

CRITICAL ISSUE ACTION PLANS

Farm families can create a comprehensive transition plan. It can include well-developed goals, values, financial performance, vision, related tax strategies and legal documentation. However, they will remain paper plans so long as the plans do not include specific action steps to implement what has been discussed and developed. A vision without action is merely a dream.

You just finished identifying management issues that are critical to the success of your transition. Now it's time to develop action plans that deal with the issues you've identified.

Action plans include the details that will increase the likelihood of a successful intergenerational transition. Without such details, actions could be wasteful and even fail completely in producing desired results. Action plans, therefore, add the dimension of realism to transition plans.

Resources will be required to accomplish each of the steps within the action plans. The resources can include finance, infrastructure, equipment, people and information. People will typically focus mainly on the financial resources required. The need for financial resources is obvious but the resource that turns up scarce more often than any other is the human resource. Farm families will often simply run out of time or the talent required to keep the process moving forward and to ultimately, successfully implement the intergenerational transition.

Implementation is the key to a successful transition planning outcome. Implementation starts with developing action plans.

Why is this relevant?

Actions are linked to the critical issues that were identified in the previous topic area. Someone needs to sign up as being responsible for each overall action plan. This is an absolute necessity for monitoring the plan. Family members should be able to ask how it is going. They should know who to offer help to if, for whatever reason, the action isn't being accomplished or the process has stalled.

How will this help transition planning?

1. Creating action plans is by far one of the most important parts in developing a transition plan. The action plans are really a roadmap to the future and to a successful intergenerational transition.
2. Action plans create accountability. The family will have worked hard to develop their transition plan.
3. Action plans help. Commitment to using action plans as a framework for implementation of the transition plan will increase the likelihood of successful outcomes.
4. Action plans will help to keep the process (including implementation) moving forward.
5. Action plans keep family members connected to the transition plan and related goals because achievement of these goals is ultimately driven by completed action plans.
6. Action plans help to stimulate communication within and between family members; both actively and non-actively involved in the business. The communication will help to minimize the potential for conflict.

Instructions

1. This exercise should be completed as a group. Everyone who completed the Critical Issue exercise should be involved.
2. Review the prioritized critical issues that were identified in the previous topic area.
3. Locate the blank templates used for this exercise on page 255, and make copies if necessary. You will be making an Action Plan for each Critical Issue from your 'prioritized' list.
4. Using the action plan template, write a statement that defines the critical issue in more detail. This step is **optional**. Including it will help to bring a better understanding to the issue and actions needed to address it.
5. Identify one person to be primarily responsible for each action plan.
6. When completed, each action plan should:
 - a. Identify the sequence of the actions.
 - b. Identify how the task should be carried out.
 - c. Identify the personnel, equipment and other resources needed to accomplish the action.
 - d. Specify who will do what and when.



EXAMPLES

Critical Issue: *Absence of SEVERAL important long-term plans*

Person with Primary Responsibility: *Faye*

Statement that defines the Critical Issue (optional): *The plans we need are Contingency Plans, Environmental Plan, and an HR Recruitment and Retention Plan.*

Action Items	How	Specifics		
		Resources	When	By Whom
1) Hold a meeting to discuss this Critical Issue. This is to make sure we don't duplicate anything that might already exist in our files somewhere.	Call John and Rebecca and set up a time and place	Time. No money involved.	November 1, 2013	Faye
2) Assign responsibility so we know who is taking care of which plans	Do this at the meeting, and record it in the notes.	Time, discussion, computer. No money involved.	November 1, 2013	Everyone
3) Review progress in 3 months	Email the group to check on their progress	Time, computer	February 1, 2014	Faye
4) Make changes or assign help as needed	After reviewing progress, make sure no one is lagging behind too badly. If they are, we should get them some help, or maybe even an external advisor.	Time, computer, perhaps some fees for an external advisor if necessary	February 15, 2014	Faye in the lead, but each person with their own plan to take care of.

Critical Issue: *Absence of an organizational chart/structure*

Person with Primary Responsibility: *Rob*

Statement that defines the Critical Issue (optional): *Develop an organizational structure that meets the current management needs and accommodates a possible transition plan.*

Action Items	How	Specifics		
		Resources	When	By Whom
1) Create a first draft of an org. chart	Use a template or maybe just simply draw one on our white board	Time, maybe computer	November 15, 2013	Rob
2) Hold a meeting to discuss with the team	Call John and Rebecca and set up a time and place.	Time	November 30, 2013	Rob
3) Make changes according to what we decide upon at the meeting.	Update org chart. Put it in electronic format if not already.	Time, computer	January 15, 2014	Rob
4) Share and post final org. chart	Email it to the group, and print a copy and post it in the office	Time, computer	March 1, 2014	Rob

How does this apply?

Individuals are required to take responsibility for **each separate** action plan. Further, someone needs to take responsibility for each step within the action plan. If the steps are not reduced to individual work assignments, there is a strong chance that they won't get done.



PLANNING POINTERS:

- Be sure that one individual is identified as being responsible for each action plan section.
 - Accountability helps to ensure that things get done when and how they are supposed to be done. If people know the action plans will be regularly reviewed, implementers tend to do their jobs before they're checked on.
- Regular meetings, involving individuals who are actively involved in the business, will help to keep action plans current and top of mind and, as a result, keep the process moving forward.



WHAT TO WATCH FOR:

- Be realistic about what can be accomplished and by when.
- Action plans must be monitored to be effective. Build in regular reviews of the plan.
- Action plans with too little detail will be of less value to the process.
- Lots of things can change as the transition plan is developed and implemented. Action plans should be adjusted or new plans created to accommodate these changes.



EXERCISE: Go to the forms appendix at the back of this guide for a blank copy of the Critical Issues Action Plan exercise on page 273.

Next steps

Congratulations on completing this topic. You are now a step closer to having a transition plan for your farm. Please proceed to the next topic area on your Transition Plan, but don't forget to add any assigned tasks that were generated by working through this topic.

Critical Issues Action Plans

Critical Issue: Person with Primary Responsibility: Statement that defines the Critical Issue (optional):				
Action Items	How	Specifics		
		Resources	When	By Whom