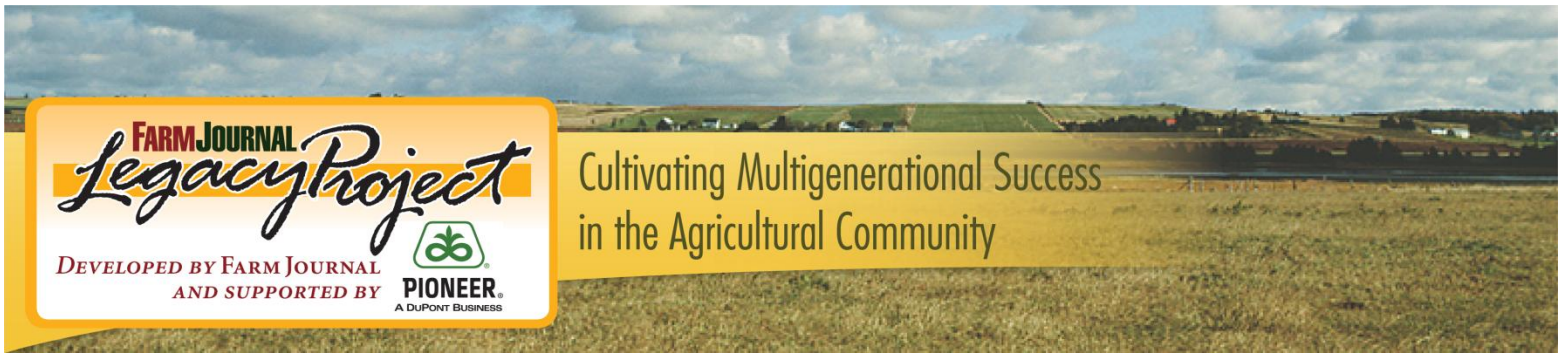

Goals Clarification Worksheet

Most farmers and agribusiness owners seem to have a good idea of what they want to achieve when they think about succession. Yet their ideas may be a bit fuzzy and undefined. As they describe their desires they use general terms, and tend to say, 'you-know' a lot.

The struggle comes in trying to turn intentions into goals; goals into actions; and actions into results. If we can help you create specific goals you can take the action necessary to move to the next step.

Use this series of questions to help you become more specific. Take a few moments and consider your situation; answer the questions and note your responses. Then ask your spouse, parents and active children to do the same. Compare answers and see how your succession goals align.

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1. Maintain the Operational Integrity

- Transitioning to new ownership/management should be an obvious natural next step to growing our operation. So we will incrementally transition responsibilities to the next generation (successive manager[s]) over the next ____ years.

- To increase management capabilities we will utilize:
  - ____ Formal education
  - ____ Various experiences
  - ____ Seminars/workshops/extension programs
  - ____ Mentors
  - ____ Strategic alliance partners

- Our succession plan will be written to prevent *inactive owners*.
  - ____ Yes
  - ____ No

- Management control will be passed to: _____.
  [or - ____ not identified yet]

- Our succession plan must allow/encourage qualified family members, including currently inactive, to apply for employment openings.
  ____ Yes
  ____ No

- To keep peace in the family, and maximize our talent pool, we will consider dividing the operation into separate units.
  ____ Yes
  ____ No

- Our succession plan must restrict ownership to lineal descendants only.
  ____ Yes
  ____ No

2. Enhance the Family's Financial Security

- The senior generation should / must receive financial support from the operation in retirement.
  ____ Yes
  ____ No

- We have a written plan for growth / development.
  ____ Yes
  ____ No

- All ownership transactions should be based on fair market value.
  ____ Yes
  ____ No

- We ___ have [___ will] diversify financial resources outside of operation.

- Our plan must compensate for death, disability, long-term infirmity and other undesirable calamities.
  ____ Yes
  ____ No

- The family must provide support for a parent, disabled dependent or other person[s].
  ____ Yes
  ____ No

- The senior / retiring generation should receive an inflation adjusted income of $ _____.

3. Prepare the Next Generation to Lead

- Our operation is managed with *written*:
  - ____ Operating agreement
  - ____ Employment policy
  - ____ Business plan
  - ____ Financial statements

- The senior generation and second generation will assume mentor roles allowing the next generation to assume responsibilities, make decisions and carry the mantle of accountability.
  - ____ Yes
  - ____ No

- In case of premature death or disability, _____ should continue to run the operation until _____ is ready to manage the business.

- We will establish an advisory council to assist with major decisions. The council will include:
  - ____ Professional advisor
  - ____ Family members
  - ____ Banker
  - ____ Extension advisor
  - ____ Academic professional
  - ____ Family counselor
  - ____ Other: _____

- All leaders in the organization will be informed and accountable for financial decisions and profit/loss results.
  - ____ Yes
  - ____ No

- To improve leadership skills / abilities we will utilize:
  - ____ Formal education
  - ____ Various experiences
  - ____ Seminars/workshops/extension programs
  - ____ Mentors
  - ____ Strategic alliance partners

- Does the organization utilize regular business meetings?
  - ____ Yes
  - ____ No

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