Succession Plans in Family Farm Equipment Businesses

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Abstract

Most family businesses fail to make the transition to subsequent generations without careful planning. Succession planning is no different from other major planned changes in an organization undertaken under the principles of organizational development. This paper examines succession planning in family owned farm equipment businesses located in seven western states. Past studies exist on succession planning in family owned businesses in general but, little research exists on succession planning in the industry segment of family owned farm equipment businesses. This quantitative study was undertaken to determine rates of succession planning in this industry segment, reasons why the businesses failed to plan, and if existing plans were comprehensive. It also set out to determine if the owners involved key people in the planning, if they communicated the plans with key people, and if interest existed among these businesses for tools or resources to assist with succession planning. After examining previous research on succession planning in family businesses, this study utilized a Likert type survey to obtain data from 139 business owners belonging to the Far West Equipment Dealer's Association, a trade organization representing these businesses. The study created and administered a survey after examining previous research on succession planning and with feedback from the executive board of the surveyed organization. The survey discovered that the majority of families with succession plans felt the plans were comprehensive, had involved others in the planning, and that owners communicated their plans with key people. The survey respondents also indicated interest in tools or resources to assist with planning and provided some possible options in comments submitted with the survey. Significant recommendations included making available resources to help the businesses begin planning or to check if their current plans were missing any critical elements and educational programs.

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Chapter I: Introduction to the Project

Family owned businesses employ approximately 62% of the workforce in the United States (Astrachan & Shanker, 2003; Family Enterprise USA, n.d.) and include 35% of the Standard and Poor's 500 Industrials (Anderson & Reeb, 2003) making these enterprises a very important part of the economy. The loss of a family business in a small community can be devastating (Ip & Jacobs, 2006). With 73% of business owners between the ages of 50 and 70 and 69% of business owners planning to exit the business in the next ten years (Exit Planning Institute, 2013), a need exists today to ensure these transitions are done in a planned, orderly manner to minimize disruptions to the business and community.

A significant amount of research has been conducted on succession in family firms in general such as studies by Bennedsen, Nielsen, Perez-Gonzalez, and Wolfenzon (2007), Bradley, and Short (2008), Chua, Chrisman, and Sharma (2003), DeMassis, Chua, and Chrisman (2008), Ip, and Jacobs (2006), Kirby and Lee (1996), Kirkwood and Harris (2011), Molly, Laveren, and Delook (2010), Poza, Hanlon, and Kishida (2004), and Venter, Boshoff, and Maas (2005). Few studies of succession planning with family firms in the farm equipment industry segment currently exist. The study sought to determine the extent of planning engagement currently done by family farm equipment businesses, the reasons owners in this industry resist planning, and possible tools or resources they need to help them engage in the process. This section specifies the problem, the purpose of the study, the basic questions for the research, and provides an introduction to the quantitative study that was used.

Problem Description

An increasing number of baby boomers are preparing to exit the businesses they own. According to a Kennesaw State Study on family businesses, over 31% of family businesses had not completed any succession planning beyond a last will and testament (MassMutual Financial Group & Kennesaw State University, 2007). A study conducted by Pricewaterhouse Coopers LLC., determined that only 16% of family firms had discussed and documented plans for succession (2014). Succession in the family business is one of the most significant, disruptive, and stressful changes to a family business (Anderson & Rosenblatt, 1985; Blumentritt, Mathews, & Marchisio, 2012; Dalpiaz, Tracey, & Phillips, 2014; Kesner & Sebora, 1994; Russel, Griffin, Flinchbaugh, Martin, & Atilano, 1985; Weigel, Blundall, & Weigel, 1986; Zimmerman & Fetsch, 1994). It is also one of the main topics when it comes to family business writing according to Chua, Chrisman, and Sharma (2003). The problem facing family owned farm equipment businesses is many have not engaged in comprehensive succession planning. They continue to not plan for this critical transition for the business in spite of the fact that 70% of family owned businesses do not survive the transition from the first owner to the second generation (Giamarco, 2012). Chua, Chrisman, and Sharma's study of 272 family firms (2003), found succession was a dominate concern of family business leaders. The data on the number of businesses who have engaged in comprehensive succession planning has generated concern from industry associations, financial advisors, customers, manufacturers/suppliers, families, employees, and businesses owners who see an aging population not prepared to transition the business to the next generation.

Purpose of the Study

The intent of this study was to examine the relationship between family owned farm equipment businesses with the rate and quality of succession planning conducted in this industry. The study of the rates of succession planning in this industry was an important first step in understanding if rates found in family owned farm equipment businesses mirrored those found in previous studies of family owned businesses in general. This study also examined the elements involved in comprehensive succession planning, communication of the plans, current barriers or reasons why families did not engage in succession planning, and what resources and tools the current owners and families preferred for succession planning.

Succession in family owned businesses is an inevitable and dramatic event that should be planned (Kesner & Sebora, 1994). It is a change that will affect 100% of all family owned businesses and can be planned before circumstances such as death, illness, or sudden retirement force an unplanned change in the organization. Ownership succession is a complex matter that all family firms must face at some point (Bjuggren & Sund, 2001) but it is also one of the touchiest issues that a family business will face (Mattera, 2000). Emotions frequently play a role in family businesses.

Planning for succession is not significantly different from other planned change initiatives undertaken by an organization under organizational development but, it is probably the biggest challenge a family business will face (Laird Norton Tyee Family Business Survey, 2007). The study pointed to concepts of Organizational Development and Change Leadership, as outlined in Cummins and Worley (2014), in relationship to the planned change of succession. Whatley (2011) believes that Organizational Development needs to confront succession planning in family businesses because of the large amount of the workforce it employs. Specific viewpoints of Organizational Development such as Kotter's (1995, 2012) 8 steps for leading change are beneficial in designing change initiatives such as succession planning. Kotter (1995, 2012) suggests that establishing a sense of urgency, creating a shared vision, communicating that vision, and empowering others to act on the vision are essential elements of a successful change initiative. These elements are often missing in firms that are lacking comprehensive succession plans.

This study surveyed the owners of businesses located in seven western states with the assistance of the Far West Equipment Dealer's Association (FWEDA). The association is a trade organization that works with and represents equipment businesses. FWEDA has approximately 405 total members with 244 of those being agriculture equipment businesses. Of the 244 businesses, some were branch locations of the primary business. The study did not include individual branch locations with the same owner to prevent duplicate responses. The survey invitation email went to the 139 business owners of those locations who were members of the association. The study examined the rates of comprehensive succession planning completed by family owned farm equipment businesses following key aspects for successful change management such as communicating the plans with key stakeholders and empowering those stakeholders by involving them in the succession planning process.

Research Questions

This study formulated research questions to gain a greater understanding of how family owned farm equipment businesses struggle with succession planning. What was the current rate of succession planning in family owned farm equipment businesses? How comprehensive were those plans? Were key people in the family, business, and from outside the business involved in the formation of the plan? Was the completed succession plan communicated with those key people? What reasons did family owned farm equipment businesses give as to why they had not engaged in comprehensive succession planning? In addition, were they interested in resources or tools to begin the process of succession planning or help complete current plans?

This information is important to manufacturer suppliers of this industry segment so they can understand the current state of companies that sell the products they manufacture and what steps they may need to take in order to limit interruptions to the end users of those products. The suppliers/manufacturers want to limit disruptions to the distribution network that can upset end customers and harm future sales. They need ideas for addressing the problem and assisting the family businesses that distribute the products so families can engage in comprehensive succession planning.

Understanding these questions is of value to family owned farm equipment businesses who are struggling with the problem of understanding the need for succession planning, the reasons they may be resisting comprehensive succession planning, and what the preferred tools or resources are available to address the problem. Family members will benefit from having a better understanding of the importance of succession planning for the future of the business and the tools or resources they need to start planning. For researchers, the information provided by the results of the study can benefit future studies of succession planning in this industry and related industries. The information provides a starting point for other studies and fills a hole in the current research for this industry segment.

The Far West Equipment Dealer's Association, as well as similar groups representing farm equipment businesses, gain new data about rates of succession planning among the membership, a better understanding of the key reasons members are not engaged in succession planning, and solutions or resources they may decide to make available to the members to assist in creating comprehensive succession plans. This information may be used by the association to discuss the problem at board and member meetings to determine how best to meet the needs of the members.

Assumptions

The author expected that rates of succession planning in family owned farm equipment businesses either mirrored the rates found in small businesses in general or were worse. The study assumed that this problem was significant enough, based on conversations with those that work with this industry, that the rate of participation in the study would be high enough to provide accurate data. Past studies of the problem focused almost exclusively in the larger context of family owned businesses in general and participation rates in those studies have been high enough to provide statistically significant data. Another assumption, based on conversations with manufacturer/suppliers, industry associations, consultants specializing in succession planning, and financial advisors, was that results of this study would be of value, particularly to the families that are struggling with starting succession planning.

The largest assumption of the study was that the owners of family farm equipment businesses had a desire to engage in succession planning but had not done so as the result of issues or barriers making it difficult to do so. This study assumed that a program, tools, or resources could be made available to them that would allow them to engage in succession planning. The study also depended on the basic idea that business owners wanted the business to continue to operate after an exit from the business upon retirement or death.

The survey was open for 14 days after designing and testing for functionality. Working with the Far West Equipment Dealer’s Association allowed for rapid dissemination of the online instrument to the members who fit the study’s targeted demographic. Encouragement from the association to complete the instrument was also helpful in receiving a good rate of return on the survey. The association sent additional emails as reminders to increase response rates. The online survey instrument allowed for a quick tallying of the data for analysis.

Definition of Terms

Exit Planning. Often used interchangeably with the term “Succession Planning” in the literature. Exit Planning may not result in a successor taking over the business. Exit Planning is the current owner’s planning process for leaving the business either as part of a plan for retirement, closing the business, sale of the business/assets, or transferring the business to a successor. It may also involve liquidating the business assets, selling to an outside investor, selling to a family member, leaving it to heirs as part of estate planning, gifting the business to a successor(s), selling the business to a key employee, or some other arrangement. Exit Planning may have a succession plan as a component if succession is a part of the current owner’s Exit Plan.

Family Business. A business in which the majority ownership and control is concentrated within the same family. Family businesses may actively employ family members or operate on a day to day basis without the involvement of family members. This study classified farm equipment businesses owned by one person or which involved ownership by multiple family members as family businesses.

Farm Equipment Business. A business that primarily sells, rents, or services equipment such as tractors, harvesters, or other tools and components used in agricultural production. This could include equipment not traditionally considered farm equipment such as construction equipment retailed to agricultural businesses. Most often, this equipment is produced by a larger company and sold by the farm equipment business under a franchise, sales and service agreement, distributorship, or other similar arrangement.

Family Business Succession Planning. In family owned businesses, the planned process that results in an understanding of which person will take over control of the company, who will own the business, and other legal/tax issues involved in the transfer of the business from the current owner to another owner. A comprehensive plan contains a time line of events, legal issues, financial issues, tax issues, probate and last will and testament planning considerations, future leader development, and is created with input from key stake holders in the business and family resulting in a shared vision of the future of the organization. Often, this plan is created with the assistance of outside advisors including an attorney, accountant, investment manager, and a consultant or advisor specializing in succession planning issues.

Supplier/Manufacturer. In the farm equipment business, this is normally a third party that manufactures and/or supplies the items sold by the farm equipment business. They may also provide training, warranty on the products, logistics, marketing, and other support through an agreement with the farm equipment business. This relationship may involve a formal, written contractual relationship with exclusive territories and products or may be less formal with the Supplier/Manufacturer offering only a discount on items purchased for resale by the farm equipment business. In some cases, a farm equipment business may also have limited production capabilities allowing them to manufacture some of the items they sell and they may also sell some of these items through other farm equipment businesses.

Limitations of the Study

This study was unable to determine all the reasons why a business owner may not engage in succession planning nor could it account for all the complex issues involved with the family, the owners, the business, the customers, suppliers/manufacturer, and employees revolving around the challenge of succession planning. Other psychological issues may be present beyond those identified in the current literature regarding the attitudes, relationships, group dynamics, and temperaments of those involved in succession planning. Issues such as sibling rivalry and the psychology of parent/child conflicts, which have a high potential for conflict (Bradley & Short, 2008), also may influence succession plans but these issues were beyond the scope of the study.

Time was a critical limitation in the study. A longitudinal study would have provided further information as to the state of succession planning in family owned farm equipment businesses. Over time, trends may have been evident showing improved or declining rates of succession planning. The snapshot of businesses in the study did not show if any businesses made progress in succession planning.

The time available to conduct the study placed limits on the study in terms of the size of the study and the scope of issues to address. This study utilized a whole population survey of family owned farm equipment dealerships from seven states belonging to the Far West Equipment Dealer's Association. Given a longer time period and greater resources, it is not inconceivable that participation from all family owned farm equipment businesses could be sought using the resources of several different organizations, similar to the Far West Equipment Dealer's Association, that exist throughout the United States. Currently, 14 similar associations exist in North America (Far West Equipment Dealers Association, 2015). Future studies should take care to avoid recording multiple responses from owners with multiple locations under the territories of different associations.

Another limitation, caused by the time available for the study, was the response rate from the targeted population. The response rate was less than 21% of the targeted population even though all were eligible to participate in the survey. While trend data for those having succession plans was solid, only six owners responded that they did not have succession plans. This caused a problem with the data interpretation. Did the studied population have very few business owners without a succession plan or were those businesses without a plan less likely to take the survey? This study could not determine the answer to that question due to the limitation of time. The data gathered about reasons this small group of respondents had failed to engage in succession planning was not statistically valid as a result of the low response rate.

In a conversation with one manufacturer/supplier, it was clear they were interested in conducting this study with a larger group covering the entire United States. The additional time of coordinating with the various associations would have been prohibitive and the other associations may not be as willing to assist in the study, further complicating the effort or in the sharing of data collected. The instrument used in this study might find use in other associations to gather data and make comparisons resulting in a greater understanding about the challenges of succession planning.

Another significant limitation exists if the data collected in this study differs when compared to family farm equipment businesses owned in other parts of the world. Family owned farm equipment businesses are the primary means of selling equipment for manufacturers/suppliers throughout the world. Canada, Mexico, Central America, South America, Asia, Europe, the Pacific Rim, Africa, and other areas may have very different issues regarding succession planning involving cultural, legal, tax, and family issues present in those areas.

The author of this study was directly involved in the industry and had certain biases affecting his viewpoint of the problem. Many of the problems found in succession planning, within family owned businesses in general, and in family farms were present in his family situation at one time. The author's past situation may have caused a different view of the problem than a truly independent researcher.

It was the intent of the study to do an Explanatory Sequential Mixed Methods Design to gather quantitative data first and then qualitative data to explain the results. Unfortunately, the competitive culture in the farm equipment industry produced difficulty gaining access to businesses for gathering qualitative data. Concerns exist among competitive business owners that proprietary information could possibly fall into the hands of a competitor thus giving them an advantage in selling products or in negotiations for acquiring neighboring competitors. A legitimate concern exists in this industry that supplier/manufacturer representatives could utilize this information to apply pressure at the time of change to force businesses without a comprehensive plan to sell.

As the author was also a part of the industry, those participating in the study had to remain anonymous and the survey instrument administered in such a way as to ensure continued anonymity. They would not be willing to allow the author to gather information that potentially jeopardized confidentiality or provided an advantage to competitors. While this may have been unlikely given the large geographic area covered in this study, many of these family businesses own multiple locations across state lines. A qualitative study utilizing interviews of the current owners, family, key employees, and customers by an independent researcher would be beneficial in adding more meaning to the quantitative results of this study. The independent researcher would possibly find some resistance to gathering the qualitative data but the independent nature of the observer along with the appropriate confidentiality agreements would, in many cases, overcome that resistance.

Not addressed in this study was the issue of succession over multiple generations. Thus, the family looking to pass on ownership to the second generation was treated the same in this study as one looking to pass the business to the third or subsequent generations. Other studies have looked at the issues of passing business from the first to the second generation or in transfers between subsequent generations. It is a logical assumption that a family business that survived one successful transfer might rely on that experience or institutional knowledge to aid in subsequent transfers. The diffusion of ownership might have presented very different problems that could adversely influence the succession process. This study treated all succession planning equally and did not take into account if the succession took place between the first and second generation or subsequent generations of the family.

The primary limitation of the study is the very nature of asking respondents to self report on the topic of succession planning in a survey. The owner of one particular business may have a very different idea of communication, comprehensive planning, and involving others in the planning process than other business owners. The only way to fully determine the answers to those questions would be to examine the plans and observe the processes used to create the succession plans. Without such a detailed process, the study must rely on how the respondents feel or think based on the definitions and descriptions given in the survey. One respondent could feel that they had excellent levels of communication for planning but another respondent might feel that same level of communication was woefully insufficient for this level of planned change.

Methodology

Statistics on the rates of succession planning in family owned farm equipment businesses were not available in the current research at the time of this study. Data was available on family businesses in general and multiple studies have conducted research on succession planning on family farms. It was unknown at the time of the study if the rates of succession planning for family owned farm equipment businesses matched up to trends seen in family owned businesses overall or the closely related industrial segment of family farms. A major manufacturer of farm equipment stated that they did not know for sure how many family owned businesses have succession plans but it was a great concern because of the rapidly aging demographic that makes up the pool of owners (New Holland, personal communication, March 5, 2015). Disruptions to the business would hurt future sales of products through family owned farm equipment businesses and possibly result in problems servicing end customers.

In order to determine possible future actions, a study of the current state of this industrial segment was required. A quantitative, cross-sectional study was undertaken to determine the rate of succession planning in family owned farm equipment businesses, how comprehensive the succession planning actually was, reason why some had failed to plan, if current plans had involved key people in the formulation process, if completed plans had been communicated with key people, and what tools or resources the owners and families needed to assist with succession planning. It was important to determine if the plans that were currently in place were comprehensive versus only having estate planning.

The study utilized Survey Monkey to create an easy platform to administer the survey as well as assist in analyzing the data. The instrument was designed to determine if the respondent currently owned a farm equipment business, if the company had engaged in succession planning, and if the succession planning was comprehensive in nature covering legal requirements, estate issues, successor development, communication, and dealership business planning resulting in a common vision for the future of the business. The study utilized other questions to determine if similar barriers to succession planning, as described in the literature, were the same as those causing farm equipment business owners to not engage in succession planning and if tools and resources recommended in other articles on family businesses might be of value to farm equipment business owners.

The survey link and request to participate were distributed to equipment dealership owners in seven states (Arizona, California, Colorado, Hawaii, Nevada, Utah, and Wyoming) through the Far West Equipment Dealer's Association (FWEDA), a nonprofit organization representing those businesses. The study chose the targeted population due to time limits, the diverse geography of the businesses, and the association's willingness to assist in the process. Approximately 244 of the 405 who received the survey fell into the category of farm equipment businesses but some of those were branch locations and not the primary business. From that group, the association sent the survey to 139 owners.

FWEDA had agreed to assist in distributing the survey and encourage participation as the issue was currently one of concern. This study obtained permission for distributing the survey through the association prior to the creation of the instrument on the condition that the association's board could review the survey questions before administering the instrument to ensure the anonymity of the members. Aggregate data from the survey was shared with the association along with the research conducted in this study.

The study analyzed and checked for statistical significance of the survey questions using a Chi-square analysis. The study looked for comparisons with other research to see if correlations existed between this study and data reported in other research articles. Data collected increased understanding of the reasons family farm equipment businesses did not engage in succession planning and if they were similar to those found in other studies of family businesses. The study also sought to understand if the resources recommended in other studies were needed by family owned farm equipment businesses.

Summary

The survival of family businesses is important to the economy. As business owners will inevitably leave the business, either through planned or unplanned circumstances, planning for the transition of ownership and key leadership is essential in ensuring that the transition is successful and disruptions are limited. An unsuccessful transition is likely to result in the failure of the business causing hardship for communities and employee families. A dearth of research on succession planning in family owned farm equipment businesses stands in direct contrast to a large body of research conducted in the past on family owned businesses in general.

Family farm equipment businesses often fail to engage in comprehensive succession planning just as family businesses in general often neglect this important planning for change in the business. Organizational Development and Change Leadership were key theories discussed as part of the understanding of the importance of planning succession as part of planned change in the organization. This study was undertaken to gain a greater understanding of the rates of succession planning in family owned farm equipment businesses, barriers or reasons why owners were not engaged in succession planning, and if the owners needed or desired similar tools and resources that had been used in succession planning in other family business industry segments. It also sought to determine if key people were involved in the planning and if communication was utilized to inform key people about the completed plan.

This section related assumptions, such as the author believing that the owners of these businesses wanted to engage in succession planning, key term definitions, and limitations of the study. Due to the limited time and specific aims of the study, the research did not determine all the issues involved in succession planning. Issues of limited access to the businesses for the gathering of qualitative data were listed which included the confidential nature of many family farm equipment businesses over the concern that competitors might use the information to gain a competitive advantage in the market place.

Finally, this report described the type of methodology utilized, the general questions asked of the participants, the population studied, and the means of administering the instrument. The study utilized a quantitative survey distributed by a trade association to its members. The section included how the study analyzed the data as well as the comparison of the data to other research conducted on family businesses in general.

Chapter II: Literature Review

Family farm equipment businesses have failed to engage in comprehensive succession planning. According to the Pacific Family Business Institute (2014), a written succession plan is the key factor for the successful transfer of a family business to the next generation. From a review of the current research on Business Succession Planning, Ip and Jacobs (2006) determined that a large proportion of family businesses lack succession plans and that the failure of family business succession threatens local economies. In a review of over 30 years of research on succession, Kesner and Sebora (1994) found that succession is an inevitable and dramatic event that is critical to the survival of the family business. Mondy and Martocchio (2016) believe that without succession planning, many small businesses will not survive to the next generation of the same family. Family owned farm equipment businesses are similar to family businesses with a need to understand what factors create a comprehensive succession plan, why owners fail to engage in succession planning, and what tools or resources owners need to assist them in succession planning. Research on succession planning in family businesses and family farms provided a basis for examining the problem in family farm equipment businesses.

Section 1 Components of Comprehensive Succession Planning

According to a qualitative study of 23 family firms by Anderson and Rosenblatt (1985), comprehensive succession plans required more than drawing up a contract or deed. While each business is different and each may have different planning needs, researchers and advisors have identified key attributes of comprehensive succession plans used by family businesses. In researching a family business' succession planning, it is important to understand the elements that make up good planning because the results of poor planning are uncertainty, lower staff morale, and reduced productivity (Bradley & Short, 2008). Kesner and Sebora (1994) found in a study that curbing the negative effects of disruption on the business was an important objective of succession planning.

Dalpiaz, Tracey, and Phillips (2014) analyzed the narratives of family businesses in several studies and agreed that managing succession was one of the most significant challenges that family businesses faced. It is a complex process (Bjuggren & Sund, 2001) that many who studied succession planning agreed takes time to fully plan and execute (Business Enterprise Institute, 2014; Giamarco, 2012; Ip & Jacobs, 2006; Nawrocki, 2005; Spector, 2014). Easy, quick solutions for creating a succession plan do not exist.

While every business and family is different with different needs, key features of a comprehensive succession plan are important to understand before beginning the process. Business advisors Hall and Hagen (2014) believed a holistic approach to succession planning determines the objectives of the succession, protects the value of the business, contains an ownership transfer plan, includes actions to preserve wealth, and deals with estate planning issues. Succession planning advisor Spafford (2006) added business planning and retirement planning to that list. Ip and Jacobs (2006), in a review of over 400 business articles on the topic, found that key elements include procedures for the transition including the legal, financial, and tax issues of succession. They also believed it should plan for the psychological factors that this type of change brings and also that it incorporate exit planning strategies for the current owner.

Fetsch (1999), in reviewing the literature and from gathering information from 200 ranch and farm families, identified examples of key attributes of a comprehensive plan. Technical tools such as wills, trusts, powers of attorney, life insurance, and gifting were found to be critical to succession planning. He identified people skills such as communication, listening, conflict management strategies, and shared goal setting strategies as key to the process. A comprehensive succession plan combines legal and tax instruments along with the elements of effective planning and organizational development. White, Krinke, and Geller (2004) believed that succession planning considers the tax, business, liquidity, and family relationship issues.

Before any other succession planning actions are undertaken, a major element must occur which involves the owner of the business. The current owner must be committed to the process (Chrisman, Chua, Sharma, & Yoder, 2009; Sharma, Chrisman, & Chua, 2003a). Sharma, Chrisman, and Chua (2003a) studied data collected from the presidents of 118 family firms and found that owner commitment was critical to succession or the incumbent would be better off planning for the sale of the business rather than a transfer to the next generation. Like any change initiative, if full support for the planned change does not exist, successful planning may not be possible.

Bradley and Short (2008) believed that succession planning began with the owner's vision, values, and goals. It is the owner's business and any final decisions regarding the business are up to them to decide. Hall and Hagen (2014) maintained that the succession plan itself defines the owner's objectives and timeframe for the succession. Without the current owner's commitment to the process, it was impossible to incorporate those elements into the plan. The owner is the main determinate of whether succession planning will occur.

A key element of succession is planning for the actual successor, the person or persons that will take over ownership and directing the business. At some point, a successor is chosen as part of the plan but that does not automatically indicate they are ready to lead the organization. According to Bartram (2012), creating a structure that identifies and nurtures future leaders was important to attracting and retaining talent. Families generally chose a child successor according to studies by Bennedsen, Nielsen, Perez-Gonzalez, and Wolfenzon (2007), Ip and Jacobs (2006), and Kirby and Lee (1996). Applegate and Feldman (1994) urged taking a critical view of children to make sure they are really the best choice for running the business. Bjornberg and Nicholson's (2012) mixed methods study on ownership suggested that it was important that the next generation were not only committed to the business but willing to become the leader of the family business. If either was lacking, it was probably a good idea to look for another successor. Chrisman, Chua, Sharma, and Yoder (2009) believed the child successor must be interested in the business and capable of taking on the responsibility. Mirel (2006) maintained that child successors must be interested and capable in order for the business to survive. Handler and Kram's (1988) model identified disinterested or incapable heirs as being a factor in owners resisting succession planning. A capable child successor who is not interested in the business cannot be expected to be any more successful than an incapable successor that is interested.

Management of the family firm and ownership may not be the same but succession planning must determine both (Giamarco, 2012). In situations where a child is the potential successor for running the family business, careful preparation should be part of the planning. Opportunities to evaluate the abilities of potential successors and develop them should be a normal part of planning. Nawrocki (2005) maintained that it was important for the potential successor who is a child of the owner to be involved in the business from an early age in order to determine if they should become the successor. Venter, Boshoff, and Mass' (2005) quantitative study of 1,038 family businesses found that having a child successor contribute to decision making early in the business helps build confidence, trust, and support. They also found that preparation of the child successor included formal education, training, work experience outside of the family business, and having non family mentors in the business.

Kirby and Lee (1996), in a quantitative study of 50 firms, found that nearly two thirds of them believed a plan should be put into place to ensure successors had the requisite knowledge and skills needed for the task of leading. In an analysis of the studies on succession planning, De Massis, Chua, and Chrisman (2008) identified successors with low ability as a factor that can prevent succession from happening. In a review of the literature, Filser, Kraus, and Mark (2013) found that professional and social competence were key prerequisites for successors. Planning for and developing the successor should be a part of any comprehensive planning to ensuring that the transition yields positive results for the family business.

In all major change initiatives undertaken by organizations, communication is important to success. The planned change of succession in a family business is no different. In the study conducted by De Massis, Chua, and Chrisman (2008), communicating and sharing decisions was critical to succession. Handler and Kram (1988) found, using a model they created, that lack of open communication was one of the reasons for resistance to succession in family businesses. They also identified communication as important for creating a shared vision of what will happen in the succession plan. Mentioned by multiple writers, shared vision is a key part of the succession planning process (Chrisman, Chua, Sharma, & Yoder, 2009; DeMassis, Chua, &

Chrisman, 2008; Kaplan, Nussbaum, Becker, Fowler, & Pitts, 2009; Zimmerman & Fetsch, 1994). Developing a shared vision gives the family, the business, the owners, and employees in the business an idea of the end state or goal for the succession.

Communication is important for legitimizing the chosen successor according to Harveston, Davis, and Lyden (1997). They believed that communicating the decision on the chosen successor to others was a key to conveying a public commitment to the change and gaining support from peers and subordinates. Distelberg and Blow (2011), in a mixed methods study of 63 family businesses, found that communication must involve family, the business, and the ownership because all three overlap and affect one another.

Kirby and Lee (1996) believed that transitions in family businesses require communication and planning. Communication is seen as critical to the planning and implementation of succession. Without communication, succession planning cannot be implemented in a successful manner. Because of the complicated nature of communication in families, Holland (2004) recommended family meetings as critical for gaining shared knowledge and understanding which in turn creates a bond in the family. Regular meetings are critical for getting families together to discuss the issues of planning and so they can come to common agreement on the process.

Communication among family members is critical to dealing with conflict and stress when succession planning in families. Giamarco (2012) advocated input from all family members as part of succession planning to avoid conflict. Taylor and Norris' (2000) quantitative study of 36 family farm successors found communication was important for dealing with conflict and issues of fairness in the transfer. In a qualitative study of 481 people involved with family farm succession, Weigel and Weigel (1987) found that communication was a coping mechanism for dealing with the stress in families from the process of succession. Zimmerman and Fetsch's study (1994) found that improving family communication helped with stress and frustration in the family. Open communication is critical to overcoming conflict in succession in family businesses (Filser, Kraus, & Mark, 2013) and is a contributing factor in family business innovation (Sciascia, Clinton, Nason, James, & Rivera-Algarin, 2013).

Sharma, Chrisman, Pablo, and Chua (2001) created a model to understand the findings in succession literature and found that communication assists others in viewing the process of succession in a more positive manner while Poza, Hanlon, and Kishid (2004) in a quantitative study found it contributes to positive family and organizational culture. Pitts, Fowler, Kaplan, Nussbaum, and Becker's (2009) qualitative study caused them to believe that effective communication was needed for successful transfers and that communication created meaning for the family members during the process. Zimmerman and Fetsch (1994) believed that planning in families should include the discussion of labor responsibilities, management decisions, and assets. With all the emphasis by researchers, it is evident one of the most important aspects of comprehensive succession planning is communication. Without it, the chances of a successful transition to the next generation are reduced. Communication is critical for leading any major change in a company or organization and should be a key part of any planned change process (Kotter, 1995, 2007, 2012. & 2014).

A critical element of comprehensive succession planning includes a team of advisors to help in the planning and execution of succession. Business owners generally do not have the expertise to cover all the legal, tax, estate, and interpersonal issues involved in planning. Possible contributors to the team could include accountants, attorneys, a financial planner, investment banker, business management consultant, and someone, such as a psychological counselor, to deal with family issues (Applegate, & Feldman, 1994). Hall and Hagen (2014) believed that whatever the makeup of the team, it should be diverse in both skills and talent. The family business should find whatever experts are needed to assist in the process of comprehensive succession planning. While this area of planning may have some costs associated with it, it could yield savings later when estate taxes or other costs result from not covering all the issues.

A final aspect of planning that might be overlooked in the process of anticipating the estate and leadership needs of the firm is the post-retirement needs of the current owner. All plans should include this element (Hall, & Hagen, 2014). When an owner is unable to support basic living needs after leaving the business or an owner has no plan for what they will do after leaving the firm, problems can result. Planning for a life after the business can give the current owner a positive outlook on the future, post succession.

Critical elements of comprehensive succession planning include planning for legal, estate, and tax issues. A comprehensive plan includes an owner committed to the process and clear understanding of the owner’s goals or objectives. Identifying and developing a qualified, trained, and educated potential successor who is committed to the business is important to planning. Probably, the most critical element of succession planning is communication and the creation of a shared vision. Communication should occur between the owner, the potential successor, and the family in order for succession planning to be successful. It was critical next to understand why businesses fail to engage in succession planning. Several issues related to the owner, the potential successor, and the business can delay succession planning or derail the process. While each family’s situation and reasons for failing to engage in succession planning may be different, further research in the next section covered the most frequently cited issues.

Section 2 Frequently Cited Reasons Family Business Fail to Plan

Family businesses frequently realized that they need to do some planning for succession but often failed to begin the process. General reasons for this failure to engage can be grouped into categories related to the current owner, factors related to the potential successor, factors related to the business, and factors that may cross all three boundaries of the family, the business, and the owners. While some families believed that avoiding the issue of planning is helpful for avoiding stress and conflict, Anderson and Rosenblatt (1985) maintained that failing to plan actually increased the level of stress that would normally accompany this kind of change.

Section one featured owner commitment to the planning process as a primary factor for succession planning and the previous research identified several reasons why owners did not engage in planning. Using a model to study the literature on the subject of succession planning, Sharma, Chrisman, Pablo, and Chua (2001) identified the common factor of the current owner not wanting let go of control of the business as a significant issue. Difficulty letting go of the business directly impacted the amount of succession planning that took place in businesses. It was a significant factor influencing the amount of succession planning families completed according to the quantitative study of family farms conducted by Pitts, Fowler, Kaplan, Nussbaum, & Becker (2009).

Unwillingness to give up control was a primary reason identified by Giamarco (2012) for not engaging in succession planning. In a review of the research, DeMassis, Chua, & Chrisman (2008) found that business owner's emotional attachment to the business diminishes willingness to let go of the business. Handler and Kram (1988) refered to the relationship between owner and business as similar to a marriage between people. A similar amount of time and dedication is expended by the owner to grow and develop the business. The problem with letting go of the business manifests itself by incomplete successions upon the exit of the owner. One or both parents continue to influence the business, even after exiting. This caused an incomplete or disrupted succession according to Davis & Harveston (1999) and Mirel (2006).

Some parents attempted to keep control of the business until they passed away according to Zimmerman & Fetsch (1994). Loss of control of the business directly affected how the parents felt about a personal sense of self-worth or emotional well-being. This contributed to an unwillingness to let go. Interviews with 154 family firms found that the controlling owner felt as emotionally invested in the business as they were financially invested in many cases (PricewaterhouseCoopers LLC., 2014). Emotional attachment to the business grew stronger over time according to a study of over 5000 family firms by Zellweger, Kellermanns, Chrisman, & Chua (2012). Business owners often felt that life would lose meaning without the business because it had been an important aspect of daily life according to Langrall (2013).

When the owner was in charge of the business, they often had low dissatisfaction with the status quo and resisted family members and advisors who recommended change according to Poza, Hanlon, and Kishida (2004). They also believed that the owner may have a rosier picture of the business' performance according to the survey of family businesses they conducted. Owner difficulty letting go was cited in a survey by the Exit Planning Institute (2013). The institute found 58% of respondents expected to have a continuing role in the business after they exited. One reason for the reluctance of an owner to let go is the belief that the company could not run without them (Langrall, 2013).

Not letting go can have major negative effects. Owners that are too attached to the business may resulted in the potential successor not developing skills and earning the respect of others in the business as found by DeMassis, Chua, & Chrisman (2008) in a quantitative study of the presidents of 118 family firms. Handler (1994) believed that not giving up control can cause the successor to never grow beyond the manager or helper role. The successor's satisfaction with the process was directly tied to the owner's willingness to step aside in a study of owners and successors by Sharma, Chrisman, and Chua (2003b). The owner's unwillingness to let go may hurt the future success of the business by not giving the successor opportunities to grow and develop.

Owners did not engaging in planning due to other factors. Bradley & Short (2008) and Langrall (2015) identified the factor of owners who felt too busy running the business to plan. Another reason cited in the study by Sharma, Chrisman, and Chua (2003a) was the incumbent not having a desire to keep the business in the family. A reason identified in one case study was that the current owner did not want to hurt the feelings of the other children by choosing one or more to succeed over the others (Miller, Wolking, Noble, Gersick, & Ney, 1998). This was further complicated by feelings that what is a fair division may not be equitable if some children work in the business and some do not (Taylor & Norris, 2000). Nawrocki (2005) maintained that succession is not easy when all the children are not involved in the business.

Probably the most common reason for not planning was that many owners did not know where to start planning (Langrall, 2013) or felt overwhelmed at the thought of exiting the business (Langrall, 2015). Bjuggren and Sund (2001), in a study of a process for decision making in family businesses, found owners felt overwhelmed at the complexity of succession planning. Another reason that was identified for not engaging in planning by the owner is that they had no plan for what to do after leaving the business (Exit Planning Institute, 2013; Langrall, 2013).

The owner's fear of losing status in the family or community if they gave up control of the business was a reason identified by Sharma, Chrisman, Pablo, and Chua (2001) using a model they created to study the literature. A final reason was that some owners felt the transition would take care of itself. This was found in a study of 20 members of family firms by Pitts, Fowler, Kaplan, Nussbaum, & Becker (2009).

The owner is not the sole reason family firms did not engage in succession planning, the potential successor could be a factor influencing the decision to not plan. In a study of 1,038 family businesses, Ventor, Boshoff, and Mass (2005) found that if the successor's relationship with the owner/manager was not good, they would be less willing to take over the business. An unwilling successor could make planning very difficult. In a review and analysis of the literature conducted by De Massis, Chua, and Chrisman (2008), factors affecting the ability of a successor to take over the business included low motivation, not having the necessary skills, and being under qualified.

Chrisman, Chua, and Sharma's (1998) quantitative survey of 485 family firms found that commitment to the business and integrity were the number one factors that families considered when they chose a potential successor. Sharma and Irving's (2005) model applied to interviews of successors to family businesses found that commitment to the business, derived from a strong desire to contribute to the success of the business, was the most effective attribute for long term success. Commitment derived from a sense of obligation, feelings of self interest, or because the successor needed the family business as a job was less likely to be successful.

In a longitudinal study of 67 family businesses, Gagne, Wrosch, and Brun de Pontet (2011) found that when the owner trusted in the abilities of the successor they were more likely to plan for an exit from the business. They also found that a lack of trust by the family for the potential successor caused less commitment to the successor taking over. Royer, Simons, Boyd, and Rofferty (2008) found, in a quantitative survey of 860 family businesses, if the potential successor had high family business knowledge and expertise, then a family member successor was preferred to take over the business. Venter, Boshoff, and Mass (2005) found that the enthusiasm of child successors for taking over the business was not positive if they had secretive parents unwilling to share information about the family business. Family concerns that the child may not be the best one to run the business could be a factor that causes the owner to delay planning (Applegate, & Feldman, 1994).

Having the confidence of family members may not be enough to ensure a successful transition to the next generation. In family businesses with key, non-family employees, issues of acceptance of the successor can occur. Non family members may not endorse the successor causing a problem with succession planning. Incompetence leads to a lack of trust and a lack of trust by employees causes a problem of acceptance by employees in the business (Filser, Kraus, and Mark, 2013). Acceptance of the successor by non-family employees was critical to acceptance in the business according to a qualitative study of family businesses by Dalpiaz, Tracey, and Phillips (2014).

Personal issues in the lives of the children of business owners can hinder the family in succession planning. Unresolved issues in the lives of the children, such as waiting for children to make career decisions and concerns about the successor's family or marriage, were identified in two studies (DeMassis, Chua, & Chrisman, 2008; Kaplan, Nussbaum, Becker, Fowler, & Pitts, 2009). It is not unreasonable that parent owners who observe turmoil in a child's life, a lack of direction, or who have children still in the phase of trying to figure out what they want to do in the future might have concerns that cause a delay in planning until those unknowns are addressed more fully. Family can be difficult to plan for when problems of favoritism, sibling rivalry, potential successor issues, and other family problems cause the family to delay completion of a plan for succession (Clifford, 2007). Sometimes, the business lacked the right person to lead the company as was found in one survey (Business Enterprise Institute, 2014) or the owner was unsure if they should choose an internal or external successor to run the business (Exit Planning Institute, 2013).

Another issue that can cause a delay in planning is something that every parent fears, the loss of a child. DeMassis, Chua, and Chrisman (2008) identified the unexpected loss of the potential successor, especially if that person was the only possible successor in the family, as a factor in delayed planning. It is understandable that the sudden loss of the chosen child successor or only potential successor causes a delay in planning.

DeMassis, Chua, and Chrisman (2008) found succession planning may not be a priority if clear roles were lacking for the successor or the incumbent as part of the succession transfer. In other words, the family did not have an understanding or idea of what the current owner's role would be in the business after the transition and no clear idea of what the successor's role would be in the business. This occurs when the founder already has key people running the business and has no clear role for the successor when they take over. As family businesses grow, they rely more on non family managers (Chua, Chrisman, and Sharma, 2003). Both of these issues could be handled with better communication as part of the planning process but family communication issues were also one of the reasons why families did not engage in succession planning.

"A lack of communication is a direct factor in the failure to pass business interests to the next generation" (Spafford, 2006). In a phone conversation with the author of the book this quote was taken from, he identified communication as the number one issue preventing succession planning (K. Spafford, Personal Communication, April 10, 2015). He also shared that families did not communicate personal dreams, hopes, and fears with each other about the family and the business. In studying farm families, Kaplan, Nussbaum, Becker, Fowler, and Pitts found that families relied more on implicit communication and not explicit communication for succession issues (Kaplan, Nussbaum, Becker, Fowler, & Pitts, 2009; Pitts, Fowler, Kaplan, Nussbaum, & Becker, 2009). Many families were reluctant to talk openly about issues making communication a key component of comprehensive succession planning.

Covert communication was not as effective as explicit communication in planning according to Anderson & Rosenblatt (1985). Mattera also agreed that, in some families, openly talking and resolving issues was rare (2000). Passive communication, with an emphasis on what was implicitly understood, was the norm for many families (Kaplan, Nussbaum, Becker, Fowler, & Pitts, 2009). Communication was one of the toughest issues in succession planning and it was easier to assume than really communicate according to Spafford (2006). DeMassis, Chua, & Chrisman found, from the application of a model to the literature on succession planning, that poor communication never resulted in a shared vision in many families (2008).

The topic of succession itself may cause problems in family communication. Talking about succession planning was seen as a taboo topic in the past according to Applegate and Feldman (1994). In some families, topics such as politics and religion are avoided because they are considered off limits topics or to preserve family harmony. Some children are told from an early age that it is rude to ask a woman's age or ask a person how much they are paid because those topics are also considered taboo. The same stigma may linger around topics such as succession planning.

The culture of the family and the family business can be a factor that inhibits letting go and planning. Handler and Kram's (1988) model identified culture as a key component of a family business that can increase or decrease resistance to the succession. Paternalistic cultures, as identified by Dyer (1988), may be a factor that discouraged succession planning. In situations where the business relied on the current leader for direction in the business while neglecting to train and develop the next generation, problems may exist for engaging in succession planning. The successors waited for the father in the family to tell them what to do and expected him to do all the planning. When the father was gone, the children were left with a business they did not plan for and did not have the experience or skills to make decisions without the parents.

The business itself can offer an explanation as to why the family has not engaged in succession planning. As was found in a two phase, longitudinal, quantitative study of family businesses conducted by Kirkwood and Harris (2011), owners did not plan because they are unsure of the value of the business. Some owners did not think the business was worth enough to meet the financial needs of retiring or they thought the right buyer would magically show up and buy the business in the future because the business was worth buying (Langrall, 2013). The business or successor not able to handle the inheritance tax burden was another issue identified by DeMassis, Chua, & Chrisman (2008). The costs connected to succession are often high (Bjuggren & Sund, 2001). The firm may not have enough value to allow the successor to buy out heirs that do not want to own the business, especially if the owner has several heirs. Poor business performance at the time of succession might convince heirs they do not want to be a part of the business according to DeMassis, Chua, & Chrisman (2008).

Kirkwood & Harris (2011) found confidentiality issues, considered a major issue by business owners, to be a factor in the decision to not plan. Owners worried employees would find out the owner planned to leave causing them to look for another job. Most small business owners, rationally or irrationally, wonder what they would do if certain key employees left the business. The fear that employees might quit if they find out the owner is trying to sell as part of an exit strategy was identified by Langrall (2013) as a reason business owners did not engage in planning. Privacy was an issue identified by Chua, Chrisman, and Sharma (2003) which caused owner's reluctance to go outside a small circle of family and trusted advisors for advice. Neglecting to plan may involve simple issues that most people deal with in life. Procrastination and owners not viewing planning as a priority was identified by Kirkwood and Harris (2011) as issues. Spafford (2015) believes succession planning is not a pressing concern for many agribusiness owners. Most people have issues or problems that are not engaged because it may be unpleasant, too much work, or it is not a priority at the current time.

Families might be unwilling to address personal conflicts, conflicts between the incumbent and the successor, or between the successor and other key non family managers according to DeMassis, Chua, & Chrisman (2008). Because succession decisions required difficult choices, harmonious successions were rare (Blumentritt, Mathews, and Marchisio (2012). Often, the most difficult issues to address in succession planning are usually the people issues (Bradley & Short, 2008). Succession was one of the most contentious issues in family firms according to Bennedsen, Nielsen, Perez-Gonzalez, & Wolfenzon (2007) and emotions and conflicts should not be underestimated (Filser, Kraus, and Mark, 2013). Unresolved issues and uncertainty could delay succession planning according to the study of family farms conducted by Kaplan, Nussbaum, Becker, Fowler, & Pitts (2009). The emotional issues and needs of the family must be dealt with in the process of succession planning (Mattera, 2000). This caused an unwillingness to address issues such as money, power, control, stress, anxiety, and resentment within the family (Mattera, 2000).

Conflicting visions or goals between generations caused problems according to Zimmerman & Fetsch (1994) in a study of family owned farms. If the parent and the child had very different ideas for the future of the business, reconciling those differences was required or planning was not possible. It is not unusual for the children of the current business owner to have different ideas for how to run the business. These different visions of the future of the business can place the current owner and potential successor in conflict, resulting in a lack of planning. Conflict should be identified early and an appropriate intervention chosen before family businesses experience problems (Pieper, Astrachan, & Manners, 2013)

Gender issues may cause hesitation in succession planning. While families attempted to give the appearance of being fair with children of both genders, families often preferred the successor to be male according to a quantitative study of family firm CEOs by Bennedsen, Nielsen, Perez-Gonzalez, & Wolfenzon (2007). They determined that families were more likely to choose a male successor before a female successor and might not consider a female successor at all. For families where no potential male successors exist or the male successor is not interested in the business, the owner hesitates to plan because they do not consider female offspring to be potential successors.

Many reasons exist for why firms fail to engage in succession planning. Issues which involve the owners, the potential successors, issues related to the business itself, and issues that cover all three were in studies on the subject. These issues occur often enough that research into possible tools or resources that can help families in comprehensive succession planning exists. Section three will address some of the most popular resources identified in the literature.

Section 3 Tools and Resources to Assist Family Businesses in Succession Planning

Most experts, researchers, and articles were clear about key components of the succession plan and identification of the resources or tools to help families get started with succession planning. An assumption exists that the owner desires to plan for succession and only requires a list of key items as part of a check list. Some barriers are difficult to overcome and require more than a checklist of items to complete. Kirkwood & Harris' (2011) two phase, quantitative study of business owners found that an independent advisor to assist in starting the process was the most preferred resource.

The independent advisor in the study gave owners an independent and unbiased view of the process of how to exit the business and the city paid for it as part of an initiative to help stop businesses from failing when owners exited. The city hoped that helping businesses plan would reduce job and tax losses in the community. The advisers acted as mentors to the owner in the planning process even though they usually referred the business owner to the business' current accountant and attorney for many of the specific planning tasks. This study supported the assertion by Mattera (2000) that some families did better with outside help. Advisors often served as family therapists to help settle disputes between family members according to Nawrocki (2005) which may be a reason this resource was preferred by business owners.

The independent advisor not only helped businesses get started in the process but business owners often needed someone to help point them in the right direction when other expert help was needed for planning according to Kirkwood and Harris (2011). Other advisors such as accountants and financial advisors encouraged clients to explore succession plans, prepare for succession, assisted them in developing a strategy, and helped them understand post retirement financial needs (Hall & Hagen, 2014). Another option was hiring a family business coach, who was a trained psychologist, to help with family issues (Mirel, 2006). Independent advisors also helped with valuing the business (Kirkwood & Harris, 2011). They helped the business owner develop a vision of life after exiting the business (Kirkwood & Harris, 2011; Langrall, 2013). Exiting business owners could mentor other business owners in a similar situation according to Kirkwood & Harris (2011). They could share personal experiences which could benefit others attempting to institute succession planning.

The first person a business owner or family turned to when they decided to engage in succession planning was generally the business' attorney or accountant. These were trusted experts with whom a relationship already existed. While both of these advisors may be good for the technical aspects of the plan, they may not be the best people to turn to for the other issues in succession planning. This includes issued of letting go of control of the business, communication, conflict, and creating a shared vision. Anderson and Rosenblatt (1985) suggested training lawyers and tax experts about how sensitive family relationships could be in these situations. They also recommended teaching them to refer families to relationship specialists to help with issues that are often ignored or not talked about in the family regarding succession issues. Therapy and Counseling could help owners deal with assumptions and issues in the family according to Dyer (1988).

While one advisor can help start the process, it can take multiple advisors with different areas of expertise to assist the family in navigating the complicated process of succession planning and to ensure all areas of planning are covered. A team of advisors can help with unresolved emotional issues (Mattera, 2000). Mattera believes that the team should include the kinds of professionals who can help families discuss the issues that are not directly addressed by families because emotional issues can be attached to them.

Seminars to educate owners and family members were preferred less than independent advisors according to Kirkwood & Harris (2011) but these types of educational programs could be helpful in gaining information and getting started in the process. In Kirkwood and Harris' study, the independent advisor often began the process of assisting the business owner by using a presentation. Community education programs, churches, colleges, and other groups in the community can encourage early planning. Selz (1995) found that 70 colleges and universities were operating family business centers to study and help with family business issues, something that was rare just a few years earlier. He also reported that many service providers were increasingly offering seminars to educate family business owners on succession planning.

Potential problems could be reduced or avoided if the owner completed planning earlier and if the planning involved open discussions according to Anderson & Rosenblatt (1985). Late planning was often one of the number one frustrations of professionals that advised owners about succession planning in the Kirkwood & Harris study (2011). The use of workshops, seminars, and sensitivity training to assist the heads of family firms in assessing personal problems was useful according to Dyer (1988).

A key resource for the family in succession planning was often the future successor. Allowing the future successor to contribute to decision making was important according to Venter, Boshoff and Maas (2005). Developing the potential successor by involving them benefits the successor, the family, and the business. In a conversation with succession planning advisor Kevin Spafford, often the children were waiting for the parents to start the discussion on succession planning and the parents were waiting for the children to bring it up. When the potential successor broaches the topic, the parents were often relieved that potential successors are interested in planning for the future of the business (K. Spafford, Personal Communication, April 10, 2015).

Shepherd and Zacharakis (2000) conducted a study of 95 possible future leaders of family business and found that successors who earned the right to run the family business were less likely to sell later. They were more committed to the business and also felt they were the person to make the decisions regarding the business rather than deferring to others. In a qualitative study of 32 family firms, Handler (1992) found that the more influence the potential successor had on decisions in the family business the more likely they were to report a positive succession experience. Sharma, Chrisman, Pablo, & Chua (2001) advocated the owner coaching and developing the potential successor as part of the succession plan. A longitudinal study of 152 small and medium sized family firms recommended that potential successors receive training for the role of family business leader (Molly, Laveren, and Deloof, 2010).

Both current owners and potential successors must be open and willing to adjust shared mutual roles over the course of the handover according to a qualitative study of 32 firms (Handler, 1990). The current owner must begin releasing control and the successor must adjust to the idea of having more responsibility. The successor must be ready, willing, and capable to take on the new responsibilities as the owner is letting go. Handler compared it to a dance and developed a model to help families understand the process of handing over the reins to the successor (1990).

With communication such a critical part of the planning process (Nawrocki, 2006) and with lack of communication being one of the reasons families failed to engage in succession planning, it was an obvious area for resources or tools that could help families. Families could be taught and encourage to hold family meetings. Regular family meetings and good communication created shared knowledge and a powerful bond in families according to Holland (2004). These meetings allowed family members to express feelings and points of view (Ibrahim, Soufani, & Lam, 2001) while also giving them an opportunity to discuss the working relationship.

An important job of the independent advisor, found to be the preferred resource in Kirkwood and Harris' (2011) study, was encouraging owner communication with family members about plans to exit the business. Improving family communication and conducting family meetings was critical for problem solving and negotiating. Communication built a shared vision and objectives, helped the family deal with conflict, was a forum for creating family rules, and resolved issues of equality according to a study of family farms conducted by Zimmerman & Fetsch (1994). Face to face communication helped diffuse tension in families (Ibrahim, Soufani, & Lam, 2001).

Advisors can instruct the family on the difference between implicit and explicit communication and help them develop the skills to speak more openly. The study by Pitts, Fowler, Kaplan, Nussbaum, & Becker (2009) found good communication was critical to planning. Kaplan, Nussbaum, Becker, Fowler, & Pitts (2009) and Pitts, Fowler, Kaplan, Nussbaum, & Becker (2009) suggested the inclusion of younger generations when key decisions about the future of the business are discussed. Face to face communication was important for preparing the potential successor (Ibrahim, Soufani, & Lam, 2001). Discussing plans with those affected by the succession was important for eliminating surprises to the family and the management team according to Bradley & Short (2008).

If the culture of the organization was a reason for resisting succession planning, changing the culture of the family and family business may be required. This may not be easy, particularly if the current owner does not see the need to change. According to Dyer (1988), this was critical in Paternalistic Cultures and Laissez-Faire Cultures where the owner made all decisions stunting the growth of successors or when the owner allowed everything to happen without a clear direction or plan. He recommended creating a Participative culture, rarely found in family firms, or Professional culture to make succession more successful. He also advocated helping family leaders become more self-aware of how they influenced the culture and even advocated using seminars or therapists to help make the change.

Kirby and Lee (1996) believed, from a study they conducted of 35 family firms, that a way existed for families to avoid comprehensive succession planning altogether. If the culture could not be changed and was not conducive to succession planning, a good human resource development program that selects and grooms the successor was better than doing nothing about succession planning. The successor would be in place and have the time, experience, and education to prepare to take over the business. This alternative, advance by Kirby and Lee, neglected the legal, financial, and family issues needed in transferring the ownership and management of the family business but may be the only alternative if succession planning was not going to take place. This approach does beg the question of how family businesses that cannot engage in succession planning are expected to have a robust human resources development program in place. It seems counterintuitive to find one without the ability to do the other.

Resources preferred by family businesses to begin the process of succession planning in the literature included an independent advisor to help them begin the process. Advisors could be accountants, attorneys, business coaches, consultants, or others with expertise needed by the family business. Seminars, workshops, and education programs for owners and family members were less preferred than the independent consultant but still utilized as resources. Involving the potential successor to help in the process was also a recommended option. Tools and education to improve communication in the family was identified as an important resource as well as holding regular family meetings to discuss issues. Another discussed option was tools to change the culture of the family business. If a family chooses not to engage in succession planning, a robust human resource development program may assist in overcoming some of the problems associated with not having a plan.

Summary

According to the current research on the subject of succession planning, a well communicated, comprehensive succession plan was critical for the successful transition of the family business from one generation to the next. The literature also identified common features of comprehensive plans. Business owners must address the financial, legal, and tax issues along with identification and development of the potential successor. Communication among the family members was one of the most important parts of the process according to several who have studied the problem. Reasons that family businesses and owners did not engage in succession planning involved the owner, the potential successor, the business, and factors that overlapped all three. Many who studied this problem in family owned businesses identified ways to overcome these barriers. Tools or resources they identified include use of an independent advisor, educational seminars, advice from current financial experts the business already uses, encouraging communication and family meetings, teaching families how to communicate, involving younger family members in discussions and decision making to create a common vision, developing the abilities of potential successors, and changing the organization culture. While one study of a small group of owners concluded that families could avoid the need for comprehensive succession planning with a robust human resource development program, the overwhelming majority agreed that comprehensive planning was a requirement for successfully transferring the business to the next generation. The current research on family business succession planning provides the basis for the study of similar issues in the family farm equipment business industry segment.

Chapter III: Methodology

The survival of family businesses is important to the economy. As business owners will inevitably leave the business, either through planned or unplanned circumstances, planning for the transition of ownership and key leadership is essential to ensuring that the transition is successful and disruptions are limited. Unsuccessful transitions of the business may result in the failure of the business resulting in hardship for the community and the families of those who no longer have jobs. A dearth of research on succession planning in family owned farm equipment businesses stands in direct contrast to a large body of research conducted in family owned businesses in general. This study was undertaken to gain a greater understanding of the rates of succession planning in family owned farm equipment businesses, barriers or reasons why owners were not engaged in succession planning, if the plans currently in use were comprehensive, and if the owners needed or desired similar tools and resources that had been used in succession planning in other family business industry segments. Chapter III details the specific instrument used in this study, a Likert type survey using Survey Monkey.

Subject Selection and Description

The population chosen for this study was 405 members of the Far West Equipment Dealers Association (FWEDA), a non profit trade organization. Association membership consisted of businesses in seven western states which included Arizona, California, Colorado, Hawaii, Nevada, Utah, and Wyoming. Of the 405 total members, the association estimated that 244 of them fell into the category of farm equipment businesses. The association identified those owning more than one location in order to avoid duplicate survey requests being sent to the same business owner. They sent an invitation by email to participate in the survey to 139 individual owners of the 244 businesses that fit the targeted demographic.

These businesses represented a diverse group of major manufacturers including John Deere, Case IH, New Holland, and AGCO. Many also sold smaller brands of equipment or manufactured products as part of businesses operations. A large percentage of FWEDA members fell into the category of being family owned which was critical for this study of succession planning in family owned farm equipment businesses. Nearly all the owners who belonged to the association were white males.

This population was chosen because of the number of possible respondents to the survey, the diverse geography they covered, and the diversity of farm equipment brands sold. The willingness of FWEDA to assist in the distribution of the survey web link to the members and to follow up with the members to maximize the participation rate was critical to the study's success. FWEDA's willingness to assist in the study was a primary reason for choosing this population. The difficulty of locating possible respondents from this demographic and then contacting each individually would have greatly increased the complexity of this study.

Another reason for choosing this organization was the ease of dissemination of the final study results and recommendations to the members. The association was in a position to use the data for future planning and to provide assistance to members struggling with succession planning. The data itself proved interesting but using that data to help the affected businesses was an important factor in choosing this organization and membership.

Instrumentation

For this quantitative, cross-sectional study on succession in family owned farm equipment businesses, the study utilized Survey Monkey as the tool for administering the instrument. Survey Monkey provided an easy, user friendly means to create the survey, test survey functionality, and compile the data gathered. The company's software included internal logic thus, answers to previous questions determined which subsequent questions the respondent received. The instrument asked those without a succession plan questions about reasons for not planning. Those indicating they currently had plans answered only the questions about the plans and planning process. This prevented respondents from answering questions that did not apply. This eliminated the need insert instructions to skip certain questions based on answers to previous questions and shortened the number of questions each respondent read.

The entire instrument for this study was created for the purpose of understanding this industry segment due to previous studies on the subject not being adequate for gathering the data required. Previous studies completed by other researchers did not determine the answers this study sought or, the other studies neglected to include copies of the complete survey instrument. A complete copy of the survey questions is located in Appendix B.

Survey Monkey also provided the ability to rapidly tabulate results and the export of data for testing statistical validity using a Chi-square analysis. The service also provided SSL/TLS Encryption and IP Address Blocking to increase the safety and anonymity of the respondents. The ability to create custom reports of the collected data and the ability to download the data into Excel was also an important feature of the software.

Data Collection Procedures

This study administered a 9 question survey on September 18, 2015 to the 139 owners of 405 member businesses of the Far West Equipment Dealer's Association using a web link from Survey Monkey. The survey cover letter along with the link was sent out to potential respondents using email. A copy of the cover letter is located in Appendix A. The survey was available for two weeks beginning on Friday morning and ending on Friday morning 2 weeks later. The association sent reminder emails to potential respondents several times during the time period the survey was open to increase response rates. The survey used two qualifying questions at the beginning to weed out any respondents that were not in the targeted demographic of family owned farm equipment businesses.

The survey asked respondents if they currently had a plan after the qualifying questions. Those answering in the affirmative were then asked about the comprehensiveness of the plan, the involvement of others in the planning, the use of communications in planning, and if they had interest in any tools or resources to help them plan. These questions were created after reviewing what elements were contained in plans discovered in the research and writings of Applegate, & Feldman (1994), Bartram (2012), Bradley and Short (2008), De Massis, Chua, and Chrisman (2008), Distelberg and Blow (2011), Fetsch (1999), Giamarco, (2012), Hall and Hagen (2014), Ip and Jacobs (2006), Kirby and Lee (1996), Spafford (2006), Taylor and Norris (2000), Venter, Boshoff, and Mass (2005), and White, Krinke, and Geller (2004).

These questions utilized a Likert type survey or frequency scale where respondents could Strongly Disagree, Disagree, were Neutral, Agree, or Strongly Agree with the statements provided in the survey. Frequency scales assume that the strength or intensity of experiences is measurable linearly and that the attitudes of the respondents can be measured accurately using the scale. The primary advantage is that a frequency scale allows for the respondent to answer with different degrees of opinion or no opinion on each individual statement. The scale results provided quantitative data which are analyzed and shared in chapter 4 of the study and Appendix C.

Survey respondents who had answered that they did not have a plan received a series of statements to determine reasons why they had not planned. The questions for this section were derived from the studies and writings of Applegate and Feldman (1994), Bradley & Short (2008), DeMassis, Chua, & Chrisman (2008), the Exit Planning Institute (2013), Giamarco (2012), Kirkwood and Harris (2011), Langrall (2013), Langrall (2015), Pitts, Fowler, Kaplan, Nussbaum, & Becker (2009), Simons, Boyd, and Rofferty (2008) , and Sharma, Chrisman, Pablo, and Chua (2001). After completing those questions, the respondents moved to the question about possible interest in tools or resources for assisting them with succession planning.

Tools and resources could include the use of independent advisors as identified by Kirkwood & Harris (2011). Other resources identified by Anderson and Rosenblatt (1985), Dyer (1988), Hall and Hagen (2014), Langrall (2013), Mattera (2000), Molly, Laveren, and Deloof (2010), Mirel (2006), Selz (1995), Sharma, Chrisman, Pablo, & Chua (2001), and Venter, Boshoff and Maas (2005) might also be of value in succession planning. Both groups in this section had the opportunity to list specific resources they might prefer in a comments section after the question.

Both groups completed the survey on question 9 which was an open ended comment section where they could share thoughts, feedback, or any information they wanted to share about succession planning. In some cases, the comments gave greater insight into the problem and provided clarity to the thoughts of the respondents about the topic of succession planning. It also gave them an opportunity to provide information that may influence future research on this topic.

Data analysis

The statistical validity analysis of the collected data involved a Chi-square calculator in an Excel spreadsheet for each frequency scale question to determine validity. A Chi score for any question in excess of 9.49 indicated data validity with a 95% or greater confidence level. A Chi score below 9.49 indicated a possible sampling error which made the data gathered for that question unusable. Data gathered from those questions was not included in the data analysis as a result. The study examined raw data on the percentage of respondents who had a plan to determine the extent of the problem of not planning in the studied population.

Limitations

Limitations on the data collected in this study resulted from the willingness of the participants to take the time to complete it. The owners and executives of equipment businesses are busy and some may have not wanted to complete the survey based on the response rate. Response rates would have been significantly lower had the Far West Equipment Dealers Association not assisted in the process. The association’s support added legitimacy and trust that the study would not have otherwise.

Utilizing the association presented another challenge in that the questions required pre-approval by the association’s executive board before survey activation. This limited the types of questions asked of the respondents and placed an increased burden on anonymity requirements. This requirement limited the types of questions utilized and limited the data collected. An advantage of the pre-approval of the survey questions allowed for those from the industry who were board members to indicate if any of the questions were unclear or confusing. One question was deemed slightly confusing by a board member and a clarifying statement added in the question description to rectify the potential problem.

Time was a significant constraint because some business owners may have been out of town during this time or busy with other concerns. With more time and the ability to follow up with the membership, it may have been possible to obtain results from the whole population. Results from the complete population would eliminate the need for statistical analysis due to having the actual results from all members in the targeted demographic. Another limitation was the geographic area covered by the survey. A survey of the family owned farm equipment businesses throughout the United States would have resulted in a larger sample size and more respondents. This would have provided greater confidence in the survey results being a true representation of the overall population of family owned farm equipment businesses. Regional differences may also have been of interest. A study to see if different regions of the country responded differently to the same set of questions could be undertaken with more time.

The primary limitation of the survey is the very nature of asking respondents to self report on the topic of succession planning. The owner of one particular business may have a very different idea of communication, comprehensive planning, and involving others in the planning process than other business owners. The only way to fully determine the answers to those questions would be to examine the plans and observe the processes used to create the succession plans. Without such a detailed process, the study must rely on how the respondents feel or think based on the definitions and descriptions given in the survey. One respondent could feel that they had excellent levels of communication for planning but another respondent might feel that same level of communication was woefully insufficient for this level of planned change.

Summary

Data gathered for this study resulted from a nine question survey utilizing Survey Monkey. The questions consisted of two qualifying questions to limit responses to the targeted demographic and then a qualifier which determined if the respondent currently had a plan or did not. Further questions on the survey utilized a Likert type instrument or frequency scale. The survey queried respondents who did not have a plan about reasons they had not completed a succession plan. The survey asked those that had a plan about the comprehensiveness of the current plan, involvement of other key people, and plan communications. The survey then asked both groups about tools or resources they preferred and gave the option of providing comments. The final question was a comment area where they could share other thoughts or ideas about succession planning. The study analyzed survey results for validity using a Chi-square analysis. The study listed possible limitations of the methodology related to the sample population and how they may have affected the study.

Chapter IV: Results

The study's intent was determining the current state of succession planning in family owned farm equipment businesses. Others have conducted studies regarding succession planning in family owned businesses in general including Bennedsen, Nielsen, Perez-Gonzalez, and Wolfenzon (2007), Bradley, and Short (2008), Chua, Chrisman, and Sharma (2003), DeMassis, Chua, and Chrisman (2008), Ip, and Jacobs (2006), Kirby and Lee (1996), Kirkwood and Harris (2011), Molly, Laveren, and Delook (2010), Poza, Hanlon, and Kishida (2004), and Venter, Boshoff, and Maas (2005) but, little or no research existed specifically on the family owned farm equipment retail industry segment. The purpose of the study was to determine the rates of succession planning in this segment, how comprehensive the plans were that these businesses had, reasons why some had not engaged in succession planning, and the tools or resources preferred to assist with succession planning.

A quantitative, cross-sectional study consisting of a survey of 9 questions was conducted utilizing Survey Monkey as the tool for creating the survey. The Far West Equipment Dealer's Association (FWEDA) assisted with distribution and follow up to assist in achieving maximum participation from the association's 405 members, 244 of which fell into the category of farm equipment businesses. The association asked the 139 owners of the 244 businesses that fit the targeted profile to participate in the survey. The raw data results for each survey question are located in Appendix C.

Data Analysis and Findings

Results from the survey were somewhat surprising. The study assumed that the assistance of the Far West Equipment Dealer's Association would result in a majority of the 139 owners participating in the survey. The request to participate resulted in only 29 respondents, even after the association sent multiple email reminders to the targeted survey population over the two weeks the online survey was active. Qualifying questions at the beginning of the survey queried survey participants about the business. These questions eliminated two survey respondents. The respondents eliminated from the survey did not consider the organization a family business. The survey defined a family business as a business where an individual or related individuals owned the operation.

Of the 27 qualified respondents, 6 answered that they did not currently have a succession plan. These respondents then answered a series of sub questions under question number four that attempted to inquire about possible reasons or motivations for not having a plan. Only four of the six who had answered that they did not have a plan completed these questions. The small number of respondents without a plan and the variety of answers given for not having a plan resulted in a low Chi-square score during testing for statistical validity. This indicated that the data was unusable because of the possibility of sampling error. The low number of respondents reporting they did not have a plan was also not useful because so few members of the population had participated in the survey.

Of the 139 owners in the total populations invited to participate only 27 responded resulting in a response rate of less than 19% of the total population. This was a sufficient number of responses for most of the questions but of those 27 respondents, only 6 or 4.3% of the total population reported not having a plan. This data could be interpreted that the population as a whole was doing well with succession planning but, because only 19% of the population had participated in the survey, this result could be interpreted differently.

Reasons for not participating in the survey may directly relate to the owner issues for not engaging in succession planning outlined in chapter 2. Bradley & Short (2008) and Langrall (2015) identified the factor of owners who felt too busy running the business to plan. Being too busy may also be a reason for not doing the survey. What may be an issue in the response rate is succession planning not being a priority for the business. Procrastination and owners not viewing planning as a priority was identified by Kirkwood and Harris (2011) as issues for not planning. Spafford (2015) believes succession planning is not a pressing concern for many agribusiness owners. If planning is not a priority then participating in a survey may also not be a priority for these owners.

An alternative interpretation is that those not having a succession plan were less likely to participate in the survey than those that did have a plan. Had the majority of the 139 owners in the total population participated, the study could accurately postulate that the majority of the association members had succession plans. If those without plans were less likely to participate in the survey, then it would not be accurate to conclude the majority currently have succession plans. With 139 owners as potential respondents to the survey, it could be possible to follow up with another study and contact each owner individually to determine if they currently have a plan. Due to the time limitations of this study listed in chapter 1, such action was not possible.

Question Description	Percent of Respondents
My succession plan is comprehensive.	63.64%
Others participated in creation of the plan.	86.36%
My succession plan was communicated with others.	90.91%
I am interested in resources to help plan.	60.00%

Table 1 Percentage of Respondents Who Agreed or Strongly Agreed

What the study determined with some degree of accuracy was that those reporting succession plans felt those plans were comprehensive, that other key individuals within and outside the organization were included in the planning process, and that the succession plan had been communicated with key people inside and outside the organization. The study was also able to determine that those who participated in the survey, both those that currently had a plan and those that did not have a plan, by more than half agreed with being interested in having resources made available to assist with succession planning. Any survey question with a Chi-square score greater than 9.488 was statistically significant. Table 1 illustrates the percentages that agreed and strongly agreed with the statements for the questions that were statistically significant in the study.

Of those that responded to the question about how comprehensive the succession plan currently was, 63.64% responded that they agreed or strongly agreed with that statement. The calculated Chi-square score was 15.273 making the answers to this question statistically significant. Comprehensive plans include the legal, financial, and tax issues identified by Ip and Jacobs (2006) and the legal/estate planning issues identified by Fetsch (1999). The owner's commitment to succession planning, identified as a factor by Chrisman, Chua, Sharma, & Yoder (2009) and Sharma, Chrisman, & Chua (2003a), is present because these businesses had plans and the owners were taking the time to report on them in the survey. Specific elements of succession plans including objectives and a time frame (Hall and Hagen, 2014), a qualified successor (Bartram, 2012) with a plan to develop them (Kirby and Lee, 1996), and a plan for the current owner's post retirement (Kirby and Lee 1996), could not definitively be determined from the survey without further inquiry. A mixed methods study or a quantitative study using additional questions would be required for further clarification on the specifics contained in each succession plan that caused the owners to feel they were comprehensive.

Communication was critical to plan success, according to DeMassis, Chua, and Chrisman (2008), and 90.91% of those responding to the survey agreed or strongly agreed they had effectively communicated the plans with key people inside and outside the organization. The Chi-square score was 46.182 indicating statistical significance for the answers received for this question. Creating a shared vision, which is critical to the success of the succession plan (Chrisman, Chua, Sharma, & Yoder, 2009; DeMassis, Chua, & Chrisman, 2008; Kaplan, Nussbaum, Becker, Fowler, & Pitts, 2009; Zimmerman & Fetsch, 1994), can only happen through communication. Communication of plans in this survey greatly exceeded the rate found in a study conducted by Pricewaterhouse Coopers LLC. (2014) that determined only 16% of family firms had discussed plans for succession. Fortunately, those responding to the survey felt that significant communication had taken place with the succession plans.

Communication is just one part of the process and survey respondents were also asked to rate how they felt about the involvement of others in creating the succession plan. 86.36% of respondents who had a plan agreed or strongly agreed that other key people inside and outside the organization were included in the creation of the succession plan. The Chi-square score for this question was 21.182 indicating that the answers were statistically significant. Involvement of other family members was key to avoiding conflict in succession planning (Giamarco, 2012) and that it was a means of convincing others that the process was fair (Sharma, Chrisman, Pablo, and Chua, 2001). The participation of others and a participative culture in the family and business is critical to plan creation and success (Dyer, 1988). Those responding to the survey felt strongly that the plans included the participation of others in the process.

Approximately 60% of respondents indicated an interest in tools or resources to assist with succession planning. This statistic included both respondents who currently had plans and those without plans. The Chi-square score for this question was 17.20 indicating the answers were statistically significant. Finding that over half the respondents agreed or strongly agreed that they were interested in tools and resources is useful for evaluating options to assist the members of the Far West Equipment Dealers Association going forward.

While the study was unable to determine rates of succession planning and the barriers to planning among those who had not planned, this result is informative and indicates an interest in tools or resources to help in planning. The answer itself does not specify what tools or resources that respondents desired for succession planning. The limitations of the study did not allow for querying those details.

While it was impossible to determine which specific tools or resources each respondent found interest in from the survey, the respondents did indicate a desire to have them. This could convey broad implications for future development of possible solutions by the association. These resources could include the independent advisor identified by Kirkwood & Harris' (2011) study and supports Mattera's (2000) assertion that some families do better with outside help. While the survey did not determine specific resources the respondents preferred, some ideas about resources were evident from the comments section of the survey.

While not statistically measurable, the comments left by several of the survey respondents provided interesting ideas for possible future study of the problem and for gaining a greater understanding of what was most critical to those who had participated in the survey. Several of the respondents were quick to list what resources they had already used to help plan. The top resources mentioned were attorneys and accountants. The use of attorneys and accountants for succession planning is consistent with the study by Ip and Jacobs (2006) which found key elements such as planning for the legal, financial, and tax issues of succession. These elements would require the use of both a competent attorney and accountant in order to maximize effectiveness and to ensure the plan met all legal requirements.

Fetsch (1999) also listed legal and estate tools such as wills, trusts, powers of attorney, life insurance, and gifting which would involve the services of an attorney and accountant. Hall & Hagen (2014) had also identified accountants along with financial advisors as key resources which encouraged clients to explore succession plans, prepare for succession, assisted them in developing a strategy, and helped them understand post retirement financial needs. From the research conducted in other family businesses, it is not surprising that these two resources would also show up in the comments for the survey on family owned farm equipment businesses.

Other professional advisors mentioned in comments identified with various labels included an estate planner, outside agency, a company, and the specific name of a consulting business. One respondent mentioned that it was the fourth attempt at succession planning and that they were currently working with a company. This respondent also mentioned that this attempt at planning was, so far, finding success.

The use of an independent advisor was consistent with Kirkwood & Harris' (2011) study of business owners which found that an independent advisor to assist in starting the process was the most preferred resource because it gave the owners an unbiased view of the process of exiting the business. The respondent engaged with a fourth attempt at planning and now finding success, with the help of an outside company, is consistent with the assertion by Mattera (2000) that some families did better with outside help for succession planning. According to Nawrocki (2005), advisors often served as family therapists to help settle disputes between family members which may reflect the reason that this resource is helpful especially if conflict is present during the planning process.

Mentioned by several respondents in the comments section of the survey was the need to start the process of succession planning early. Kirkwood and Harris (2011) had identified procrastination and owners not viewing planning as a priority as issues in the study, both of which served as roadblocks to succession planning. Anderson & Rosenblatt (1985) believed that reduced problems in succession planning were possible by completing planning early. Professionals who assist businesses with succession planning identified late planning by business owners to be the number one frustration according to the Kirkwood & Harris (2011) study.

Planning early increases the chances of success and also decreases the stress involved in completing a plan when a current owner's health is in decline. Better decision making, an exploration of all options and contingencies, the timing of the change, and overcoming the emotions that often stand in the way of planning all benefit from early planning. Then, a periodic review of the plan and updates or adjustments, as circumstances change, is all that is required. Reviewing and making adjustments to the plan were comments made in the survey but this is only possible when business owners complete succession plans early. A plan, thrown together at the last minute, will not have a long enough life span to undergo periodic reviews and adjustments. The quality of that plan will not measure up if carefully crafted plans are not made in advance of the succession.

A survey respondent mentioned the futility of succession planning when the manufacturers that the business represented can decide to not allow the successor to continue selling the products they supply. Thus, a well thought out plan may allow for the smooth transition of the business to the next generation but they may not have anything to sell to keep the business viable going forward. This is a legitimate concern of many business owners in the industry.

Such concerns could also become a part of the plan as possible contingencies. Hall and Hagen (2014) believed a holistic approach to succession planning determined the objectives of the succession, protected the value of the business, and included actions to preserve wealth. Protecting the value of the business and preserving wealth would be key components to plan for in the contingency of manufacturers not continuing the relationship with the business after succession. If a strong possibility exists for this scenario, it behooves the owners to plan for the possibility.

One respondent commented that they wanted a guide or checklist to assist in planning. This response in the comments section was consistent with what other researchers had postulated. Not knowing where to start planning was one of the most common reasons for not starting as identified by Langrall (2013). The complexity involved in planning may leave some business owners uncertain as to where to begin the process. Both Bjuggren and Sund (2001) and Langrall (2015) identified owners being overwhelmed at the complexity of planning as a factor for not planning. A simple guide on how to get started with succession planning or a checklist of key items might be helpful to those feeling overwhelmed or not knowing where to start succession planning. Such a guide need not be complex and this study could be utilized as supporting documentation or source material for the guide.

Summary

The study of family owned farm equipment businesses in the Far West Equipment Dealer's Association was unable to determine the rates of succession planning and the reasons some businesses had not engaged in succession plan due to low survey response rates. This was in spite of multiple requests sent to these business owners by the association. The study was able to determine that those who participated in the survey who had succession plans currently in place and felt those plans were comprehensive. The majority of the owners felt that the plans involved key people both inside and outside the organization in the plan's creation and that communication of the plan occurred with those key people. A majority of those with and without plans also expressed interest in resources that could help them with succession planning which was consistent with other research studies on succession planning. Selected comments from the survey participants indicated that attorneys and accountants were primary advisors used to assist in planning. Estate planners and others were also used to assist in planning. Several had also commented on the need to begin succession planning early which was also consistent with the studies cited in chapter 2. One respondent identified the need for a guide or checklist which confirmed the assertion by some who have studied succession planning that many business owners feel overwhelmed by the complexity of succession planning or do not know where to start planning.

Chapter V: Conclusions and Recommendations

Family businesses surviving the transition from one generation to the next is important to the health of the economy. As business owners will inevitably leave the business, either through planned or unplanned circumstances, preparing for the transition of ownership and key leadership is essential. The author attempted to gain a greater understanding of the rates of succession planning in family owned farm equipment businesses. Also, an important part of this research was determining barriers or reasons why owners were not engaged in succession planning, if the plans currently in use were comprehensive, and if the owners needed or desired similar tools and resources that had been used in succession planning in other family business industry segments. A comprehensive look at previous research on family owned business succession planning provided a basis for study of this industry segment.

The author surveyed family owned farm equipment businesses who were members of the Far West Equipment Dealer's association. One hundred and thirty nine of the association's members fit the category of family owned farm equipment businesses. The survey posed a series of questions about succession planning to these business owners including if they currently had a succession plan and how comprehensive those plans were. Other questions queried those without a plan to understand reasons why they had not planned but data obtained from these questions was not statistically valid based on low response rates. The study was able to determine if the respondents felt the plans were comprehensive, had involved key people in the planning process, and if the succession plan had been communicated to key people. The study determined respondents were interested in tools or resources to assist in planning and also a few tools or resources that interested the respondents.

Limitations of the Study

This study was unable to determine all the reasons why a business owner may not engage in succession planning nor could it account for all the complex issues involved with the family, the owners, the business, the customers, suppliers/manufacturer, and employees revolving around the challenge of succession planning. Other psychological issues may be present beyond those identified in the current literature regarding the attitudes, relationships, group dynamics, and temperaments of those involved in succession planning. Issues such as sibling rivalry and the psychology of parent/child conflicts, which have a high potential for conflict (Bradley & Short, 2008), also may influence succession plans but these issues were beyond the scope of the study.

Time was a critical limitation in the study. A longitudinal study would have provided further information as to the state of succession planning in family owned farm equipment businesses. Over time, trends may have been evident showing improved or declining rates of succession planning. The snapshot of businesses in the study did not show if any businesses made progress in succession planning.

The time available to conduct the study placed limits on the study in terms of the size of the study and the scope of issues to address. This study utilized a whole population survey of family owned farm equipment dealerships from seven states belonging to the Far West Equipment Dealer's Association. Given a longer time period and greater resources, it is not inconceivable that participation from all family owned farm equipment businesses could be sought using the resources of several different organizations, similar to the Far West Equipment

Dealer's Association, that exist throughout the United States. Currently, 14 similar associations exist in North America (Far West Equipment Dealers Association, 2015). Future studies should take care to avoid recording multiple responses from owners with multiple locations under the territories of different associations.

Another limitation, caused by the time available for the study, was the response rate from the targeted population. The response rate was less than 21% of the targeted population even though all were eligible to participate in the survey. While trend data for those having succession plans was solid, only six owners responded that they did not have succession plans. This caused a problem with the data interpretation. Did the studied population have very few business owners without a succession plan or were those businesses without a plan less likely to take the survey? This study could not determine the answer to that question due to the limitation of time. The data gathered about reasons this small group of respondents had failed to engage in succession planning was not statistically valid as a result of the low response rate.

In a conversation with one manufacturer/supplier, it was clear they were interested in conducting this study with a larger group covering the entire United States. The additional time of coordinating with the various associations would have been prohibitive and the other associations may not be as willing to assist in the study, further complicating the effort or in the sharing of data collected. The instrument used in this study might find use in other associations to gather data and make comparisons resulting in a greater understanding about the challenges of succession planning.

Another significant limitation exists if the data collected in this study differs when compared to family farm equipment businesses owned in other parts of the world. Family owned farm equipment businesses are the primary means of selling equipment for manufacturers/suppliers throughout the world. Canada, Mexico, Central America, South America, Asia, Europe, the Pacific Rim, Africa, and other areas may have very different issues regarding succession planning particularly with the cultural, legal, tax, and family issues present in those areas.

The author of this study was directly involved in the industry and had certain biases affecting his viewpoint of the problem. Many of the problems found in succession planning, within family owned businesses in general, and in family farms were present in his family situation at one time. The author's past situation may have caused a different view of the problem than a truly independent researcher.

It was the intent of the study to do an Explanatory Sequential Mixed Methods Design to gather quantitative data first and then qualitative data to explain the results. Unfortunately, the competitive culture in the farm equipment industry produced difficulty gaining access to businesses for gathering qualitative data. Concerns exist among competitive business owners that proprietary information could possibly fall into the hands of a competitor thus giving them an advantage in selling products or in negotiations for acquiring neighboring competitors. A legitimate concern exists in this industry that supplier/manufacturer representatives could utilize this information to apply pressure at the time of change to force businesses without a comprehensive plan to sell.

As the author was also a part of the industry, those participating in the study had to remain anonymous and the survey instrument administered in such a way as to ensure continued anonymity. They would not be willing to allow the author to gather information that could jeopardized confidentiality or provided an advantage to competitors. While this may have been unlikely given the large geographic area covered in this study, many of these family businesses own multiple locations across state lines. A qualitative study utilizing interviews of the current owners, family, key employees, and customers by an independent researcher would be beneficial in adding more meaning to the quantitative results of this study. The independent researcher would possibly find some resistance to gathering the qualitative data but the independent nature of the observer along with the appropriate confidentiality agreements would, in many cases, overcome that resistance.

Not addressed in this study was the issue of succession over multiple generations. Thus, the family looking to pass on ownership to the second generation was treated the same in this study as one looking to pass the business to the third or subsequent generations. Other studies have looked at the issues of passing business from the first to the second generation or in transfers between subsequent generations. It is a logical assumption that a family business that survived one successful transfer might rely on that experience or institutional knowledge to aid in subsequent transfers. The diffusion of ownership might have presented very different problems that could adversely influence the succession process. This study treated all succession planning equally and did not take into account if the succession took place between the first and second generation or subsequent generations of the family.

The primary limitation of the study is the very nature of asking respondents to self report on the topic of succession planning in a survey. The owner of one particular business may have a very different idea of communication, comprehensive planning, and involving others in the planning process than other business owners. The only way to fully determine the answers to those questions would be to examine the plans and observe the processes used to create the succession plans. Without such a detailed process, the study must rely on how the respondents feel or think based on the definitions and descriptions given in the survey. One respondent could feel that they had excellent levels of communication for the plan but another respondent might feel that same level of communication was woefully insufficient for this level of planned change.

Important Findings

This study used a Likert type scale to survey the 139 members of the Far West Equipment Dealer's Association who were family owned farm equipment businesses. The most important findings from the study included those confirming a high right of comprehensive plans among those who reported having plans, that key people were involved in the creation of those plans, and that succession plans had been communicated with key people. Also of interest was finding that most respondents were interested in tools or resources to assist with succession planning.

Over 77% of respondents reported that they currently had a succession plan for the business. Of those that had a plan, almost 64% agreed or strongly agreed that the plans were comprehensive. Comprehensive plans are generally in writing, plan for the legal and estate needs of the family and business, plan for the estate tax needs of the family and business, specifically identify the successor(s), identify the future owner(s) of the business, plan for training and development of the successor, plan for meeting the financial needs of the current owners after leaving the business, plan the future goals and objectives for the business, includes a time frame for succession, and other elements required for a smooth transition of the business.

This group also reported that over 86% agreed or strongly agreed that they had involved key people in creating the succession plans. Key people involved in the creation of the plan could include the current owner(s), future owner(s), spouses, other family members, key non family managers or executives, an attorney, accountant, financial advisor, business coach, therapist, independent adviser, suppliers, vendors, trade organizations, consultants, or others necessary to complete the plan. Each plan and planning process is unique and different people may be involved in the creation of the plan.

Communication of the plan is also critical for any successful change and the survey asked about the use of communication. Nearly 91% agreed or strongly agreed that the plans had been communicated with key people. This greatly exceeded the rate of 16% found in a study of family owned businesses by Pricewaterhouse Coopers LLC. (2014). The key people included the list of people who may have been used in the planning process. With communication such a critical part of succession planning success according to DeMassis, Chua, and Chrisman (2008), it was an interesting discovery to know that this group was utilizing communication as part of succession planning.

The survey was also able to determine that 60% agreed or strongly agreed they were interested in tools or resources that could assist them with succession planning. This included both those reporting that they currently had a plan and those that reported not currently having a plan. Possible tools and resources mentioned in the comments of the survey included attorneys, accountants, consultants, a checklist for planning, and estate planners.

Recommendations

Key recommendations based on the data gathered in the survey and in the literature review include additional research for gathering information and specific actions to assist family owned farm equipment businesses with succession planning. In the additional research category of recommendations, a key objective for future study is determining the true rate of those not having a plan. Because of the low response rate of those not having a plan, it would be wise for the association or another researcher to do an additional study to determine the true rate of those not having a succession plan and also the reasons why they have not planned.

The reasons that the owners of these businesses did not respond in greater number could be what Bradley & Short (2008) and Langrall (2015) identified as owners who felt too busy running the business to plan. Being too busy may also be a reason some owners did not participate in the survey. What may also be an issue in the response rate is that succession planning is not a priority for the business. Procrastination and owners not viewing planning as a priority was identified by Kirkwood and Harris (2011) as reasons given for not planning. Spafford (2015) believes succession planning is not a pressing concern for many agribusiness owners. No matter the reason, truly understanding the problem to bring about change will require obtaining a statistically significant figure of how many have not planned and the reasons for not planning.

Further research may also be necessary when looking at this problem because the survey in this study asked respondents to self report how comprehensive they felt the plans were, how much involvement others had in the planning, and if they communicated those plans. Personal life experiences, backgrounds, and viewpoints may cause multiple variations in how people feel about planning. A plan considered comprehensive to one person may not be comprehensive to another.

A more detailed study of the actual plans and planning process could provide a greater understanding of these issues. A mixed methods study with follow up after the survey to gain a greater depth of understanding could be valuable in understanding the problem in this industry segment. The limitations of this study precluded an in depth analysis of the actual problem. Future researchers or the Far West Equipment Dealers Association may find value in looking deeper into this problem than was possible with this study.

Additional research in other areas outside of the businesses studied in the seven states covered by the Far West Equipment Dealers Association would be useful for determining if these findings are similar to what exists in other associations both domestically and internationally. This study could not determine if rates of planning and concerns with the studied group were indicative of other similar groups in other parts of North America. Regional issues and differing cultures could influence data gathering as well as the responses to the same or similar questions asked in other parts of the country. This would be good information to have before making inferences about behaviors, thoughts, and feelings of businesses in this industry segment in other locations.

This study was able to determine that the businesses studied were interested in tools or resources to assist with succession planning. The study found that 60% agreed or strongly agreed to an interest in tools and resources which included both respondents that currently had plans and those that did not. What the study could not determine was all the specific tools and resources they would prefer. Owners in this industry segment may have very different ideas of what is preferred or could have similar preferences. Additional inquiries by the association or future research could determine the needs of this segment. Inquiries could be made formally through a survey or during informal conversations at events such as the annual convention or during annual regional meetings hosted by the Far West Equipment Dealer's Association. Even without further research into the problem, it would be wise to make succession planning part of an ongoing conversation with association members because communication is such an important part of change efforts according to Kotter (1995, 2007, 2012, & 2014).

A simple resource that costs little would be a check list to help with planning. One of the survey respondents suggested this as a resource that could be beneficial for succession planning.

Bjuggren and Sund (2001), in a study of a process for decision making in family businesses, found owners felt overwhelmed at the complexity of succession planning. The most common reason for not planning was that many owners did not know where to start planning according to Langrall (2013). A check list or basic guide on how to start the process of succession planning may help owners feel less overwhelmed and give them an idea of how to get started planning this change for the family and business. Distribution of a check list or guide might be in hard copy or made available under the member resources section of the Far West Equipment Dealers Association website. Making this complete study available to the membership to assist in understanding succession planning and the complex issues surrounding the process of planning might also benefit the membership.

Education and information may be resources that could help family owned farm equipment businesses with succession planning. The association has both endorsed providers and associates that may have information or programs that might assist. The association also may find educational resources are available through the Equipment Dealer's Association, the national association representing this industry. These resources could provide value at the annual convention, regional meetings, or on an as needed basis to provide members with opportunities to learn more about succession planning and choices about how to proceed with planning. Educational speakers at the annual convention and regional meetings could inspire or assist members with succession planning and important elements of the planning process.

This association could provide a directory of third party resources to refer those who need assistance with succession planning. This directory might include attorneys, accountants, consultants, estate planners, business coaches, and others with experience and knowledge in this area of planned change. Many resources exist in the market place but not all have experience with succession planning or experience with this industry segment. Many do not understand the complex family dynamics involved with succession planning in family owned businesses or how emotions, communication, and interpersonal issues can be impediments to planning.

Conclusion

The purpose of the study was greater understanding of succession planning in the family owned farm equipment industry segment. While significant research exists for family owned businesses in general, as identified in the literature review, this particular segment had not received attention in past studies. This study was able to determine how comprehensive existing plans were, if they involved key people in the planning, if the businesses utilized communication to inform key people about the plan, and if the studied businesses were interested in tools or resources to assist in planning. This study provides a basis for further exploration of succession planning issues in family owned farm equipment businesses. It provides basic information and findings that can assist industry experts in understanding the needs of this segment and for planning future studies. The report and study could be the basis for educational strategies and for providing assistance to family owned farm equipment businesses looking to engage in succession planning or improve current plans. This study may also be of benefit to businesses looking for greater understanding of the process and challenges involved with this type of planned change. It can also provide families with information and ideas as to the challenges of succession planning and elements to consider for inclusion in the plan. The study can be a tool for businesses and those assisting businesses in planning for the transfer of the family owned farm equipment business to the next generation.

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Appendix A

Survey Cover Letter

My name is Jason Orton and I am a graduate student at Fresno Pacific University. For my Master's Degree project, I am examining rates of succession planning in the farm equipment industry, reasons why some have not engaged in succession planning, and possible resources that owners of these businesses would prefer to assist them in planning. Succession Planning is defined as the formal planning for the transition of the ownership and/or leadership of a business or organization to another person(s).

Because you are a key decision maker in a farm equipment business, I am inviting you to participate in this research study by completing an online survey at https://www.surveymonkey.com/r/928ZNP9. The online survey will require approximately 5 minutes to complete.

No compensation is provided for responding nor is there any known risk to participants completing the survey. All submissions will be anonymous and individual responses will remain confidential. Copies of the completed project will be provided to Fresno Pacific University and to the Far West Equipment Dealer's Association. Survey participants may request a summary copy of the study by emailing jko@fpu.edu. If you choose to participate in this project, please answer all questions as honestly as possible. Participation is strictly voluntary and you may refuse to participate at any time.

Thank you for taking the time to assist me in my educational endeavors. The data collected will provide useful information regarding the needs of farm equipment businesses.

Sincerely,
Jason Orton
jko@fpu.edu

Instructor
Susan Cox, Ed.D.
slc1@fpu.edu

Appendix B

Complete Survey Questions

Survey questions asked of participants were created based on research contained in the literature review. The board of the Far West Equipment Dealer's Association evaluated the questions used in the study prior to surveying the membership. Some questions contain a short descriptive paragraph to increase understanding among survey respondents. These paragraphs are listed below the question that they pertain to in this appendix but actually appeared prior to the questions in the surveys answered by respondents using Survey Monkey.

The survey utilized logic in the Survey Monkey software so that some questions were not asked if they did not pertain to the respondent's situation. Survey respondents who answered "no" to either questions 1 or 2 were not asked any other questions because they did not fit the definition of family owned farm equipment businesses being studied. Those answering that they did have a succession plan answered questions 5 through 9. Those that answered that they did not currently have a plan answered only questions 4, 8, and 9.

1. My equipment business primarily serves the agriculture market. (Yes or No).
2. I consider my company a family business. (Yes or No).

These questions determine the type of business you may have. Businesses which primarily serve the agriculture market make the majority of sales to farms, ranches, dairies, hobby farms, and farm supporting businesses. The business may sell farm, construction, or other equipment to end users primarily in agriculture. A family business may be owned by an individual or several related individuals. These two questions are for classification purposes.

3. My business currently has a succession plan. (Yes or No).

Succession plans are used to plan for the orderly transfer of the operation and/or ownership of the business.

4. Factors Influencing the Existence of the Succession Plan. (Likert Type Scale Questions).

    a. I have sufficient time in my life to complete a succession plan.
    b. Succession planning is a priority for me.
    c. I have chosen a capable successor for my business.
    d. My family supports the choice for the successor of the business.
    e. The successor is interested in taking over the business.
    f. I know how to complete a succession plan.
    g. I have a plan for turning over the business to my successor.
    h. I have plans for what I want to do in retirement after exiting the business.
    i. I have sufficient income to live how I want after exiting the business.
    j. My family supports having a succession plan.
    k. Succession planning creates harmony in the family
    l. Succession planning encourages positive communication in the family.

5. My succession plan is comprehensive. (Likert Type Scale Question).

Succession plans vary greatly in how comprehensive they are. Comprehensive succession plans are generally in writing, plan for the legal and estate needs of the family and business, plan for the estate tax needs of the family and business, specifically identify the successor(s), identify the future owner(s) of the business, plan for training and development of the successor, plan for meeting the financial needs of the current owners after leaving the business, plan the future goals and objectives for the business, includes a time frame for succession, and other elements required for a smooth transition of the business. Please choose if you strongly agree, agree, are neutral, disagree, or strongly disagree with the statement below.

6. Other key people participated in the creation of my succession plan. (Likert Type Scale Question).

Succession planning may involve the participation of key people including current owner(s), future owner(s), spouses, other family members, key non family managers or executives, an attorney, accountant, financial adviser, business coach, therapist, independent adviser, suppliers, vendors, trade organization, consultants, or others necessary to complete the plan. Please choose whether you strongly agree, agree, are neutral, disagree, or strongly disagree with the statement below on involvement of key people.

7. My succession plan has been communicated to key people. (Likert Type Scale Question).

Communicating the details of the succession plan is often critical to its success. The plan may have been communicated to many different key people including the current owner(s), future owner(s), potential successor(s), spouses, other family members, key non family managers/executives, employees, an attorney, accountant, financial advisor, business coach, therapist, independent adviser, suppliers, vendors, trade organization, consultants, and others necessary for successful planning success. Please choose whether you strongly agree, agree, are neutral, disagree, or strongly disagree with the statement on communications.

8. I am interested in having resources made available to assist in succession planning. (Likert Type Scale Question).

Some business owners are interested in resources such as educational programs, planning, materials, seminars, or professional people being made available to assist in succession planning. Please indicate whether you strongly agree, agree, are neutral, disagree, or strongly disagree with the statement below.

Open ended part of question 8: Can you share any resources you prefer for succession planning?

9. Do you have any other thoughts, feedback, or information to share on succession planning, this survey, or the research study? (Open ended question).

Appendix C

Survey and Chi-Square Results

Succession Planning in Farm Equipment Businesses Question 1

My equipment business primarily serves the agriculture market.		
Answer Options	Response Percent	Response Count
Yes	100.0%	29
No	0.0%	0
	answered question	**29**
	skipped question	**0**

Succession Planning in Farm Equipment Businesses Question 2

I consider my company a family business.		
Answer Options	Response Percent	Response Count
Yes	93.1%	27
No	6.9%	2
	answered question	**29**
	skipped question	**0**

Succession Planning in Farm Equipment Businesses Question 3

My business currently has a succession plan.		
Answer Options	Response Percent	Response Count
Yes	77.8%	21
No	22.2%	6
	answered question	**27**
	skipped question	**2**

Succession Planning in Farm Equipment Businesses Question 4

Factors Influencing the Existence of the Succession Plan								
Answer Options	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Rating Average**	**Response Count**	**Chi-Square Score**
I have sufficient time in my life to complete a succession plan.	0	1	1	2	0	3.25	4	**3.5**
Succession planning is a priority for me.	0	0	1	2	1	4.00	4	**3.5**
I have chosen a capable successor for my business.	0	1	1	2	0	3.25	4	**3.5**
My family supports the choice for the successor of the business.	0	0	2	2	0	3.50	4	**4**
The successor is interested in taking over the business.	0	0	1	3	0	3.75	4	**8.5**
I know how to complete a succession plan.	0	0	2	2	0	3.50	4	**4**
I have a plan for turning over the business to my successor.	0	2	1	1	0	2.75	4	**3.5**
I have plans for what I want to do in retirement after exiting the business.	0	1	2	1	0	3.00	4	**3.5**
I have sufficient income to live how I want after exiting the business.	1	0	0	2	1	3.50	4	**3.5**
My family supports having a succession plan.	0	0	2	1	1	3.75	4	**3.5**
Succession planning creates harmony in the family.	0	1	1	2	0	3.25	4	**3.5**
Succession planning encourages postive communication in the family.	0	0	1	2	1	4.00	4	**3.5**
						answered question	**4**	
						skipped question	**25**	

Succession Planning in Farm Equipment Businesses Question 5

Comprehensive Succession Plans								
Answer Options	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Rating Average**	**Response Count**	**Chi-Square Score**
My succession plan is comprehensive.	0	0	8	8	6	3.91	22	**15.273**
						answered question	**22**	
						skipped question	**7**	
% Agree or Strongly Agree	**63.64%**							

Succession Planning in Farm Equipment Businesses Question 6

Participation of others in planning.								
Answer Options	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Rating Average**	**Response Count**	**Chi-Square Score**
Other key people participated in the creation of my succession plan.	0	1	2	11	8	4.18	22	**21.182**
						answered question	**22**	
						skipped question	**7**	
% Agree or Strongly Agree	**86.36%**							

Succession Planning in Farm Equipment Businesses Question 7

Plan Communications								
Answer Options	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Rating Average	Response Count	Chi-Square Score
My succession plan has been communicated to key people.	0	1	1	17	3	4.00	22	46.182
						answered question	22	
						skipped question	7	
% Agree or Strongly Agree	90.91%							

Succession Planning in Farm Equipment Businesses Question 8

Resources to assist in succession planning.								
Answer Options	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Rating Average	Response Count	Chi-Square Score
I am interested in having resources made available to me to assist in	0	3	7	12	3	3.60	25	17.2
Can you share any resources you prefer for succession planning?							5	
						answered question	25	
						skipped question	4	
% Agree or Strongly Agree	60.00%							

Succession Planning in Farm Equipment Businesses Question 9

Do you have any other thoughts, feedback, or information to share on succession planning, this survey, or the research study?	
Answer Options	Response Count
	11
answered question	11
skipped question	18

Open Ended Question Answers

Number	Response Date	Can you share any resources you prefer for succession planning?	Categories	Question 8
1	Sep 25, 2015 12:36 AM	an estate planner was used in are company		
2	Sep 24, 2015 2:52 PM	Accountants		
3	Sep 23, 2015 2:47 PM	It would be nice to have a checklist or guide so I knew exactly what elements to consider in the plan. The attorney is interested in things like wills and trusts while the accountant is interested in helping on the estate tax planning. Each person has a different point of view so it is hard to know if I have planned for everything I should.		
4	Sep 23, 2015 2:00 AM	Attorney, CPA and people who's business it is to help plan and execute the succession plan.		
5	Sep 22, 2015 4:01 PM	we are currently working with a company. it is the 4th attempt, and this time it is working		

Succession Planning in Farm Equipment Businesses Question 9

Do you have any other thoughts, feedback, or information to share on succession planning, this survey, or the research study?	
Answer Options	**Response Count**
	11
answered question	**11**
skipped question	**18**

Number	Response Date	Response Text	Categories
1	Sep 25, 2015 12:41 AM	we used Sagemark consulting a division of Lincoin financial advisors	
2	Sep 24, 2015 8:57 PM	I used a outside agency,GPA plus family trust	
3	Sep 23, 2015 6:09 PM	Just need to plan out your future, adjustments can be made from time to time as needed. If there is a death or illness to one of owners or managment then everyone will know what thier new rolls are.	
4	Sep 23, 2015 3:24 PM	Survey was short and to the point!	
5	Sep 23, 2015 2:48 PM	I wish we had started earlier.	
6	Sep 22, 2015 9:45 PM	NONE	
7	Sep 22, 2015 6:38 PM	It really does'nt matter what your succession plan is, and what it contains. If the Major line wants to get rid of you, t hey will find A way. If you are a single store location, you are done...case IH wants dealers with at least five locations. They will make sure that you will not make your market share numbers by not shipping you tractors or combines or whatever! This just happened to the John Deere dealer in Colusa Ca, Deere &Co with held sending them tractors until their market share dropped below 40percent then Deerw was able to cancel them, and give the contract to the Big Dealer that surrounds them. I was told this by the Big Dealer himself. So, if you are not one of the Big Deaers it really does'nt matter what kind of plan you have in plac, you are DONE!,	
8	Sep 22, 2015 4:02 PM	start early, before th successors are in thebusiness. require working elsewhere first for two years.	
9	Sep 19, 2015 9:33 PM	No	
10	Sep 18, 2015 8:52 PM	get it done early and review it annually	
11	Sep 18, 2015 5:21 PM	Our business has three unrelated owners who must each decide how to dispose of the shares inthe busiiness.	