

Topic 23: Meeting and Communication

Transition Plan Review

Congratulations! You have completed all the steps in developing your plan. This is an appropriate time to conduct a thorough review before deciding if you want to have an accountant or lawyer review and sign off on your plan. Schedule a meeting to share your progress and make any necessary changes to your plan.



PLANNING POINTERS:

- You may want to include the management team, the retiring generation, and the succeeding generation. Other people can attend as you see fit.
- There is a sample agenda for this meeting included in the appendix section of this guide on page 303.



WHAT TO WATCH FOR:

- There could be some differences of opinion and therefore, disagreement and conflict.
- Consider using an external facilitator if you are concerned about the potential for conflict.

Planning progress



Transition Plan Review Meeting Agenda

Date:

Time:

In attendance:

1. Administration:

- a. meeting chair and function
- b. notes recorder
- c. decorum (optional)

2. Review previous meeting notes.

3. Purpose of the meeting:

- a. Review overall progress in the transition plan since last meeting.
 - i. Make a plan to catch up in areas that are lagging behind (if needed).
- b. Address other concerns as needed.

4. Where things are at:

- a. personal, family and farm
- b. general discussion and questions

5. Transition planning specifics:

- a. Are we on the same page?
 - i. Does everyone acknowledge that plans and documents will be considered final and signed?
 - ii. Make a plan to address disagreements (if needed).
- b. Conduct general discussion and answer questions.

6. Concerns and Issues:

- a. general discussion and questions

7. Timelines:

- a. Assign responsibilities with due dates.
- b. Set next meeting time.

8. Adjourn

Topic 24: Accountant Review

The purpose of the accountant review is to present what you have accomplished to date in your transition planning discussion to your accountant and to begin discussions about implementation. You have just finished working through the Agreements topic and have taken a final look at the process you have followed in the Deal Breaker Issues topic. It's time to get some feedback from your accountant.

How will this help transition planning?

- Having a preliminary discussion with your accountant can save time and money down the road.
- It will help to crystallize the various discussions you will have had to date, as part of the transition planning process.
- It will help to keep family members focused on the planning process.
- The feedback and information you get can be incorporated into future planning discussions.

Instructions

1. Decide who will go to the meeting with your accountant.
2. Decide what information will be shared with your accountant.
3. Make an appointment with your accountant and let them know what you want to talk about. You can send them an agenda or list of discussion points if you wish. Most accountants would be very happy to have this information before the meeting so they can prepare.
4. Prepare for the meeting by organizing information and writing down questions.
5. Someone attending the meeting should write down notes.
6. After the meeting, distribute the notes to family members.
7. Incorporate the feedback and information that you get from your accountant into the Final Plan Adjustment step of this guide.
8. If you learn that some corrective actions are required, put the transition planning process on hold until the issues are resolved.



PLANNING POINTERS:

- The more prepared you are for the meeting, the more you will get out of the discussions.
- As well, the more prepared your accountant is for the meeting, the more you will get out of the discussion. So, sending them information in advance can be a very good idea.
- If you are using a new advisor, refer to the *How to Choose and Work with an Advisor* document found in the appendix section on pages 305-308.

Next steps

Congratulations on completing this topic. You are now a step closer to having a transition plan for your farm. Please proceed to the next topic area on your Transition Plan, but don't forget to add any assigned tasks that were generated by working through this topic.

Planning progress



How to Choose and Work with an Advisor

A very important decision you will be face during your transition planning process is whether or not to use an advisor. Knowing what to look for in an advisor, and knowing how to get the most out of the relationship is very important.

The key aspects of the role of an advisor are:

- To be an information resource to the farm management team
- To guide the team in their decision making process – not simply tell them what to do.

If you decide to use an advisor, some important follow-up questions are:

- How do I choose the right advisor?
- How can I get the most out of the advisor-client relationship?
- How should the relationship be structured?

What to Look for when Selecting an Advisor

Qualifications

Consider the career and educational background of a potential advisor.

- Do they have a farm background?
 - Is it important that they do?
- What education and experience to they bring to the table?
- What kinds of professional development have they undertaken?
- Do they maintain a professional affiliation with any industry groups?
- Since there is limited regulation on who can act as a consultant or advisor, a good indication of a potential advisor’s professionalism and training is whether they have a designation or other credentials from a regulating organization.
 - An appropriate question to keep in mind is, “If an advisor is not prepared to invest in their business and their professional development, why would you invest in them?”

Communication and Conflict Resolution Skills

Communication is a critically important part of The Transition Planning Process. An advisor will be expected to write and respond to emails, prepare documents and meeting agendas, and lead discussions at the meetings. A key factor in your relationship with your advisor will be how well he or she can effectively communicate in these areas.

Since there is a potential for conflict in Transition Planning, it is important that an advisor be experienced in Conflict Resolution. They may be called upon to maintain good behaviour in meetings, and bring differences of opinion to the middle ground.

Steps to Follow When Selecting an Advisor

There are many factors to consider when selecting someone. It is best to make your selection based on their talent and how relevant their talents are to your situation. Try not to be sold on simply experience, intelligence or determination.

1. Develop a detailed description of the objectives and requirements of the project
2. Identify the scope of the work
 - a. Include key concerns, timelines and budget limitations
3. Research rosters or databases and take note of advisors that match your needs
 - a. Contact each
 - b. Ask for a resume and list of references
4. Rank each respondent
5. Shortlist and interview
 - a. Look for advisors who recognize your needs and demonstrate sound knowledge
6. Do some research on the final candidates
 - a. Word of mouth
 - b. Check their Resumes
 - c. Reference checks
 - i. Was the work similar to the work you want done?
 - ii. Were they satisfied with the work? If not, ask why?
 1. Be cautious about false expectations or a poor engagement understanding
 2. The issue(s) might not be the advisor's fault
7. Select the advisor
 - a. Develop a written contract
 - b. Ensure both parties sign the contract
8. Errors and omissions insurance
9. Third party liability insurance

How to Use an Advisor

The real fun (work) begins once you have selected an advisor to assist you in the Transition Planning process. The relationship you build with your advisor will go a long way in determining the success of your farm's Transition plan. While each relationship will differ depending on the situation and people involved, there are some universal guidelines and tips that can help make things go smoothly.

1. Formalize the client-advisor relationship. Knowing what is needed, what the deliverables are, and what expectations you have of the advisor will make this task much easier.
 - a. Write an engagement letter, or have your advisor write one. This lays out the expectations from both sides and provides a reference if changes threaten to derail the process.
 - i. Terms that should be included in the engagement letter:
 1. Project scope, objectives and understanding
 2. Services and delivery
 - a. Leverage
 3. Limitations and liability
 4. Advisor responsibilities
 5. Client responsibilities
 6. Project assumptions
 7. Fees, expenses and payment terms
2. Formalize the fee structure. The engagement letter will include what both parties agreed to for fees. However, before agreeing to anything fee-related, there are several things to consider:
 - a. What will be the basis for the charging of fees?
 - i. By the hour
 1. You should feel comfortable asking your advisor for a breakdown of the time billed to you.
 - ii. By the contract
 - iii. Contingency based
 - iv. Retainer based
 - v. Other fees may be negotiable
 - vi. Final payment holdback can be used to make sure work is completed as per the engagement letter

3. There are other important considerations to be aware of when working with an advisor. They cannot all be listed here, and some will be unique to your situation. However, a carefully selected advisor should be professional in their approach to solving an unexpected problem.
 - a. Disputes are often caused by a breakdown in communication.
 - i. It is important to bring an issue to the table as soon as you detect a problem
 - ii. Refer back to the contract (engagement letter)
 - iii. Professional conduct and insurance can sometimes play a role in solving disputes.
 - iv. There is a mutual responsibility for both parties to ensure information flows to each other
 - b. Timelines and deliverables
 - i. It is important to keep on track. An effective way to prevent conflict is for both the farm family and the advisor to work hard to meet timelines and agreed upon deliverables.

Topic 25: Lawyer Review

The purpose of the lawyer review is to present what you have accomplished to date in your transition planning discussion to your lawyer and to begin discussions about implementation. You have just finished working through the Agreements topic and have taken a final look at the process you have followed in the Deal Breaker Issues topic. It's time to get some feedback from your lawyer.

How will this help transition planning?

- Having a preliminary discussion with your lawyer can save time and money down the road.
- It will help to crystallize the various discussions you will have had to date as part of the transition planning process.
- It will help to keep family members focused on the planning process.
- The feedback and information you get can be incorporated into future planning discussions.

Instructions

1. Decide who will go to the meeting with your lawyer.
2. Decide what information will be shared with your lawyer.
3. Make an appointment with your lawyer and let them know what you want to talk about. You can send them an agenda or list of discussion points if you wish. Most lawyers would be very happy to have this information before the meeting so they can prepare.
4. Prepare for the meeting by organizing information and writing down questions.
5. Someone attending the meeting should write down notes.
6. After the meeting, distribute the notes to family members.
7. Incorporate the feedback and information that you get from your lawyer into the final plan adjustments steps in the transition planning process.
8. If you learn that some corrective actions are required, put the transition planning process on hold until the issues are resolved.



PLANNING POINTERS:

- The more prepared you are for the meeting, the more you will get out of the discussions.
- As well, the more prepared your lawyer is for the meeting, the more you will get out of the discussion. So, sending them information in advance can be a very good idea.
- If you are using a new advisor, refer to the *How to Choose and Work with an Advisor* document found in the appendix section on pages 305-308.

Next steps

Congratulations on completing this topic. You are now a step closer to having a transition plan for your farm. Please proceed to the next topic area on your Transition Plan, but don't forget to add any assigned tasks that were generated by working through this topic.

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Topic 26: Final Plan Adjustments

The purpose of the final plan adjustments is to take the feedback and information that you have received from your meetings with your accountant and lawyer and make any changes **before** proceeding with implementation.

There likely will have been some suggestions or comments from the meetings that will make you want to take another look at some of the different parts of your transition plan. You are getting very close to having your plan finalized. The next step is implementation. It can be costly, and maybe impossible, to undo actions taken as part of the implementation of your plan. Therefore, it makes sense to make the appropriate adjustments to your plan, based on the feedback and information gathered from the accountant and lawyer meetings, **before** you proceed to implementation.

How will this help transition planning?

- Incorporating changes to your plan, based on the preliminary discussions you had with your lawyer and accountant, can save time and money down the road.
- It will help to crystallize the various discussions you will have had to date as part of the transition planning process.
- It will help to keep family members focused on the planning process.
- The feedback and information you get can be incorporated into future planning discussions.

Instructions

1. Family members involved in the transition plan discussions should participate in this exercise.
2. Decide what needs to be done to adjust the plan.
3. Revisit your Action Plan exercise and make the appropriate adjustments to existing action plans, or create new ones.
4. The revised action plans should incorporate what the accountant and lawyer meetings indicated should happen.
5. Distribute the changes to your non-farming family members as you wish.



PLANNING POINTERS:

- The more detail you use in making adjustments to the action plans the better information you will have as a base from which to proceed with implementation.
- Paying particular attention to this exercise will significantly increase the likelihood of a successful transition.

Next steps

Congratulations on completing this topic. You are now a step closer to having a transition plan for your farm. Please proceed to the next topic area on your Transition Plan, but don't forget to add any assigned tasks that were generated by working through this topic.

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Topic 27: Accountant / Lawyer Sign-off

The purpose of the accountant and lawyer sign-off is to present the changes you have made to your transition plan in your Final Plan Adjustments exercise. It's now time to get feedback from you advisors and have them sign off on the plan. Your next steps will be to proceed with implementation. This is one last chance to get information and feedback from your advisors before you actually proceed with implementation.

How will this aid in transition planning?

- Having this final discussion with your advisors can save time and money down the road.
- It will help to crystallize the various discussions you will have had to date, as part of the transition planning process.
- It will help to keep family members focused on the planning process.
- The feedback and information you get can be incorporated into future planning discussions.

Instructions:

1. Decide who will go to the meetings with your advisors.
2. Make appointments with your advisors and let them know what you want to talk about. You can send them an agenda or list of discussion points if you wish.
3. Prepare for the meetings by organizing information and writing down any last questions.
4. Someone attending the meetings should write down notes.
5. After the meeting, distribute the notes to family members.
6. If you learn, even at this last step, that some corrective actions are required, put the transition planning process on hold until the issues are resolved.



PLANNING POINTERS:

- The more prepared you are for the meetings, the more you will get out of the discussions.
- As well, the more prepared your advisors are for the meetings, the more you will get out of the discussions. So, sending them information in advance can be a very good idea.

Next steps

Congratulations on completing this topic. You are now a step closer to having a transition plan for your farm. Please proceed to the next topic area on your Transition Plan, but don't forget to add any assigned tasks that were generated by working through this topic.

Planning progress



Topic 28: Meeting and Communication

Final Meeting

Now that the transition planning process is complete, this is an appropriate time to hold a final meeting to share your plan and discuss plan implementation.



PLANNING POINTERS:

- You may want to include the management team, the retiring generation, and the succeeding generation.
- This meeting can also be open to a wide range of attendees, such as relatives, friends, and others as you see fit.
- There is a sample agenda for this meeting included in the appendix section of this guide on page 309.



WHAT TO WATCH FOR:

- The potential for conflict should be significantly lower during this meeting compared to earlier meetings.
 - However, there could still be some differences of opinion and therefore, disagreement and conflict.
 - Consider using an external facilitator if you are concerned about the potential for conflict

Planning progress



Transition Plan Final Meeting Agenda

Date:

Time:

In attendance:

- 1. Administration:**
 - a. meeting chair and function
 - b. notes recorder
 - c. decorum (optional)
- 2. Review previous meeting notes.**
- 3. Purpose of the meeting:**
 - a. Share the finalized transition plan.
- 4. Where things are at:**
 - a. personal, family and farm
 - b. general discussion and questions
- 5. Transition planning specifics:**
 - a. Review the lessons learned in the transition planning process.
 - b. Discuss plan implementation.
 - c. Conduct general discussion and answer questions.
- 6. Concerns and Issues:**
 - a. general discussion and questions
- 7. Timelines:**
 - a. Assign responsibilities with due dates.
 - b. Set next meeting time if necessary.
- 8. Adjourn**