

KERNELS OF LEARNING

Quarterly Personalized Education Newsletter

Q1 2018

Happy New Year - 2018 Roadmap

2017 came and went and we have a year of quarterly newsletters under our belt. In the last issue we celebrated Gen 3 and took a step back in time with the Boca Grande trips, magic tricks and family fun. Moving into 2018, you can expect much of the same but also more of a focus on looking forward at the continued journey together and how Gen 5 will begin to fold into the mix.



In October Meredith attended a Next Gen Family Education conference in Chicago where she had the pleasure of meeting many multi-generational business families. It was very encouraging to see a common thread between them; none of them have it all figured out, it's an ongoing learning experience from generation-to-generation and all have relationship struggles. Babson Farms is already a success story by being part of the 3% of family-owned businesses to make it to the fourth generation and beyond. There was also another commonality among the few 5th and 6th generation families which they attribute their sustainability to – family governance (otherwise said, “a family roadmap”), which they stressed is a gradual process.

Something said at the conference that made a lot of sense was, “rather than looking at all the reasons to create a family roadmap, you could look at the risks of not creating one.” That sounds like the glass half empty scenario but obviously has been played out in many family businesses that fail - “Failing to plan is to plan to fail.” An encouraging takeaway was many families were very complimentary of how robust our Babson education plan is.

Planning Together for Succession

Next Generation Development

The experts agreed, that in all families, each new generation must get to know each other, and renew their commitment to the family enterprise. They must decide if they want it to continue, and how they want to be part of it. They recommend meeting as a generational team, and then work with the existing leaders to design a process for education, growth, transition and succession.

They say the family needs to support and help each family member to attend to his / her personal development, and learn new skills to serve the family in various roles should he / she choose to.

Cross - Generational Roadmap

To reach the next generation, they said the family **must anticipate what they will need in the future**, while respecting the legacy and values of the past. Recognizing this can be challenging since different family members have different needs and perspectives, they say it's critical to explore those needs and perspectives so the family can listen to each other and align all the perspectives into a direction for the future which is sustainable.

Sustainability and the Family Enterprise

According to the presenters, that direction often comes about through the leadership of the rising generation and perhaps with the help of a non-family member, consultant, advisor to help coordinate and that the family has to look at the long-term impact they want to have in their communities, in the world, and with the development of the business. They said just like any map, the family needs to know where they are going (by asking questions like: Who are we? What is important to us? What will we accomplish together and how?) to know when / if they've arrived. The roadmap (governance) helps to educate, facilitate communication, create solutions as challenges arise etc...

“A successful family enterprise must be renewed and transformed every generation. The family together must develop a clear vision proceeding from their values, and a roadmap for getting there” - Dennis Jaffe PhD

Family Journey Roadmap



Source: Leading family enterprise expert, Dennis Jaffe PhD



Raising Gen 5

Starting Off on the Right Foot

on·board·ing: The introduction and integration of an individual into a system or organization. - Collins Dictionary

Although that definition sounds more like what you would see in an HR handbook, it is an important part of the family governance (roadmap) piece. Passing along the Babson legacy values and defining a vision for the future is critical for sustainability for upcoming generations and spouses that will join the family.

Although Gen 2, 3 and 4 didn't have "formal" family education, the values were passed down by storytelling and learning by example from their parents, aunts and uncles. Learning by example is priceless; Gen 5 and beyond now has the additional opportunity to learn alongside their siblings and cousins through the newsletters and other activities. According to the conference presenters, the aim of the family education program for future generations and spouses is to provide:

- *Familiarity* with and appreciation for the goals and vision of the family
- *Knowledge* of the structures, systems, and processes
- *Positive Feelings* about the family including its mission, its members, its values, and its culture
- *Motivation* to participate and engage in the process
- *Better Fit* into the family's norms and customs
- *An Internal Network* that helps boost productivity and inclusion into the process
- *Understanding Expectations* on all levels: responsibilities, leadership, impact

Age / Stage Money Skills to Master

Stage One 5-8 Yrs Old: Counts coins and bills, understands the value and purpose of money, differentiates between needs and wants, developing ethical compass.

Stage Two 9-12 Yrs Old: Can make change, shows initiating behavior and entrepreneurial spirit, shows awareness of costs and earned money, can balance a simple checking account and savings account.

Stage Three 13-15 Yrs Old: Shops comparatively, understands relationship between time & money, initiates small ventures, commits to saving, basic understanding of investments, philanthropy, bank statements.

Stage Four 16-18 Yrs Old: Actively saves, spends, invests. Connects goals and saving, experiences responsibility for self and others, talks about money and plans for the future, understands concepts of interest & debt, shows developing capacity for economic self-sufficiency, online shopping and security measures like passwords, pins etc...

Giving Back

As you all know we sold the Sidney Peak house in Steamboat in April 2017. Although it was sad to see it go; it was also a smart decision financially for Babson Farms as the upkeep spent on a beautiful house that wasn't getting much use just didn't make sense. We had great folks doing the property management that Tim had connected us with and Tim, Mark and Monica were instrumental in the coordination for the few rentals we had.



A special thing that we've done the last three years, via the Catamount Club membership Teddy had, was to provide Thanksgiving meals for needy families in Routt County by partnering with LiftUp Routt County. We had the Club use our Club minimum funds to prepare Thanksgiving meals that LiftUp delivered to families on Thanksgiving Day.

"What a difference your donation of turkey dinners made in people's lives! I had a couple families that were even brought to tears. I heard from several families that it was one of the best meals they had ever eaten! I just wanted you to know what wonderful memories you gave to some of our families. Thank you for caring and for your generous donations!" - Lynn Nyen, LiftUp Food Bank Manager

SOIL

Agronomy 101

Prepping and Restoring the Soil

By Eric Shearer- Babson Farms, DeKalb, IL



Hopefully everyone had a Merry Christmas and Happy New Year! With another year in the books, I wanted to walk you through what we do to prepare for next year's season.

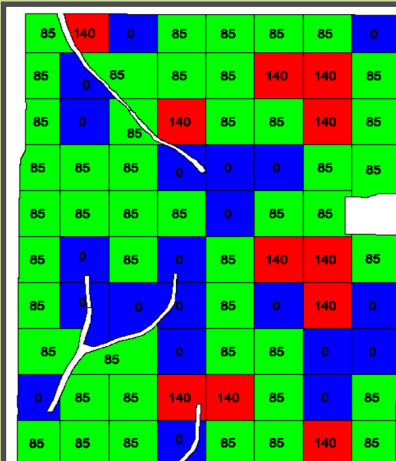
We usually start planning for the next year before the current year's crop has been harvested. This process begins with developing our crop plans and deciding which crops will be grown where. We do this early in order to complete all of our fertilizer maps and send them to retailers for timely application. Phosphorous and Potassium are applied in the fall in the forms of MAP or DAP for phosphorous (P), and Potash for Potassium (K). The variable rates for these two fertilizers are heavily influenced by the soil samples that have been pulled from the field once every four years. This gives us a guideline for application amount and location to fully replenish what has been removed from the soil nutrient bank. We write prescriptions based on the soil analysis and either use a maintenance rate, which would be adding only what we think the crop will remove, or we apply more than what we think the crop will remove in order to rebuild the soil bank to appropriate levels.

The University of Illinois did a study on crop removal rates and published it this year. Their updated study concluded that each bushel of corn removes .34 lbs and .23 lbs of P and K, respectively, and each bushel of soybeans removes .71 lbs and 1.11 lbs of P and K, respectively. The amount of P and K removed varies depending on the yield across the field. That is why we retest every four years to evaluate and adjust rates accordingly.

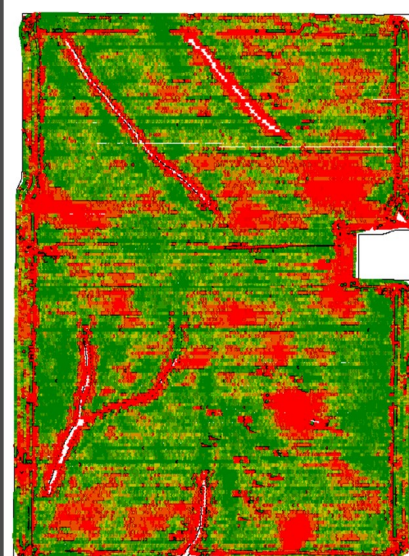
"Fertilizer potassium is sometimes called "potash", a term that comes from an early production technique where potassium was leached from wood ashes and concentrated by evaporating the leachate in large iron pots ("pot-ash"). Clearly, this practice is no longer practical and is not environmentally sustainable. In food production, potassium is removed from the soil in harvested crops and must be replaced in order to maintain future crop growth."

"Practically all inorganic P fertilizers come from phosphate rock (PR). Most conventional commercial P fertilizers are made by reacting PR with sulfuric acid to produce phosphoric acid (green or wet process acid). The phosphoric acid is further reacted with ammonium (ammoniation) to produce ammonium phosphate fertilizers such as diammonium and monoammonium phosphate (DAP and MAP)".

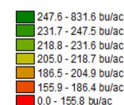
*"You will be remembered for what you believed in,
how you treated others, and not for what you owned."*



Variable Rate Prescription for Phosphorous.



Yield Map



Family Spotlight

Sarah is enjoying third grade at The Atlanta Speech School. She has officially retired from soccer and transitioned into competitive cheerleading. Sarah has been a flyer and a base for her team which trains at The Peach Pit. We will find out in February whether her squad will qualify for the southern regionals in Orlando in May.



Mary Elizabeth is enjoying seventh grade at Lovett and made the Principal's List with a 95.6% average. She ran cross country this fall and will be trying out for the seventh grade tennis team in January.



Henry is enjoying kindergarten at Graland, playing hockey and continuing to build on his impressive swimming skills.



JT placed 5th at the Jump 4 a Cure Hunter / Jumper Show on Sept. 24th at the Avalon Meadows Equestrian Center in Otisfield.



Check It Out

Babson Memories Slideshow <https://vimeo.com/231610306>

The Babson Family Website <https://zalongo.com/group/babson>

Questions?

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Fun on the Farms

With the harvest being a little delayed from all the moisture Meredith and Monica got to go out to one of the farms and take a ride in the combine and see the computerized technology that provides up to the second crop yield mapping.



Babson Farm's newest family member, Everlyn (Eric Shearer's daughter), made an appearance at the office.



Celebration Corner!

- Chuck's Birthday January 9th
- JT's Birthday February 9th
- Andronica's Birthday March 14th

Quote of the Quarter

WHENEVER YOU SEE A
SUCCESSFUL BUSINESS,
SOMEONE ONCE MADE A
COURAGEOUS DECISION.

PETER DRUCKER

