Anyone driving past the Beckman farm would be impressed. A farmer would notice the modern line of equipment and the modern livestock facilities. A non-farmer would appreciate the picturesque setting, well-maintained American foursquare farm house and beautiful mature trees that comprised the grove. Noah Beckman had purchased the farm in 1910 and planted the grove the following year.

Every succeeding generation had added to this home farm and had taken pride in and care of what Noah had begun. Roger Beckman, the current owner, was proud of the fact that their’s was a century farm. It was deeply satisfying that his son, Ben, had decided to return to the farm to continue the ownership and operation of the Beckman farm. Neither of Roger and Cindy’s other two children were interested in farming. This, of course simplified the choice of who would operate the farm.

Ben had first attended a community college before transferring to Iowa State University where he graduated with a degree in Agricultural Business and a minor in Agronomy. It was during Ben’s Junior year that discussions concerning his return to the farm family business had begun in earnest. Ben told both Roger and Cindy that he had always wanted to farm and that operating a farm business was what he really wanted to do.

Roger immediately made plans to rent additional acres, update the line of equipment and expand the livestock enterprise. Roger, being an astute businessman as well as a good farmer, had made it all work and the farm was more profitable than ever. Under Roger’s management, in the three years since Ben had returned the profits had continued to grow. Ben, being a hard worker, had assumed an ever increasing portion of the physical work while Roger had concentrated on negotiating purchases, sales, and finances.

To say that Roger was surprised when Ben told him that he was thinking of taking a job with a large seed dealer would be a gross understatement. Roger was stunned, hurt, angry, disappointed, and a bit frightened all at the same time. He had not said much to Ben after the announcement. In fact, both Ben and Roger were studiously avoiding the topic.

Sound familiar? It is not uncommon for a transition plan to plateau at some point. This transition plan lost it’s momentum at the point where Roger is managing and Ben is laboring.

True, Ben only returned to the operation three years ago and it would be unrealistic for Roger to hand over the management of a business that had been built by his effort. It is also true that Ben cannot acquire the necessary management skills to eventually manage the business if he continues to provide only labor. The problem is that neither Roger nor Ben have discussed, much less, agreed upon a time table and objective measures for the transfer of the managerial functions and responsibilities of this farm family business.

The first step in solving this problem is to recognize the problem through some objective measure of the managerial activity and who is responsibility for that activity. The list in Table 1 of managerial activities was developed by the late Dr. Andrew Errington, University of Plymouth, UK and has been used in numerous studies on farm family business succession planning.
Ben and Roger need to independently and honestly answer each question. They must record what the situation actually is, from their point of view, not what they want it to be or what it will be at some unspecified time in the future. Their problem exists now, not in the future. And, if their problem is not solved, the future they both desire will never come to fruition.

Upon completion of the transfer of management questionnaire they must discuss the results, recognize the changes that need to be made, and develop and implement a plan to bring about that change. Roger and Ben need to set a date, time, and place to resolve this matter. It cannot be left for discussion when they have nothing to do; for in an active farm family business there is always something that needs doing. It would be advisable to select a location to meet other than the farm so that they will not be interrupted. Ground rules should be agreed upon prior to the meeting and should, at a minimum, include the following:

1. **Listen to learn.** Keep an open mind and practice active listening. Take notes and ask questions to clarify anything that is not understood.

2. **Do not interrupt.** Exhibit good manners by allowing everyone the opportunity to finish what they have to say.

3. **Critique the message and not the messenger.** Focus on the content of the message and not on the character of the messenger.

4. **Trust the process.** Approach the problem with a positive attitude. Problems have solutions and the solution will be discovered only by honest, frank discussions.

5. **Be sincere.** You need to be honest in your comments and expect honest comments in return.

Lastly, and perhaps most importantly, seek the assistance that you need to facilitate a discussion of the problem. The Beginning Farmer Center, from Iowa State University Extension and Outreach is available for assistance as a neutral party to facilitate family discussions (www.extension.iastate.edu/bfc/).

For more information on making farm transitions work, visit the Ag Decision Maker Transition and Estate Planning webpage, www.extension.iastate.edu/agdm/wdbusiness.html.
### Table 1. Transfer of management worksheet

Select the degree to which you feel the following management responsibilities are being retained by the owner or transferred to the successor. Select 1 if the decision is being made solely by the owner or select 5 if it is being made solely by the successor. If the responsibility is being shared select 2, 3, or 4 appropriately.

<table>
<thead>
<tr>
<th>Retained</th>
<th>Transferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Plan day-to-day work</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>2. Make annual crop/livestock plans</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>3. Decide the mix &amp; type of enterprises in the long run</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>4. Decide the level of inputs to use</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>5. Decide timing of operations</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>6. Decide when to sell crop/livestock</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>7. Negotiate sales of crops/livestock</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>8. Decide when to pay bills</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>9. Decide type &amp; make of machinery &amp; equipment</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>10. Negotiate purchase of machinery &amp; equipment</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>11. Decide when to hire more help</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>12. Recruit and select employees</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>13. Decide amount and quality of work</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>14. Supervise employees</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>15. Decide work method/way jobs are done</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>16. Decide and plan capital projects</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>17. Identify sources &amp; negotiate loans &amp; financing</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>18. Livestock management</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>19. Keep farm records</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>