

# How to find the right partner for your small business

By [Ben Bierman](#), issued by [Business Partners Limited](#)

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Transforming a business idea into a fully-fledged venture is certainly no small feat. For some entrepreneurs, undertaking this mammoth task is a job best accomplished by collaborating with a business partner. While working with a business partner does come with its own unique set of challenges, in many cases, the pros outweigh the cons.

## Reasons why partnering up may be the best way forward

If there is an obvious skills or expertise gap that needs to be closed in order for the business to reach its full potential, a suitably experienced partner could be the answer. A partner could also bring a valuable network of contacts, industry peers and connections to the table.

There's also the issue of workload and responsibilities to consider – the best approach to tackling an overwhelming workload may be to share it and delegate responsibilities.

Teaming up with someone could also have financial benefits if that partner is in a position to contribute to your working capital or secure financing that you would not be able to obtain on your own.



Ben Bierman

If these advantages align with your needs and the demands your venture will place on you, then the next step is to seek out the right partner or sense-check the terms of your agreement before proceeding. This checklist provides a good starting point for making that all-important decision.

## Alignment of values and vision

Before entering into a partnership agreement, it's crucial to ensure that both parties are on the same page regarding what they want to gain from starting the business and what they envision for its future.

From the outset, it's important to have an honest conversation about factors like how each partner believes decisions should be made, how conflict will be resolved and what ethical standards need to be upheld.

It's also important to discuss what each partner's end goal is. Are they planning to build a business empire that can be passed onto the next generation? Do they plan to exit the business by selling it once it reaches a certain level of profitability? Is there a specific level of social impact they want to achieve? These are some of the questions that need to be answered upfront in order to ensure both partners are on the same page.

## Commitment and work ethic

Some of the biggest points of contention for business partners revolve around differences with regards to work ethic. Some entrepreneurs may be willing to burn the midnight oil and make major personal sacrifices to enable the business to thrive and grow. Others may take a more relaxed approach, which may entail consistent but relatively slower growth.

With this in mind, it is crucial to assess whether your potential partner's working style aligns with yours. Consider factors such as preferred work hours, flexibility, decision-making processes and the ability to adapt to change. There is no right or wrong approach – the most important thing is for both partners to have a good understanding of how much time, effort and resources they are willing to commit to making the business work. This is especially important in a world where many individuals are starting a small business as a side hustle. This very fact could influence the amount of time each party is

able to contribute to the business.

## Legal and professional considerations

Regardless of whether you know your business partner personally or whether you are invested in their personal well being beyond the professional level, partnerships need to be considered as legally binding agreements.

It is worthwhile seeking external legal advice when compiling the necessary legal documentation and setting out the conditions of the partnership in a way that is clear and mutually beneficial. A contract will serve as a reference point in the event of a disagreement or future misalignments.

Although some of the legalities may give rise to uncomfortable emotions. Both partners need to realise that protecting themselves legally is in their best interests, given that they are both in it for the long haul. Investor, podcaster and lifestyle guru Tim Ferriss put it best when he said: "A person's success in life can usually be measured by the number of uncomfortable conversations he or she is willing to have."

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