

SUCCESSION PLANNING: STARTING THE CONVERSATION

LIZ JACKSON

INDIANA FORESTRY & WOODLAND OWNERS ASSOCIATION

“THIS IS A PROCESS, NOT A TRANSACTION”

-- TIES TO THE LAND

5 REASONS TRANSITION PLANNING IS OPTIONAL

- You don't mind the default plan the government has already created for you
- You have confidence that your children will work it out and their relationships won't suffer
- You don't really care if the property stays in the family or gets sold to the neighbor
- Your relationship with your lender is so good that you are 100% confident they will continue lending to the next generation
- You are willing to have your kids sell the property should you or your spouse need medical or long term care

If any of these make you uncomfortable, you should take an intentional approach to succession planning

WHICH SUCCESSION SUPERHERO ARE YOU?

CAPTAIN IMMORTAL

Hair that never grays

Energy never wanes

DR. SHHHH

Values the power of freedom and privacy more than life itself

OBLIVIOUS MAN

So consumed with work that doesn't consider what will happen beyond his leadership

MR OR MS REALITY

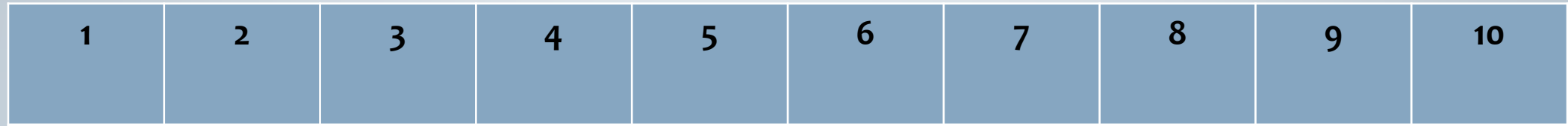
Highly aware that someday will not be able to leap tall fences in a single bound



**GOAL 1:
DETERMINE YOUR
VALUES AND GOALS**



THE HEIRLOOM SCALE



1= My property is one of the financial assets in my portfolio and nothing more

10= My property is a priceless family heirloom to be protected at all costs

DETERMINING YOUR VALUES AND GOALS

- In a perfect world, what would I like to see happen over the next:
 - 5 years
 - 10 years
 - 20 years
- What major challenges stand in the way?
- What are my immediate goals?
- Spouses do separately and compare, then combine

GOAL 2: DOCUMENT YOUR LAND



DOCUMENT YOUR LAND

- Property information
 - Location and boundaries
 - Plants & wildlife, soils & waters
 - History and vision
 - Easements
- Management information
 - Management plan
 - Keys and gates
 - Equipment
- Financial information
 - Taxes
 - Leases
 - Income and expenses
- Resources
 - Advisors
 - Associations
 - Other resources
 - Calendar

ACTION CALENDAR

- Family meetings
- Family events – work and play
- Management activities
 - Invasive control
 - TSI
 - Harvest
- Advisor meetings
 - Accountant
 - Lawyer
 - Forester
 - Others

GOAL 3:
SHARE WITH YOUR FAMILY



SHARING YOUR GOALS

- Let other family members choose their Heirloom scale & their and goals
- Discuss your heirloom scale & your long range goals
- NO WRONG ANSWERS
- Discuss your Land Handbook
- Family meetings

GOAL 4: FAMILY MEETINGS



SUCCESSFUL FAMILY MEETINGS

- In advance of the meeting:
 - First resolve conflicts
 - Prepare a written agenda and get input
 - Determine how decisions will be made
 - No “home court advantage” – neutral site
 - Consider who is meeting leader
 - Are spouses invited?

SUCCESSFUL FAMILY MEETINGS

- At the meeting:
 - Put the past behind
 - Begin and end on time
 - Appoint a recorder to document
 - Everyone allowed to speak and provide input
- Consider travel and childcare costs
- Consider having your financial support staff present

SUCCESSFUL FAMILY MEETINGS

- Meeting Agenda includes:
 - Get to know each other: Accomplishments & Dreams, visions for their future
 - Include why you own the tree farm: “Passion” roundtable discussion
 - Discuss the management plan
 - Include a discussion about the finances
 - Plan the next meeting
- After the meeting:
 - Follow up – regular progress reports
 - Have some social time to celebrate time spent- include spouses

GOAL 5: ENGAGE YOUR FAMILY

***“THE BEST FERTILIZER FOR THE LAND IS THE FOOTSTEPS OF
THE OWNERS”***

-- TIES TO THE LAND

MAKING IT FUN

- Early and often
- Guide curiosity
- Share stories and photos and make memories
- Gather year round to enjoy the seasons
- Work AND Play



From Growing Your Legacy: A guide to engaging your next generation with your woodlands

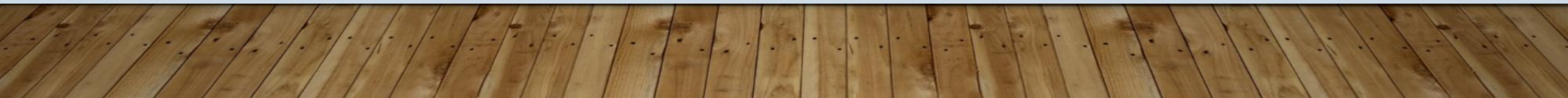


MAKING IT FUN



- Include them in conversations and be open to their ideas
- use “our” and “we”
- Incorporate their interests
- Keep it fun and simple
- Wear appropriate clothing and stay safe

From Growing Your Legacy: A guide to engaging your next generation with your woodlands





YOUR CHALLENGE

- Goal 1: Determine your goals for the property
- Goal 2: Document your land/create your calendar
- Goal 3: Share with your family
- Goal 4: Have a family meeting
- Goal 5: Engage your family

AND FINALLY... CREATE A SUCCESSION PLAN



Acknowledgements:

Ties to the Land: Your Family Forest Heritage, Oregon State University, www.tiestotheland.org

Wisconsin Woodland Owners Association, www.wisconsinwoodlands.org

Purdue University Department of Forestry & Natural Resources, www.purdue.edu/fnr