

Partnership Planning – For Success

Little has been written by researchers, and business schools don't teach partners how to avoid fallout - we generally lack understanding of how to maintain successful partnerships. Here's my outlook after watching for more than 20 years as very nice people fail to follow rules we all learned in pre-school.

It won't be legal documentation that saves your partnership; agreements can lend a sense of security, but they're only useful in the breach. Planning to save the business is your aim; this is not about protecting one's rights over another's.

The best prescription for saving your partnership is to inoculate yourself now – take that tetanus shot of hard topics. WARNING – these are sensitive and personal issues. First, strive to plan for and come to agreement on issues that do kill – interpersonal topics of (1) personalities, (2) personal values, (3) personal expectations, and (4) issues of fairness. Next, discuss A. a business plan, B. ownership rights, C. titles and authorities inside and outside the company, D. money – how it comes into and out of the company, and E. management and control. Also you must come to agreement on exits and exit strategies for each partner. Discuss and agree upon these points at the outset – and on an ongoing basis – that's how you immunize your partnership from destructive conflicts.