

TRANSFER OF MANAGEMENT WORKSHEET

As the owner generation prepares for retirement, the successor generation is gearing up to take over the operation. There will still be a transition period when both generations must work together for the good of the farm. Successors will want, and need, a more active role in making day-to-day decisions. The owner generation,

however, has made a significant investment in keeping the farm successful and may have difficulty letting go of many of the management decisions. The question of who controls management can be a barrier in a farm succession plan. Transfer of management cannot occur if the owner generation retains control of most of the decision-making.

Transfer of Management Worksheet

Select the degree to which you feel the following management responsibilities are being retained by the owner generation or transferred to the successor generation.

- 1 The decision is being made solely by the owner generation.
- 5 The decision is being made solely by the successor generation.
- 2, 3, or 4 The decision is being shared by both the owner and successor generations, and to what degree. (A "2" indicates it is a shared decision but still mostly the owner generation's decision, a "3" is an equally shared decision, and a "4" means it is a shared decision but mostly the successor generation's decision.)

	Retained -----> Transferred				
Production-Related:					
Plan day-to-day work	1	2	3	4	5
Make annual crop/livestock plans	1	2	3	4	5
Manage livestock	1	2	3	4	5
Decide the level of inputs to use	1	2	3	4	5
Decide the timing of operations	1	2	3	4	5
Decide when to sell crops/livestock (cull for dairy)	1	2	3	4	5
Negotiate sales of crops/livestock	1	2	3	4	5
Finance-Related:					
Decide when to pay bills	1	2	3	4	5
Decide type and make of machinery and equipment	1	2	3	4	5
Negotiate purchase of machinery and equipment	1	2	3	4	5
Keep farm records (financial, production, etc.)	1	2	3	4	5
Human-Resources-Related:					
Decide when to hire more help	1	2	3	4	5
Recruit and select employees	1	2	3	4	5
Decide amount and quality of work	1	2	3	4	5
Supervise employees	1	2	3	4	5
Decide work method/ways jobs are done	1	2	3	4	5
Long-Term/Strategic-Planning-Related:					
Decide and plan capital projects	1	2	3	4	5
Identify sources and negotiate loans and financing	1	2	3	4	5
Decide the mix and type of enterprises in the long run	1	2	3	4	5

Source: Iowa State University Ag Decision Maker: Are You Transferring the Farm?, adapted from E. Errington, University of Plymouth, UK