

WIN-WIN

HOW TO BENEFIT FROM A BUSINESS PARTNERSHIP

PARTNERSHIPS, IN ONE FORM OR ANOTHER, are essential in the business world.

Most people probably realize that having one or more partners can be advantageous. But now, research shows that business partnerships give companies a major edge. Indeed, a research editor at *Entrepreneur* magazine said that more than 90 percent of the fastest-growing, strongest businesses whose names show up on the magazine's annual list of the "hottest" companies are run by partners instead of by solo owners.

While the benefits might seem apparent, you probably know people who swear they'll never take on business partners. Or maybe you yourself are hesitant to do so. This could be because, like many people, you don't know the steps to take to make sure that a partnership has a high chance of success. By taking time early in a partnership to deal with challenges and work through the issues, you can dramatically improve your chance of success. But first, you need to be aware of the challenges you're facing.

One challenge is making sure everyone involved gets along. You need to examine personal values, different styles of doing business, expectations of each partner, and how to set up ground rules to make sure everyone plays fair. These issues were frequently named by partners with whom my company has mediated disputes during the last 15 years.

Another hurdle is addressing any issues or concerns in sufficient depth and detail. As surprising as it might seem, businesspeople often give short shrift to issues such as ownership, finances, compensation, roles, titles, and areas of authority. They might consider these issues, but often not to the extent necessary to avoid trouble in the future.

It can also be a challenge for partners to think long-term. Businesspeople are often so ready to get their ventures up and running that they fail to spend enough time considering what could go wrong among the partners down the road. Focused scenario-planning exercises help, as can developing a clear and effective plan for handling potential conflicts.

That's where a partnership charter comes in. It can be thought of as the "DNA of partnerships," covering all the challenging aspects. A charter is a process of discussion and a product, a thorough document that spells out the intentions and agreements of the partners.

By addressing these issues before you enter into a partner arrangement, or before conflicts arise, you and your partners can have the best insurance money can buy. If partners have a clear, detailed understanding of how they will cooperate on a day-to-day basis, they have a better chance of working together harmoniously for years.



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