

PARTNERING FOR SUCCESS

Finding the Right Business Partner

One thing that becomes clear to many potential business founders while conducting organizational feasibility analysis is that they need one or more partners to help launch their business. You might be a computer programmer who has a great idea for a cooking website, for example, but have no experience in marketing or sales. In this instance, you may need to find a partner with marketing and sales experience to successfully launch and run the firm. There are five key criteria to look for in a business partner. You want to get this right because picking the wrong partner or partners can lead to a lot of heartaches and business challenges.

- 1. Know the skills and experiences you need.** Make an honest assessment of the skills and experience you bring to the business and the gaps that remain. Pick someone who fills the gaps. For example, if you're an experienced computer programmer you probably don't want to partner with another experienced computer programmer. Pick someone who brings other competencies that you need to the venture, such as marketing or finance.
- 2. Make sure your personalities and work habits are compatible.** While you don't need someone who is just like yourself, you do need to be comfortable with the person you'll be in business with. For example, if you'd rather work 16 hours a day if that is what it takes to finish a project on time, and your partner would rather quit after 8 hours a day and try to renegotiate the due date for the project, that difference in work styles will invariably cause conflict. Similarly, if you like to wear a coat and tie when meeting with clients and your partner thinks wearing blue jeans is fine, obvious disagreements could arise.
- 3. Make sure you and your partner have common goals and aspirations.** Be sure that you and your partner are shooting for the same target. For example, if your goal is to build a billion-dollar company but your partner would be perfectly satisfied growing the company to \$10 million in sales and then selling out, obvious problems could ensue.
- 4. Look in the right places.** If you don't have someone already in mind, it's important to know where to look

for a potential partner. Generic networking events, like Chamber of Commerce mixers, are usually ineffective for finding a business partner. Instead, if you're looking for an engineer, contact engineering trade associations for leads or attend engineering trade fairs. Social networking sites for professionals, such as LinkedIn, can be an effective way to make contacts. Most cities have startup networking events. There are also websites and events specifically designed to help bring people together to start companies. Examples include Startup Weekend (<http://startupweekend.org>), Founder2Be (www.founder2be.com), and CofoundersLab (www.cofounderslab.com).

- 5. Hire a lawyer.** When you have identified a potential partner and you're confident that the first four criteria we've discussed have been satisfied, you should hire a lawyer to sit down with the two (or more) of you to help hammer out the details. You should decide what each partner will contribute to the business, how the equity in the business will be split, what form of business ownership to select, what each partner's role in the company will be, and so forth. It's important to hire someone who's not loyal to any specific partner (even if it's you). Hire someone who is impartial and everyone feels good about.

Questions for Critical Thinking

1. Think about your personality and work habits. What type of person (in terms of personality and work habits) do you think you'd work well with and what type of person do you think you'd be in constant conflict with?
2. Do you think it's a good idea or a bad idea to form a business partnership with a close friend? How could you go about discerning if a good friend would make a good business partner?
3. Provide some suggestions, other than those mentioned in the feature, for places (online or offline) for finding a business partner.
4. Spend some time looking at LinkedIn. How could you use LinkedIn to help find a business partner?

resources. The objective is to identify the most important nonfinancial resources and assess their availability. An example is a start-up that will require employees with specialized skills. If a firm launches in a community that does not have a labor pool that includes people with the skill sets the firm needs, a serious resources sufficiency problem exists.

Another key resource sufficiency issue is the ability to obtain intellectual property protection on key aspects of the business. This issue doesn't apply to all start-ups; but, it is critical for companies that have invented a new product or are introducing a new business process that adds value to the way a product is manufactured or a service is delivered. One quick test a start-up can administer is to see if a patent has already been filed for its product or business process