



FCC Knowledge Podcast – Episode: Season 3, Episode 4

PODCAST TRANSCRIPT

Narrator: Narrator (N)

Host: Joel Bokenfohr (JB1)

Guests: Jolene Bolding (JB2), Reid Wilkie, Kari Speaker Smith

N: From AgExpert, it's the FCC Knowledge Podcast, a show that features great conversations about the business of farming while guiding you down the pathway to transition.

RW: To have a general idea of what you own, that sounds obvious but you'll ask someone, do you have a company? Yes, they usually know that. Is all your cattle, equipment and inventory in the company? Sometimes they're not sure. So, knowing what's owned by whom, because that's going to change the structure tremendously.

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N: Hello, and welcome to Episode 4 of our nine-part series all about your path to farm transition. Today, we're looking at how to identify and connect with the right experts. Connecting with a supportive professional advisory team will help ease some of the stress that comes along with farm transition. In this episode, we are joined by FCC business advisor Joel Bokenfohr, FCC relationship manager, Jolene Bolding, agriculture lawyer, Reid Wilkie and accountant, Kari Speaker Smith who has been working with farm families for 30 years. All our guests today provide a lot of valuable information based on their wealth of personal and professional experiences. Get ready for some compelling discussion.

JB1: Hello everyone. My name is Joel Bokenfohr, one of our farm business advisors with Farm Credit Canada, and I'm so excited to be here with you today. This series is called Your Path to Farm Transition for a reason. Our teams met with families from across Canada, and we appreciate that so many farms are looking for the right way to transition sort of a set path. But often for those of us involved in transition, although a farm might be similar, we're going to make slightly different choices. The people involved are going to have different outcomes that they want to pursue, and it really is something that is unique to you. And I'll often describe it a little like avoiding a polar bear in a snowstorm, right? You can kind of spot the edges, see where you're going. And our hope with this series is that it's really going to help kind of guide you down the right path. So, with that and without further ado, maybe, Jolene, I'll start with you. Would you mind telling us a little bit about yourself?

JB2: Hi, Joel. I'm Jolene Bolding. I'm a senior relationship manager out of our Camrose, Alberta office. I've been in the lending industry for over 20 years. I've had the pleasure to work with many farms as they work through a successful transition, and had some opportunities to see where it would have been nice to have the transition start a little sooner or start the process a little sooner. Thanks for having me.

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JB1: I'm really looking forward to it. Reid, can we go to you next?

RW: Thanks, Joel. My name is Reid Wilkie. I'm an agriculture lawyer based in Southeast Alberta in Medicine Hat, but I run offices in little towns both Consort and Oyen, and travel extensively. I used to say just Southern Alberta, but I'm making my way out to Saskatchewan, even into Central Alberta quite a bit. So, I put a lot of kilometres on. My background is actually a construction worker. I did that for 10 years. And I got tired of freezing my hands over and over, and graduated into practicing a little bit of law so to speak. So, thanks for having me.

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JB1: Definitely looking forward to it. And last but not least on the list, Kari, would you mind telling us a little bit about yourself as well?

KSS: Hi, Joel. Thanks for letting me come today. I'm originally from Southern Alberta, growing up on a farm there, and gravitated to Northern Alberta. I've been working about 30 years with farm families, business families, on succession planning and working with generational wealth. Our focus has really become that estate planning aspect and what does it look like long-term, but as well, just trying to get the stress down for families on how to get from point A to point B.

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JB1: Yeah, thank you, and I'm really excited as well. We've got a great team here and kind of spanning the gamut a little bit, wanted to reach out. And there are many advisors that can be involved in a farm transition plan, but often with the lending, the legal and the accounting and advisory side, there are so many places that cross paths. It will be nice to get some great perspective from kind of across the board here.

N: Maybe it's too on the nose, but, of course, an episode about connecting with experts is going to include an all-star team of advisors. We have a farm business advisor, an FCC senior relationship manager, an agriculture lawyer and an accountant, all great additions to a farm transition team.

JB1: The first question, we're going to jump right into things. What do you see that's challenging about farms reaching out to kind of seek assistance when planning? Reid, maybe I'll start with you.

RW: A couple of things. One would be they're not sure what to do. They have some ideas but they don't really know which one they want to pursue. Secondly, it's not pressing. It's not like you've got to get the seed in by X date. It's a matter that's important, but I'll put it off next year. We'll talk about it after spring or we'll talk about it after harvest, so it keeps getting pushed off usually until there's some critical event unfortunately. Sometimes those critical events can make it hard to succession plan from. So, I would say, yeah, those would be some of the two big factors.

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JB1: And, Jolene, I guess kind of jumping over, swinging things your way kind of from the lending side. The things as well that you see that farms often find it challenging or kind of reach out to get some support for farm transition planning or to build a team?

JB2: I would say a lot of the challenge can come with cost. Finding out where they should start, I think that's always a bit of a challenge. It's what do we do first? Who do we talk to first? And then we've been fortunate to have your transition team and specialists to kind of help guide our clients, so that's been a good start.

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JB1: I appreciate the plug. I'll pay you later on that one too. Costs can be a concern, and, Kari, I know I've joked with you offline too. Whenever we're not certain of something, I say, oh, that's a really good question. You should ask your accountant to send that way. So, you guys kind of get pulled into lots too, but are there things you see from your kind of angle of it as well, anything kind of left on that list?

KSS: Yeah, and I agree both with Reid and Jolene. It's the worry too that maybe opening Pandora's box, there just seems to be such a big stress level in preserving legacy and wealth, trying to pass things on to a generation. So, it's really working with the advisors, but also looking at, okay, well, if I bring all my advisors together, how much is this really going to cost me? And yet, from our side, we're just seeing such great effective work if you can get the team working together.

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JB1: Yeah, I think those are some excellent points that we've touched on in terms of getting treated like event based in costs and fees, and sometimes there's a danger of not doing that. I guess, Reid, I'll kind of swing up to you. Farms are asking, how do I know if I've got a good advisor, a good lawyer, and things like that. I'm curious for your thoughts or perspective on that.

RW: That's a great question. Because if you ask someone, do you do farm succession planning, you're going to find a tremendous number of individuals say yes. Every bank, lending institution, investors, all kinds of people are going to say, yes. That doesn't necessarily mean that they're the right one for you, certainly. It doesn't mean they understand agriculture. In some cases, it just might mean they understand their certain portion of it. So, finding out who works for you that's a big question. I would say a couple of things that factor in, in trying to figure out, do I have the right person, is first off, you've got to enjoy working with them a bit. Succession planning rarely gets done in one meeting. In fact, I don't I've got any that happen in one meeting. So, you should enjoy working with the person. Secondly, they should be listening. Everyone says that they should be listening. Instead of going, this is my cookie cutter answer, this is my cookie cutter structure that I kind of want to push you in because it's fast and it's easy, they should be listening to what you're saying. Secondly, they need to be making suggestions and suggestions you can actually understand, which could be a problem for some professionals. Do you get what they're saying? Do they make it relatable? Do you actually understand? Like, I know what I'm doing here. And then they should be asking a lot of questions. I would say for a good succession planning, whether that's lender, accountant, lawyer, the technical aspect of the plan, while very important and essential, the soft issues is really where things are going to live and die, and you have to figure out how to draft a technical plan in light of what the issues are on your farm. So, they should be asking questions about how well do you get along with your in-laws, how well do you get along with your daughter-in-laws, your brother-in-laws, does everybody in the farm have the same vision for what we're going to be doing in the future for expansion, for debt, all those kind of things. Because that's going to matter. It's their job to be asking questions and listening to kind of propose, here are some different solutions for you. So, if you're not getting that, you don't really want to have a lawyer, for example, where all they do is just follow the instructions the accountant gives. That's not giving a lot of value. Yeah, it's a lot of questions and they should be questions about the dynamic of how your farm works.

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N: The main idea for today's episode is cultivating a professional advisory team that shares your transition goals. Like Reid said, the biggest thing to consider is having a team that really listens to you. You want people that can ask the right questions and have thoughtful conversations about your vision all the way through the transition process. But what if it isn't always that easy? What happens if your circumstances are a little bit more complicated? How do you transition between professionals and which professionals do you need to call in? Our guests can give us some advice on when a situation is a little tricky?

JB2: I have a great example. I met with a farm family in the last year or so that I hadn't worked with before. And they had been prescribed a solution to save tax. And it was a complex family, a number of families involved. It was difficult maybe to really understand all the technical part that was behind it and it affected a lot of family units. And when I arrived, the lead generation grandfather had passed, and the will brought

surprises that no one contemplated. And I think that's where really that multi-advisory work and talking with farm families, what does the long-term look like and making sure that your advisors are taking enough time to look at the background information. Because those wills change the whole landscape of what all that tax planning did and nothing had been contemplated in that regard and there was a disconnect. So, really having your advisors dig in to where do you want to go, and like Reid said, thinking really long-term, and that they're going to be with you long-term.

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JB1: I think that's a great point, right, getting that holistic touch to it. And sometimes it does involve more than what we have here. Are there other professionals that maybe aren't on our current team that we've formed here?

JB2: Yeah, absolutely. Obviously, talking to your accountant and your lawyer and the team we have here is very important and a great place to start, but there are situations. You know it's a family dynamic. It's your family farm. If the communication has kind of broken down or it's not really going anywhere, definitely, the use of mediation or those types of things can be brought in to keep the communication going. And moving ahead, depending on where the farm is sitting, that we can look at some investment advisors as well to kind of handle that side of it. But, yeah, there are definitely other people that need to be involved in the process when the situation calls for that.

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JB1: I think absolutely a great point. Farms get cautious a little bit on who they bring in or who they share their plans with and open up to, but it becomes something. And the more I think they do that, it really can help kind of leapfrog their plan a bit. Reid, anybody else coming to mind too? I know you deal with lots that are considering expansion plans and things like that too as part of it and kind of making sure those numbers come to make sense, but anything coming to mind there too that you see?

RW: Yeah, so you'd have a couple of professionals that would regularly be in the mix depending on what stage they're at. So, a common one that all the time is you have mom and dad, they're not ready to transition the farm over but they're starting to have the conversation with their son or their daughter. So, my question is often going, well, what are they paying? Are we giving this to them? Are we giving them a portion? Are they paying under market value? I'd say there are very few that pay full market value. It's not very viable anymore. And mom and dad are often going, I don't know, I don't know how much I need. There are some ways to work with that, but sometimes a financial planner, especially one who has been with them for a while can be quite helpful because they can give them an accurate representation. Like here's what living expenses look like. Here's realistically what you might be able to expect on return. If you take a lump sum payment from the kids, what kind of return can we get, depending on risk? So, it's nice when you have someone like that who's working there with them. I would also say, maybe we're buying life insurance. That sometimes works for families. If you have a

good life insurance person, not the person who came and just knocked on their door cold calling but someone who is really excellent in that field can give them advice on here's different types of insurance that might work. Maybe we end up doing it, maybe we don't, but at least it's some good advice.

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N: Picking your team of advisors can clearly be a challenging process. There are a lot of people out there who can help you with various aspects of the transition process. Some other experts that were mentioned were mediators, investment advisors, financial planners and insurance brokers. We've talked to an auctioneer on the podcast and found that sometimes even they were key advisors for some farms. This is why it's important to assess what you specifically need help with and then just sort of interview potential advisors to see who might be a good fit for you. Every transition situation is slightly different and will likely need a unique group of advisors.

JB1: There are lots of people that can come in and complement a plan, but I thought it would be fun if we chatted about a little bit of a case. We have two case studies I want to walk through. Sometimes farms, I think, even knowing where to start or what should I bring in that would make my professional's life easier too can be a big conversation and go a long ways. I just want to talk a little bit about what a farm could look at when they're just starting out. So, I'd maybe get everybody to envision that client that they're just getting to work with and they're just starting that farm plan and they're asking about farm transition. We don't have clear goals yet but maybe the junior gen is starting to show up on the farm a little bit more and we're just starting to plan. I'm wondering if we could speak to our profession specifically, what a conversation with a professional would look like kind of on behalf of your profession and what they could bring to you that would really help you understand what they want to go and what they're struggling with at that current time. Kari, maybe I'll start with you on this one.

KSS: It's great working with a second, even third generation now of some of the farms that I've been involved with. I'm really impressed on how much more educated they are on what do I need to bring, what are some of the new innovations, what is some of the new technology. But the basics is the financial information. Where are you at right now? What are you kind of doing to keep track of what's going on with the farm? What are the input costs? What would you like to achieve in the next five years? Getting some of those basics down. Often I'll give a checklist to my new clients that are starting out, and not much different than new businesses starting, saying here are some of the basic things. Let's just see where you're at and then we can figure out, okay, from there, where would you like to go, and if can't quite perceive you're going to get there yet, well, what steps need to happen to make it get there?

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JB1: Anything stand out there too from that accounting side? You know like the next gen, like you mentioned, there's always a thing, oh, that's mom and dad's advisor, right? Are we getting a fair shake on this as well? Are there things there that come to mind?

KSS: I mean really getting organized and helping them to understand what income and expenses are, but also what their balance sheet looks like? What are your assets right now and what are your liabilities? And just learning the terms and understanding, okay, here's how we track what we do from year to year, so as well we can see whether we have growth or not growth, set some goals.

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RW: Joel, to jump in on what Kari said there, you'd asked the earlier question how you know you have a good advisor. This would be a great example where you should have an advisor who's willing to sit and explain some of those things. I could think of. I had a young guy come into the office, a great guy, a sharp guy. He even said to me, he said, Reid, he goes, I don't have anything specific I'm coming in for but I have all these different ideas. Eventually I'm getting the farm from mom and dad and maybe from grandma and grandpa, and I've got these different ideas. I don't know if they make sense. I don't even know how to structure this. And he was very upfront. He says, I don't have much money to pay you. I told him. I'll tell you what. I'll give you an hour of my time for free, because I could tell, this guy he's ambitious, he's very smart. From a selfish point of view, to be honest, you go, you know what, I'm going to be around here a long time and so is he, I'll probably end up working with him. So, I sat there for an hour and we talked structure and we talked different strategies on land bids, all kinds of different things. And I gave him a bunch of time. I know many accountants would do the same thing. They'll walk the junior farmer through here's financials, here's financial statements, here's what these different things mean. A good advisor should be doing that, and you should be comfortable to ask them that.

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JB1: I do want to stick on this point a little bit too. We talked about farm transition sometimes being event-based or things like that, right? From the legal profession as well, Reid, are there certain specific things in this case that somebody brought into you would really make a difference? If they've got this, what really helps support you, I guess, on the right plan?

RW: Yeah, I'll give an example. I had someone come in last week. A client referral, a brand new client, never met with them. So, they sat down. First off, they have a general idea what you own. That sounds obvious. But you'll ask someone, do you have a company? Yes, they usually know that. Is all your cattle, equipment and inventory in the company or land? Sometimes they're not sure. So, knowing what's owned by whom, because that's going to change the structure tremendously. Like Kari said, what are you trying to do? And I'll give you some examples of that. Are we trying to put a will in place, because mom and dad are still involved, they still want to be around for a long time and

they're not looking to get out, but they just want to have a will that, as I said, if they got run over by a tractor, it's not going to be a disaster. They want to transition from that traditional will that they drafted when their kids were young that says equally divided between the kids. That's not the plan anymore. Then what we're doing there is we're putting a will together saying, in a critical event, here's what's going to happen. That's going to transition. Whereas if they come in and say, I need a new will, but I'm also looking to take a step back. I only want to be there for seeding and harvest and we're going to transition some control. Okay, we're doing a will and we're doing some other things. So, what their goal is for themselves. They don't need exact dates, but if they have a bit of an idea or I want to be out within five years or down to part-time in five years, okay, we can work with that. So, a timeline is very important because that's going to dictate what kind of documents and what kind of plan gets put into place. It's always nice working with time.

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N: After the break, our all-star advisor team will continue to explore a transition case study and will also provide some great advice about where to start when picking advisors. Stick around, there's a lot to take in.

RW: If it's worth \$5 million or \$10 million or \$35 million, it still grows the same amount of canola, feeds the same number of cows, whatever it is. What does it cashflow? What's the revenue of this? Because that's going to determine what are you giving to your successive generation?

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N: Welcome back to the second half of the podcast. So far, we've been deep diving into the selection of a good advisory team for your farm transition. One of the biggest takeaways is that there are a lot of different advisors out there and everyone's transition needs are a little different. You need to ask a lot of questions and sort of interview potential advisors to find a good fit. Don't be afraid to reach out to people to ask how they may fit into your transition. The reality is you really do need a good grasp of your farm's current state and your overall vision for transition before understanding who might be a good fit for your team. This is why the previous steps in a transition process are so vital because how can you possibly know who to ask for help if you don't know what you need help with? It might benefit you to go back and listen to the previous three episodes of this season's podcasts, if you haven't already, as we cover the first three steps in the transition process. On that note, let's rejoin our advisors team as they continue analyzing a transition case study.

JB1: Moving along, let's say we're maybe 10 years down the road for now, right, as we kind of evolve in this case, and now we're in a place where there might be a little bit of friction that's getting introduced to the plan. We'll go with maybe the classic case that mom and dad have indicated they want to do a transition farther down the road. And maybe had a little bit of trouble letting go of the farm or transferring things in or making progress. Maybe some things have changed in their mind and the junior gens coming in now and they have kids of their own and their own concerns. What might change in your plan?

JB2: Hearing from both parties, gen 1 and gen 2, definitely can bring light on what each party's expectations are, I guess. Timelines. When you ask gen 1, the timeline might be 10 years, and gen 2 is thinking it should be next week. So, I think that can change the dynamic a little bit as well. They may have had more opportunity to start their plan, so getting that background especially if it's a new customer, background of what that plan looks like and again, collaboration between the team.

JB1: Yeah, absolutely. I think right, and then also right it might be time to be going back out to other professionals as well and maybe I'd lead back into that, Reid, kind of that same case then again where your client is a little bit farther down the road and things maybe aren't going to plan. How could your advisor step in there to kind of help make some sense in your role? How does it maybe change things a bit for you?

RW: Well, it can change it quite a bit. One of the biggest things, it can be the greatest frustration on an estate plan or sometimes make it work the best: when they can be very frank about what their concerns are. And sometimes that takes a meeting or two for them to be comfortable to really open up. So, when someone has certain concerns, there's often a plan that can address them. But they can't be addressed unless you know what they are. So, let's walk through a bunch of the classic ones. I'm concerned about my inheriting son or inheriting daughter's marriage. Always, every farmer has a bunch of horror stories of somewhere around them that the farm got broken up or sold out or whatever because of a divorce. That's a huge factor, especially with the number of zeros in the end of land prices, quota, etcetera. Even if that's not a concern of yours, that should be addressed in the plan. Control. Dad might say, I think I've got a lot to offer. I don't mind transitioning planning, but I don't want to be out. Okay, we can work with that. Let's say if you got multiple operators together. One son might go, I'm not real crazy working with my brother. I might like the guy, but I don't want to run a business with him. So, a bunch of the different issues. I usually want the client to say, alright, give me your top three concerns, and be realistic. It's very frustrating when someone will say, ah, nah, I'm sure it will all go right. We just want a really basic will. I'm sure the family will get along. And I always tell them, I hope you're right, I really do, but it might be foolish to plan on that when the value of land or quota or equipment is what it is. There are too many zeros to that if you're wrong, to be able to fix it. So, knowing what the issues are as there are people honestly concerned about are quite good, very important. I'd even say sometimes we keep circling back to someone will say, tell us what your plan is. I've encountered where a client doesn't really know what their plan is

but they can tell me what their plan isn't. And sometimes that can work to get there. They say, you know what, I know this happened to this neighbour, this happened to my brother. I don't want these things, these are my concerns. So, they're sort of paralyzed because they're feeling, I don't a divorce to blow up the farm and I don't want my son to overspend and overextend himself. So, they can sometimes get stuck just because they have so many horror stories. They go, I'll just do nothing. Well, make no mistake, doing nothing has its own cost, sometimes an exceptionally high cost. I'm sure the other presenters do have tons of horror stories of people who did nothing. But if someone comes and says, here are my concerns, you can work with that. Sometimes you can work backwards and put a plan together. So, even if you don't know exactly what you want to do, you know what I don't want to do, you can sometimes get there too.

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N: The idea of revisiting your plan seems to be a common theme this year on the podcast. Sometimes as you get further into transition, certain aspects of your plan might not work anymore. You might need to revisit an advisor and adjust certain parts of your plan, or maybe it's time to bring on another advisor. I think it's really crucial to be adaptable and to work towards solving new problems when they arise. Don't be afraid to ask for help when needed.

JB1: I guess I'd be curious. As farms are thinking about this and they're thinking, okay, I'm building my transition team in these scenarios, but what advisor should they maybe be going and see first. Back to that first thing, how do they start to lay it back out properly, right? It takes a lot of family discussion to kind of get there eventually. You try to find something the whole family supports. Kari, kind of while we're sticking with you on that one. Is there somebody that you see them going to first or maybe having that first conversation with their accountant, either spin on that for yourself?

KSS: Yeah, not to say mine is first, but generally, we're where all the financial data may already be residing and a lot of the history. I know even for ourselves, we have a lot of land titles already pulled. And doing things with estate planning, we've inventoried for a lot of our clients a lot more than just their tax returns and their corporate financial statements, shareholder's agreements, those kind of things. So, if you don't have a legal advisor, generally that's a great place to start, because a lot of that information may have been gathered already in conjunction with your tax advisor or accountant. And if not, I do see whether it's starting with a lawyer or us, both of us are trying to pull in a lot of that information just to get a good baseline to provide – whether it's you at the FCC team or other advisors that they might have assisting them. And generally, that's where the longer trusted relationship has started, so often that's where we're seeing those farm families initiate the conversation.

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JB1: And, Jolene, I know that you get to be part of so many conversations about what we're trying to get accomplished I guess. Are there things there that you see too that, we can

help unpack some of these things a little bit but kind of building that team, do you have some of those key questions when they first bring it up that maybe stick out to you?

JB2: A couple of questions that I always ask is where are you now, where are you sitting today, like what does this situation look like, and where do you want it to go and what does that look like? And not just tomorrow or after harvest, it's in 10 years and for the grandkids or even further down the line. Is the legacy of the farm the most important, or is keeping the family happy the most important? And sometimes those questions can lead to different answers than what are each of the parties thinking versus getting that communication out.

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JB1: Yeah, absolutely, right? And it speaks to me. It is that value of getting the whole family to try to pick a path and work on something together, so that, to your point right, there is some family harmony there along with the chosen path, that they get to support the plan that they helped build. And, Reid, I guess I'd be curious kind of from a legal perspective on this too. I'd be curious. You're starting things on the legal profession. You've spoken and lots of good questioning and things like that, but just kind of along that same line, what comes to mind for you?

RW: That's a great question. So, I would say first off would be if someone says where are you trying to go? That's a broad question. So I sometimes try to provide a little more detail for the client. Okay, what's your number one priority? Are we trying to pay off debt? Sometimes for a livestock operator maybe we're trying to expand the herd, build it back up the capacity. Maybe we have an uncle we know at some point in the next 15 years, doesn't have a successor and he's probably going to put his land up for sale. Okay, so what's the pressing matter? What are we trying to do? Where are we going? We're trying to put legs to that question. We have to get a priority, because the reality is with succession planning, the farm is best if it pays no money out to any non farmers. That's going to leave most money on the operation for it to expand and pay off debt and grow. But I know practically that doesn't work. We're going to have to provide something to the non farmers. So, it's always trying to go, what kind of balance are we holding here between the viability of the farm, because if everyone is just going to get traded dollar for dollar equal, I have yet to see a farm survive that. They just don't cashflow enough. Land's worth too much, quota's worth too much. It's going to get sold. So, we're trying to balance family harmony and the viability of the farm. So, I would say that's probably one of the biggest questions. So, trying to provide some solutions, one of my solutions, it's not a solution, but it's a different way of looking at it. I usually try to tell the client, let's try to get away from what the dollar figure of the farm is worth on paper. If it's worth \$5 million or \$10 million or \$35 million, it still grows the same amount of canola, feeds the same number of cows, whatever it is. What does it cashflow? What's the revenue of this? Because that's going to determine, what are you giving to your successive generation? Are we giving them an operation that makes a ton of money? Okay, maybe we can afford to pay out a lot more. But if you're giving them maybe a really valuable operation that doesn't make any money, why would we want to try and

saddle it with another humungous payment? So, in that case then I suggest, well, if we're going to give this cash strapped operation that's worth a lot of money, maybe we need to be focusing on making sure the successive generation doesn't sell it quickly. Everyone might be okay with the plan until farming child farms it for a couple of years and sells it. So, those are some of the legs that I try to put to the question. Circling back to a good advisor, I think a good advisor should not just go, what's your plan. They try to flush it out and actually help you realize, because sometimes the client just doesn't even know.

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JB1: Absolutely right. It's a big puzzle to try to unpack, because there are all those what-ifs that we're dealing with, right? So, it's taking perspectives, right, and kind of channelling it through to get that advice and input.

RW: To Kari's point, it's great when the advisors talk because I'll always ask, who's your accountant, so call the accountant? Your advisors should be chatting, not putting the client in the middle so the client's not stuck conveying messages. And sometimes it's hard to be totally frank too.

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N: Our all-star team of advisors provide a lot of questions to ask of yourself when starting a transition process and putting together a team of experts. I really like this idea of asking whether or not the legacy of the farm is more important than keeping the family happy. Maybe there's a way to balance both ideas. There are a lot of big picture questions to answer, and clearly your family needs to be aligned. A good team of advisors will make sure you're paying attention to the right things and will help you discover what it is you're really aiming for.

JB1: Are there tools you use as professionals that a farm can maybe start or get something drafted or help move things around that does make it much easier if they walk in with something that moves it forward? And, Kari, are there things for you that stick out there that, yeah, help communicate to other professionals or that a family can use as kind of an anchor?

KSS: Yeah, we've used this in the past and then we found a model that just works really good. It's called a One-page Plan, but essentially, just putting your vision and core values, and you can do it individually as family members or as a group. And I'll give Mindshop credit for where that One-page Plan comes from, but essentially putting those core vision and values and then saying, what are your goals as a family or individually, individual families within the unit. And based on those goals, then we can work on strategies as an advisor. It's nice because it's one page. Everybody can look at it. You can be reintroduced to it. But you can also be accountable to it and pick people. Okay, if it's on the lending side, you know we need to get some more lending and this is what's going to happen. Who's responsible for that and who's going to make sure that that gets done. Keep it simple.

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JB1: Absolutely. And this is what I'm hoping that Reid or Jolene, if either of you want to jump in as well. Are there things that you see work well pulling that information?

RW: Yeah, professionals should have a little bit of overlap. By overlap, I don't mean they're doing each other's jobs. I always tell my clients, I'm not an accountant, I don't crunch any numbers, but if you have an estate planning lawyer who doesn't understand tax at all, it's not going to be helpful. They should be able to, hey, you're going to get a poor will drafted. But other documents, I could tell, here's how this principle and concept of tax works. That way not every time we have a tax question, we're stopping and going, oh, let's call the accountant. Similarly, the accountant has to have some legal understanding and knowledge of going, this is even doable, this is allowed or not allowed. So, you still work very collaboratively. It's not a replace, but if someone is completely siloed going, as soon as tax is mentioned, the lawyer goes, no, I don't know, call the accountant. The plan is going to take a long time and usually it's going to have some issues.

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JB1: I'd be curious too to just come back to that one because it is something that often you hear so much of, right, and we did touch on it, but you hear so much of, okay, that's mom and dad's advisor, how do I know as the junior gen I'm getting a fair shake. I guess I'd be curious to come back to that one. For you, Reid, too, I guess it's something. While we're on that one, I think, Kari and Jolene spoke to it a little bit, but are there things there too that you try to pull out from that junior gen side, or at least say, hey, I understand mom and dad are the client but this is what you're trying to get accomplished as a farm family. Are there things that stand out to you there too?

RW: Your advisor should be looking at more than just the senior generation or the clients. If you do your job well and hopefully, the junior clients are then your clients as well. They definitely have a strong but important voice, and as they should. Yeah, I will very frankly say to them, okay, what are your concerns here? Sometimes it's interesting. You'll get a phone call maybe after the family meeting. One of the sons or one of the daughters calls and they'll say, they don't want to say in the meeting, this is actually, what I'm concerned about. I don't get along so well with my brother's wife or this person or that person. You're having to juggle all those things. But I'd say, sometimes you do have different professionals. I had a real tough one between a father and a son and there was zero trust. So, we actually had to use two separate lawyers on that transaction, very time-consuming. It was very difficult. But if you have a family that has some trust, of course, there are always the bumps, but it moves much better if it is the same advisor. If a family that gets along together, the odds of the family succeeding and carrying on are much higher, so your professionals are actually vested in making sure this plan works well. Some people joke. I'm not a divorce lawyer. I don't do any of it. So, they'll just say, you just want everyone to fight and you'll make more money. It's quite

the contrary. This actually goes way worse when people fight. I don't enjoy my job nearly as much and it's a much poorer result. You're trying to get everyone to get along.

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N: If you haven't guessed by now, collaboration is important throughout the transition process. Advisors should collaborate together, and key stakeholders of the farm need to work well together. Obviously, the transition process goes much smoother when you're all on the same page and want similar things for the future of the farm. This is why in the previous steps of the transition process, we focused on creating a shared vision. Thankfully, if you're struggling to find common values and create a shared vision with other stakeholders, the right advisor can help you do that too.

JB1: Do you have any kind of thoughts that are bubbling up now as well, like general transition advice? It's easy for that telephone game to happen, I guess, and we've talked about professionals doing it or coming in, and there's always conversations a little bit of, I went to my professional and they asked me what I wanted, how do I kind of anchor it in. But back to that line of questioning that if you had a farm going through a process and writing it out, is having things kind of written down and put in writing of huge value to professionals so that they can kind of get something that everybody agrees to as well? Hopefully, that's not too leading, I guess, there. Kari, I'd made start with you on that one.

KSS: Yeah, 100%, written down. It's all part of communication. By having it written down, everybody is understanding the same thing and it ensures that each generation plus the advisors have heard the same thing. I find too often everybody says, yeah, we're in agreement, and then it gets on paper, and they're like, oh, that's not what I agreed to, because they assumed or just heard it differently because they're coming from a different place. Making notes clear, having clear strategies, goals, whatever it might be, and concise and simple.

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RW: I would agree with what Kari said, is that the exercise of the family putting it on paper is very helpful because it forces them to have a conversation and makes sure to find out, are they actually on the same page or not. So, the exercise of doing that, whether the actual piece of paper, how much is used, it's amazing how helpful that is that perspective. You asked a couple of other things. What other things would kind of stick out? There are a couple of key questions that I always like to ask. One of my questions is, if they're looking at land and they go, well, I want to equalize this, and they have the idea of giving land to the non farmers, my first question is always, have you talked to them, do they want land? And you'd be amazed how often they don't know. No, I've never asked them. Well, let's not give them land if they don't want it. There are a lot of problems we can solve if they don't. My second question is, do we need the land? If you're going to give them the land and the operation needs it, then we have to put certain documentation to deal with those issues. So, that would be a common one. The next one is often to the

non farmers. What do you want to get them? Are you looking to get them a certain percentage? Do you have a certain dollar figure? Do you want them to be involved in the ownership? Those are some of the big questions that I usually want someone wrestling with and thinking about ahead of time. And then as we alluded to earlier, what's our timeline? If we're just talking about maybe doing this in the future or in the future in five years, okay, that's great, we can plan on that. Or is this something you want to have happen next month? Those would be some of the key questions that I often am asking people. What are we doing for the non farmers? It depends on what we're giving them, we may have to put some agreements in place. What do you need out of the operation, either on an annual cash flow basis or lump sum? And what are the actual concerns we have realistically? And even if marriage is not one, it needs to be addressed.

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JB1: Yeah. And I'm hearing a lot of common themes there of just that ability to be the sounding board a little bit in caution that as it comes out to ask those good questions. I just want to say a huge, huge thank you to Reid, Jolene, and Kari today, for coming in and sharing their expertise of working with farm families and really about building that transition team to get you support.

N: Well, what a privilege it's been to have such an all-star team of advisors on board for today's episode. How often, if ever, have you ever been able to hear from a business advisor, a lender, a lawyer and an accountant at the same time? I hope all of you listening heard something that will help you move forward on picking some key experts. So, what are some big takeaways from today's episode? I think one of the key things that resonated most was the need to be aligned with key stakeholders. It can be really difficult to know what you need help with and who to ask for help if you don't have a clear direction for your farm. In the last episode of the podcast, we talked all about setting your values, vision and goals for your farm. Finding a shared vision prepares you for success in all areas of the transition process. If you can't find common ground, chances are you're going to struggle to move through the process. Thankfully, there are advisors who also help with this. They can ask you the key questions you need to answer to make sure you're doing what's right for your farm. This plays into the theme of collaboration through the transition process. Being collaborative with key stakeholders is important, but sometimes your advisors also need to work together. Be open to working with others and exploring your options. Another thing to keep in mind is that your transition plan will change as time goes on and new challenges arise. Similarly, your team of advisors might change too. Perhaps you need to find an advisor in a new area that you didn't need before or maybe an advisor you already have isn't quite working anymore for your current needs. Remember that your advisors work for you, so only you can decide who is a good fit. Your transition situation is likely going to be unique and will require a specific set of advisors. I like this idea of sort of interviewing potential advisors. Don't be afraid to reach out and ask a lot of questions to make sure you find the right people. This is your farm journey and finding the right experts to help you is all about supporting that journey. Another thing I heard a lot of comments on was the overlap of advisors and having them collaborate. If that's something you're curious

about, check out one of our episodes in season 1, where a senior partner shared an example of how he does this, and a transition specialist shares the impact they've seen collaboration have. It's called Tales from Transition, a Senior Partner Success Story, and it's Episode 7 of Season 1. Well, that's it for now. Thanks again for joining us on today's episode. Do come back next time when we talk all about Step 5 in the transition process. Create a will and estate plan. And if you ever want to catch these conversations live while they happen, check out the show notes for details. We are starting to host events in person again, so you could catch these live conversations virtually or if you're keen to shake hands and chat over coffee, you could look for an event in your area. We hope you have a great day. And as always, dream, grow, thrive.

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