

Summary - Case Study 12: Zeta Family

Business not continuing

They kept selling land to fund their lifestyle.

His grandfather, in order to uphold his position in the community, funded his lifestyle by selling a part of the farm whenever he was short of cash. In addition, the 'old man' was dictatorial, pushed his family away, only to recall one member when in old age he couldn't manage the place.

It's a common and sad story. Although the grandfather desperately wanted the farm to stay in the family, he did everything he could to make that less likely and more difficult.

Succession was easy for Rick's grandfather when the farm passed to him. He was the eldest son. But he wasn't interested in succession so the business skipped a generation, and at a time when he was lacking in clear judgement, his family had to sort it out.

Although they used appropriately skilled professionals, the journey was difficult because family communication was poor and relationships which were already strained at the beginning of the process, broke down completely. This is often seen in family succession. The question needs to be asked: If they don't have the ability to communicate how can people talk about succession?

Rick's Ten Commandments are:

1. Start now.
2. Understand and respect each other's feelings.
3. Commit to the process.
4. Commit to what is agreed.
5. Equitable is not always fair (and vice versa).
6. Seek and verify sound professional advice.
7. Set and adhere to 'ground rules'.
8. In-laws can be 'outlaws'.
9. Observe and focus on the outcomes.
10. Never lose perspective.

And the lessons from the Zeta family?

As well as Rick's Ten Commandments, it seems that previous generations were so caught up in community matters that they didn't concentrate on the farm. Rick's grandfather, the patriarch, was old school conservative. While he was managing the farm he had a good run with the wool and generally solid prices. He ran at low input and kept selling bits off to pay the bills. He didn't like being challenged, so few people, including family members, challenged him.

He managed to push the next generation away only to recall one of his children, when in his dotage, he was not capable of physically or mentally managing the place. The 'recallee' was expected to assist but not really allowed to make any decisions. If Rick manages to create a viable business it will be because of income from off farm investment.