

Who Will Fill My Shoes: Succession Planning for Landowners and Businesses

SUCCESSION PLANNING DEFINITIONS EXERCISE

Estate planning vs. Succession Planning:

These terms are often thrown around interchangeably, however **estate planning** is a much broader concept than succession planning, as it refers to your entire estate, that is EVERYTHING. Your entire network is likely to be accounted for in an estate plan. Things like homes, savings, retirement accounts, art and jewelry. Additionally, it will include the gradual or total dispossession of your business or company which also counts towards your “net worth”.

Succession planning is an essential part of estate planning. All estate plans require a comprehensive plan for your business should you retire, pass on, or become mentally or even financially incapacitated. In the case of most farm and forest operations the business is predicated on the land or asset, and so the two planning efforts are very much intertwined. Succession planning involves outlining a detailed strategy for how you would want the leadership of your farm/forest to be passed down.

In fact, the two are so related it might be best not to think of them as two separate efforts but one comprehensive effort working together, like the way your right hand and left-hand coordinate to perform a function.



Succession

Estate

This can be even more the case in farm and forest businesses which are often tied up with land, business, family and legacy issues, adding at times more emotion and often requiring great sensitivity.

Perhaps the most important thing is that you are engaged here today and have begun to think critically about the future and next steps.

They also can mean different things to professionals. This activity is to help us get on the same page during this training. Here are the definitions we will use for this training:

Succession Planning	Estate Planning
The plan for transfer of management (decision-making abilities and authority) and/or ownership (shares, farm assets, etc.) by the owner(s)	The plan for transfer of all personal assets and property including the business that will transition often after the owner's life to designated beneficiaries

Let's work through this as a group:

Question	Succession Planning	Estate Planning	Both
Which deals more with legally transferring assets?		✕	
Which one deals more with decisions on the management of the business itself?	✕		
Which one plans more often for when owners are still alive?	✕		
Which one plans usually for when owners have passed away?		✕	
Which one may require more effort with family, friends and business partners?	✕		
Which one likely will require more professional help to develop?(i.e. attorney, financial planner etc.)			✕

“Businesses” are _____.

Examples include:

What are types of **“land”**?

Successor

Incumbent

_____ The current owner/manager of the land/business.

_____ The next individual(s) who will manage and/or own the land/business.

