

Communication key to succession success

Seldom straightforward, succession decisions can be made easier by involving skilled communicators and experts in this once-in-a-lifetime process.

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In this article, we feature a farming family – the “McMurphys” – and describe how they dealt with a recent succession dilemma. To respect confidentiality all names and locations have been anonymised. In this, real case, Clare O'Keefe was the succession mediator and James O'Donoghue was the Teagasc advisor.

The family

The McMurphy farm is owned by Tom (63), who has farmed it all his life, and his wife Anne (61), who has a part-time, off-farm job. They have five adult children: John (40), Patrick (38),

Denise (35) Tomas (34) and Peter (19). Both John and Tomas completed the Green Cert some years ago, but have not been working within the agri sector.

Four of the children have graduated from college and are employed off-farm. Peter commenced third level studies this year and college education had been funded from the farm account.

In March this year, Peter returned home from college to continue his studies online due to COVID-19 restrictions. Peter helped with the farm work, calving and milking, gaining valuable hands-on experience with the dairy enterprise while working alongside his father.

While glad of the unexpected help, Tom was increasingly anxious to discuss long-term labour options on the farm (which is in winter milk), as well as to start a conversation on the wider topic of family succession planning.

Both Patrick and Tomas had recently expressed an interest in the possible future ownership of the farm, though neither wanted to continue with milking cows as both were employed full-time.

The Farm

The McMurphy farm is primarily a dairy enterprise, with 72 cows and followers on 126ac. The business has no major borrowings. The home block of 80ac is adjacent to the farmyard and milking facilities, with an outside 26ac hilly field on a separate folio located a mile away. A block of 20ac, adjacent to the home farm, is leased.

Buildings and winter accommodation are in good condition, all under one roof, and the farmyard is well maintained. The family home is adjacent to the yard, with no visible boundary, and callers to the farm usually visit the house where farm business is discussed. The office is the kitchen table.

Farming is the most traditional and hereditary of professions, where the

actions of the previous generations influence the next generation, as the asset is handed down or transferred to keep it within the family.

The innate desire to keep the land for the next generation, to keep the family name attached to the land, adds to the complex layers of legacy and emotional attachment to the 'home place' within the farming community.

The McMurphys were united in their aim to keep the farm within the family. No one wanted to see the farm sold. However, friction and tension were not uncommon between siblings, particularly when asked to help out in latter years, as their personal lives had moved them away from the farm.

“Emotions prevent progress” - The family's predicament

Clare O'Keefe

Traditionally in a farming family, labour is taken for granted and assumed to be available should the need arise, particularly at busy times and in cases of emergency. This deeply rooted relationship invested in both family and farm may also be emotionally enmeshed and will be reflected in the family's communication style.

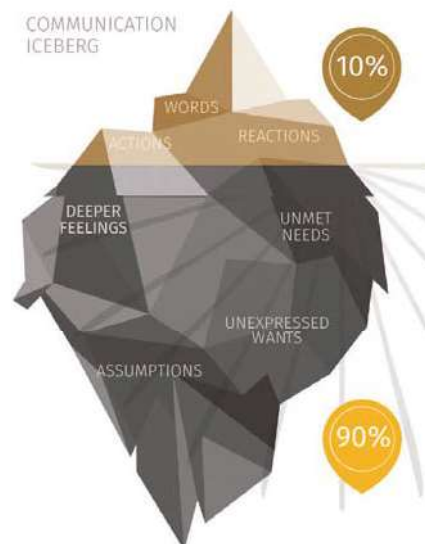
How this family approached the immediate farm labour need, sparked by deterioration in Tom's health, influenced the necessary succession discussion. There was awareness within the context of discussing the current position and future plans that emotions can prevent progress.

Previous attempts at these conversations within the family had failed. The family had also experienced traumatic succession challenges in previous generations and did not want history repeating itself.

It was decided to contact an outside, independent succession mediator to co-facilitate discussions and get all voices heard, and ideally arrive at a workable outcome. A succession mediator (me) was contacted by the family's Teagasc advisor, James O'Donoghue, and we worked together to assist the family.

The mediator's input

In my role as mediator, I began by engaging with Tom and Anne to gain an understanding of where they had





concerns and needs, both short-term and long-term. As outlined in the Communication Iceberg, the mediator focuses on what's beneath the surface – what are the assumptions, the unmet needs and deeper feelings of the parents and their offspring.

All the family members were invited to contact me in advance of the initial 'family mediation session'. All family members engaged and we became familiar with each other on a one-to-one, confidential basis. This lessened any anxiety associated with the process. Everyone was treated equally, including the family members abroad, who were accommodated via Zoom.

The family session day, which commenced at 11am, was co-facilitated by James O'Donoghue and myself in a large, socially distanced room. A Zoom link was set up by the family to include a live link throughout the day to family members in Norway.

The meeting concluded at 6pm, with a broad outline of a plan agreed. Secondly, and equally as important, family inheritance was discussed by

the siblings. One family member had previously been given a site for their home, which set a precedent.

Tom and Anne do not have any private pensions and their future needs were also considered within the plan. The McMurphy family each articulated their appreciation for what was an emotional family session and were happy with the outline framework, as agreed, to progress.

The Teagasc advisor perspective – James O'Donoghue, Teagasc Monaghan

There is a diverse range in age category within my client base, and each year, I am involved to some degree with succession planning. No two farms or farm families are the same, which ultimately means that no single solution fits all farms.

Not every farm has an identified successor – in others there may be more than one potential successor, as was the case with the McMurphy family. However, this is not always the only issue parents are dealing with –

many parents want all children to be satisfied when the process is complete and for interpersonal relationships within the family to be protected.

Some may struggle with this if communication lines are weak and intentions of parents are not realised, or where childrens' expectations aren't clear.

Actually transferring the family farm can be the most straightforward part of the process if there is an identified successor. However, most parents wish to look after other family members in the process too. This is where difficulty can arise also, as a gift to them may be:

- A site.
- An education.
- An asset.
- Money.

This can lead to difficulty agreeing the value and fairness of each gift to individual children.

This is where the mediation process works best in my opinion, especially when parents reach a point of discussion with the family advisor, but can



get no further. Tom and Anne McMurphy needed an immediate plan for the farm and a long-term succession plan for their family.

What made the process particularly successful was the unprejudiced and unbiased position of an external succession mediator, in this case Clare O'Keeffe, combined with my knowledge of farm business management and the McMurphy farm in particular.

Once the mediation meeting was complete, the onus then landed back with me to work with the family to deliver the agreed outcomes and to follow up on the agreed plan.

My experience of the mediation process has been very positive. The service offered is private and confidential. Ultimately, the mediation process helps to preserve family relationships, which is an important outcome for every farming family.

The McMurphy outcome

Broadly, the outcome that evolved late in the afternoon following the

family session was that the youngest son Peter, who had enjoyed working with his father during the spring/summer of 2020, would become the successor. While his studies are not in agriculture, he did express a desire to complete his current studies to degree level.

Peter asked to be given the opportunity to complete the Green cert and return home to farm, however this would be within a five-year plan. This disclosure had not been considered prior to the family meeting, as other voices had typically dominated all previous attempts at succession conversations.

In the short-term, the dairy enterprise would continue with paid labour. It was felt by the advisor and the family that it was better not to make any rash decisions on farm management until a broad plan for the succession was decided upon.

Once the family has had time to process and consider the options, as agreed from the outcome of the mediation session, it is important that

the advisor follows up in the immediate days to clarify any questions or queries, and to keep the momentum in progress.

Generally, following on from the agreed understanding reached by the family, the advisor should help the family navigate through the next part of the process.

This can involve identifying which professionals are needed and the responsibilities they have in the transfer process, such as accountants, solicitors etc.

Throughout these consultations, the advisor is at hand to deal with any scheme issues that may arise. On the farm, the sharing of roles and management leads to a positive transition, where experience and youth support each other for mutual benefit.

Once the process is complete, in most cases, a farm plan is developed for the successor to help direct the future of the farm and maintain its sustainability.

See also: www.successionireland.ie