

## Summary – Case Study 2: Upsilon Family

### ***Business continuing***

***“We wanted to be as fair as possible.”***

Between the father and son pair of Ken and Jim, the business was built from a small farm to a truly viable one. The eventual division of family assets amongst Jim’s three children will be 40/30/30 split.

There are several important aspects which have enabled this business to be successful. The attitudes and aptitudes of people in the business have allowed steady growth. They have done things well but have never made sudden jumps. No big jumps in growth. In 1955 the farm was worth about \$345,000 (in 2017 dollars). Today the land is worth \$5,900,000 and the total value family assets is now \$8,000,000 the annual capital growth, over a sixty year period is 4.9%. At the same time the farm has sustained, maintained and educated two families.

This business hasn’t suffered huge financial pressures other than the wool collapse, drought and the cattle collapse, and has steadily moved forward. The decision point from the previous generation to the current owner was easy because the current owner is an only child. The decision point for the current owner to his children has been carefully planned to allow a viable farm and a 40/30/30 percent split, which is a great achievement.

The most important underlying elements to the success of the Upsilon business are the personal attributes of the people involved. These attributes include:

1. Ability: Each family member has worked hard to develop the skills required to manage and grow the business.
2. Respect: While family members have differing views, each had a high level of respect for each other.
3. Determination to run a profitable and expanding business: This determination was evident in Ken’s resolve to buy land to ensure the farm would remain viable.
4. A willingness to let go and have a go: Most of the families who owned small farms of a similar size to the Upsilon family have left the district. They didn’t ‘have a go’.
5. A determination from each of the older generations in turn to hand over to the next generation.
6. Continually investing off-farm.

The Upsilon family is unlikely to create headlines, or be the first to adopt new technology, and are unlikely to buy the farm next door. But if the attributes which have underpinned the family decisions and past performance remain constant, the family farm and off farm investments will continue, and there will be a generation of Upsilon’s to follow Allan.