



THE GOVERNMENT SPONSORED DEVON AND SOMERSET RURAL GROWTH NETWORK IN CONJUNCTION WITH





UNIVERSITY OF
EXETER
Centre for Rural Policy Research

THE IMPACT OF THE
**FAMILY
BUSINESS
GROWTH
PROGRAMME**



The Impact of the Family Business Growth Programme

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April 2014

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HEART OF THE SOUTH WEST

Local Enterprise Partnership

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INTRODUCTION

‘Doing our part for our part of the world’*

As a family-owned land management business, Clinton Devon Estates has not only experienced the many and varied challenges of operating a family business, it has also witnessed the experiences of more than a hundred of its business and farming tenants - a large majority of whom are family businesses themselves.

In 2012, as Britain began emerging from recession, Defra awarded funding to the Heart of the South West Local Enterprise Partnership to become one of five pilot Regional Growth Networks (RGNs) in England - a scheme designed to stimulate enterprise and investment in the countryside.

For over a decade, Clinton Devon Estates has engaged with academic institutions on the principles of successful family business. From these links, the seed of an idea was sown; to provide specialist advice, knowledge and support to rural family firms and farms in Devon and South Somerset by bringing together world experts in family business from the renowned global business school, the Institute of Management Development (IMD) in Lausanne, Switzerland and the University of Exeter’s Centre for Rural Policy Research, pioneers in family farming succession research, with links to other centres of excellence, including Iowa State University.

A proposal was submitted to the Heart of the South West LEP and funding was awarded to help rural family firms and farms in Devon and South Somerset by providing world-class coaching via their professional and business advisers. So began the Family Business Growth Programme (FBGP).

The FBGP’s aim was to ‘train the trainer’; firstly in understanding the complexities of family business, and secondly providing them with global best practice on issues such as governance, succession and strategy. By targeting trusted professional advisers, such as lawyers, accountants and land agents as well as not-for-profit business advisers, the specialist support could be embedded into small and medium sized enterprises straight-away, making a difference to their future success.

The initial interest from professional advisers in the legal, accountancy and banking sectors was overwhelming and paid attendance on the IMD master class had to be limited to allow places for business advice organisations, educational establishments and industry membership organisations.



Professor Joachim Schwass



John Varley



CLINTON DEVON ESTATES



Dr Matt Lobley



The FBGP pilot has been a roller coaster ride with much evidence that advisers to rural family businesses and farms are now better equipped and well engaged in influencing family businesses to adapt their behaviours to succession and future investment and growth. Despite its success, a year has not really been enough time to deliver all our ambitions, although the short time available has focussed everyone involved on achieving some remarkable outcomes.

The results shown in this report, produced by the University of Exeter, provide the evidence that supporting family businesses to think clearly about the implications of Ownership, Family and Business and plan for succession is a key element in underpinning rural growth.

It is hoped that the legacy of this programme can be established right across Devon and South Somerset in the coming months and years. More importantly, it is hoped that the learning can be transferred widely across England's other RGNs so that family businesses across the country can:

- begin to address generational leadership and ownership transitions
- engage their families to ensure commitment becomes a competitive advantage
- align the family's investment of financial and human capital with their business strategy to deliver value creation

Finally, we would like to thank everybody involved in this programme who made it such a success.

1. Impact of the Family Business Growth Programme

This report explores the impact of the Family Business Growth Programme (FBGP) in rural Devon and Somerset. The FBGP is an innovative and unique initiative funded under Defra's programme of pilot Rural Growth Networks (RGN).

Once described as a nation of shopkeepers, Britain is perhaps more accurately described as a nation of family businesses. Family businesses dominate the private sector economy and therefore play a crucial role in economic growth. The intergenerational time horizon of many family businesses can provide a powerful stimulus for growth. Many family businesses hope to hand over managerial control and ownership of the business to the next generation¹, although a recent survey suggests that as many as 68% of family businesses do not have a formal succession plan². At worst, failure to plan for succession may lead to the failure of the business³. On the other hand, evidence suggests that planning for succession can be a stimulus for growth and improved business performance⁴. The importance of the intergenerational aspect of family businesses, particularly family farming businesses is gaining increasing recognition. At a recent conference organised as part of the 2014 International year of Family Farming it was argued that framing a new approach to the generational renewal of family farms was "possibly a defining issue for international and governmental policy-makers during the International Year of Family Farming"⁵.

Against this background the FBGP was designed to equip a range of family business service providers with an enhanced set of skills and knowledge in family business planning, particularly around the development of family business constitutions and succession plans. The training provided as part of the FBGP is described in detail later in this report but it principally involved participation in an intensive two day family business 'master class' at IMD in Lausanne, Switzerland in addition to shorter updates and networking events held in and around Exeter. The FBGP has stimulated a considerable amount of activity and this report is an attempt to capture that activity, evaluate the impact of participating in the FBGP and make some recommendations for future actions and initiatives.

The remainder of this report is structured as follows: Section 2 provides more detailed background on the contribution of family business to the contemporary economy and discusses why decision making and succession planning can be challenging and also why succession planning can benefit the business; Section 3 describes the FBGP and the approach adopted to evaluate the programme; Section 4 evaluates the impact of participating in the FBGP on knowledge and understanding of issues around family business succession planning; the impact on the skills of those participating; the impact on the participants' organisations, as well as barriers to engaging with family business planning/succession planning and future training needs. Finally, Section 5 presents some conclusions and recommendations for the future.

1. See for example, Milton, L. P. (2008) Unleashing the Relationship Power of Family Firms: Identity Confirmation as a Catalyst for Performance. *Entrepreneurship Theory and Practice*, 32:1063–1081. doi:10.1111/j.1540-6520.2008.00273.x

2. Praxity Family Business Survey 2013. <http://www.springfords.com/upfiles/Family%20Business%20Survey%20.pdf>

3. File, K. M. & Prince, R. A. (1996) Attributions for family business failure: the heir's perspective. *Family Business Review*, 9, 171-184.

4. Sharma, P. et al (2003) Predictors of satisfaction with the succession process in family firms *Journal of Business Venturing* 18, 667–687; Rosenblatt, P. C. et al. (1985) *The family in business*, San Francisco: Jossey-Bass; File, K. M. & Prince, R. A. (1996) Attributions for family business failure: the heir's perspective. *Family Business Review* 9, 171–184; Harris, J. M., Mishra, A. & Williams, R. P. (2012) The impact of farm succession decisions on the financial performance of the farm *Agricultural and Applied Economics Association* Seattle, WA: <http://ageconsearch.umn.edu/bitstream/124749/2/Harris.pdf>

5. Commission of The European Communities (2014) *Conference on Family Farming: A dialogue towards more sustainable and resilient farming in Europe and the world. Summary of Proceedings*. Brussels.

“A great family makes a great company;
a great company makes a great family”

Gildo Zegna, fourth generation of the Ermenegildo Zegna Group



2. Contemporary Perspectives on the Family Business

Family businesses play an important role in the contemporary economy. It is estimated family businesses account for 75% of all businesses in the UK's private business sector⁶. They account for over 9 million jobs, or two out of every five jobs in the private sector and contribute close to a quarter of the nation's GDP. Agriculture (along with the extraction sector) contains the highest concentration of family business – some 89%⁷. Globally, it is estimated that there are in excess of 500 million family farms providing more than 70% of the world's food supply⁸.

Despite these impressive statistics there is no universal agreement on the definition of a family business. An Expert Group initiated by the European Commission identified over 90 definitions of the family business⁹. Definitions are usually based on a range of criteria including ownership, management and operational involvement of family members¹⁰. Business size is not usually part of the criteria for defining a family business, although many are small businesses. Definitions of family businesses often include an intergenerational dimension¹¹. In an agricultural context long-standing commentator Wendell Berry sees the longevity of the connection between family and farm as one of the defining features of the family farm which in turn contributes to a shared family knowledge of errors to avoid and solutions to problems¹². The same argument can be applied to other family businesses.

The search for a definition of the family business that would garner widespread agreement and support is quite probably futile. Researchers and commentators will continue to employ different approaches, drawing on different perspectives, different academic disciplines and different data. For current purposes it is the close link between family and business that is most important. It is the 'family-ness' of the organisation of the business that is important, rather than minimum or maximum criteria for farm size, turnover, or family labour contribution. The combination of emotional ownership; "the idea that the business is, in some sense, part of who you are as a person" and "family capital" – the commitment and participation of family members can confer advantages on the family business¹³.

'Familiness' has emerged relatively recently within family business studies and is typically described as the unique bundle of resources resulting from the interaction of family and business, the sum of which may be greater than the individual parts¹⁴. Familiness is a broad concept that is generally thought to offer competitive advantage to family firms, where vision and commitment to the business are deeply embedded in family history. It is important however, to recognise a darker side of familiness in terms of the destructive tendencies of some relationships, and the potential for 'too much' familiness to result, for instance, in a closed minded approach to new ideas¹⁵.

6. Praxity Family Business Survey (2013).

7. Institute for Family Business (2011) The UK Family Business Sector: Working to grow the UK economy. IFB, London.

8. Commission of The European Communities (2014)

9. Commission of The European Communities (2009) Overview of Family-Business-Relevant Issues: Research, Networks, Policy Measures and Existing Studies. Final Report of The Expert Group

10. Rogoff, E. and Heck, R. (2003) Evolving research in entrepreneurship and family business: recognizing family as the oxygen that feeds the fire of entrepreneurship. *Journal of Business Venturing*, 18, 559-566.

11. Zachary, R. (2011) The importance of the family system in family business. *Journal of Family Business Management*, 1 (1), 26-36.

12. Berry, W. (2009) Bringing it to the Table. Berkley: Counterpoint.

13. Björnberg, Å. and Nicholson, N. (2008) Emotional Ownership: The Critical Pathway Between the Next Generation and the Family Firm. London: Institute for Family Business

14. Pearson et al. (2008) Toward a Theory of Familiness: A Social Capital Perspective. *Entrepreneurship Theory and Practice*, 32 (6), 949-969.

15. See for example Milton (2008) and Pearson et al. (2008).

The Intergenerational Dimension

A wide body of evidence suggests that the process of intergenerational transfer of family business ownership, control and management, sometimes over a period of many years, can confer an advantage on an intergenerational successor and be of benefit to the business. Among other things, this reflects the transfer of firm specific knowledge than can increase the value of transferred physical assets¹⁶.

The impact of succession however, extends beyond the transfer of knowledge. Evidence from the USA and Europe suggests that business performance and development can be influenced by succession¹⁷. Such influences can operate in a number of ways. For example, Potter and Lobley¹⁸ identified three principal effects associated with succession and retirement:

The 'succession effect': This refers to the impact of the expectation of succession on the business. The business may be developed over a long period in order to provide a business capable of supporting two generations or to yield sufficient capital to establish successors in spin-off business. The succession effect can operate from close to the time of the birth of the first 'potential successor' although it is more likely to be felt when a successor indicates their intention to join the family business.

The 'successor effect': This refers to the impact of the successor themselves as they gradually (or sometimes rapidly) assume managerial control. Successors often return from a period of training and experiential learning with new ideas and an innovative approach to the business. The extent of their impact will be influenced by how rapidly they gain some degree of delegated decision making responsibility.

The 'retirement effect': This occurs towards the end of the career of the incumbent manager and is most pronounced where succession has been ruled out. In these cases business operators may down-size to reduce work load, effectively consuming their capital assets as they progressively liquidate assets to provide an income as part of a gradual process of retirement. This is particularly prominent in agriculture. Evidence from Belgium for instance, indicates that older farmers without successors begin to disinvest and that total asset values can decline towards liquidation levels¹⁹.

The twin processes of succession and retirement can have a profound impact on both the family business as an entity and the individual members of the family directly involved in the business, or those with a stake in it. Paradoxically, some of the strengths of the family business; the close alignment of self and business, a willingness to self-exploit for the sake of the family and business can make the transition of succession a difficult time which may itself be exacerbated by an unwillingness to plan for a transition which, by definition, involves shift in intra-family power relations and also, possibly, a perceived loss of status on the part of the older generation.

16. Corsi, A. (2004) Intra-family succession in Italian farms. Les mutations de la famille agricole: ConsÉquences pour les politiques publiques, SFER Conference, Paris, 22-23 April 2004, available at ; Glauben, T., Tietje, H. and Weiss, C. (2004) Intergenerational Succession in Farm Households: Evidence from Upper Austria. *Review of Economics of the Household*, 2, 443-461; Laband, D. and Lentz, B. (1983) Occupational inheritance in agriculture. *American Journal of Agricultural Economics*, 65, 311-14.

17. e.g. Calus, M., Huylenbroeck, G. and Lierde, D. (2008) The relationship between farm succession and farm assets on Belgian farms. *Sociologia Ruralis*, 48, 38-56; Mishra, A. and El-Osta, H. (2008) Effect of agricultural policy on succession decisions of farm households. *Review of Economics of the Household*, 6, 285-307; Potter, C. and Lobley, M. (1992) Ageing and succession on family farms. *Sociologia Ruralis*, 32, 317-334; Boehlje, M. D. and Eidman, V. R. (1984) *Farm Management*. New York: John Wiley.

18. Potter, C. and Lobley, M. (1996) Unbroken threads? Succession and its effects on family farms in Britain. *Sociologia Ruralis*, 36, 286-306.

19. Calus et al. (2008)

Recent research on retirement from farming (based on interviews with retired farmers and staff from the Farming Help charities) illustrates some of these difficulties:²⁰

“...there’s something about life on the farm... farming is their life, they don’t do anything else. That is their purpose in life, that is their status, farming status, very important, not as important as it used to be. I mean farmers used to be hugely respected, not so much now but they have a name; X is the farmer and then all of a sudden they kind of, X has just retired and what does he do all day?”²¹

A failure to plan for succession and to progressively delegate decision is associated with what in agriculture is known as the ‘farmers boy’²² syndrome, where the potential successor is held at arm’s length with the promise that ‘someday all this will be yours’:

“In my work I have come across farmers who are in their sixties, maybe in their late sixties now, who have never signed a cheque in their lives because their old dad in their eighties or nineties always signed the cheques.”

This means that by the time the successor achieves control of the business they may not be equipped with the necessary business skills and are probably past their prime in career terms:

“If you don’t get control ‘til you’re 50 you’re almost thinking about stepping down, you’re not at your full peak of being able to work so it’s too late; it will stifle the industry going forward.”

“In farming there’s that tradition that the granddad is still alive and he still signs the cheques at 90, so his son is 60 and has never really had full say, so if he doesn’t get to be running the farm until he’s 60 he’s thinking that it’s actually too late to change anything and make big investments...It’s sort of stifling the industry... because by the time the person gets control of the reins they haven’t got the enthusiasm...and often they might have been used as cheap family labour, you know they get the house on the farm to live in, and then when they do get the responsibility if they haven’t been doing the paperwork, the accounts, dealing with the Ministry and applying for cattle passports it’s a sudden thing and they don’t know what to do”.

20. Lobley, M. (2014) Leaving Farming. A report for the Farming Help Charities. [Available on request from the author]

21. Quoted in Lobley, M. (2014)

22. In UK agriculture the majority of successors are male.

“People will not look forward to posterity who never look backward to their ancestors”

Edmund Burke,
Reflections on the Revolution in France 1791



The Importance of Succession Planning

Succession planning can be difficult but failure to plan for, and achieve, succession can have a deleterious impact on an individual business. According to Leach succession planning “is often a decisive factor determining whether the business survives or fails”²³. Indeed, “considerable evidence exists to substantiate the belief that the presence of conscious organizational planning and preparation for succession is among the most important factors in ensuring effective executive succession”²⁴. Figure 1 conceptualises the determinants of post-transition family business performance and highlights the importance of succession planning activities to post-transition success.

“The absence of a succession plan can cause serious management problems, even leading to a business failure”

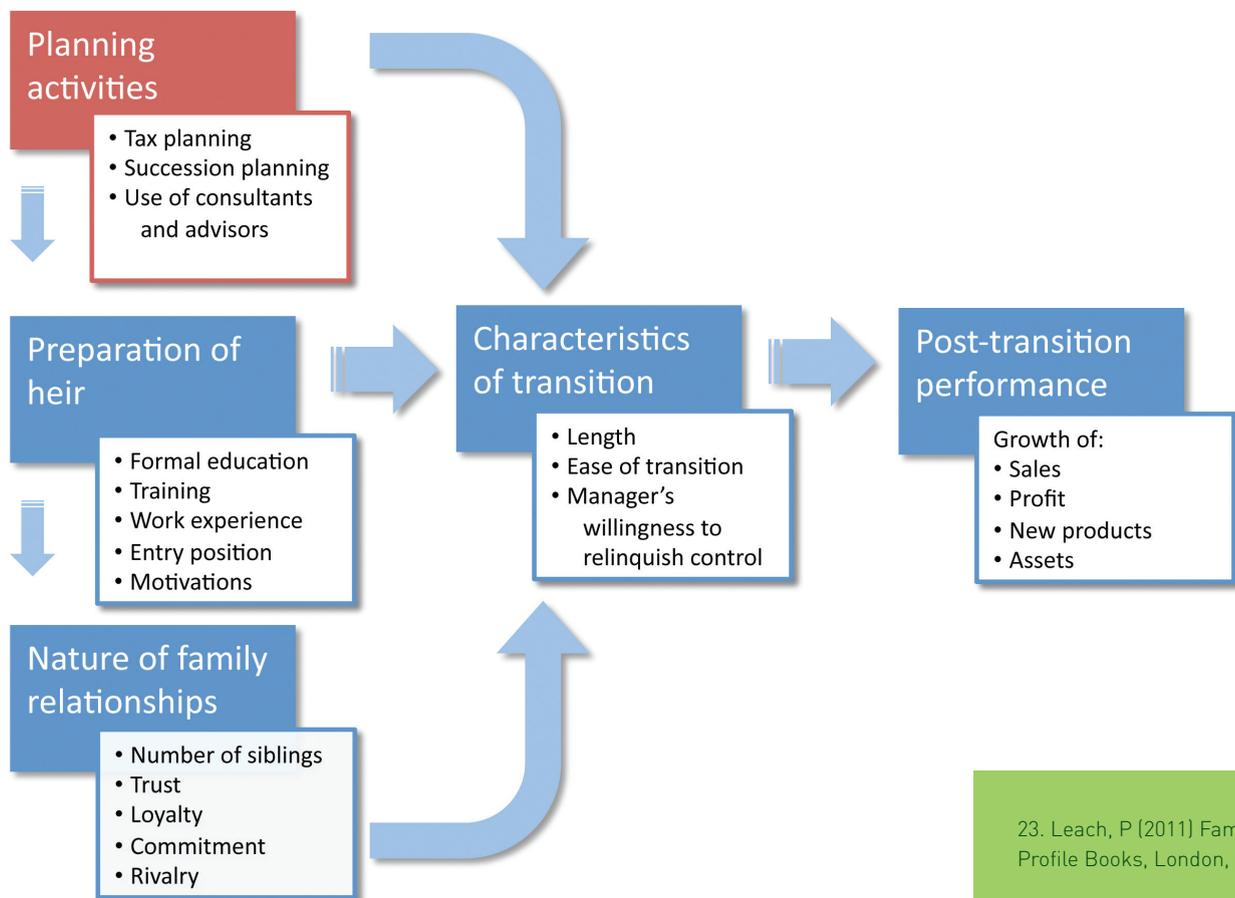


Figure 1: A conceptual model of the determinants of family business transitions²⁵

23. Leach, P (2011) Family Business. Profile Books, London, p.146.

24. Harveston, P.D. et al. Succession planning in family businesses: the impact of owner gender, Family Business Review, 10, 373-396.

25. Adapted from: Morris, M. H. et al. (1997) Correlates of succession in family business transitions. Journal of Business Venturing, 12, 385-401.

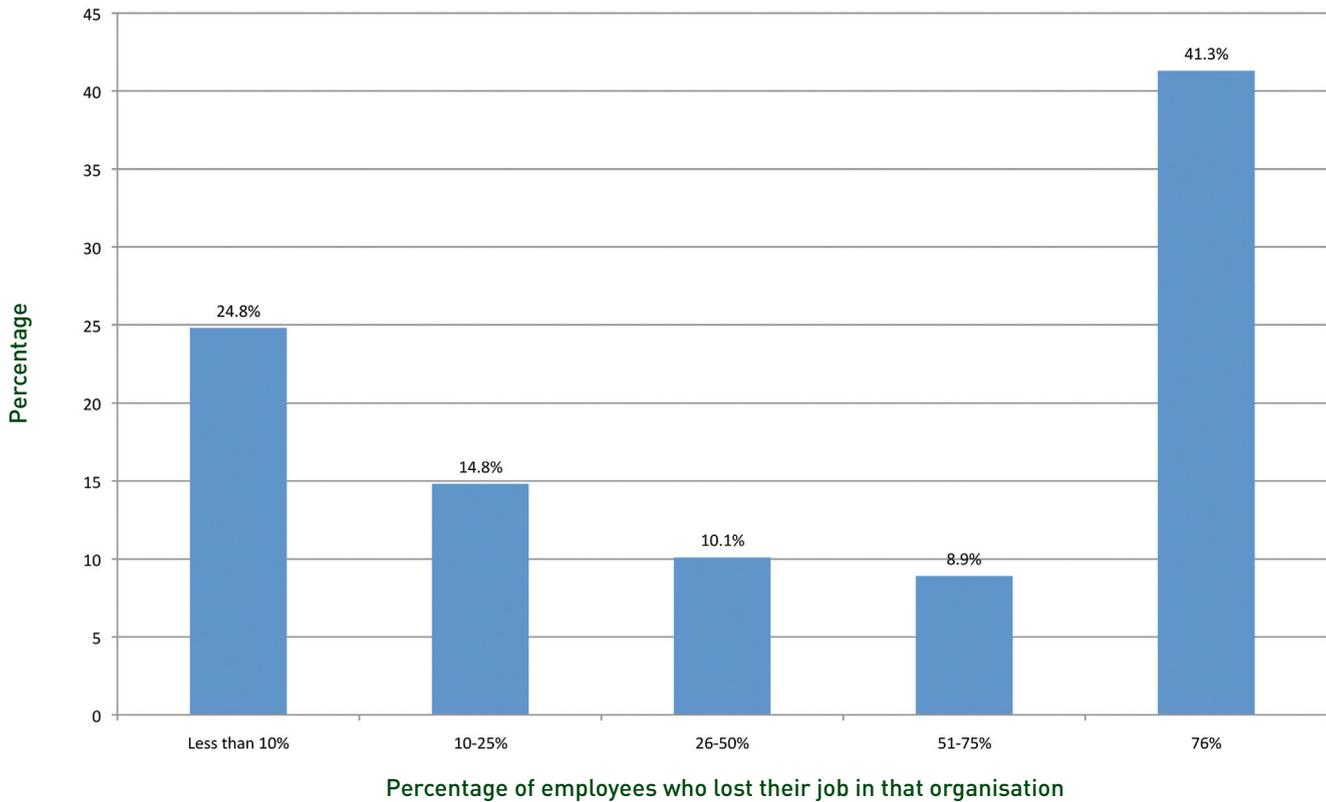


Figure 2: Percentage of employees losing their jobs post-succession in businesses that had not planned for succession

Failure to Plan for Succession: The Cascading Consequences

Evidence suggests that “the absence of a succession plan can cause serious management problems, even leading to a business failure”²⁶. Specifically, the top two reasons given in a survey of heirs from failed businesses were attributable to inadequate succession and estate planning, including “the founder did not have an adequate estate plan in place” (overall mean rating of 9.64 on a 1 to 10 scale, with 10 as ‘extremely important’), “the founder did not adequately prepare for the transfer of the business” (overall mean rating of 9.49)²⁷. Furthermore, amongst 41.3 per cent of companies who failed to plan for succession, more than 76 per cent of employees lost their jobs “as a result of the inability of the company to survive the transition” (see Figure 2)²⁸. In contrast, “succession plans have a positive and significant effect on financial performance, both in terms of higher profit margins and returns on equity”²⁹.

Drawing on a wealth of family business research³⁰, Figure 2 conceptualises the impact of succession planning on family business performance. As demonstrated, having identified a successor, businesses progress, attributable to the **succession effect** and the **successor effect** (see above). The impact of succession planning is evident upon handover, with businesses who had engaged with succession planning surviving an initial and short-lived ‘adjustment’ period, and subsequently increasing business performance. In contrast, evidence suggests that businesses failing to plan for succession experience a dramatic and prolonged decrease in business performance, or a ‘transition crisis’³¹.

26. Harris, J. M. et al. (2012) The impact of farm succession decisions on the financial performance of the farm Agricultural and Applied Economics Association Seattle, WA: <http://ageconsearch.umn.edu/bitstream/124749/2/Harris.pdf>

27. File, K. M. & Prince, R. A. (1996) Attributions for family business failure: the heir’s perspective. *Family Business Review*, 9, 171-184.

28. File, K. M. & Prince, R. A. (1996)

29. Harris, J. M. et al. (2012)

30. E.g. Rosenblatt, P. C. et al. (1985) *The family in business*, San Francisco: Jossey-Bass; File, K. M. & Prince, R. A. (1996) *Attributions for family business failure: the heir’s perspective*. *Family Business Review* 9, 171-184; Harris, J. M. et al (2012)

31. File, K. M. & Prince, R. A. (1996)

To summarise the discussion so far, the intergenerational dimension is an important aspect of family business. Many of the operators of family businesses hope to pass the business on to the next generation. However, for a variety of reasons, many family business operators find it difficult to plan for succession and as a result the business may fail entirely, creating a cycle of relatively short term business start-ups, growth and failure.

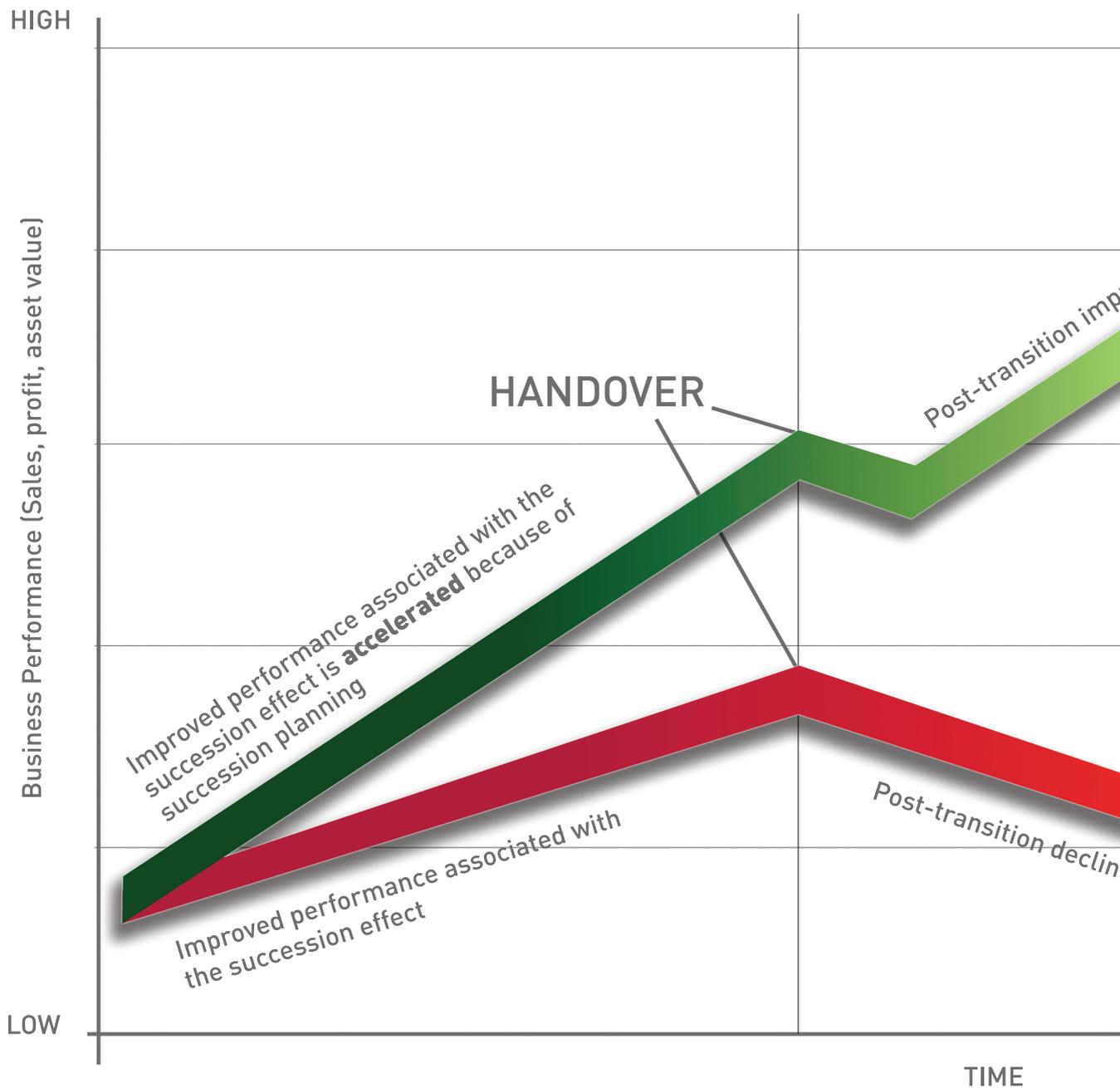
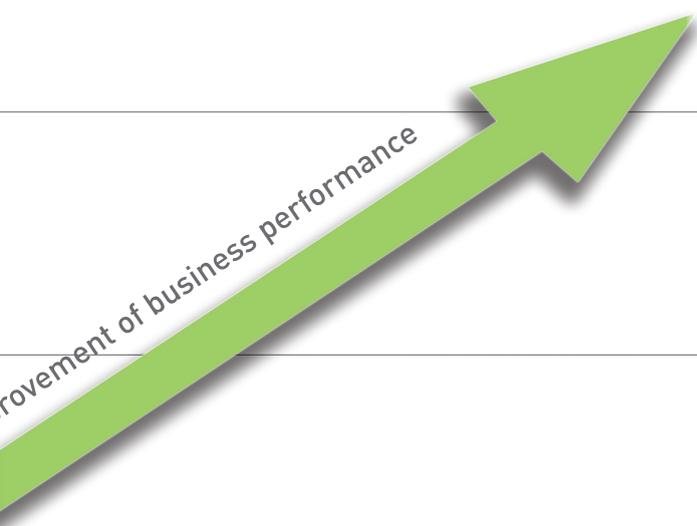
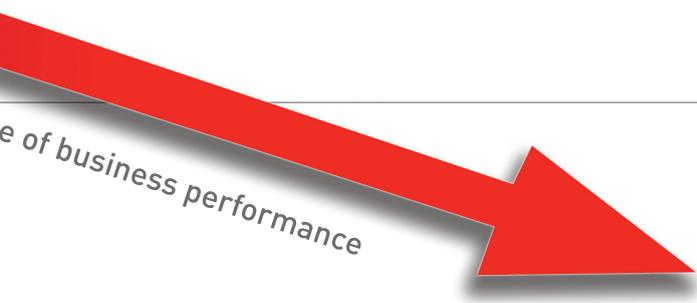


Figure 3: A Representation of the impact of succession planning on family business performance



 with succession planning

 without succession planning



Following on from this, encouraging family businesses to actually engage with succession planning is clearly a priority. However, it is not just the existence of a succession plan but the adequacy of that plan that is critical³². In turn, this points to the need for training to boost the skills and knowledge of professional advisers in order to ensure the quality of succession planning.

“succession planning is often a decisive factor determining whether the business survives or fails”

Interestingly, the Expert Group initiated by the European Commission recognized that intergenerational transfer was a key challenge facing family businesses and recommend that steps are taken to raise awareness of the importance of early preparation for succession alongside the need “to make available tools for the transfer [e.g. specialised training for the parties involved].” It went on to state that “this type of initiative is best undertaken at local level, or by private-sector organisations.”³³

32. File, K. M. & Prince, R. A. (1996)

33. Commission of The European Communities (2009) p.16

3. The Family Business Growth Programme

The Family Business Growth Programme was a 12 month pilot initiative designed and managed by Clinton Devon Estates working in partnership with the University of Exeter. The project consisted of a two day master class at the Institute of Management Development (IMD) in Lausanne, Switzerland – ranked among the world’s top business schools by the Financial Times supported by pre- and post- course events in Exeter³⁴, including a session at the University of Exeter with John Baker from Iowa State University. Mr Baker provides accredited training for farm succession advisers in the United States.

Thur 2 May	Fri 3 May
<p>8:30 - 12:30 Family Business Frameworks Owens Case Joachim Schwass</p>	<p>8:30 - 09:45 Governance Joachim Schwass</p> <p>10:00 - 12:30 Live Cases: Wastnage Farms & Otter Brewery Matt Lobley</p>
<p>12:30 - 13:30 Group Picture & Lunch</p>	<p>12:30 - 13:30 Lunch</p>
<p>13:30 - 16:00 Putting it into Practice Ben Bryant</p> <p>16:15 - 18:15 Generational Succession & Strategy – Zegna Case Joachim Schwass</p>	<p>13:30 - 15:30 Sociograms Creating dialogue Tools Ben Bryant</p> <p>16:00 - 17:30 Lessons learned and Tool Kit - Q&A Joachim Schwass Ben Bryant Matt Lobley John Varley</p>
<p>18:15 - 19:00 Drinks & Buffet Dinner</p>	<p>17:30 Close</p>
<p>19:00 - 20:00 Screening of Film: Carnauba</p>	

© IMD 2007-2012



Figure 4: Programme for the IMD ‘master class’

The participants were recruited from a range of commercial and not-for-profit organisations operating in rural Devon and Somerset, including national organisations. Participating organisations included solicitors, accountants, real estate service providers, business advisers and educational establishments. The 17 participants from commercial organisations paid a commercial fee to attend the course while the 6 from not for project organisations were offered a subsidised place. In addition, observers from Defra, the NFU, CLA and TFA attended the course as did two ‘live case studies’ - representatives from two rural family businesses who formed an integral part of the IMD course.

The IMD course covered a range of issues (see Figure 4) including understanding the morphology of family businesses, governance arrangements, succession planning and the challenges presented by human psychology. The course culminated with the presentation of a family business ‘tool kit’ designed to provide participants with a means of assessing the organisational and managerial ‘health’ of family businesses and techniques for developing family business constitutions and succession plans. The course was built around a number of case studies of family businesses, some of which are very large. The two ‘live case studies’ provided useful rural family business perspectives as well as allowing direct engagement between the ideas being discussed and family business owners.

34. See Appendix 1 for the full time line of the project

35. See Appendix 2 for ‘pen portraits’ of the interviewees and their organisations



4. Evaluating the impact of the FBGP

The evaluation of the FBGP is based on two types of data:

- Quantitative data supplied by the FBGP participants indicating the FBGP related activities they have engaged in e.g. seminars, numbers of clients engaged with etc.
- Qualitative data in the form of semi-structured interviews with 12 of the participants in the FBGP³⁵.

A mixture of face-to-face and telephone interviews were undertaken designed to explore the impact of participating in the FBGP on both individual participants and their organisations. In some cases where there was more than one participant from a single organisation not all participants were interviewed.

The interviews were digitally recorded and professionally transcribed. Transcriptions were imported into qualitative analysis software (QSR NVivo) and thematic analysis was used to identify common themes amongst Participants' answers, which were then coded accordingly. Cross tabulation matrices were used to explore patterns within participants' answers, such as the differences between the impacts felt by commercial and not-for-profit organisations, the outcome of which was used to structure the overall analysis of the impact of the IMD course.

5. Impacts

5.1 Participants' prior involvement in succession planning

Participants had various levels of involvement in succession planning and associated issues prior to the IMD course.

It is notable that participants from commercial organisations had been extensively involved in succession planning prior to the course. Participants often understood their involvement in succession planning as part of their wider role. These Participants frequently described their involvement as an integral feature of their day-to-day client work:

“ I’ve always practiced within property work and because the firm that we work with, we originally started off as very much an East Devon farming firm with the majority of clients being farming clients [...] so I sort of grew up sort of cutting my teeth on East Devon farmers. And so without there being any particular scheme to the work that I have always done it was farming, agricultural sort of business work. So although I’ve now specialised in wills or probate I’ve always been dealing with the property aspects which are linked to a family’s sort of inheritance and planning succession, planning in terms of will. I’ve always been involved in drawing up agreements and acting for families as a whole and just seeing the business sort of pass organically from one generation to the next. So without sort of dressing it up as a sort of formal family grown sort of plan I’ve had a lot of experience over the years in acting for farming and other businesses. I do a lot of business selling and purchasing. And a lot of transferring of assets through generations either just new generations coming to the partnership or companies being formed. So sort of in a much more loose sense that in terms of the course I’ve had a lot of general experience.”

(Participant 1; Commercial Organisation 1)

“ Most of my work is estate management. So advising owners and occupiers of rural property often sort of larger estates but also some farmers and individual businesses as well. [So prior to going to IMD you’d have been, you know, doing quite a lot of stuff around succession planning already?] Very much so.”

(Participant 8; Commercial Organisation 3)

“ [And prior to attending the IMD course what was the extent of your involvement in issues around family business planning, family business constitution, succession planning, that kind of thing?] Well I mean it features as part of our day-to-day working life as advisers to farming and rural businesses. So succession features as one of the aspects that we will come across and discuss. Either specifically on request by clients or as part of strategic family business planning.”

(Participant 9; Commercial Organisation 3)

“ prior to the course at IMD the extent of involvement in issues around succession planning, family business planning and that kind of thing was pretty minimal I would say. The nearest I might have got to that kind of conversation probably was something around, you know like exit strategies. What would be the next step.”

(Participant 19;
Not-For-Profit Organisation 3)



FAMILY BUSINESS GROWTH PROGRAMME

“ [So prior to attending the course at IMD what was the extent of your involvement in issues around family business planning, succession planning, that kind of thing?] Well I guess I would have joint involvement with, you know, with the partner responsible for the client. [Right.] And so inevitably it would be something discussed at client meetings I guess it was very, a client-by-client basis and whether the time is right really. ”

[Participant 21; Commercial Organisation 6]

In contrast, participants from not-for-profit organisations were notably less involved prior to the course, and where they were involved, participants characterised their involvement as both general and intermittent:

“ [What was the extent of your involvement in those sort of issues prior to us going out to Switzerland?] Not a huge amount really. The [name removed to preserve anonymity] has previously run one sort of succession based event. We’ve done bits and pieces on tax planning in the past but obviously succession’s been brought into that on a tax level. ”

[Participant 17; Not-For-Profit Organisation 1]

“ I guess most of my work as a business adviser up to that point with family businesses covered wider business areas, opportunities and challenges rather than specific succession planning or issues. We would touch on it lightly if it came up during, the business support we were doing. ”

[Participant 18; Not-For-Profit Organisation 2]

Interestingly, Participant 20 attributed his and his organisations’ minimal prior involvement in succession planning events to the monopoly of commercial organisations in the area:

“ [Prior to attending the IMD course last May what was the extent of your involvement in issues around kind of family business planning, succession planning, business governance, that kind of thing?] Relatively little. In terms of the training course that we do we had not gone along the succession planning line essentially because many farmers had thought that a succession planning event was really normally put on by the banks and people like that. ”

[Participant 20; Not-For-Profit Organisation 4]

5.2 Knowledge and understanding

Overall, participants were very positive about the impact of the course on their knowledge and understanding of family business succession and associated issues. Notably, the type of impact was dependent on the participant's previous level of knowledge of and involvement in the field. For those who had little or sporadic involvement with the topic area, participation has resulted in an increase in the level of knowledge.

“With having somebody like me along who didn't really know an awful lot about it [...] everything kind of was fresh and new. It's not one of those sessions where you say well it's consolidated a lot of what I knew already.”
 [Participant 19; Not-For-Profit Organisation 3]

“I think it gave us a bit more in-depth knowledge about the subject.”
 [Participant 17; Not-For-Profit Organisation 1]

“So for me it had a profound effect and really positive effect in terms of the classic three circles really in terms of family, ownership and business.”
 [Participant 20; Not-For-Profit Organisation 4]

For the majority of Participants with extensive prior involvement in family business planning, participation has consolidated or developed their prior knowledge:

“I think that having had quite a bit of experience in that arena what it did for me was it brought it all together very nicely.”
 [Participant 10; Commercial Organisation 4]

“I think for me it probably did just bed up my knowledge more.”
 [Participant 21; Commercial Organisation 6]

“I think the impact has been that it really sort of took it probably to a different level.”
 [Participant 9; Commercial Organisation 3]

One participant, who had previously been extensively involved in succession planning and associated issues, claimed participation in the course had meant “a considerable awareness in the benefits of succession planning” [Participant 8; Commercial Organisation 3] – so even for those previously involved, the IMD course still enhanced their knowledge.

“Having been over to Switzerland and come back you know that it is so much more than just simply doing somebody's will or even talking about how one might pass on the shares in the family business as it were.”

[Participant 2;
 Commercial Organisation 1]



FAMILY BUSINESS GROWTH PROGRAMME

“ participating in the course gives you a considerable awareness in the benefits of succession planning.”

(Participant 8; Commercial Organisation 3)

One of the most significant impacts of the course common to all participants was to the way they now viewed succession planning/family business planning; rather than continuing to view family succession planning as simply a ‘tax planning exercise’ or administrative formality, participants claimed to now be attuned and sensitive to its wider purpose and the emotional or familial implications:

“ I think the key issue really is putting more structure on my approach [...] I guess traditionally when we look at succession [...] it tends to be a tax planning exercise first and foremost [...] and driven by fiscal aspects rather than necessarily the management of the business and its inter-relation with the family. So it’s brought a lot more attention on to those aspects and the benefits of succession for growth and stability of the business. As against worrying what the tax bill will be, which has been the traditional approach really.”

(Participant 8; Commercial Organisation 3)

“ [What aspects of the material covered do you think are likely to be most useful, most beneficial?] Most beneficial? I suspect actually something - you know - the sort of overriding principles of Joachim’s approach. Which would be family ownership business [...] It’s very important to get the family - you know - to deal with the family first, rather than putting the business first. Although the business might come first.”

(Participant 14; Commercial Organisation 5)

“ In the past I had always thought about it, probably because of our previous question, about tax and the legal issues, will making. [Okay.] So for me it was a profound effect and really positive.”

(Participant 20; Not-For-Profit Organisation 4)

“ And so, for me professionally it is good because it stretches the mind, it makes you think differently and I think it was very good because it makes you look at it from different viewpoints.”

(Participant 18; Not-For-Profit Organisation 2)

5.3 Skills

A number of the participants referred to an enhanced skills-set as a direct result of attending the course. Participants frequently referred to the idea of having more 'tools in their toolbox':

“ I think it's just given us more tools in our tool box. ”
(Participant 5; Commercial Organisation 2)

“ Gives us more tools in our tool box. ”
(Participant 8; Commercial Organisation 3)

“ Given us the toolkit which will be very useful. ”
(Participant 21; Commercial Organisation 6)

“ And I think it brought some clarity you know with the toolkit what sort of things should we be talking about. ”
(Participant 10; Commercial Organisation 4)

“ I think in terms of the course content it gave additional skills and direction and points for helping the process [...] being able to go out to existing clients perhaps with a bit more armoury to ourselves and to talk about succession, that has helped. ”
(Participant 9; Commercial Organisation 3)

With reference to the case studies used during the course, one participant described how he uses examples from the course to instigate succession-related discussion with clients:

“ The best bits were the case studies [...] I talk about that to clients when I'm talking about family constitutions and things like that it's one way to just bring the subject up. ”
(Participant 5; Commercial Organisation 2)

Similarly, a number of participants referred to parts of the course that they felt they were able to apply in their work, enhancing their ability to deal with certain situations.

“ The other things that I felt were really good were Ben's session on managing those difficult conversations. Some of the things that sort of stick with you are, if it is a really difficult conversation and people are upset then...so you are not actually looking at the group, you can still talk. ”
(Participant 18; Not-For-Profit Organisation 2)

“ I think what made a useful course was having the live case studies, their case studies were great as an example, showing how to overcome difficult issues ”

(Participant 21;
Commercial Organisation 6)



I would say yes, there's a lot of elements that are used that I would use I would say. Things like you know there's negotiating skills. Things like that you find yourself kind of thinking oh what was that? How do we go about that? What was the example? You know so you do find yourself using the various techniques that were discussed [...] I would also say that what I certainly would have now is the confidence to open up that discussion. ”

[Participant 19; Not-For-Profit Organisation 3]



I think what made, you know, a useful course was having the live case studies there [...] their case studies were great as an example [...] you know, how to overcome difficult issues. ”

[Participant 21; Commercial Organisation 6]



What I actually liked I think most of all was the stuff that Ben did which was more the sort of how to deal with people and emotions and feelings. ”

[Participant 17; Not-For-Profit Organisation 1]



5.4 Impacts on organisations

Critically, the impacts of the course extended beyond the individual participants involved and in a number of cases their participation has had notable impacts within their corresponding organisations.

Many participants across both commercial and non-profit organisations reported a heightened awareness throughout their organisations as a result of their own attendance on the course:

“The impact since is, I think, that all of us within the business are more aware of the subject and its importance. We have come back and conveyed it to all the team and so it comes into the conversation.”
(Participant 18; Not-For-Profit Organisation 2)

“It’s raised awareness throughout the firm. And I’m not just talking South West here, you know, it’s got it on to the radar nationally.”
(Participant 8; Commercial Organisation 3)

“Positive-wise we’ve done internal training to our internal staff.”
(Participant 9; Commercial Organisation 3)

The result of this increase in organisation-wide awareness is a transformed appreciation of the importance of succession planning as a subject, that has, as the following comments demonstrate, brought it ‘into focus’ for participating organisations:

“We now consider succession alongside a number of other technical subjects etc. that we would think of in terms of a suite of programmes to roll out. [So quite a marked impact then?] Yes.”
(Participant 20; Not-For-Profit Organisation 4)

“I think it’s definitely made us think more seriously about the subject. Whereas we might have touched round the edges in the past and made us focus more on various aspects of it.”
(Participant 17; Not-For-Profit Organisation 1)

Whilst participants themselves claimed that the course had given them a more holistic understanding of succession planning, rather than it being seen as simply a ‘tax planning exercise’, this change in perspective was reflected in the outlook of their corresponding organisations.

“It’s raised awareness throughout the firm. And I’m not just talking South West here, you know, it’s got it on to the radar nationally.”

(Participant 8;
Commercial Organisation 3)






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“ It gave us an idea of how people feel about succession and since then I have realised that no two situations are the same. ”
(Participant 17; Not-For-Profit Organisation 1)

“ It's rather changed the emphasis in the way that we are dealing with clients and also the issues we raise with them rather than just worrying about moving assets between generations. It's a lot more about what opportunities are you taking to use this as an opportunity to build a business. And also I guess better recognition of the wider family, their feelings and the issues that come out of it. In a couple of instances we've been saying well you know what about Fred who is sitting there in the background. Have you really thought about what they think about it rather than focussing on prime agenda? ”
(Participant 8; Commercial Organisation 3)

“ In terms of the business what it identifies is I think a huge, huge gap in the marketplace for a firm, accountants or lawyers, preferably lawyers, to advise businesses on succession. Generally if you speak to somebody about succession planning they think about, well they just think well actually yes I've got a will thanks and it's all going to the children. Or it's all going to husband, if husband dies it goes, all that sort of stuff. That's generally what people think about succession planning. ”
(Participant 2; Commercial Organisation 1)

It was clear that since the participants' involvement in the course, many of the organisations are genuinely investing in the topic. For example, Participant 5 discussed plans to organise further training for other employees within his and another participant's organisations; a testament to their interest in the topic, and belief in its potential impact on the business:

“ What I've been discussing within the firm is that perhaps when people get to a certain level in the firm they want to then concentrate on acting for family business, they should have some formal training like we did. Now I don't think the firm will be able to afford to send ten people every year to Switzerland but I don't know whether if all the other professional firms had similar numbers of people or whatever, Joachim would come over for even a day. I mean the guy is, I found him inspirational. I suppose if there were ten from us, ten from [name of organisation], ten from [name of organisation], that might just about pay him for a day or two of him coming over or something. ”
(Participant 5; Commercial Organisation 2)

5.5 Structural changes within commercial organisations

One of the most tangible impacts of course attendance has been the subsequent decision of a number of the commercial organisations to restructure their business, by establishing distinct family business ‘divisions’ to cater specifically for the needs of family business clients. For those involved, it has or is requiring a significant change in the way their organisation functions, in order to enable them to cater for the family business needs, highlighted on the IMD course. For example, Participant 1, from a large firm of solicitors, described the subsequent ‘branding’ of the company’s family business division:

“[Are you able to offer a different service, improved service as a result?] We’ve sort of branded our family business section.”
[Participant 1; Commercial Organisation 1]

She later claimed this branding of the family business section had been “all generated really as a result” of her attendance on the IMD course.

Similarly, Participant 5, from a large firm of accountants, described how the course had prompted change to the core structure of his entire firm, to prioritise the family business and their needs accordingly:

“I mean it’s also made us [...] rethink about [name of business] business in a funny sort of way. [...] What are 90% of our clients? Well they’re family businesses. 90% of our clients are family businesses. Our website doesn’t mention family businesses. So [...] the one thing I’ve thrown in the pot recently [...] is whether in fact we should change that so we actually have private clients, family business and audit and insurance. So you’ve got very big companies that aren’t family businesses, all they want to buy is an audit but the vast majority of our clients would then be family businesses because small family businesses and large family businesses have similar issues.”
[Participant 5; Commercial Organisation 2]

Another participant described his organisations’ similar, but incipient plans to restructure their business to better accommodate the wider demands of succession planning:

“Ultimately what I’d like to think we could do is – and it’ll take time, but actually get the service – get ourselves into a position where we can actually – we are accepted as being the place to come for that sort of advice [...] So we’re actually on the move – nationally, in terms of changing the way in which people perceive us [...] as the place to come for advice [...] It is actually part of our strategy, is to move ourselves away from our competition. And actually to deliver and offer a completely different type of professional service.”
[Participant 14; Commercial Organisation 5]

“We now consider succession alongside a number of other technical subjects etc. that we would think of in terms of a suite of programmes to roll out”

[Participant 20; Not-For-Profit Organisation 4]

Although they haven't yet branded a specific division, another participant noted a similar sense of unity within his organisation, attributable to his involvement in the course:

“ Sometimes there's almost a silo thing going on in law firms and I think that's the same here where the private client team doesn't necessarily work alongside or together really with our business teams and this family business initiative is starting to join the two [...] We're arranging to go out and see people together whereas perhaps he was doing his... So yes, it's brought a unity together both in terms of who's doing the families and business but also private client to business teams. ”

(Participant 10; Commercial Organisation 4)

The significant internal changes to the above organisations are testament to how important and fruitful the participants and their corresponding organisations consider the topic of family business planning to be.

Although in their infancy, it is important to consider that the formation of the various family business divisions, teams or sections, as described above, established as a result of the IMD course, are long term structures that are likely to continue to address the specific needs of family businesses well beyond the formal end date of Family Business Growth Programme. Although not currently measurable, the anticipated legacy of these organisational changes is considered to be a key impact of attending the IMD course.

Critically, the time and financial investment these organisations have made to implement or start implementing these structural changes are evidence of their interest and the potential offered by the area of family business planning/succession planning.

The same organisations continued to demonstrate their commitment to a specific family business provision, describing how they hoped to be able to differentiate themselves from their competitors, by branding themselves as 'family business experts':

“ Probably given us a badge to differentiate ourselves. [Right, yes, yes.] You know, a lot of people can pretend to be family business experts – [Yes.] But you know, there is no real qualification around is there to say that you are? [...] So I think, you know, and the fact that, you know, alright it was expensive and it seems a bit extreme that the course was out in Switzerland but the fact that, I think we made the effort to go out there and do it – [Yes.] makes it stand out a bit more in peoples' minds than if you say I did a course... [Yes, yes.] So yes, I think that gives it a bit more prominence and profile and attracts peoples' attention. ”

(Participant 21; Commercial Organisation 6)

“ I'd say it's very positive and it also, from a sort of business promotion point of view it gives, it enables you to differentiate yourself from other people so that they can do the same thing. [...] it's useful to talk about you know your own personal experience of how long you've been working with rural farmers and farm businesses. But then to be able to overlay that with the fact that you've actually undertaken a period of specialist training. ”

(Participant 1; Commercial Organisation 1)



“ And the support network I’m talking about is actually within the law firm. Getting the commercial experience that [name of IMD course participant] got, the inheritance experience [...] and also the experience that somebody [...] in litigation who specialises in inheritance disputes [...] if you get it all together it’s a fantastic little offering as it were and from our point of view should be a huge feather in our cap and a real offering to attract clients and/or people that aren’t actually necessarily clients at the moment.”

[Participant 2; Commercial Organisation 1]

“ But just getting a reputation I think for dealing with those sorts of things and not being, we don’t want to be seen as compliance based accountants, you know, our game isn’t really just preparing accounts, preparing tax returns, we want the value added bit and I think our clients too. We’ll never be the cheapest therefore we’ve got to add value.”

[Participant 5; Commercial Organisation 2]

“ Ultimately what I’d like to think we could do is - and it’ll take time, but actually get the service - get ourselves into a position where we can actually - we are accepted as being the place to come for that sort of advice. And that’s actually changing the mind-set of people, and actually changing the way in which we project ourselves. And we’re doing that in a whole host of ways actually, in the advice that we give. So we are actually on the move - nationally, in terms of changing the way in which people perceive us. Not just as sellers of posh country houses, but actually as the place to come for - advice. And our Step qualification will change people’s perception. So they’ll take us seriously as tax advisers. So - alongside the accountant and the lawyer. We could then actually I think see ourselves being - developing this side of the business. And then we’ll look to do it not just down here, but we’ll look to do it throughout the UK, which will be interesting. It will take time. But it is actually part of our strategy, is to move ourselves away from our competition. And actually to deliver and offer a completely different type of professional service.”

[Participant 14; Commercial Organisation 5]

“ I’d say it’s very positive and, from the business promotion point of view it gives, it enables you to differentiate yourself from other people ”

[Participant 1;
Commercial Organisation 1]

5.6 Changes within non-profit organisations

Although changes to and within the not-for-profit organisations were generally less dramatic than the structural change evident amongst the larger, commercial organisations (presumably indicative of the differences in size and scope of the organisations), there were still some noteworthy changes, attributable to participation in the IMD course, that nonetheless have made a tangible difference to the way many now interact with clients 'on the ground'.

For example, one participant described changes to the documentation her organisation used for client meetings.



[So what would you say has the impact been in terms of the kind of service you offer to your existing client base?] [...] What I did is we've got something that we use called a Business Review document which is really just a structure that we use for business meetings. [Yes.] And what I did was I amended it and kind of added in more of the structure with regard to the kind of the governance...So I didn't word it like that. [Yes.] But it was kind of, it took it a step further and started looking at... shuffle about and get one now. Yes, it's added on another section which was family constitution areas for discussion which kind of...the family's position, the code of conduct, ...what leadership management...etc. etc. And then another section which I put in on the actual succession planning side of things. [Okay, yes.] And I kind of thought to myself well look you know rather than me just going in and saying this is going to be fabulous, this is going to be great, you know just explain to them that we were very fortunate that we're able to offer this service to them. »»

[Participant 19; Not-For-Profit Organisation 3]



It's helped us in terms of building relationships, not just with farmers but with accountants and others as well. That's been really useful. And we're able to help people, signpost people. »»

[Participant 17;
Not-For-Profit Organisation 1]

Although there was no evidence of formal structural changes to the not-for-profit organisations, Participant 17 described a series of informal relationships and connections with other organisations as a result of involvement in the IMD course.



It's helped us in terms of building relationships, not just with farmers but with other, you know with accountants and things as well. That's been really useful I think. And we're able to help people, signpost people.

[Participant 17; Not-For-Profit Organisation 1]

Whilst tangible impacts were less evident amongst the not-for-profit organisations, there was a wealth of evidence to suggest that these organisations were now taking the issue of succession planning 'more seriously':



I think it's definitely made us think more serious about the subject. Whereas we might have touched round the edges in the past and made us focus more on various aspects of it.

[Participant 17; Not-For-Profit Organisation 1]



The impact since is, I think, that all of us as a business here, so we have come back and conveyed it to all the team of advisers, is that we are much more aware and so it comes into the conversation.

[Participant 18; Not-For-Profit Organisation 2]



5.7 The ‘ripple effect’: subsequent events and proceedings

More generally, many of the organisations have run or been involved in a significant number of ‘succession themed’ events, as a result of their participation (see Figure 5 for an example of the publicity for a succession seminar. Also see Appendix 3). We estimate that there have been at least 16 succession themed workshops, seminars and presentations attended by 200 individuals. In addition, participants have written articles for various newsletters and here has been coverage in the local and regional press (see Appendix 4 for examples). Given the geographical focus of the RGN pilot (Devon and South Somerset), many of the events were held locally:

“ We decided when we got back that we would get on straight away and organised a couple of events [...] So we decided to do an event on Exmoor and one in the North Devon area [...] And we decided to do them jointly with a firm of accountants [...] that worked quite well because the businesses that were there got a lot out of it.”
(Participant 17; Not-For-Profit Organisation 1)

“ The interesting thing from the two workshops that we have run, one was with an accountant that came on the programme and one was an accountant who we work with locally who didn’t participate in the programme [...] So we have got another workshop that we are organising in the spring, that will be around family businesses and a bit of proactive work [...] So there is some still on-going work.”
(Participant 18; Not-For-Profit Organisation 2)

“ It prompted us to have a number of informal discussions with both students and with farmers in discussion groups. So a lot more activity.”

(Participant 20;
Not-For-Profit Organisation 4)

Balancing family life with a family business?
Free seminar Tuesday 18th June 7.30pm – 9pm
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Figure 5: Example of succession planning seminar

There were also examples of much broader dissemination and briefings within a number of the commercial organisations, suggesting the impact of the FBGP extends far beyond Devon and Somerset:



We held a briefing for resident agents for both internal resident agents that [name of firm] employ that are appointed on the estates around the country, and also invited a large number of external agents, independent residential agents [...] We have done an internal, we did a feature in our summer and winter newsletter which went to all our clients in our database of people. So that went to several thousand people. And there will be a follow-up feature in our winter newsletter [...] And following on from that there are a series of succession planning events going on around the country at the moment. We've also prepared a paper for [name of client removed] on their let farmer estate and the challenges of succession of farming tenants... we've just had an enquiry into an opportunity for Cumbria County Council which is called The Family Business Network [...] Issued by Cumbria Business Rural Growth Network aimed at encouraging and supporting business growth throughout Cumbria and we're thinking about delivering this report...to offer specialist support for family businesses. So you know...another initiative sort of following on from. ■■

(Participant 9; Commercial Organisation 3)



We had a presentations event up in Burnley which picked up agents from across the country where this is a subject. Separately we've got a sort of tour going on of looking at succession again across the country. And it's included in our national magazine and I did get a response from someone in Devon off the back of that who I went to visit. So that was quite a good example of completely new business. Then regional, obviously we've had dissemination and we were part of the [name of organisation removed] non meeting. I think that was quite revealing that succession as a subject per say seems to be pretty low down peoples' lists of priorities. ■■

(Participant 8; Commercial Organisation 3)

Critically, as demonstrated in the above quotes, these events and proceedings have not just been confined to the organisations involved in the IMD course, but have involved additional companies and organisations and their cliental, in a variety of geographic locations. In addition, many of the forthcoming events and plans represent ongoing interest and engagement with the topic.

Where organisations hadn't run or been involved in an event or seminar, they nonetheless reported some sort of 'wider engagement' with the topic of succession and family business planning, with similar implications for the wider engagement with the issue:



I did an article actually, in the Western Morning News. ■■

(Participant 14; Commercial Organisation 5)



It prompted us to have a number of informal discussions with both students and with farmers in discussion groups and obviously things like the Seale-Hayne thing last week. So a lot more activity. ■■

(Participant 20; Not-For-Profit Organisation 4)

Linked to this activity and engagement with the topic was the observation that since the IMD course, the profile of succession planning and associated issues had risen markedly:

“The week after, I can’t remember when we got back but it seemed the week after every conversation I had with someone you spotted with that conversation there was something about succession. [...] you know and I think that was the great thing. It’s part of our day to day life. It brought it perhaps higher up the agenda.”
 (Participant 9; Commercial Organisation 3)

Collectively we estimate that the IMD course participants subsequently targeted at least 448 businesses for an initial discussion about family business planning. As Table 1 indicates this initial engagement included a good mix of farming and non-farming rural family businesses and a significant number of new clients.

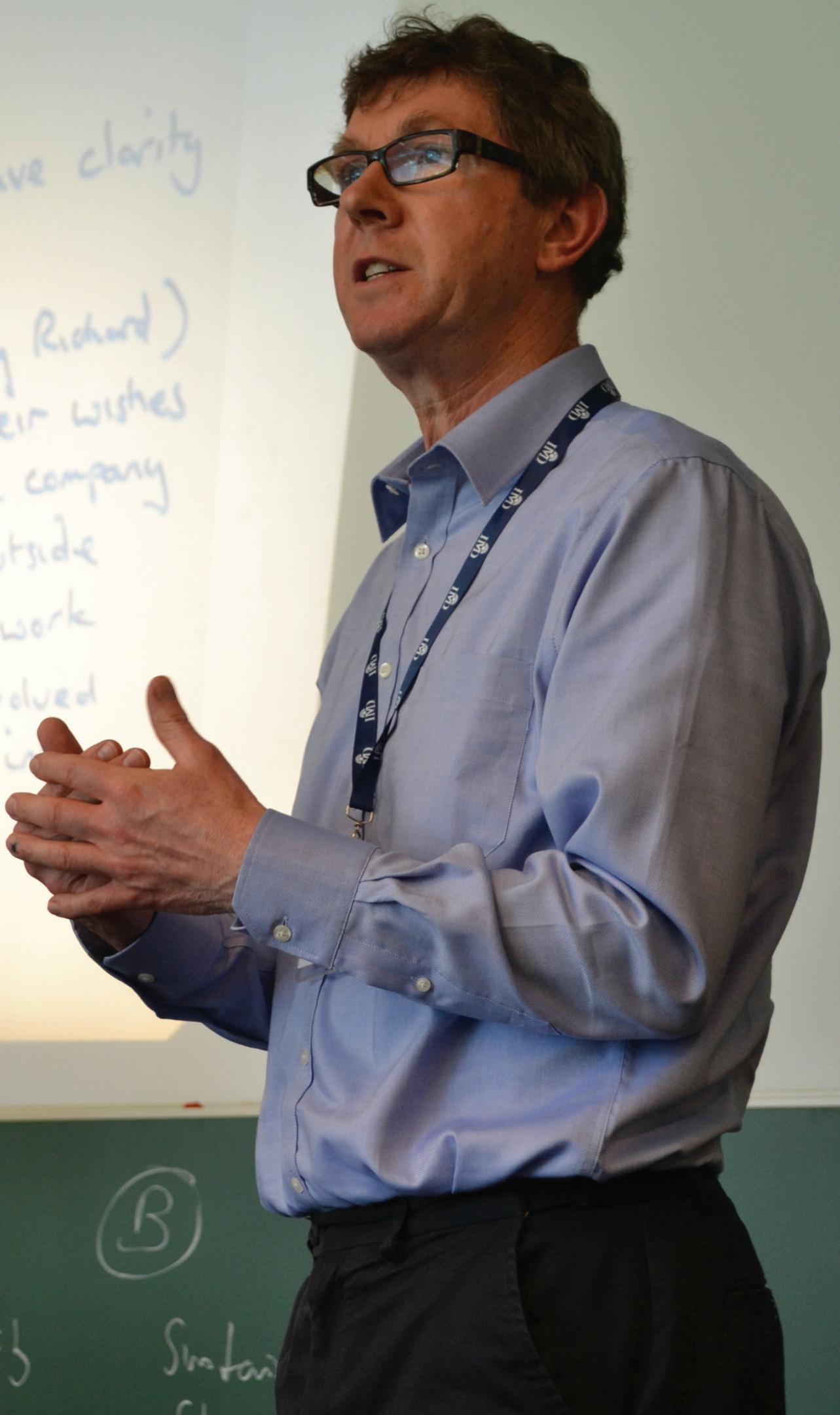
Table 1: Initial engagement with family businesses

Overall number of family businesses targeted (Initial engagement)			
Existing clients		New clients	
Farming	Non-Farming	Farming	Non-Farming
82	126	107	133

“I know this sounds really contentious but anybody could knock up a succession plan for a client and bung it in and say there we are, you’re done. But all that is really is a cover-up. The real story is we’re noticing other things, other factors.”

(Participant 19; Not-For-Profit Organisation 3)

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5.8 Putting succession ‘on the agenda’

Following on from the initial engagement with family businesses a number of participants were able to take discussions a stage further, including undertaking a free ‘family business health check’ (see Table 2). Again there is a good balance between farming and non-farming rural businesses and existing and new clients. Clearly far fewer businesses progressed to this stage, which is a reflection of the time and effort required to get businesses to begin to seriously address these issues.

Table 2: Follow up meetings/discussions with family businesses

Overall number of family businesses followed up with (including a free ‘health check’)			
Existing clients		New clients	
Farming	Non-Farming	Farming	Non-Farming
17	27	11	19

Several participants in the IMD course described how subsequently they had ensured that succession planning was at least on the agenda amongst their existing client base:

“Well, it’s just pretty high up on the agenda but when I speak to any client now, is let’s talk about succession, let’s talk about the family... I’ve always done it to some extent I think but not as formally as actually I’m making people put it on an agenda.”
 (Participant 5; Commercial Organisation 2)

“I suppose with existing clients it’s just ensuring that it is one of the agenda items that succession planning features as a standing item almost on the agenda of matters to discuss.”
 (Participant 9; Commercial Organisation 3)

“Another business which came along that night I have since been in and seen myself [...] and a whole range of different things they wanted to discuss. I know that [name of commercial organisation removed] have had a meeting with them about the tax issues but had a long chat with me you know with the immediate family about what their plans were [Okay] about the son taking over the farm, what the parents are going to do for an income, how it would work in terms of have you got the right skills to take on the farm. Is he ready? [Yes.] And what are the plans for the future of the business because there are implications in terms of why the family members

“Moving it on from something to do to something that we now must do”

(Participant 9;
Commercial Organisation 3)

owned part of the business. Sort of ... to buy themselves ... and it was you know quite complicated, but for me it was really interesting that the parents sort of thought actually we could just rent the farm out. It's so much work, it's so much hassle, the paperwork. We've had a really bad year. Let's just rent the farm out and make life easy for ourselves but their son was so desperate to farm. So I mean it's difficult to know how much to intervene on those situations I think hopefully having sat down and discussed it, it will help them move forward. ■■

(Participant 17; Not-For-Profit Organisation 1)



Moving it on from something to do to something that we now must do [Right] and some you know actually moving it on at a bit of a faster pace. ■■

(Participant 9; Commercial Organisation 3)



So there will be the slow burn there in terms of just raising the awareness with people. But in terms of the existing clients what we have already found is that we have been able to talk to business clients about private client type issues. ■■

(Professional Service Provider 10; Commercial Organisation 4)

Recruitment of new clients as a result of participating in the FBGP was limited, but participants were hopeful that in time it will increase through word of mouth as improved reputations were established:



[So to what extent have you been able to attract new clients as a result of the programme?] Quite limited. ■■

(Participant 8; Commercial Organisation 3)



And you know, as I say to my mind it was never going to be a sudden...people queuing at the door to see us [No] And I think it has had an impact and I think it will continue to do so. And I think I would hope that the sort of, shall we say the cross referrals between professions will happen as and when their sort of needs move forward [...] It's a long-term thing and picking up and developing new or helping new businesses isn't going to just happen by spring next year. It's going to be a long-term thing. ■■

(Participant 9; Commercial Organisation 3)



[Do you think it's going to enable you to attract new clients? Or will you just be doing more or better with existing clients?] No, it won't necessarily attract new clients. Because clients - new clients come to us because of - I suppose it will. It will, indirectly. They come to us because of reputation. And that's why. And so it's more often word of mouth. That's more often than not the reason why they come to us; Personal recommendation. ■■

(Professional Service Provider 14; Commercial Organisation 5)

Although the FBGP has done much to raise the profile of succession planning, in the short-term the ability to translate this in to Family Constitutions and Succession Plans has been limited (see Table 3). In part this reflects the reluctance of family business operators to engage with family business planning and succession planning but it is also a function of the time required to move from an initial awareness of the issue through to full acceptance that something needs to be done and then finding the time to meet with professional advisers and enter in to complex and sensitive family discussions.

Table 3: Number of succession plans and family constitutions agreed

Number of Family Constitutions agreed				Number of Succession Plans agreed			
Existing clients		New clients		Existing clients		New clients	
Farming	Non-Farming	Farming	Non-Farming	Farming	Non-Farming	Farming	Non-Farming
5	1	1	0	6	12	2	1

Although there has been only a small number of succession plans and constitutions completed since the IMD course in May 2013, participants argued that it would be a mistake to view this in any way as a measure of the impact of the course to date, nor would it be an accurate reflection of the long-term impacts they all anticipated. Participants frequently and strongly asserted that facilitating succession planning was a lengthy process and the impacts hadn't been felt immediately. However, as evident from the quotes below, they clearly anticipated progress in the longer-term:



You know it's the subject matter that as we all know won't be dealt with in one meeting or over a few weeks. It is a sort of longer term discussion and debate and bringing in other parties and all the rest of it. ”

[Participant 9; Commercial Organisation 3]



I think that is the other, it will move, but the wheels are perhaps much more slower than if you were implementing or discussing a different change into a business, say some set of benchmarking or financial reporting or a marketing strategy, you know, that is much clearer cut [...] I think they are very different and I think that is an important thing to come out in the report that actually the benefits will probably, you know, snowball but they will gradually, change, won't they? ”

[Participant 18; Not-For-Profit Organisation 2]



I think the other thing that really increasingly struck me and this comes back to how you record results and so on. The idea that you can demonstrate a successful succession off the back of this training by 31st March 2014 is to say, the least, ambitious. These are long term discussions, long term plans over many years. I think you are right to revisit your benchmarks of success in this exercise. Because I'd be very surprised, even though we've done some succession arrangements in short order, they deserve proper thought and assistance and so. I think this programme and results and legacy of it should be going for quite a number of years looking at how we build on that going forward. ”

[Participant 8; Commercial Organisation 3]



It's a long-term thing and picking up and developing new or helping new businesses isn't going to just happen by spring next year. It's going to be a long-term thing. ”

[Participant 9; Commercial Organisation 3]



FAMILY BUSINESS GROWTH PROGRAMME

“It’s a long-term thing and picking up and developing new or helping new businesses isn’t going to just happen by spring next year. It’s going to be a long-term thing.”

(Participant 9; Commercial Profit Organisation 3)

A better measure of the impact on clients at this stage is the thoughts participants have provoked, the conversations they have initiated and the degree to which they've 'set the wheels in motion', as Participant 19 describes below:



There is one client we have been talking to about it for, I don't know, five/six years, and every year we have the same conversation and not really much has happened and, you know, the trigger event is really now they have got closer to the old generation wants to retire – they are going to focus their minds more and more, you know, with us banging the drum about – you need to think about this and what you will do. Who is going to have the shares and everything else? So that one is sort of, you know, starting to get the wheels in motion. ”

(Participant 21; Commercial Organisation 6)



At the moment it'll need another year at least before we get a feel for whether it's been a, what real value is done to businesses. [...] It's the same with a lot of things ...very difficult to assess the impact in the short-term [...] It's not going to be a massive financial gain [...] It's not about output ...it's about outcomes [...] It's difficult to get that across. ”

(Participant 17; Not-For-Profit Organisation 1)

Unfortunately, as many of the participants recognised, measuring these types of impacts would be difficult:



Having these discussions we might not see it come to fruition and we might not be necessarily involved in it coming to fruition but you know that is, that in itself is an outcome though that we can at least encourage families and kind of give them some ideas as to what the process would involve to do it properly. Even if we're not physically involved in doing it. You know and that unfortunately isn't terribly measurable. ”

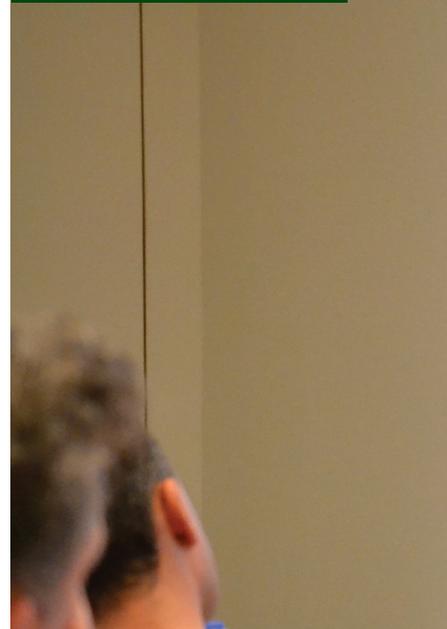
(Participant 19; Not-For-Profit Organisation 3)

Instead, we have to trust the judgement of the participants involved; their time and monetary investment are indicative of their belief in the likely benefits of succession planning as a professional service provision.

As Participant 19 suggests, the number of succession plans would have been a crude measure of the impact of the IMD course:



I know this sounds really contentious but anybody could knock up a succession plan you know for a client and bung it in and say there we are, you're done. [...] But all that is really is a ... And it's a cover-up. [...] The real story is we're noticing other things, other factors. [...] Well I mean that again is a very interesting case in point because the one client that I really, well kind of took on the process if you





like, I mean that was I kind of saw them back in May, end of May maybe and you know I was out there again last week and this is going to go on for months. [...] This isn't about knocking out a succession plan, it is a long, well in some cases, it's a long process. And I guess the only way that it really fundamentally impacts is if it is that long process. ”

[Participant 19; Not-For-Profit Organisation 3]

Despite widespread agreement that succession planning is a 'slow burn' there are examples of the practical impact of the FBGP on rural family businesses. For example, one participant discussed his recent work with what he described as one of his 'high profile clients'.

”

Well funnily enough I've done a sort of other family constitution that's actually wrapped up in a... a very wealthy landed estate of mine but the business is actually a company, the estate is in a company, and we had discussions about the next generation succeeding, the older generation is 65, the younger generation are between 36 and 40. We formulated quite a detailed... agreement which effectively is a family constitution, who should inherit what and how things should be dealt with, who should come on the board and all those sorts of things. ”

[Professional 5; Profit Organisation 2]

One of the family business operators that took part in the IMD course described the personal and business impact and also why putting agreements in place can take a long time. He explained that:

”

So for me it had a profound and really positive effect in terms of the classic three circles; family, ownership and business ”

[Participant 20; Not-For-Profit Organisation 4]

“...ever after that meeting it’s on my mind and on the ‘to do’ list... It can be the most dangerous thing to put off and yet is the easiest thing to put off because you’re doing the day-to-day job.”

He went on to explain that the family is currently waiting to agree a date for a meeting with professional advisers:

“I started explaining personally the concept to my parents. ...It definitely needs a third party who can steer it in the needs of the future and with empathy with the outgoing generation.”

As a result of participating in the FBGP this family business operator is now approaching the issue of future generations differently and admitted that it is possible that they would not have been thinking about it at all in the absence of the FBGP. In some ways the FBGP was also stimulating the growth of this business. Existing ideas for new products and diversification are now being pushed forward with an eye on who in the family could become involved in different aspects of the business.

Although there is already provision for the transfer of ownership of the business between siblings on the death of their parents, crucially: ‘without the course I wouldn’t have known how inadequate that will was’. So again, although measuring the impact of the FBGP on this business in terms of measured deliverables is not possible it clear has and will continue to have a profound impact on the business.

Commenting on the impact of the course on both on their own business and more widely, the other case study business said:

“You shouldn’t under estimate the effect the course and its marketing has had on the wider industry here in the SW. Every meeting, discussion group, farming press etc has succession somewhere on its agenda. The important point now is not to let it fade away into obscurity and ensure that it is the ‘norm’ to discuss succession, then it will start the process rolling for some businesses. I think from our perspective it has re-emphasized how important the subject is and going forward we will continue to review our situation but more often than we would have done.”

6. Barriers to Further Uptake and Engagement

Although participants were universally pleased with participating in the IMD course and wider FBGP events they recognised two principle barriers to engagement with succession planning.

First, participants attributed client reluctance to engage with succession planning issues to an inherent aversion to thinking about death:



There's an inherent reluctance amongst a large proportion of perhaps first or second generation business owners to actually address the issue of their own sort of mortality. ”

(Participant 1; Commercial Organisation 1)



I think the problem is a lot of people don't, they don't know the answers and don't particularly want to talk about it. They want to think about it in their own head first and then tell you what they want to happen before exploring it, exploring it with you. ”

(Participant 21; Commercial Organisation 6)

Second, participants attributed difficulty in getting people to engage with the topic to a difficulty in conceptualising and therefore demonstrating the benefit of succession planning.



Trying to convince the businesses that they need to do it, it's quite tricky. ”

(Participant 10; Commercial Organisation 4)



And I think that is the other, you know, it will move, the wheels are perhaps much more slower than if you were ...a different change into a business, say some set of benchmarking or financial reporting or a marketing strategy, you know, that is much clearer cut. [...] I think explaining it actually is still a bit of a challenge [...] it is still how do you make that feel tangible enough and how do you get the fell on that in a very short sentence? Even if you are, you know, as an accountant and solicitor it is sort of, it falls part of their annual review, doesn't it and they very often work with probably three generations – accountants. So I think if you are going in totally cold and you have not got a working relationship, it is how you put that all a together. ”

(Participant 18; Not-For-Profit Organisation 2)



It doesn't have an immediate financial benefit. ”

(Participant 8; Commercial Organisation 3)



I think you know it's not a subject that you can do a hard sell on. ”

(Participant 9; Commercial Organisation 3)

The ability to communicate the benefits of succession planning in a succinct and understandable way to clients or potential clients is a key requirement for the participants and organisations involved and is an important consideration for future research and professional training.

7. The IMD Course: Some Reflections

Participants were asked what they thought of the course itself. Participants offered extensive reflection and valuable comments on the course and its content. Generally their perception of the course was very positive. These reflections are a valuable addition to the feedback given at the end of the course. The passage of time (4-6 months) allowed the participants to reflect on the course from a perspective of what has proved useful/less useful in practice.

7.1 Positive aspects of the course

As [Figure 6](#) illustrates and the quotes below demonstrate, generally participants' perception of the course itself was very positive:

“ I thought the course was great actually and I thought it was very clear and yes the materials that we were given, the lectures we were given were, I thought, spot on actually. I thought they were great.”
(Participant 10; Commercial Organisation 4)

“ I struggle to pick a hole in it to be honest.”
(Participant 8; Commercial Organisation 3)

“ It was a quality opportunity and course.”
(Participant 9; Commercial Organisation 3)

Specifically, participants frequently commended the time and space the course afforded for engagement with succession and family business planning issues:

“ Personally I think the opportunity of coming out of your sort of tunnel vision world of client work, client work, client work, got to get this job, you know very task focused role that I have. Very different role to [name of colleague] role. I don't have the ability and luxury of time to be able to sit back and think you know have a broader view of things. You know getting ...so just physically being removed from the work environment and the opportunity to site around, discuss.”
(Participant 1; Commercial Organisation 1)

“ I think it benefited being away from the workplace and your normal environment. And all the distractions ...on the family business ...so there were huge pluses from doing it away from here.”
(Participant 21; Commercial Organisation 1)

“ Well me personally I think, I mean it's a bit of a vague answer but for me personally it was just I suppose the physical, process of getting on a plane and having to go to Switzerland but actually allocating some clear time and space and thought process to that subject matter.”
(Participant 9; Commercial Organisation 3)

“ I thought the course was great actually and I thought it was very clear and yes the materials that we were given, the lectures we were given were, I thought, spot on actually. I thought they were great.”

(Participant 10;
Commercial Organisation 4)

Joachim, I mean the guy is, I found him inspirational. ””
[Participant 5; Commercial Organisation 2]

What I actually liked I think, most of all, was the stuff that Ben did, which was more the sort of how to deal with people and emotions and feelings. ””
[Participant 17; Not-For-Profit Organisation]

Many participants referred to the ability to discuss course content with participants from different organisations and therefore viewpoints. Interestingly, many of the participants involved, from different organisations, have since gone on to collaborate during succession-themed events and proceedings:

[Which aspects of the course do you think have been most useful in terms of your practice?] Discussing with other participants who come at things from a different angle and being able to relate your own work experiences which were very relevant to what we were being lectured about. ””
[Participant 1; Commercial Organisation 1]

It was helpful from a point of view of just getting to know other people. ””
[Participant 10; Commercial Organisation 4]

Well I guess actually the other thing, can I just add, that was really useful was the group that we went with because, you know, a variety of different individuals and a variety of different experience. ””
[Participant 18; Not-For-Profit Organisation 2]

And just being part of that group I think was important. As we all know with these things you know it is what goes on around the edges of what you're actually listening to is often as important as listening to yourself and Joachim and everyone else speaking. ””
[Participant 9; Commercial Organisation 3]

The 'live case studies' were also a clear strength of the course, with 10 out of the 12 Participants interviewed directly referring to them. It seems that the case studies facilitated a significant portion of the learning and provoked a substantial amount of thinking:

The real life cases that we had there in the room [...] I think having it from the horse's mouth as it were was great. Just to have that honesty. I mean by virtue of the fact they were on the course they were open to talking about it whereas other people might not be if you're doing it for real as it were. ””
[Participant 10; Profit Organisation 4]

I think probably Matt that the case studies were a really good hook. Can I just say that really worked well. It did work well in that respect but I guess because, and they will be fantastic because once they'd actually been through the whole process. ””
[Participant 19; Not-For-Profit Organisation 1]





“ I think what made, you know, a useful course was having the live case studies there. ”
[Participant 21; Commercial Organisation 6]

The live case studies were particularly influential in the changes to the way participants viewed succession planning. For example, Participant 17 expressed his appreciation of ‘how people feel about succession’ and realisation that ‘no two situations are the same’ to the live case studies used in the IMD course:

“ The two live examples that we had with us in Switzerland were brilliant. You could relate to them because they were local and they were you know one dairy farm and one was sort of food related business. It was good. So it gave us an idea of how people feel about succession and since then I have realised that no two situations are the same. ”
[Participant 17; Not-For-Profit Organisation 1]

More generally, participants commended the general organisation of the course and its materials.

“ I thought the course was great actually and I thought it was very clear and yes the materials that we were given, the lectures we were given were, I thought, spot on actually. I thought they were great. ”
[Professional Service Provider 10; Commercial Organisation 4]

“ It was a quality opportunity and course. ”
[Participant 9; Commercial Organisation 3]

In talking about his experience of the course one of the two ‘live case studies’ reported that:

“ It was probably the most powerful piece of education that I’ve ever had ”

FAMILY BUSINESS GROWTH PROGRAMME



“It was probably the most powerful piece of education that I’ve ever had”

7.2 Negative aspects of the course

It is important to highlight there were very few negative comments made about the IMD course and where made, participants generally insisted they were 'nit picking' (Participant 8). Where criticisms were made they were concerning rudimentary aspects of the course that could easily be removed or remedied.

The main criticism was of a film shown during the course.

“ I thought the film to be honest. At the end of a long day it was too cheesy. I like a bit of schmaltz but it was too cheesy and I don't think it added anything. I think the examples we've been given in the day were enough to bring it to life.”
(Participant 1; Commercial Organisation 1)

“ The video. I don't know where that went really.”
(Participant 10; Commercial Organisation 4)

“ The only bit was actually that film that you ran [...] But that was the only bit.”
(Participant 14; Commercial Organisation 5)

“ It was probably just a personal thing because it was a beautiful film the one that we watched but I kind of think in a sense it was quite indulgent to just sit back and watch a nice film but in comparison, and I think because the time was so limited that there again it might have been a very wise move because maybe there is only so much people can absorb and that was a good way of just gently reinforcing the learning.”
(Participant 19; Not-For-Profit Organisation 3)

“ Didn't quite get the video that we watched if I am honest.”
(Participant 21; Commercial Organisation 6)

Other criticisms were simply concerned with the time constraints on the intensive 2-day course.

“ If we could have done a bit more, it would perhaps have got under the skin and learnt from some of those people a little bit more as well [...] I loved it all, I think perhaps it would have been great if we'd had longer. Because there were still some things that we didn't tap into but I would have hated to drop anything else off as well.”
(Participant 18; Not-For-Profit Organisation 2)

“ I wish that we'd spent more time on the actual case studies, the two case studies.”
(Participant 1; Commercial Organisation 1)

“ You felt because you had such a short time you couldn't, if you started to have a debate or a disagreement and say well I'd like to pick you up on that point.”
(Participant 20; Not-For-Profit Organisation 4)

“ It was so short, so intensive.”
(Participant 20; Not-For-Profit Organisation 4)

8. Additional/Future Training Requirements

Generally, participants were simply keen for momentum to be continued and many expressed a desire for more sessions to keep a much needed topic at the top of everyone's' agendas.

“ I mean and this is probably completely pie in the sky but one thing, I just think those refresher sessions. You know when it's a kind of a ...consolidation of what ... and just progressive learning.”
(Participant 19; Not-For-Profit Organisation 3)

“ One needs to be refreshing and updating. And leading on and it's not a legislative matter that changes but I think refining and improving and probably you know as the group that we were, probably maintaining some form of on-going discussion would be good.”
(Participant 9; Commercial Organisation 3)

Some participants were quite specific about what this should include, such as 'practical' follow ups and sharing experience of dealing with specific scenarios:

“ I think it would be quite useful to have some workshops or even some sort of simulated sessions. Because actually seeing how other people do it is one of the best ways. Certainly in our legal training we do that. We have simulated interviews and what have you. And you actually sit there in the hot seat and have to do it and then you get constructive comment. Terrible thing to have to do. I'm not volunteering but to get those, get the experiences of other. Particularly others in different professions would be quite useful.”
(Participant 10; Commercial Organisation 4)

“ I think I'd just like to get more experience of doing it really. More experience of dealing with the subject and get some more examples and some more cases ... That's what I'd mostly like. And I'd like to get some feedback you know from other people and hear what they, see in-depth the examples that they've had and how they've dealt with it.”
(Participant 17; Not-For-Profit Organisation 1)

Several of the participants involved claimed that their firms would be interested in additional training of their staff:

“ What I've been discussing within the firm is that perhaps when people get to a certain level in the firm they want to then concentrate on acting for family business, they should have some formal training like we did.”
(Participant 5; Commercial Organisation 2)

“ What I've been discussing within the firm is that perhaps when people get to a certain level in the firm they want to then concentrate on acting for family business, they should have some formal training like we did.”

(Participant 5; Commercial Organisation 2)



It would be quite good to spread the message. We can speak to our colleagues and preach to our colleagues but in many ways to have some of those discussions first up is quite good. I won't be sending a whole whack of people off to Switzerland, it would be very nice but in reality it's not going to really happen. But I think the more we can, maybe through a visit to Exeter University or whatever, I think there is more to be done to spread that among Participants. As I say identify it as a key subject in its own right. ”

[Participant 8; Commercial Organisation 3]

These quotes offer clues as to the possible content of inform future training and support provisions. They also demonstrate the on-going interest these participants and their corresponding organisations have in succession planning and associated issues. Their eagerness to develop their skills and abilities, as well as those of other members of their organisation demonstrates their recognition of the importance of family business planning. Interestingly, this sentiment was also evident in a number of other interviews. In the closing sections of many of the discussions interviewees enquired as to the longevity of the project, further demonstrating their interest in the topic:



Just because March comes we are not all going to stop, are we? ”

[Participant 18; Not-For-Profit Organisation 2]



It would be a shame if it all dissipates at 31st March. If it's all of us keeping in contact, maybe meeting up once a year of something like that, it would be good to keep the group. ”

[Participant 8; Commercial Organisation 3]

As participant 10 suggests, the impacts of the IMD course are just beginning:



And that I guess is one of my fears about the project that it's gone so far. We'll have our evaluation and our sort of end date. That's it really. And we all know it's a long burn process. So actually it would be a shame just for it to all fritter out. ”

[Participant 10; Commercial Organisation 4]

9. Conclusions and Recommendations

As the evidence presented in this report demonstrates, participation in the FBGP has led to a range of impacts on individual participants and the organisations they work for. The participants involved are now better placed to deal with succession planning issues and are armed with a range of tools from the course as well as real life examples on which to draw.

The course has prompted a fundamental shift in the way family business planning/succession planning is understood by participants and their corresponding organisations. No longer is succession being understood or dealt with as an administrative formality, or from a narrow tax planning perspective but it is being approached more sensitively and holistically with recognition of the importance of the role played by human psychology.

Critically, family business planning and succession are now being more fully embraced as a business opportunity for many of the larger commercial organisations involved. Indeed, participation in the FBGP has prompted some to restructure their business and develop 'family business sections' of their organisations. In addition, many of the organisations involved have since run succession-themed events and talks, prompting dialogue and engagement in the topic on a large scale. As a result of the FBGP, participants believe succession planning is now undoubtedly 'on the agenda' for their rural family businesses clients. Although only a relatively small number of commercial and not-for-profit organisations took part in the FBGP they have nevertheless been able to engage with close to 500 individuals and businesses on the topic of succession planning.

At the same time it is vital to appreciate, as suggested by many of the participants involved, that succession planning does not happen 'overnight' and the number of family business constitutions and succession plans completed since the course is not indicative of the likely long-term impact of the IMD course. Instead the provisions established, the 'seeds' planted, the thoughts provoked and the discussions initiated within rural family businesses are perhaps the best measure of success at this stage. Unfortunately, these changes are hard to measure and it is only over the longer term that the true impact of the FBGP will be apparent. This is not just because of the passage of time required to raise awareness, initiate initial, tentative discussions and finally move to a position where it is possible to develop a succession plan or family constitution; the whole process can be emotionally draining for those involved and even after a succession plan is agreed the family members involved may need time for some of the emotional scares to heal before they are willing to discuss the process.

“Nine out of ten if you want numbers. Yes it has made a profound difference.”

(Participant 20; Not-For-Profit Organisation 4)

Consequently, at this point in time, we have to rely on proxy indicators of the impact of the programme. It's contribution to awareness raising is clearly one impact but so too is the time and monetary investment of those involved, the establishment of various new organisational divisions and initiatives along with the enthusiasm for future training and support. In discussing the overall impact of [participating in the FBGP one respondent commented:

“Nine out of ten if you want numbers. Yes it has made a profound difference.”
(Participant 20; Not-For-Profit Organisation 4)

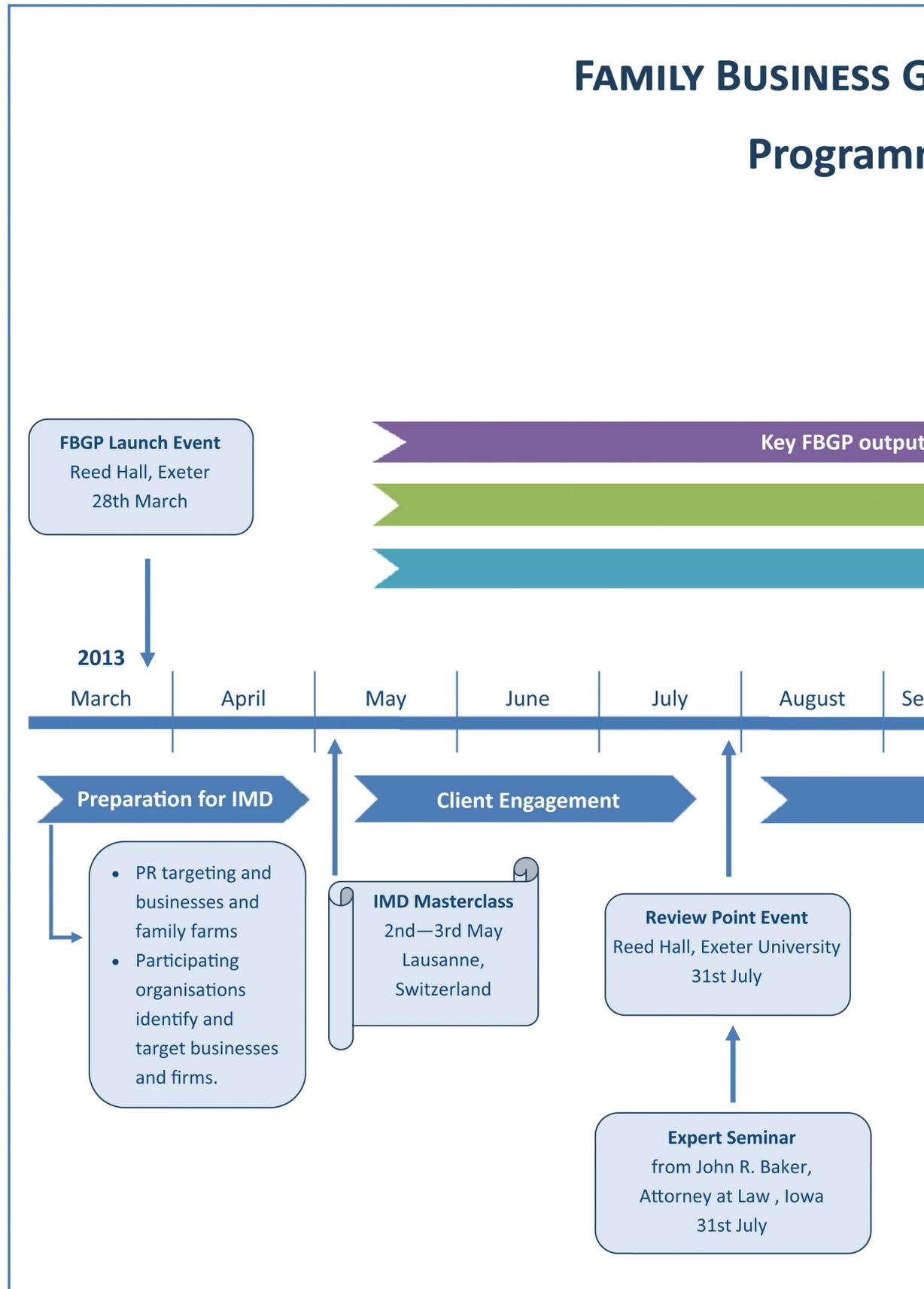
It is quite clear that the FBGP has developed a momentum and many participants expressed a desire for continued involvement beyond the formal end date of the RGN funded project. This might take several forms such as CPD, workshops, opportunities to share experience, etc. In the absence of any further funding it will be for the various professional businesses that participated in the FBGP to take this forward. Finally, while it is accepted that succession planning is inevitably a slow, long term process, a way of conceptualising the benefits of succession planning is essential in order to get the engagement of rural family businesses and this should be a central feature of further training with the existing FBGP participants and is a topic for future research in this area.

A number of further recommendations flow from this review of the Family Business Growth Programme:

- There is a need for further research in order to better understand how to mitigate the resistance to succession planning among family businesses and to explore the potential for shortening the time between raising awareness of the need for succession planning and the agreement of a plan.
- Research findings need to be disseminated in a suitable and timely manner to stakeholders involved in family business planning including professional service providers, representatives of family business organisations, students and family businesses themselves.
- Knowledge exchange with rural business communities and professional advisers should include a range of events/seminars/workshops designed to raise awareness among rural family businesses of need for succession planning etc as well as providing training for professionals.
- Professional service providers should be offered short (half or one day) updating events alongside 2-3 day short courses in family business planning. This should be based on a full fee basis.
- Rural family business operators and their families should be offered subsidised places at seminars/awareness raising events (subject to funding).
- National and international family business succession planning networks should be established in order to help facilitate the sharing and embedding of best practice.

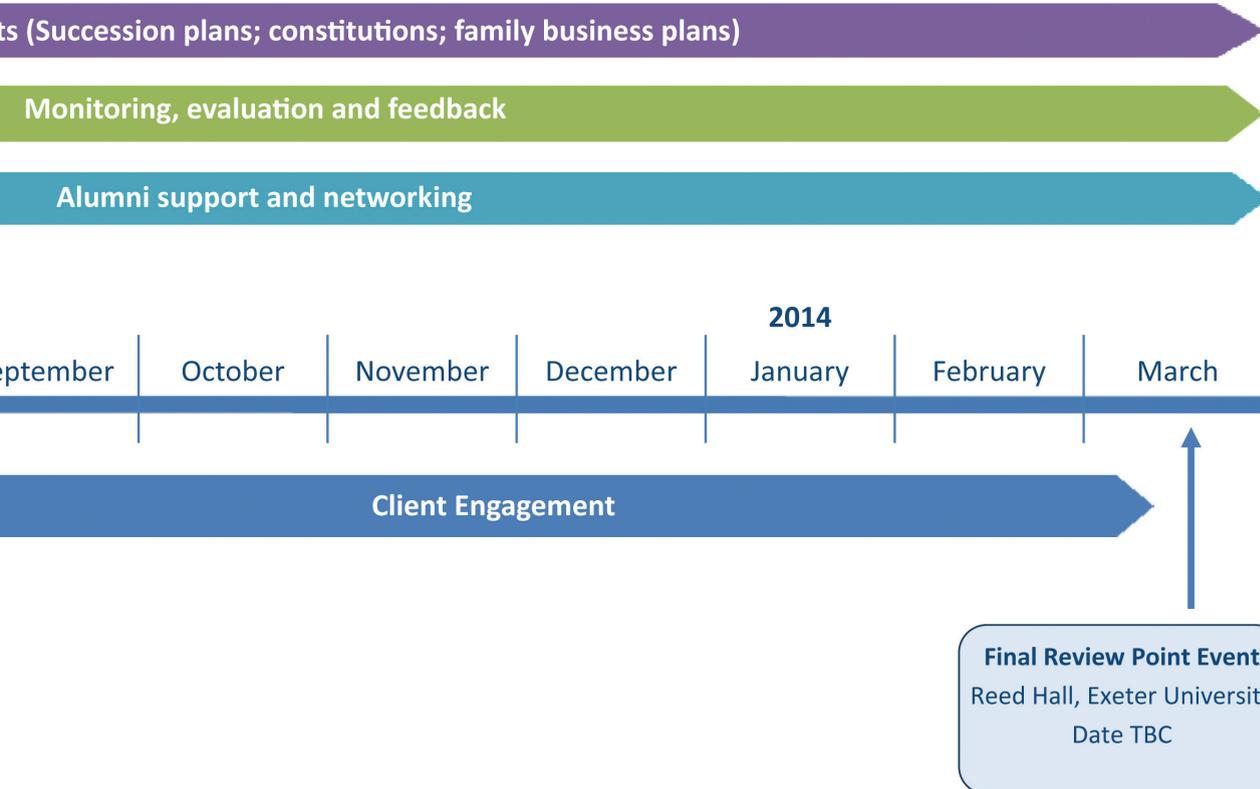
Appendix 1

Timeline for entire FBPG programme



GROWTH PROGRAMME

Time Timeline



Appendix 2

Participants and Participating Organisations

Table 4: Pen-portraits of participating organisations

Commercial Organisation Description
A large general legal practice based in the South West. As a leading regional firm of solicitors this Organisation has been providing legal advice to both families and businesses for many years. It has a specific agriculture and rural affairs team and strong connections to the industry.
A large independent firm of chartered accountants based in several locations across the South West. It has a wide range of industry expertise including specialisms in both agriculture and landed estates.
A leading firm of rural chartered surveyors and property consultants, based in a number of locations across the UK. This organisation offers a range of services, including farm management and business improvement.
A large full-service law firm, providing clients with advice across a wide range of practice areas and sectors, including a bespoke, specialist agriculture team which draws together the various specialists across the entire firm to deal with the needs of agricultural businesses. This organisation operates in key locations across the United Kingdom, including Exeter, Devon.
A large international real estate service provider, with a strong presence in the South West. Their Rural section provides a variety of services, including Farm Management Consultancy, Rural Estate Management and Agribusiness advice.
A large firm of chartered accountants based in various locations across the South West. This organisation has a wide range of specialisms, including agriculture and boasts a strong connection to the industry.
Not-For-Profit Organisation Description
A government funded project, tasked with establishing ways to support farm businesses.
An economic delivery agency working to deliver projects and initiatives that encourage and support business growth, with the overall aim of creating a more productive economy and prosperous community.
A rural based enterprise agency that offers a wide range of business support, training and consultancy for businesses across all sectors, including agriculture, in Devon and Cornwall.
A land based college providing a range of services for rural communities, including training opportunities, business support and on-going research. This organisation works throughout the agricultural industry, with the aim of increasing knowledge, productivity and efficiency in agricultural and forestry businesses.

Pen-portraits of participants

Commercial Participant Role – Description
Partner and Head of National Property (including their agriculture division) in a law firm. In addition to managerial responsibilities, this participant has a fee earning role, acting as an interface between the organisation and their client base. This participant is also a fellow of the Agricultural Law Association.
Managing Partner of a law firm. His role is almost entirely management based, involving looking after clients and overseeing client relationships. He specialises in rural and agricultural law.
Partner of an accountancy firm and Head of both Corporate Services and of Landed Estates. He describes his role as a mixture of management responsibilities and client-based work.
Partner in a firm of rural chartered surveyors. He describes the majority of his work as estate management, including both farms and individual businesses.
Partner and a Practice Chartered Surveyor in a firm of rural chartered surveyors.
Solicitor, based in the agricultural team in the of a law firm. He also is the head of the organisation’s agricultural team. He undertakes a range of non-contentious agricultural property work.
Senior Manager in the Business Services Team of an accountancy firm. His main role is focused on how to advise clients on businesses management across all sectors.
Not-For-Profit Participant Role – Description
Project Co-ordinator who describes her role as being responsible for the day-to-day running of the project.
One of three Business Advisers within the Business Support team of a not-for-profit organisation
Business Adviser in a rural based enterprise agency. She describes her role as client-based, involving assessing clients’ needs across all sectors.
A senior leader from a land based education organisation.

Appendix 3

Some examples of events and activities associated with the FBGP programme

SmithGore: 'Succession Planning Workshop'



SUCCESSION PLANNING WORKSHOPS



Over 80% of farms transfer between generations and, it is fair to suggest that, most people in farming know of at least one story where this process has resulted in splitting up the family and or the business.

Smiths Gore would like to help ensure your family and business come through the succession process in a better position than when you started. To do this we have set up a series of facilitated workshops where you will be supported through the various stages of succession planning.

EACH WORKSHOP WILL COVER

- Identifying the starting position for a succession plan.
- Who is responsible for making it happen and what roles do other family members, advisers and facilitators play.
- Common points of conflict and how to deal with them.
- How an Estate Plan fits into the succession process.
- What a succession plan should include.
- The stages of the succession process.

BEFORE ATTENDING THE TRAINING SESSION WE SUGGEST YOU THINK ABOUT THE FOLLOWING QUESTIONS:

- Is there a desire to continue family ownership of the business and are the owners ready?
- Is the farm business profitable enough? If not, can it be made profitable?
- Is there an obvious successor and do they want to manage the family business?
- Will the owners actively manage to develop a business succession plan?
- Will the owners recognise the authority of the successor?
- Is there a common vision for the future?
- Are the non-farming heirs supportive?
- Can the family withstand the stresses generated by succession planning?
- Have all interested parties been identified, informed and involved?
- What happens if you don't undertake the succession planning process?

DATE, VENUE AND TIMES

Office	Suggested venue	Date of Event	Times
North of England	The George Hotel, Chollerford, Hexham, Northumberland, NE46 4EW	20th November	11.30 -16.00
Yorkshire	Askham Bryan College of Agriculture and Horticulture, York YO23 3FY	4th December	11.30 -16.00
East of England	Anglia Farmers, Honingham Thorpe, Colton, Norwich, NR9 5BZ	25th November	11.30 -16.00
Hampshire	Sparsholt College, Sparsholt, Hampshire SO21 2NF	29th October	11.30 -16.00
North West	Myerscough College, Bilsborrow, Preston, Lancashire, PR3 0RY	31st October	11.30 -16.00
Midlands	Witney Lakes Resort, Downs Road, Witney, Oxfordshire, OX29 0SY	9th December	11.30 -16.00
West Country	TBA	January	11.30 -16.00

TO ATTEND A TRAINING COURSE

Please contact the Smiths Gore Newmarket office on newmarket@smithsgore.co.uk or call 01638 665848. Each event cost £30 to attend.

Smiths Gore is running an intensive three day succession planning programme starting on the 13 February.

If you would like to discuss succession planning in confidence please contact the Newmarket office on newmarket@smithsgore.co.uk or call 01638 665848



This project has been supported through the Rural Development Programme for England, which is jointly funded by Defra and the European Union

Duchy College: 'Succession Planning Master Class'



Succession Planning Master Class

A bespoke master class in Succession Planning for rural businesses and families. Looking at the complexities of family business to focus on the sustainability and growth of their companies from one generation to the next. Delivered by Richard Soffe, Head of the Rural Business School at Duchy College, and Dr Matt Lobley Co-Director of the Centre for Rural Policy Research at Exeter University. This evening is part of the Family Business Growth Programme where lecturers have received specialist training at the global business school, the Institute of Management Development in Lausanne, Switzerland.

26th November 2013

**Queens Room, Hannahs at Seale Hayne
Newton Abbot, Devon, TQ12 6NQ**

Light refreshments provided

6.00pm - 9.00pm

Reduced price of £20 + VAT



Booking is essential

To secure your place at this workshop please email or complete the booking slip below and send with your payment to Duchy College, Rural Business School, Stoke Climsland, Callington, Cornwall. PL17 8PB

I would like to attend the "**Succession Planning Master Class**" and enclose a cheque made payable to 'Duchy College' for £24.00 (per person)

26th November, Hannahs at Seale Hayne

Please forward your payments to: **Duchy College, Rural Business School, Stoke Climsland, Callington, Cornwall, PL17 8PB.** Tel: **0845 458 7485** or email: **rbs@duchy.ac.uk**

Name.....Date of Birth.....

Address.....

.....Postcode.....

Telephone Number.....

Email address.....

Would you like to receive information about other courses? **Yes/ No**

If yes, what training would you like information on (please state).....



Department
for Environment
Food & Rural Affairs



The European Agricultural
Fund for Rural Development:
Europe investing in rural areas



Family Business Growth Programme

Supporting farming families through succession and business growth

The EHFP has been working with local firms of accountants, land agents and solicitors to provide support to farming business through the Family Business Growth Programme.

In June we ran 2 workshops for family businesses where we have covered key topics including;



- ◆ Balancing family life with a family business
- ◆ Emotional and financial implications of succession
- ◆ Preparing for and providing for retirement
- ◆ The importance of communication with all family members
- ◆ Making sure the next generation are willing, able and ready to take on the business
- ◆ Future aspirations of each family member and the business – expansion/diversification/division?
- ◆ Solving problems – where to start if you have become 'stuck'
- ◆ Getting things down on paper (Wills, business plans, succession plans etc)

Planning for succession is essential and sooner you start the better. To help get the ball rolling we are offering all farming businesses on Exmoor *free support:

*Includes ENPA and Exmoor SDA area.

Appendix 4

Some examples of the media coverage/documentation associated with the FBGP programme

FAMILY BUSINESS GROWTH PROGRAMME

Western Morning News Article: 'Succession Planning focus of specialised seminars'



WMN-E01-54

WESTERN MORNING NEWS WEDNESDAY SEPTEMBER 11 2013 FARMING 9

Peter Wastenage, who farms with his wife Di at Budleigh Salterton, in South East Devon

Succession planning focus of specialised seminars

BY OLIVIA COOPER

Family-owned farm businesses across the South West could benefit from a series of specialised seminars designed to overcome common barriers to succession planning.

Run by the Rural Business School at Duchy College, the two evening sessions will draw on the latest research into family businesses, examining how they can ensure a smooth and sustainable transition between and within the generations.

"There are real issues about succession in family businesses," said Richard Soffe, director of the RBS. "Families inevitably get bigger, and you have to look at how the business can be split, or continue to support an increasing number of people through the generations."

Mr Soffe attended a specialist training course at the Institute of Management Development in Switzerland, as part of the UK's Family Business Growth Programme. Designed to unlock the full potential of family farms in the South West, the programme is part-funded by Defra and aims to boost the region's economy by £40 million.

"The Institute of Management Development has been researching family businesses for 25 years and these seminars will be cascading those lessons learnt to the people on the ground," said Mr Soffe. "There is no single answer to fit all businesses – but by getting two generations together and talking about the issues, we can offer practical pointers and help them to build a tailored

roadmap for a more productive future."

Peter Wastenage, who farms with his wife Di at Budleigh Salterton, also attended the Institute of Management Development course as a case study for the delegates.

When his parents started to step back from the farm, he faced the difficulty of continuing to provide an income for the older generation, as well as finding a fair solution for his sister, and in due course, his own two children.

"It's always difficult trying to reach a compromise that everyone is happy with," he

said. "We decided to have annual meetings with our farm accountant, who could provide an independent viewpoint, as well as tax advice."

By having open, frank discussions, the family eventually settled on continuing the original family business for Mr Wastenage's parents and sister, milking 1,000 goats and 340 cows. Mr Wastenage established a separate enterprise, milking 900 cows and producing field vegetables, something he can grow over the coming years with a view to passing it on to his own children.

"If succession is always an open discussion, then there are no nasty surprises. It's the unexpected decisions that end up causing family grievances," he said. "There's no right or wrong way to do it, so long as everyone knows what to expect from day one. They can then focus better on their side of the business and growing productivity."

The seminars will be held on November 12 at Newton Abbot, and November 26 at North Petherton, from 6pm to 9pm, at a cost of £42 plus VAT. To book, contact the Rural Business School on 0845 4587485.

NSA

NSA SW Region Farm Walk on Sunday September 15th at 3pm at Woolmers Farm, Bickington, Barnstaple. EX31 2JN by kind permission of Paul Tucker. Details from Sue Martyn Tel: 01409 271385

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North Devon Journal Article: 'Pilot scheme seeks family enterprises'

Pilot scheme seeks family enterprises

FAMILY-run businesses are being invited to take part in a pilot scheme which aims to boost the rural economy by bringing out the best in family firms.

Farming families to funeral directors can apply for an initial business health check with consultants from one of 12 professional firms and organisations who have received specialist training at the Institute of Management Devel-

opment (IMD) in Lausanne, Switzerland.

Professors Joachim Schwass and Ben Bryant led the two-day masterclass at IMD in May, focusing on the complexities of family business with constructive advice on how to unlock their full potential.

The IMD training course is part of a year-long Family Business Growth Programme which aims to unlock the full potential of family firms and

farms within the Heart of the South West Local Enterprise Partnership (LEP) region.

Participating businesses will work with professional advisers to focus on the sustainability and growth of their companies from one generation to the next.

Their progress will be monitored by Dr Matt Lobley, co-director of the Centre for Rural Policy Research at the [University of Exeter](http://www.univ-exeter.ac.uk)

Dr Lobley, an expert in rural family business, said: "We will see whether the advice they have received has had a positive impact on their business."

Recommendations will be made at the end of the programme as to how the initiative can be rolled-out nationally.

● To find out more about the scheme go to www.clintondevon.com.

British Farmer & Grower Magazine (NFU) Article: 'Fail to prepare, prepare to fail'



Succession planning can be a thorny issue if not approached with tact and care. **Wendy Short** finds out that not all farms are prepared

NO-ONE likes to think about when they will have to hang up the overalls and make arrangements for the farm to be passed on to the next generation. Indeed, many farmers will carry on until their body tells them that enough is enough.

Experts who deal with succession planning on owner-occupied and tenanted farms say that the vast majority of families don't make the necessary arrangements far enough in advance, leaving it to a death or a family spat to bring the problem to the fore.

Broaching the subject with the relevant members of the family can often be the toughest part, but as Graham Bowcock from Berrys - one of the NFU's Rural Surveyor Panel firms - says, it's often the most important.

"The key word I would use is communication and it begins with the family. I had someone recently whose father was in his 70s and was blanking any talk of it. In my experience, these are the successions that fail," he said.

A more business-like approach to farming has helped sharpen the focus of those who are looking to secure a business for the future, Mr Bowcock said, but the majority still have no plans in place.

"People might be better at succession

planning than they were 20 years' ago because they are more likely to have gone away from the farm to university or have had experience on another farm before they come back," he added.

The financial aspect of succession is another reason farmers have traditionally shied away from approaching professionals for advice. Mr Bowcock says that while professional involvement is a necessity, the first step is to decide, as a business, what the desired outcome of the succession is before shelling out money.

"As rural surveyors, the service we offer is partly legal and partly practical, but the conversation with the family and those in the business needs to take place before anyone else like me gets involved," he said.

Succession planning inevitably means that inter-personal relationships come under the spotlight, says Clive Beer of Savills.

“The key word I would use is communication and it begins with the family

"Most farmers' sons and daughters who work on the family farm expect to take over at some point during their lifetime," he said. "However parents are not always willing to relinquish control. In some cases, they are reluctant to set a date for their retirement in advance and may shy away from any attempt to talk about the future."

Ideally, decisions on plans for succession should take place at least one decade before parents are due to retire, says Mr Beer.

"A long-term approach is by far the best option," said Mr Beer. "Forward planning will avert the possibility of the family being forced into discussing inheritance or tenancy issues following a death or serious illness. Once the plan for succession has been decided, all the details should be set down in writing, including the date upon which the successor can expect to take over the running of the farm."

It may be worth bringing an expert from outside the family to help with the process, he suggests.

"A facilitator can help both parties to open up about any fears they may have, or grudges that may be held, while offering an impartial viewpoint. This can

Western Morning News Online Article: 'Vital importance of farm business planning'

The screenshot shows the Western Morning News website interface. The article title is "Vital importance of farm business planning" by Western Morning News, posted on November 27, 2013. The main image is a silhouette of a person standing next to a cow in a field at sunset. Below the image is a quote: "Succession planning is a journey that requires clear and open communication". There is a "Comments (0)" section and a small text block at the bottom stating: "Planning for the future succession of a family business is never easy and while over 70% of businesses are family owned, research has shown that only 13% of family businesses survive beyond the third generation." A "Tweet" button is also visible.

SmithGore Promotional Article: 'Generation Game'



GENERATION GAME

A pilot scheme aims to boost rural family businesses, from farms to funeral directors

17

Two of our Taunton-based partners, James Dennis and Simon Derby, have been trained to be advisors on a pilot scheme that aims to boost family businesses, from farms to funeral directors, in rural Devon and Somerset.

"The Family Business Growth Programme, the first of its kind, will make a real difference to rural family businesses. Family businesses are the backbone of our rural economy and it is essential that they are supported so they can thrive."

As advisors available to the businesses, we hope to encourage them to make the most of opportunities and to grow to their full potential. We will work hard to recognise the emotional complexities of running a family business, alongside generating profit and growth." James and Simon.



JAMES DENNIS
01823 445030
james.dennis
@smithgore.co.uk



SIMON DERBY
01823 445036
simon.derby
@smithgore.co.uk

The Programme is the brainchild of Clinton Devon Estates and was instigated to support the Government's Rural Growth Agenda. It has been part-funded by Defra's Rural Growth Network and is supported by the Country Land and Business Association, the Tenant Farmers Association and the National Farmer's Union.

Businesses ranging from farming families to funeral directors can apply for an Initial Health Check with one of the professional firms or organisations involved.

James and Simon have undertaken specialist training at the Institute of Management Development, the global business school, in Lausanne, Switzerland, for the programme.

And there is a national ambition; the programme will be carefully monitored by the Centre for Rural Policy Research at the University of Exeter and recommendations made at the end of the pilot year as to how it can be rolled out nationally.

If you are interested in taking part, please contact James or Simon for a confidential discussion.

Savills newsletter Article: 'Savills takes part in pioneering scheme to support rural family businesses'

Savills Exeter
The Forum, Barnfield Road
Exeter EX1 1GR
01392 455700
exeter@savills.com
savills.co.uk

Savills Truro
73 Lemon Street
Truro TR1 2PN
01872 243253
truro@savills.com

Savills takes part in pioneering scheme to support rural family businesses

Mike Townsend
Head of South
West Rural
Professional
01392 455708
mtownsend@savills.com

being invited to take part in the year-long pilot scheme which aims to boost the rural economy.

Businesses ranging from farming families to cheese makers can apply for an initial business health check with consultants from one of 12 professional firms and organisations who have received specialist training at the global business school, the Institute of Management Development (IMD) in Lausanne, Switzerland.

Participating businesses will work with professional advisors to navigate their way through the complexities of family business to focus on the sustainability and growth of their companies as well as succession from one generation to the next.

Mike Townsend from Savills' south west rural team is one of the representatives from participating professional firms involved in The Family Business Growth Programme, alongside individuals from a number of legal, accountancy and surveying firms and not for profit organisations.

Mike comments, "The standard of the master class which we attended at the IMD was extremely high. The experience of those delivering the course led by Professor Joachim Schwass is unrivalled in the field of family business. The IMD Family Business Center has around 25 years of relevant research to call upon which is largely why it is ranked as one of the top family business schools in the world. Rural family businesses in Devon and Somerset will have access to what will be fundamentally practical and effective advice based on real research, enabling them to bring out the best in their businesses."

For further information please contact Mike Townsend on 01392 455708.

A pioneering scheme has been launched, which will bring international family business expertise to the tables of rural family firms and farms across Devon and Somerset.

Family-run businesses operating in rural Devon and Somerset are now

FARMINGUK Online Article: 'Eversys legal experts to offer family business advice at agricultural seminar'

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Eversys legal experts to offer family business advice at agricultural seminar

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Eversys' head of commercial law Kate Stamp

Eversys legal experts to offer family business advice at agricultural seminar at Buckland tout-Saints

Eversys Solicitors will be offering free family business advice during an agricultural seminar organised by estate agents Luscombe Maye.

The firm will be sending its head of commercial law Kate Stamp from its new family business support division, along with experienced solicitor John Clarke, to this free event due to be held at Buckland tout-Saints in Goveton, near Kingsbridge, on September 26.

Ms Stamp will be speaking about how Eversys' family business division plans on supporting family businesses in the South West with a firm focus on growth, while Mr Clarke will offer advice on wills, trusts, probate, tax planning and lasting powers of





THE FOLLOWING ORGANISATIONS HAVE PARTICIPATED IN THE FAMILY GROWTH PROGRAMME:





THE FOLLOWING NOT-FOR-PROFIT ORGANISATIONS HAVE PARTICIPATED IN THE FAMILY GROWTH PROGRAMME:

