

## Topic 10: Historical Business Development

There are certain events that occur as a farm develops over time that could be considered monumental or business altering.

### Why is this relevant?

Discussing and documenting these events help current owners and managers understand how and why the farm is where it is today. Keeping a diary of these major events, and the circumstances that led to making certain decisions, will help to shed light on similar situations that may occur in the future.

### How will this help transition planning?

This exercise can provide historical context for the current decision makers. Knowing what decisions made the farm what it is today can provide guidance for the succeeding generation. A successful transition plan will give succeeding generations the opportunity to influence on the success of the farm.

### Instructions

This exercise is best completed by the retiring generation and only one document is required. It may be helpful to enlist the help of the retiring generation's parents if they were involved in the farm history and are able to contribute.

The chart below is broken into year, situation, outcome and significance.

1. Year — enter the year that the significant event occurred.
2. Situation — briefly describe the relevant detail regarding the significant event.
3. Outcome — describe what decisions were made and the shorter term result of these decisions.
4. Significance — describe how this particular event shaped the future of the farm or family and is part of who and what the farm or family is today.



**EXAMPLES:** Remember, the examples shown here are based on the case study pages d-j.

### YEAR: 1974

**SITUATION:** *Rob and Faye's parents were starting to think about retirement, and Rob wanted to start farming. They decided to sell Rob and Faye 800 acres of land.*

**OUTCOME:** *Rob and Faye purchased the 800 acres from Rob's parents for \$200,000.*

**SIGNIFICANCE:** *This was the first land purchase that Rob and Faye made. It essentially started their farm career.*

### YEAR: 2008

**SITUATION:** *A neighbouring farm came up for sale, consisting of 1,440 acres and some outbuildings.*

**OUTCOME:** *Rob and Faye purchased the land and buildings for a price of \$1,400,000.*

**SIGNIFICANCE:** *This was the biggest purchase that Rob and Faye made in the history of their farm.*

### How does this apply?

The application of this exercise is to have a record of the farm and family history for the current succeeding generation and for generations to come. As the succeeding generation hears the story of the farm, the goal of the exercise is to have both generations appreciate and understand how the decisions made today can and do affect how the farm is operated in the future. The historical business development will not be referred to in further exercises.



#### PLANNING POINTERS:

- Start with the most current year and work back.
- Think of family and business events — things like production events (good and bad), weather, major acquisitions or dispersals, accomplishments and global happenings.
- An important part of this exercise is the significance. Try to capture the significance of the event to farm development.
- Audio and video is an option.
- The information should be shared with other family members.
- The information should be reviewed annually to keep the history current..



#### WHAT TO WATCH FOR:

- The retiring generation should complete the exercise. However, if they are not willing or unable, the succeeding generation can interview family members, using that information to complete it.
- This exercise deals with past events, which may bring up good or potentially bad memories. Please be thoughtful of others if you know a particular event has negative feelings associated with it.

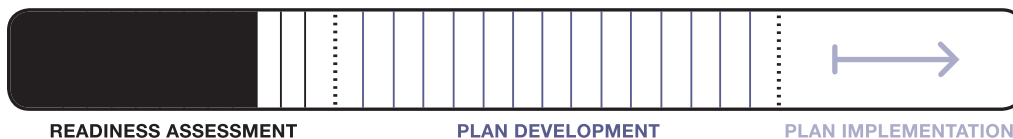


**EXERCISE:** Go to the forms appendix page 235 (at the back of this guide) for a copy of the Business Development Form.

### Next steps

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

### Planning progress



# Historical Business Development

The chart below is broken into year, situation, outcome and significance.

1. Year: Enter the year that the significant event occurred.
2. Situation: Briefly describe the relevant detail regarding the significant event.
3. Outcome: Describe what decisions were made and the shorter term result of these decisions.
4. Significance: Describe how this particular event shaped the future of the farm or family and is part of who and what the farm or family is today.

<b>YEAR:.</b>
SITUATION:
OUTCOME:
SIGNIFICANCE

<b>YEAR:.</b>
SITUATION:
OUTCOME:
SIGNIFICANCE

<b>YEAR:.</b>
SITUATION:
OUTCOME:
SIGNIFICANCE