

# FAMILY BUSINESSES IN TRANSITION

Serge Desbiens Family's Story  
La Croche (Québec)

# GEOGRAPHICAL LOCATION



# FINALLY RETIRED!

- Purchase of the family farm in 1974;
- Farmer for more than 40 years;
- Transfer transaction completed since January 1st 2002;
- **We are finally retired!!!**



# OUR CHILDREN



Daniel



Guy



René



Véronique

(1994)

OUR DREAM...

DANIEL



RENÉ



DESBIENS

FARM

GUY



VÉRONIQUE



# ... THE REALITY! (2002)

DANIEL



DESBIENS FARM:

RENÉ



~~GUY~~



~~VÉRONIQUE~~



# WHAT WE LEARNED UP

- Parents **do not settle** on their children's future.
- Children **need time** to make up their mind on their future, to choose their life's goals;
- Parents **do not impose** working agreements upon their children;
- IT'S « OK » for our children to be different from us, different from each other.

# Our transfer landmarks

## Parents and successor:



- Successor's identification;
- Equity dispositions (other children)
- Asking for Establishment Support Program, registration to CRÉA
- Information, formation, professional team attendance (CRÉA);
- Expert consultations: management, insurance, accountancy / taxation, financing, finances planning...
- Transfer's framework elaboration;
- Transfer's plan realisation

# Our transfer landmarks (continuation)

## The farm:



- Farm legal structure's modification, giving participation to René;
- Improvement to equipment, installations, buildings...
- Home renewal
- Milk production rights purchase
- Equipment division between brothers.



# The deal

- Farm's worth : 1,2 million
- Sale price: 600 000\$
- Seller-creditor mode for 5/6 of sale price:
  - ❖ Down payment: 100 000 \$
  - ❖ Remnant 5/6 by annual allowance
- Legal “elastic” modalities for René
- Insurances for equity.

# Some of our difficulties



- Communication between father and son, between brothers...
- Equipment division between brothers;
- Looking out for solutions in the matter of equity;
- Some “pushy” consultants.

# Among our nice work

- Registration to CRÉA-Mauricie;
- Participation to CREA's information and formation sessions;
- Specialist's consultation;
- Staying masters in our transfer case;
- **Giving ourselves time to make our mind!**



# OUR « BEST SHOT »

An official family meeting in order to:

- Give the adequate time on the transfer's settlement;
- Reassure, inform, **listen** and discuss.



# If I had advice to give:

## To families:



- Begin early to give responsibilities and right to do mistakes to your children;
- Give yourselves time to make your own mind;
- Get help from consultants: it pays!
- Clarify your project and stay master in your transfer's case;
- Meet people in the same situation;
- Get your family informed on your transfer settlements.

# If I had advice to give :

To  
consultants:



- Popularize the information;
- Respect your client's rhythm ...  
... and their choices;
- Be a good listener to your client's needs and expectations;
- Offer more than one solution's possibility and their consequences;
- Be aware of meeting's mood and atmosphere;
- **Don't push!!!!**

# If I had advice to give :

## To Governments



- Introduce help programs:
  - To attend individuals involved in transfer's development;
  - To financially support, make it easy, to incite to complete transfer;
- Lighten taxation consequences for the parents;

**Prove transfer detrimental  
to dismantling !**



THANK YOU!