

"A Few Weeks Courting & You're MARRIED?"

You've met, courted, and legally MARRIED your business partner in just in a matter of weeks---signed and sealed your fates in the "corporate marriage certificate" called a C-Corp, or a Sub-Chapter S-Corp, or an LLC. It's very legal alright, and VERY binding. Are you sure you made the right decision? If you met and married your spouse that way, would people be raising their eyebrows? You bet. And for good reasons. On the basis of what kind of knowledge, business planning, financing, AND AGREEMENTS are you thinking your partnership is going to be successful in the long term? Such impulsive actions come with very high failure rates. . . . but not to worry! You can still catch and correct flawed decisions about your partnership without bankrupting penalties and a lot of partnership trauma IF, that is IF, you take corrective action promptly (& early on) with your partner.

If you are considering adding more partners, STOP! And THINK through carefully, why and whether you need (more---or any!) partners at all. This could be the last chance to save your hide. It could get very expensive and very painful from here on out if you wait any longer to treat your partnership seriously. (By the way, does this mean that partners are stupid? Not at all! It usually means, that very intelligent and otherwise successful people---just like you---simply don't know how to systematically evaluate and strategize the business scenario that would work best for you AND work best for the business you want to own.)

First of all, see if your partnership is described below by any of the most common (deep) potholes that partnerships fall into:

1) The eventual disparity of revenue pro-

ducing between partners creates resentment.

2) One partner or the other makes "bad" decisions that the other partner cannot tolerate.

3) If there are 3 or more partners, any one partner gets triangulated out by the other two---and it's the other two that are NOT necessarily the ones with the best judgment.

4) The original reasons why the individuals chose to be partners are no longer relevant, necessary, or imperative to the business.

5) The "risk" that the partners originally intended to share, has taken a different form and definition, so that now, risk means something entirely different---& does not need the partnership anymore OR the partnership is not able to share risk in that new area altogether.

6) Because there were no clearly defined "agreements" about how the partnership would function AND no dissolution rules/agreements (i.e. no exit or flexibility agreements), therefore partners have little to NO FREEDOM to pursue their lives as they wish. You are just trapped in utter chaos.

7) The partners did not examine in any systematic way, why they were choosing each other as partners. (~nor how the business entity itself would justify/qualify each of them as business owners.)

8) One or both partners do not successfully make the career transition from "employee" to "business owner" and now experience conflict from this fact---which usually remains "un-named" to the partners themselves. (All they know is that they are just not getting along anymore.)

9) Other partners are added to correct problems or deficits in the original partnership which really don't end up solving those initial partnership dilemmas after

all---and now there is a still bigger mess. 10) And finally, the business itself did not justify ANY partnership in the first place, so that it has to now contend with one or more of the above dilemmas with its owners.

Finally, perhaps the most important transition about owning a business is the career transition and the "inside your skin" work that you'll need to do in order to make this transition successful. If you are coming from a financial career, or a big corporate executive career, or some other professional career other than small business, you've got a LOT to learn about small business and AN ENTIRE MIND-SET TO CHANGE OVER to your new career in small business! You won't succeed well in leading a new business venture if you just continue to act like the employee in your old role---so this mental shift is critical to your success. As a business owner, you'll have to develop a very different perspective to work ON your business, rather than just IN your business like most employees do.

Treat your new "Business Owner Identity" seriously and you will become a whole new and different kind of professional that thinks differently and acts differently. For example, a CFO turned business

owner becomes more aware of how relationships drive business and how financial decisions need to be implemented keeping these relationships intact. This is usually a major career change for folks. Be thoughtful enough to choose the right fit for YOU to evolve into. It will surprise you what a profound and astonishing change will take place inside of you once you become a business owner. You'll reflect in years to come that you have become a completely different & expanded professional.

ALSO: Contemplating a start-up vs. buying an established business? Or other variations of business ownership choices? Catch up on those considerations in Transition Tip Vol.V. Issue 10 in Transition By Design's free on-line library at: www.TransitionByDesign.com or see Kaw Valley's October 2005 issue of the Small Business Monthly. For more specific considerations on friends &/or family members as business partners, see also TBD's Vol.V Issue 9 on: "Determining Whether a Partnership or an Alliance is Right for You." (Please note, these articles will not speak thoroughly enough to your unique situation to be a substitute for professional help. They simply alert you to take action to prevent potentially disastrous consequences.)

Lori Keegan of Transition By Design, Inc., offers professional and personal strategies to individuals and organizations. Contact her for more information.

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