

# FARM SUCCESSION READINESS INDICATOR



Name: \_\_\_\_\_

Date: \_\_\_\_\_

*Score My Current Situation: On a scale of 1-10 (1-Poor, 10-Excellent)*

| Farm Succession Strategy  | Score |
|---|-------|
| As a family, we understand our core values and these critical beliefs guide our actions and decisions   |       |
| My timeline to slow down and step back from farm leadership is understood   |       |
| There is a clear, documented vision for the future of the farm that is strongly aligned across multiple generations                                 |       |
| We have high trust for each other and are supportive versus caught up in competitiveness  |       |
| Everyone's roles and responsibilities on the farm are well defined and we have identified the pathway to ownership control for multiple generations |       |
| <b>Farm Succession Strategy Total</b>   |       |
|   |       |
| Leadership Readiness  | Score |
| The farm is prepared to run efficiently without me and there are no major dependencies on my talents or experience                                  |       |
| My successor(s) has the talent and knowledge required to succeed as a leader and owner  |       |
| I fully trust my successor(s) to make sound decisions and do not need to check up on them   |       |
| My successor(s) have been vetted against objective criteria to verify they're the right fit to run and own the farm business                        |       |
| I feel prepared to release accountability, decision making and control to my successor  |       |
| <b>Leadership Readiness Total</b>   |       |
|   |       |
| Farm Governance   | Score |
| We have open and healthy conversations where we respect differences, debate ideas, and land on aligned decisions                                    |       |
| We consistently schedule farm business meetings that are productive and effective in running the business   |       |
| We each understand our role and it is clear what decisions will be made together versus independently   |       |
| We have full transparency on the inner workings of the farm, including the financials and human resource decisions                                  |       |
| We review the succession plan annually to guide our steps and ensure our assumptions and expectations are clear                                     |       |
| <b>Farm Governance Total</b>  |       |
|   |       |
| Financial Readiness   | Score |
| I know what I need from the farm assets to maintain or reach my lifestyle goals   |       |
| We have a family philosophy on what fairness means that is understood by both farming & non-farming children  |       |
| I understand the financial viability of the farm to sustain the needs of both generations   |       |
| Our compensation is aligned to individual contribution and is based on the market value of their roles  |       |
| My successor(s) can afford to buy the business  |       |
| <b>Financial Readiness Total</b>  |       |
|   |       |
| Legal and Accounting  | Score |
| I have implemented an ownership structure that is best suited for the transfer of the farm  |       |
| The farm valuation has been documented, is up-to-date and has been shared with, and agreed to, by the family  |       |
| I have actively involved my successor with my team of professionals   |       |
| I have consulted with a tax expert and we have created a tax efficient strategy for transition  |       |
| I have an updated will and power of attorney that reflects our plan in the event I become unable to work or die prematurely                         |       |
| <b>Legal and Accounting Total</b>   |       |
|   |       |
| <b>FARM SUCCESSION READINESS TOTAL</b>  |       |