



Take command of your business!

# Prime Strategies

## BUSINESS SUCCESS SYSTEM



|                           |  |
|---------------------------|--|
| Home                      | 7 Tips for a Business Partnership That Works   |
| Search Site               | By Marian Banker   |
| Business Success System   | Business partnerships take on a variety of forms. They may be a long term formal legal commitment or a simple short term venture to test a market concept. The same principles apply in all cases.   |
| Business Success Articles |  |
| Services                  | Here are 7 tips to make sure the partnership starts strong and stays strong.   |
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| Partners Corner           | 1 - Start by creating a shared Vision & Mission  |
| Newsletter                | As in any business, it's critical for the partners to define the Vision and Mission of the venture as the very first step. If all brains aren't going in the same direction in the same way, problems are bound to arise.  |
| Calendar                  |  |
| Blog                      | The motives for each partner can be different. The overall objectives and methods, however, need to be the same.   |
| Meet Marian               |  |
| Resources & Links         |  |
| Contact                   | <i>Tom chose to partner with Dominic because each saw the market need for a commercial kitchen facility. Tom was a commercial contractor who had worked on restaurants and catering facilities. Dominic was Manager of a cooking school and well connected within the food preparation industry. Their Vision was a 2,000 sq. ft. facility that would have 3 shifts of production, serve as a test kitchen for the cooking school and contract with other long term and project clients.</i> |



Tip: Take time to discuss your company's Vision and Mission with your partners. Look for what energizes and motivates each of you about your business. Give it a purpose and define what the ideal business will look like. Put the joint Vision and Mission in writing and use it as the reference for everything else you do.

### 2 - Make sure each partner's needs and expectations are addressed

Each person in the partnership has his own reasons for being in the partnership. Sometimes people seek a partner for capital, sometimes for expertise, sometimes for connections. These are not always expressed, yet they remain as an underlying expectation. If the expectation isn't met, the relationship can become strained.

Because each person's expertise, motivation and personality are different, it's important to have this discussion before anything is committed contractually.

Because individual needs and expectations may change over time, a clear dissolution or modification plan needs to be in writing also,

*Gabe and Rosa had a wholesale distributorship that was limping along. Then Gabe became ill and couldn't work for several months. In the interim Rosa had to carry the entire business alone. While she was able to do so, when Gabe came back he didn't have the energy or motivation to pick up his role again. Rosa wasn't prepared to carry it alone long term. Until they sat down together to discuss expectations, each was feeling let down and soon the bad feelings took over.*

Tip: Find out what your partner expects from you in the partnership. Share your expectations as well. Have a plan for when personal or business circumstances or interests change so, when needed, expectations can be readdressed.

### 3 - Identify and utilize the strengths of each partner

Because partners join forces for a variety of reasons and expectations, sometimes the strengths of each individual may be overlooked. The most obvious strengths will probably be recognized; however, underlying strengths, when brought out can often make a big difference in long term motivation, commitment and success.

*Ted and Rudy's restaurant had reached a plateau after two years in business. Ted was in charge of the kitchen, Rudy the business end. With the help of a coach, Rudy realized that one of his personal strengths was his artistic ability and interest. When he decided to connect his art with the business, the average sales were up 35% the first month and another 25% the following month. He used his restaurant as a gallery for himself and guest artists. The restaurant frequently received mention in the art media and related calendars. And Ted was inspired to create "artistic" dishes.*

Tip: Bringing out and utilizing the strengths of the individuals within the partnership will add to the motivation, the energy and the odds of long-term success. Make note of your personal strengths and ask your partner to do the same. Then sit together and discuss how you can apply these to the business.

#### 4 - Support the partnership's limitations

In an effort to save money, little things often pile up in areas where partners have neither expertise nor interest. Over time, these can literally sink your business. Limitations can be in any area: strategy, product/service development, marketing and sales, personnel and operations management, financial management and administrative. Wherever they are it's important to identify them as early as possible and have a plan to manage them so they don't get out of hand.

*Amanda and Tracy opened an organic spa where all products used and sold were organic. They also offered private consultations for personal wellness. Business was great, but they didn't know how to manage their cash flow. They soon found themselves in a cash crunch with debt that was continuing to build. The answer, of course, is that they needed support with business and financial management. On suggestion from an advisor they hired a business manager who was able to provide support in their area of weakness.*

Tip: Look at the areas that are problems for you. Chances are these are areas that could benefit from some extra support. If you think you can't afford it...think again. You can't afford not to support limitations. These gaps are where the value of the business slips away little by little. Don't let it happen to your business.

#### 5 - Set company and individual goals

The ideal way for partners to approach goals is to start with goals for the company, then each create goals for themselves. Individual goals should support the company goals. Goals should measure and support expectations. Writing these is especially important for partners.

*Theresa and Irena were on a good track with their two year old specialty marketing business. They verbally set company goals, but didn't consider what each would be accountable for in reaching these goals. When they didn't make their goals they blamed each other and things turned ugly.*

Tip: Review and update your company goals together with your partners. Then get each partner to set individual goals that support the company goals in their area of expertise. Put all these in writing and get each to commit to their goals. Then at the end of the period there is no question about who's accountable for what.

#### 6 - Handle disagreements, disappointments and frustrations early.

As in any type of partnership, disagreements will happen. Handling them effectively is the key to keeping the relationship on an even keel and the partnership in good order. Don't let bad feelings build and fester over time. Make it a rule that each can approach the other when something needs to be addressed.

*When Art became sidetracked with personal issues and was spending much less time in the business, the relationship became strained. Charlotte didn't want to upset things by challenging how Art was spending his time. She didn't say anything directly to Art, but made negative remarks about how she was "carrying" the business. Charlotte became disenchanted with the business and allowed it to get into bad shape before she finally called for outside help.*

Tip: Sometimes it's difficult to approach a partner, especially if it's a long standing relationship that has deteriorated. A regularly scheduled sit down together is definitely a good idea. Once a week is needed in some situations, but minimally once a month allows everyone to come with their agenda. It's always best to talk about what you'd like to see for the business and be positive. Present a plan for change as you see it. That gives everyone something to work with and respond to.

#### 7 - Define job roles for each partner, including accountability

Do you and your partner have written job roles? If not you may be operating under false assumptions. Job roles look a lot like job descriptions in that they carry the connotation: "responsible for" with a list of tasks and outcomes. Lack of clarity around job roles is a major source of frustration and disappointment in many partnerships.

*Pamela knew she was the primary sales person for their insurance business. But she expected her partner, Charles, to bring in some of the business, even though that had not been discussed in depth or clarified in writing. When she saw he was handling personal business during regular business hours she became furious. His mental picture of his role was obviously quite different from Pamela's. Discussion and clarification of each job role was definitely in order.*

Tip: Clearly define the tasks you will perform and have your partner do the same. From this you can each

be accountable to yourselves, to each other and to the business. Where there are uncovered tasks, contract for or hire a specialist. The objective is to make sure all jobs are covered and accountability has been assigned and acknowledged.

Follow these simple tips and you'll have a solid platform for a successful partnership and a strong and profitable business.

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