

# Common Perceptions About Succession

**1 We don't need a detailed succession plan.**

*False. Farms and ranches are typically complex, high-valued businesses heavily influenced by family dynamics. Succession planning is critical to succession success.*

**2 Most successions fail due to the lack of a good estate plan.**

*False. Approximately 85% of all successions fail due to reasons other than estate issues. The other reasons include family dynamics issues, poor production and financial performance, and management disagreements among others.*

**3 Estate planning is succession planning.**

*False. Estate planning concerns how to transfer assets from one generation to the next. Succession planning includes estate planning but also covers how to communicate with one another and transfer the leadership, management and work responsibilities of the farm.*

**4 Estate planning is the first step of the process.**

*False. Estate planning should be done after the other aspects of a succession plan have been completed. This will help your estate planner to develop an estate plan that better suits your specific needs and interests.*

**5 Succession planning should be conducted when the owner wants to retire.**

*Succession planning should be done as early as possible – even as early as whenever a next generation of adult age indicates that he or she wants to have a career position with the farm or ranch.*

**6 Developing a succession plan is a lengthy process.**

*True. Given the typically limited time a farm or ranch family has to commit to the planning process, it can take up to a year or more to develop a succession plan.*

**7 Only blood relatives should be involved in succession planning.**

*False. Family dynamics is very important to succession success. Those who have a genuine, vested interest in the succession process or in the wellbeing of the main participants should be involved in the process.*

**8 Our farm won't have to change.**

*Probably false. Generally, bringing in a new generation means new ideas and a need for additional income generation.*

**9 Farm succession planning sessions can be stressful.**

*Probably true. Nevertheless, not engaging in succession planning can bring even more stress in the future. The stress can also be minimized by engaging someone to facilitate your succession planning process.*

**10 All we need to make this work is a good lawyer.**

*A lawyer plays a critical role in the succession planning process but not the only critical role. To have a comprehensive succession plan, the family may need to consult with people who can provide farm business, family dynamic, communications, planning and facilitating expertise.*

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