



## FAMILY FARM OPERATION QUESTIONNAIRE

Personal relationships as well as business characteristics are important to the success of multi-generational businesses. Thus, before deciding to go into business with family or others, we suggest completing this comprehensive evaluation. One part of this evaluation should focus on identifying the personal strengths and weaknesses of the individuals who are going to be involved in the management and operation of the business. More specifically, the following personal characteristics should be appraised before a partnership or other jointly owned and operated business is formed:

1. **Common or complementary objectives and goals.** Individual goals are likely to be different, especially if the individuals are in different generations. While goals may differ, it is important that these do not conflict with one another. If you cannot agree on goals, don't go into business together until a consensus can be reached.
2. **Ability to work, learn, share ideas and manage together.** Working together effectively often requires a shared work ethic and plan. It also means sharing achievements, problems and ideas. Working and managing together requires communication, compromise and commitment. Each person should be willing to divide responsibility and accept decisions for which the other person is responsible. Each person must be willing to give and take without losing sight of goals and objectives.
3. **Respect for your partner and confidence in ability and business arrangement.** Go into business together if you and your partner have the personal characteristics that blend together and if you have a plan that you know will work. The questionnaire will help you appraise your own qualifications for working in business together.

This questionnaire will help you to determine if you have the personal characteristics to become a partner. Everyone planning to go into business together should take Section A. In addition, members of the senior generation should take Section B, while members of the junior generation should take Section C. In answering the questions for all three sections, use the following point scale:

<u>Your Answer</u>	<u>Your Points</u>
Definitely Yes	5
Yes	4
Maybe Yes	3
Unsure	2
Probably No	1
Very Unlikely	0

## **SECTION A - FOR ALL PARTIES TO THE POTENTIAL AGREEMENT**

**POINTS**

1. Do you prefer to work and plan together vs. work alone and plan independently?
2. Are you willing to talk things over and make joint management decisions vs. "do it your way"?
3. Are you willing to listen and accept ideas/suggestions from others with less experience, less training or less education?
4. Are you able to make suggestions and recommendations versus giving orders and believing "my way is best"?
5. Are you willing to give others credit for things well done and accept responsibility for failures?
6. Can you discuss business and family issues with your potential business partner without getting angry?
7. Do you prefer to figure out how to get things done more effectively versus "do it like you always have done it"?
8. Do you enjoy mentoring others to help them reach their full potential?
9. Are you willing to monitor and analyze the farm business and financial records, production records and recommend changes based on your analysis?
10. Are you willing to arrange and attend family meetings on business strategy and succession issues?
11. Are you willing to develop a written business agreement?
12. Are you willing to review the business agreement and update it when necessary?

**SECTION A TOTAL**

## **SECTION B - QUESTIONS FOR THE SENIOR GENERATION**

POINTS

1. Are you ready to turn over specific management responsibilities to the younger generation and are you willing to encourage and help them develop their management expertise?
2. Do you have a feasible plan for transferring the ownership of the farm business to the junior generation? Are you willing to recognize their earned equity as part of this plan?
3. Are you willing to borrow additional capital to build up the business to support two generations?
4. Are you willing to accept a junior partner with a different living style? Can you let his/her family have their own life yet help them to get through family crises with praise, encouragement and care?
5. Are you willing to plan and hold a family conference to discuss goals, roles, differences and expectations? Are you ready to help; the younger generation identify their farming future and help them get there?

**SECTION B TOTAL**

## SECTION C - QUESTIONS FOR THE JUNIOR GENERATION

POINTS

1. Do you have the patience to grow into the business over a period of time—say 5 to 8 years?
2. Are you ready and willing to take on additional labor and management responsibilities to operate a farm business in which you have minor ownership?
3. Are you willing to accept and try advice based on the senior generation's experience? Do you have a plan that will continue to involve your senior partner in management of the business?
4. Do you understand that the senior generation has different goals based on retirement needs and that the farm may have to help pay for these needs? Are you willing to help them identify and plan for these needs?
5. Can you accept advice from the senior generation about life, raising a family and family relationships? Are you willing to ask them for help in resolving family and business problems?

### SECTION C TOTAL

SECTION A  
POINTS

\_\_\_\_\_

SECTION B  
POINTS

\_\_\_\_\_

SECTION C  
POINTS

\_\_\_\_\_

**Total Points**  
**Section A**

46 - 60

36 - 45

26 - 35

16 - 25

6 - 15

0 - 5

**Total Points**  
**Section A + B or C**

68 - 85

51 - 67

36 - 50

21 - 35

8 - 20

0 - 7

**Probability Predictor for**  
**working together**

You will make a fine partner

You can make it work

It will be difficult

Don't try it just yet

Little chance of success

No chance!

*Note: Sometimes it is more helpful to discuss the areas in which you are the weakest rather than just focusing on the score.*