important business decisions such as a business transition. In fact, even in the context of day-to-day operations most family businesses underestimate the usefulness of family business meetings. A few simple guidelines will greatly enhance the effectiveness of family business meetings.

2.4.1. The “who” of the transition meetings

To some extent, the agenda of the meeting (discussed in the next subsection) may dictate who needs to be at the meeting. As a general rule, anyone who has any legitimate reason to care about the decisions to be made at the meeting needs to be invited. For the “big picture” discussions regarding the transition of your farm business, that list may be fairly extensive, including current owners and managers, successors, off farm siblings, spouses, and perhaps key employees. Questions often arise regarding the inclusion of off farm sibling spouses, and the answer may depend on the situation. It likely will boil down to a judgment call regarding whether or not they would contribute constructively, or would generate conflict. As one expert observed, “[family members] will hear about the proceedings anyway, whether they are present or absent.”⁵ Once a decision is made the

rule would be to either invite all or none. Depending on the agenda of the meeting, advisors from outside the business may be invited to participate.

Your family meeting might also benefit from having a facilitator present. The facilitator is responsible for defining the ground rules and structure of the meeting, assuring that the discussion sticks to the agenda that was established prior to the meeting. He or she manages the process, helps keep track of major points, and directs the recording of the meeting. In addition, the facilitator manages the discussion by keeping the meeting focused, constructively resolving conflicts and shifting the communication if needed. The facilitator has a difficult task because emotions are often high, and at times the facilitator must assist parties in expressing their ideas without seeming to take sides. Different businesses utilize different models for choosing the facilitator. In some cases it is appropriate for one stakeholder to facilitate all to the business meetings for a period of time. Sometimes an outside neutral party facilitator, such as a trained mediator or a family communications expert, is needed. In other cases stakeholders take turns in the facilitator role, which may be a good way to develop leadership, conflict management, listening, and speaking skills.

2.4.2. The “what” of the transition meetings

Someone needs to be responsible for circulating a draft agenda ahead of each family meeting. Once in the routine, the agenda for subsequent meetings can be discussed at the current meeting; however, getting started can be difficult. Stakeholders can begin by circulating issues or questions to identify issues that are most important.

If your farm stakeholders are not in the habit of meeting routinely, chances are an initial meeting will be crucial to establish some of these fundamental points, which may form the basis of your first meeting agenda.

1. Is there existing family conflict that must be resolved before discussions can move ahead?
2. Do big picture issues such as core values, vision, and mission need to be ironed out?
3. Are there concerns about the roles of stakeholders with respect to
 - a. ownership,
 - b. business participation,
 - c. compensation, or
 - d. responsibility?
4. What do the stakeholders envision the farm business looking like in the future?

The first family business meeting will need to be initiated by one or more of the primary stakeholders of the business.

After the first family business meeting, a good place to start is the record from previous meetings. Assign one stakeholder the task of assembling an agenda in advance of each meeting that provides an outline of what important business topics will be discussed. The agenda should be prepared interactively with input from a broad range of stakeholders (something that is easy to do with modern technology), and the final version should be distributed to each stakeholder well in advance of the scheduled meeting, along with any support materials that are necessary.

Unless your business is considering an extended family business retreat (discussed later), it is advised to keep the list of topics and issues to be covered at any one meeting short enough that it is projected to take no more than a couple of hours to cover. Nobody likes extended meetings, and there can be a real danger of information overload if too many issues are brought up at one time. If possible, schedule more frequent

meetings of less duration.

The last agenda item for any family business meeting should be a brief discussion regarding the next meeting. Confirm the date, time, and place for the next meeting. If you are rotating facilitators, decide who will facilitate and at a minimum briefly summarize proposed agenda items and discuss any stakeholder subsets that particularly need to be involved. Finally confirm how the draft agenda will be formulated and circulated.

2.4.3. The “when” of the transition meetings

The “frequency” of strategic family business meetings will depend on the business itself and the complexity of the issues it is facing, and the schedule may change depending on the time of year, or the immediacy of the issues being addressed. Decide on a schedule ahead of time, whether it be once a year, quarterly, monthly, monthly during the “off” season, etc., and once a schedule has been agreed upon resist the temptation to postpone scheduled meetings. If a specific date has to be cancelled, re-schedule as soon as possible so that the family stays in the routine. It is essential that these strategic planning sessions be viewed as an important use of stakeholder time.

It is important to schedule these meetings at times that are convenient for all parties so their input can be provided (as discussed above). This means taking into account many of the seasonal impacts of stakeholder schedules, whether they are related to the production cycles of the farm (such as planting, cultivation, harvest, calving, etc.) or off-farm issues such as seasonality of off-farm employment activities or children’s and families’ activities.

Commonly, families are tempted to hold these meetings during holidays such as Christmas or Thanksgiving simply because these represent times when the entire family is all together. However, this can be problematic. At best, these holidays are times when the family should be together celebrating and enjoying each other’s company without the stress of business issues that may be a source of conflict. At worst, the holidays may already be a stressful time, and the addition of a potentially difficult conversation may worsen the situation. The better course is to separate the transition conversation into its own event. Not only does this avoid the potential conflict with holiday activities; it also impresses upon the stakeholders that it is an important event worthy of individual attention.

2.4.4. The “where” of transition meetings

Regularly scheduled, shorter meetings likely will need to be held close to the business headquarters simply due to time constraints and logistics, so decisions have to be made regarding their location.

For planning meetings and other “big picture” meetings where it is important that everyone feel comfortable openly sharing their thoughts and feelings about potentially sensitive topics, a neutral location can be critical. Mom and Dad’s kitchen table may be a familiar environment, but it also comes with a very strong, established power hierarchy. In this environment, children may be very reluctant to openly share because Mom and Dad hold all the power there. This can cripple the conversation. Therefore, try to pick a neutral location where everyone feels comfortable voicing their opinions.

Not only is it important that everyone feels emotionally comfortable in the meeting space; it is important that the environment be physically comfortable as well. A quiet space free of distractions with comfortable chairs, space to write and record ideas, and refreshments can be important amenities.

It is also important to keep distractions and interruptions to a minimum. Make sure the day-to-day activities for the meeting time have been delegated to someone else or taken care of in advance (and note – since it may be important for the person who handles those activities to be in the meeting, outside help may have to be hired on a temporary basis). Make arrangements for the care of any children who will not be participating in the meeting. Mobile phones and other communication devices should be put somewhere they can be reached in an

emergency, but not so accessible they are a source of distraction.

Some families have had success with “rotating” the meeting location around to various places. Many local Extension offices, local restaurants, community buildings, schools, and churches have meeting rooms that can be used for such discussions, especially if non-busy times are chosen. The important thing to keep in mind is to create a safe environment to have conversations about important issues.

As a final thought on family business meetings, periodically a very powerful type of family business meeting along the order of an extended family weekend retreat (somewhere away from the family business) is warranted. Sometimes due to schedules, distances, etc. it is necessary to spend an extended time working on big picture issues that involve a lot of stakeholders or really tough decisions. This is where a weekend family retreat away from the business at a hotel, park lodge, or other getaway location may be beneficial. Families might even find it useful to request an outside advisor to serve as a facilitator for part of the meeting. If these types of retreats are being considered, be sure to incorporate family fun time and schedule plenty of breaks to back away from the discussions. These breaks can be important times to gather one’s thoughts and to “process” the meeting discussions, which can lead to insights about how to proceed. Obviously, most family businesses will not be able to do this very often, but at the right stage of the transition planning this type of focused attention to a big picture issue could be very rewarding.

2.4.5. The “why” of transition meetings

To an extent, the entirety of this workbook has underscored the “why” of transition meetings. To state the “why” in one short statement, though, it is because effectively communicating with all stakeholders in a safe and open environment is absolutely essential to making good decisions that will impact the future of your farm business. Beyond the critical nature of good family meetings and the communication they facilitate to the transition planning process, they also give you a competitive advantage over other operations. In the words of one expert:

Only a small proportion of American families own and run their own businesses. And a much smaller percentage ever holds a family meeting as a constructive way of addressing important issues. By simply beginning the family meeting process, the family has distinguished itself. And family members are giving themselves a potentially powerful advantage in grappling with the pressures, privilege, and responsibilities of ownership.⁶

Organizational performance research underscores the fact that the highest performing organizations excel at communication. Thus, these meetings and the opportunity they provide not only to communicate but to improve at communicating, can make a tremendous difference in how your farm performs. Or, as stated by another expert, “[i]s it possible that an organization’s performance could hang on something so soft and gushy as how individuals deal with crucial conversations? Study after study suggests the answer is yes.”⁷

2.5. The “how” of transition meetings, and the rules of engagement

Early in the process, the stakeholders need to agree on some fundamental ground rules for meeting conduct and decision-making.

1. What are the attendance and preparation expectations?
2. What are the specific roles and expectations of the facilitator?
3. How will we ensure respect for opinions and promote honest and courteous communications?
4. What will be the rules for sharing information discussed at the meetings with outsiders?

These, and other basic family communication ground rules will help validate the process and preserve stakeholder harmony. Criteria for decision making revolve around what is most important to the stakeholder group as a whole. Is it short-term financial impact, longer-term financial impacts or growth, or is it other core family values that will steer the discussion and decisions.

Organizations have several options for how decisions will be finalized. These options frequently fall in to four categories:

1. Command – the stakeholders have no involvement in the decision; it is handed over to someone else (a decision-maker) and then stakeholders follow his or her lead
2. Consult – Decision-maker gathers ideas, evaluates options, make a choice, then informs those affected
3. Vote – best suited to situations where efficiency is the highest value and you're selecting from a number of good options. Should not be used when team members don't agree to support whatever decision is made.
4. Consensus – should be used with high-stakes and complex issues or issues where everyone absolutely must support the final choice.⁸

In choosing which method to use, consider who genuinely wants to be involved in the decision, who will be able to contribute meaningful information, whose cooperation is needed, and how many people is it worth involving?⁹

Someone needs to be responsible for documenting the discussion and what decisions were made at each meeting. This obviously can help minimize later “selective recall.” In addition, because succession planning can seem like such an insurmountable task due to all the issues that need to be addressed, meeting records can serve as a motivator to document that decisions are actually being made and that the business is planning for forward movement. Thus, for each meeting, designate someone to be responsible for taking notes of the discussion (perhaps on a copy of the original agenda), copying those notes or minutes, and distributing copies to each stakeholder.

2.5.1. Creating a safe communications environment

As discussed previously, a “safe” environment is crucial to effective communication. Part of creating a safe environment is creating a sense of trust among all stakeholders. A basic element of open communication is trust. A history of honesty, courtesy, kindness, and fulfilling commitments tends to build trust in a relationship, while betrayal, disrespect, and threats tend to tear down trust.¹⁰ Relationships in which the level of the “trust bank account” is high will be able to handle difficult discussions about important issues like family business transition in a much smoother fashion, again reinforcing the importance of starting the process early and working on the transition over the long haul.

Trust, or mutual respect is an absolutely critical element to creating a safe communications environment. Without that safe environment, meaningful communication is impossible, and the entire purpose of the meeting is rendered moot. Put another way, in a safe environment, one can say almost anything, but in an unsafe environment, nearly everything said is taken in the most negative light.¹¹

Given the importance of safety, how can it be established and maintained? First off, to have a safe environment, it is critical to establish two conditions. First is mutual purpose: all of the participants must understand that the point of the conversation is to arrive at a solution that can benefit all parties. This is a precursor to the conversation – without it, the stakeholders have no incentive to participate in the conversation at all. Second is mutual respect (or trust): all of the stakeholders must feel that they have the respect of the other stakeholders. Mutual respect is a continuation condition – without it, a conversation will simply stop, or explode in to a conflict. As it has been said: “respect is like oxygen: if it's there, no one thinks about it, but without it, it's all anyone can think about.”¹²

Safety is so important that it must constantly be monitored. If anyone feels unsafe in the conversation, it is time to stop and reestablish a safe condition. How can you tell when someone feels unsafe? Frequently they fall into one of two states: “silence” – in which they stop participating in the discussion, or “violence” - name calling, yelling, making threats, or attacking. Learning to spot these responses is a skill in itself, because when someone moves to silence, our instinct is simply to overlook them, and when someone moves to violence, our instinct is to fight back. Both of these responses are counterproductive. Instead, we have to train ourselves to objectively examine the conversation and realize that both the silence and violence responses are symptoms of an unsafe environment.

Thus, it is to our advantage to learn how to recognize these symptoms:

1. Silence – avoiding meaningful participation
 - a. Masking (sarcasm, sugarcoating)
 - b. Avoiding (moving completely away from sensitive subjects – changing the topic)
 - c. Withdrawing (pulling out of the conversation altogether)
2. Violence – trying to overwhelm other stakeholders
 - a. Controlling (coercing others to share your perspective)
 - b. Labeling (putting people into a stereotype so they can be dismissed)
 - c. Attacking (directly attacking others involved in the conversation)¹³

When someone demonstrates these symptoms, avoid the temptation to take them personally. Rather, recognize them for what they are – a signal that someone feels unsafe. Stop the conversation and take steps to help restore trust and respect.

First, do not overlook the value of an apology. Understand what an apology is: a statement that sincerely expresses your sorrow for your role in causing or not preventing pain or difficulty to others. You do not have to apologize for having beliefs, values, or perspectives that are different from someone else, but you should also realize that *the way those beliefs, values or perspectives are shared* may cause hurt feelings. Second, contrast what your intent actually was in a statement versus what may have been perceived by others (“I didn’t mean that our livestock operation isn’t important – I meant to say we might want to consider other enterprises as well.”). Third, work to underscore the mutual purpose at play (“I think we all agree that we’re trying to arrive at a plan for the farm that benefits everyone involved. Let’s focus on a true win-win.”).¹⁴

If someone still feels threatened and refuses to engage in the conversation, consider using this approach:

1. Ask to get things rolling: directly ask the person for their input. They may feel that their opinion is not valued or that they have nothing to contribute; asking can help restore their confidence.
2. Mirror to confirm feelings: explain your perception to the other person to get their take. For example: “You haven’t been saying much during this conversation. Is that because you don’t feel comfortable sharing your point of view?”
3. Paraphrase to acknowledge the story: once someone has shared why they are withdrawn, restate what you have heard to ensure you understand correctly. “You said you don’t feel comfortable sharing your opinions because you’re worried we have already committed to a different approach. Is that right?”
4. Prime the discussion – take your best guess at what the other person is thinking or feeling as a means of starting the discussion of the true nature of the problem. “Is the reason you’re withdrawn because we have made you feel like you don’t have something important to add?”¹⁵

2.5.2. Basics of effective communication

It is important to remember some basic realities regarding interpersonal communication, particularly as it relates to family business communication. First, many people are surprised to learn that communication in general involves much more than spoken words. In fact, most communication research suggests that the total message in an average conversation consists of approximately 7% words, 38% tone of voice and other verbal signals, and 55% body language and non-verbal messages.¹⁶ This serves as a gentle warning to both farm families, and those working with farm families, that communication is a *complex* interaction and carefully chosen words are only part of the process.

Bearing these considerations in mind, consider the following pointers as you balance both the content of your words and the way in which you deliver them:

- Remember to focus on the positive, and be mindful of what's best for the farm and family as a whole.
- Spend a brief moment thinking about the bigger picture before saying anything. Think, *then* speak.
- Bring up topics in the context of “I” or “we,” in order to avoid the perception of blaming the other person. For example, “when the combine broke down in the middle of harvest, I felt very out of control and did not know what to do,” might be a more effective way to open a conversation about how to move forward than “when *you* broke the combine in the middle of harvest it created a real crisis for the whole farm.”
- Actively listen. Watch the reactions of people while they are talking, and ask questions to clarify meaning. This not only assures that the message is received clearly, but also shows the speaker that you are genuinely focused on their message at the moment.
- When it is your turn to speak, if it is important, say it more than once, and ask questions to ensure that others understand your meaning. As you are speaking, try to read the impact you are having on the listeners. Are they tense, or are they relaxed? What is their body language telling you?

2.5.3. When the conversation becomes difficult

Even if you have worked tirelessly on developing flawless communication skills and have deployed those skills with perfect execution, the conversation may become heated. Someone may say something that seems utterly irrational, becomes offensive, or takes a position that seems beyond understanding. Which such a thing happens, you must have a degree of objectivity. Step back, and ask yourself “why would a reasonable, rational, decent person have the perspective they do, or say the thing they just said.” If we can put ourselves in the other person's shoes, we might have a chance at determining why they might have taken such a position. We might also understand that in a difficult conversation, we might confuse our emotions about an issue with the facts about the issue; indeed, when we are passionate about an issue, it is amazing how our emotions may feel like facts, making us wonder how it is even possible for someone to feel differently than we do.

Sometimes, it is difficult to have this level of objectivity. In such cases, remember the value of simply taking a break from the conversation. A brief recess can help cool emotions and give everyone a chance to breathe (both literally and figuratively).

As we try to bring everyone back into the discussion and build agreement, consider the “STATE your path” approach proposed by Patterson, Renny, McMillan, and Switzler:

1. **S**hare your facts – facts are the least controversial, most persuasive, and the least insulting. Begin your path with facts to which everyone involved can agree. If you can't agree on facts, use the ABC method
 - Agree – many times in a disagreement, there is consensus on the vast majority of the facts, and disagreement on just a few. Find the common ground

- Build – If the other person is missing facts, don't tear them down for being wrong. Build on their facts with additional information.
 - Compare – rather than just accusing the other person of being wrong, compare your paths to see now they differ.
2. **T**ell your story: Show people how you went from your facts to the meaning you gave those facts
 3. **A**sk for others' paths: invite them to share the meaning they have given to the facts
 4. **T**alk tentatively: frame your view of others statements to clarify meaning rather than as absolute facts ("Based on these facts, I think what is happening is...). At the same time, though, don't completely disclaim the legitimacy of your view or fake tentativeness.
 5. **E**ncourage testing: sincerely invite others to challenge your point of view. If others won't do so, play devil's advocate with yourself to show others you can in fact see other perspectives.¹⁷

2.5.4. Moving from conversation to action

Family business transitions are difficult, especially when there are numerous stakeholders involved. View family business meetings as an opportunity for stakeholders to work together for the success of the business. The earlier a business begins facilitating difficult conversations, the more likely conflicts can be resolved and family values, traditions, and history can be preserved. Stakeholders will learn more about the business, and more about themselves through enhanced communication. Conflicts will arise, but the focus becomes constructively resolving those conflicts to ultimately build stronger businesses, and stronger families. In addition the process can help develop leadership skills throughout the organization, and sends a message to others such as employees and business partners that the business is committed to the future.

Everyone can benefit from a reminder to work at good communication skills every day. Practicing good communication skills habitually when engaged in day-to-day interactions will most certainly increase the likelihood that good skills will rise to the surface when the conversations are more critical.

2.6 Conclusion

Many farmers and ranchers think they are too busy to engage in the types of family discussions presented in this chapter, or that those conversations are not critical to the success of the family business or its transition to the next generation. However, both an overwhelming amount of research and the experiences of countless professionals underscore that such conversations are absolutely vital not only to the success of the transition process, but the success of the business itself.

Remember that there will eventually come a time when the conversation must move to action. Do not be content to have a good conversation about your transition plan; commit to do something with the information you have developed. At the end of each meeting, have a clear plan for following up. Assign everyone who participated in the meeting with specific tasks. Be specific in spelling out exactly what the stakeholders are to achieve, and by when it must be completed. Finally, establish how you will follow up – create a system of accountability that everyone agrees to follow.

For More Information:

Craig E. Aronoff and John L. Ward, Family Meetings: How to Build a Stronger Family and a Stronger Business

(2011).

L.C. Lancaster and D. Stillman. *When Generations Collide* (2002).

Kerry Patterson, Joseph Grenny, Ron McMillan, Al Switzler. *Crucial Conversations: Tools for Talking when Stakes are High* (2d Ed. 2012).

“Real Colors” (www.realcolors.org)

Myers Briggs (MTBI) exercises (www.myersbriggs.org)

ENDNOTES

¹ Craig E. Aronoff and John L. Ward, *Family Meetings: How to Build a Stronger Family and a Stronger Business* (2011), 4.

² See L.C. Lancaster and D. Stillman (2002). *When Generations Collide*. New York : Harper Collins.

³ W. Strauss and N. Howe (1991). *Generations*. New York: Quill.

⁴ See M. Taylor, 2006. *Generation NeXt comes to college: 2006 Updates and Emerging Issues*. In *A Collection of Papers on Self Study and Institutional Improvement, 2006 Vol.2*, ed. S.E. Van Kollenburg, 99-107. Chicago: The Higher Learning Commission. See, also, J.M. Twenge (2006). *Generation Me*. New York: Free Press.

⁵ Craig E. Aronoff and John L. Ward, *Family Meetings: How to Build a Stronger Family and a Stronger Business* (2011), 52.

⁶ *Id.* at 54.

⁷ *Crucial Conversations: Tools for Talking when Stakes are High*. Kerry Patterson, Joseph Grenny, Ron McMillan, Al Switzler (2d Ed. 2012), 11.

⁸ *Id.* at 181.

⁹ *Id.* at 183.

¹⁰ D. Hofstrand (2007). “Making Family Business Decisions.” Iowa State University Ag Decision Maker Fact Sheet C4-72, available at <https://www.extension.iastate.edu/agdm/wholefarm/pdf/c4-72.pdf>.

¹¹ *Crucial Conversations: Tools for Talking when Stakes are High*. Kerry Patterson, Joseph Grenny, Ron McMillan, Al Switzler (2d Ed. 2012), 56.

¹² *Id.* at 76.

¹³ *Id.* at 58.

¹⁴ *Id.* at 82.

¹⁵ *Id.* at 162.

¹⁶ See, e.g., A. Mehrabian (2008). “Communication without Words.” In C. David Mortensen, *Communication Theory*. Transaction Publishers. Piscataway, NJ.

¹⁷ *Crucial Conversations: Tools for Talking when Stakes are High*. Kerry Patterson, Joseph Grenny, Ron McMillan, Al Switzler (2d Ed. 2012), 136, 170.