

Succession Plan

Situation Overview:

As told by Jeff Balmer

A. *Why did the farm need a succession plan?* We had the first right of refusal to purchase the family farm, from my mother, signed in 2004. The Transformation Team helped us understand and work through the details of exercising our option to purchase.

B. *What resource people did the team use to build the plan?* Team members Dennis Hall, Dr. Charlie Gardner and bank representatives helped build the plan. When it was time to approve the transfer, lawyers helped complete the details of the purchase.

Challenges and Opportunities:

C. *What challenges, if any, developed during the succession plan process?* I have five Balmer siblings. The challenge was to gain agreement to the purchase by all my siblings.

D. *How did the team overcome those challenges?* The challenge was one that we needed to work out with the siblings, rather than the team. It did add an extra level of stress to the program.

Actions

E. *What are the key components to the final plan?* The key components included farm transfer, purchase and expanding the dairy herd.

F. *Approximately how much did the succession plan cost?* It's difficult to determine exact cost because fees intertwined with other Transformation Team project costs.

G. *Approximately how long did it take to develop the plan?* The plan was first developed in 2004, so the time frame was not applicable to the Transformation Team.

Succession Plan...continued

Results

H. *What benefits, if any, has the farm operation derived from engaging in a succession planning process?* Thanks to succession planning, our farm remains a family operation and family farm. I am the third generation on a farm that's been in the family since 1930. Our 6th and 4th graders are thrilled with the changes and the possibility of another generation on the farm.

I. *Was there anything uncovered during the succession planning process that helped family members to better understand other members of the family?* Communication is important.

J. *Is there anything you would have done differently with your succession plan?* Team member Dennis Hall offered to send out a questionnaire to my siblings when the project began in July 2010. It would help begin the conversation with the siblings and summarize any issues. At that time, we opted not to initiate the questionnaire because we thought all the issues had been worked through in 2004, when purchase option was signed. In addition, there was no resistance from any of the siblings.

In December 2010, when we were ready to move forward with the purchase, sibling issues popped up. While Dennis Hall's resources might not have changed the situation, everyone would have been engaged six months before we were prepared to purchase the farm.

