

## Connecting the strategy between generations

In recent months I have been working with a number of businesses to review strategic plans - especially helping those approaching "retirement" years to restate their goals. Featuring amongst their ambitions are improved work and lifestyle balance, consolidation of wealth creation and longer term strategies to manage assets through to the next generation.

These reviews often confirm achievements well ahead of expectations. The combined benefits of increased asset values and a tendency for some to underestimate their likely business success means new challenges as they strive to harness capacity and new demands from business growth.

These projects also highlight to me the importance of staying connected with the succeeding generation and their motivations. Many of the enterprises I am working with have families about to embark on professional careers, complete trade or university training or find their feet in the workforce.

I'm noticing that succeeding generations have varied responses to opportunity offered. Some of these seem typical of "generation x and y" thinking. Just as this age group have a different perspective on their careers, they also appear to have mixed motivations for involvement in the family business.

Perhaps the most significant change is the limited interest some have in participating in the family farming operation. It is increasingly common to find families where none of their offspring wish to join the family farming enterprise. This means the likely buyer of the business changes from a family member to a neighbour or "arms length" purchaser is unlikely to offer the traditional transition of deals with family members.

This can be a significant issue for those exiting the farm business. The more gradual "handing over the reigns" is a less realistic option unless done through sharefarming or similar alternatives. This may be a driver of the increase in leases or other forms of contracted management as those who have built their wealth from farming strive to delegate operations while keeping their investments in that sector.

The proactive approach to grasping business opportunity by 'baby boomers' has not necessarily been adopted by their children. The new generation have different outlooks. Many have achieved significant wealth in their own right and see assets passed over for reasons other than inheritance as premature or potentially limiting the prospects of the retiring generation.

Some impress as focused on starting life with "retirement" as they take time out to enjoy what's on offer. This may mean they need to finish life with hard work- quite a reversal from traditional thinking.

Each family and business has its own dynamics. Open discussion on these topics certainly adds value to strategic planning. It should not be a dominant part of family communication but touching base occasionally can help define options and minimise surprises.

Most of all, it is essential for the people at the centre of the plan to have a clear link between their values, vision and resources to promote job satisfaction and maximise motivation through twilight years.

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