

ROLES, RESPONSIBILITIES AND AUTHORITY

One of the most difficult parts of transition is the transition of management (or letting go) by the retiring generation. This process doesn't happen overnight. Yet it needs to happen. Similarly, the succeeding generation may not want to give up some of their responsibilities to employees or contractors but time constraints may make it necessary.

One way of easing concerns about letting go is to gradually transition management functions over time through a structured plan.

Many families will say that their plan for passing on the management is to have the succeeding generation simply start doing things and work alongside the retiring generation. This method may succeed. However, there is no timeline associated with it.

The two generations may work alongside each other for an undetermined amount of time and never fully make the transition to the younger generation. Or, the transition comes very suddenly when the retiring generation decides to retire, becomes ill, or in a worst-case scenario, passes away.

Why is this relevant?

A structured transition plan that, at a minimum, broadly lists when and how the transition will take place helps families to move past the point where everyone works on everything together. It also helps families, that are having trouble letting go, to commit to a plan that sees them stepping down from their responsibilities.

How will this help transition planning?

- Things can easily fall through the cracks during transition planning and implementation.
- This exercise helps to reduce the chance that something gets missed.
- The exercise promotes communication about the transition of management.
- It helps to reduce the potential for conflict.
- The exercise helps to increase the likelihood of a successful transition.

Instructions:

This exercise should be completed by all management team members.

1. Refer to the job descriptions and management tasks you created in previous topics to identify the roles and responsibilities that are currently individually or jointly being managed by the retiring generation.
2. List these tasks in the first column of the table found in the forms appendix on page 291.
3. Fill out the remainder of the table as follows:
 - a. Responsible:
 - i. List who is currently responsible.
 - b. Changes to authority:
 - i. List who this responsibility will be transitioned to.

- c. Timeline:
 - i. List when the transition will start and be completed.
- d. Action:
 - i. List how the transition will happen from start to finish with the corresponding timeline.



EXAMPLE: In this example, Rob and Faye Sample are in the process of transitioning the farm to John and Rebecca Sample. The farm had one full-time employee, Jim.

Role or Responsibility	Responsible	Changes to Authority	Timeline	Action
Main contact with lenders/accountants etc.	Faye	Transition to John	one year	John and Rebecca to go with Faye and Rob to next meeting with lenders and accountants. Communicate plan to professionals. Faye to defer all contact with professionals to John but remain available for support.
Bookkeeping and paying bills	Faye	Transition to Rebecca	two years	Rebecca to start shadowing Faye in these tasks. Rebecca to start paying bills and bookkeeping in six months with Faye's supervision and support. Change address with suppliers to John and Rebecca after one year and move bookkeeping over to their computer.
Decisions regarding buyers/suppliers	Rob	Transition to John	three years	Rob to include John in all decisions and negotiations. John to begin taking over contact with suppliers in six months, complete after 1.5 years. John to take over contact with buyers after one year, complete after two years. Rob can stay involved but will not have final say after three years.

How does this apply?

Keep this document on file and refer to it annually or as your situation changes. Use these questions to help keep the exercise current.

- Are the transitions happening according to schedule?
- Have family members run into problems maintaining the transition plan timeline?
- Are there further transition plans that have been identified during the year and need to be addressed?



PLANNING POINTERS:

- This exercise may seem like something that can be put on hold until a later date. However, it is hard to overstate the importance of having these agreements in place before beginning your transition. Do not skip this activity.



WHAT TO WATCH FOR:

- Letting go or giving up control can be very difficult for some individuals. A gradual approach can help individuals to overcome concerns they have about letting go.



EXERCISE: Go to the forms appendix at the back of this guide for a blank copy of the Roles, Responsibilities and Authority exercise on page 291.

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



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Role or Responsibility	Responsible	Changes to Authority	Timeline	Action