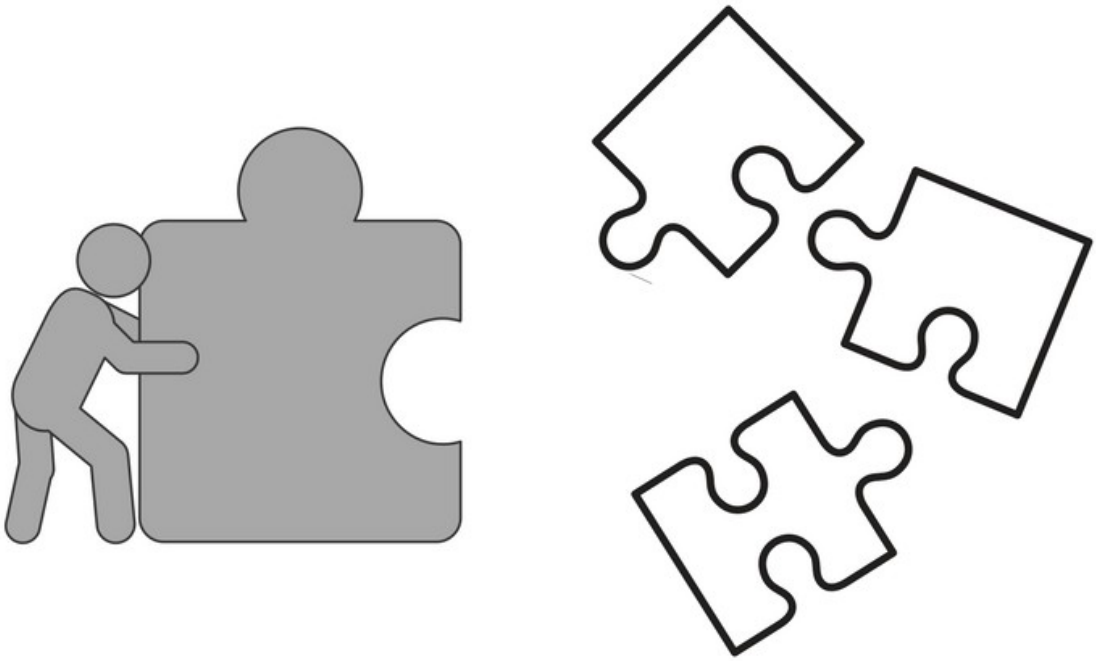
How to Choose a Business Partner

Choosing the right business partner is critical to your business. A strategic partnership should be mutually beneficial: a win-win for you and your partner. You and your partner(s) should have different skills and expertise, and bring different benefits to the business and your customers.



Consider Your Options

- [ ] Evaluate what each of you bring to your customers and the business.
- [ ] Do you share the same business goals and family values?
- [ ] Does your potential partner share your personal values and work ethic?
- [ ] Perform your due diligence: is your potential partner financially stable, are they involved in any lawsuits or legal liabilities, do they have a good reputation in the community?
- [ ] Establish your bottom line, deal or no deal. Know when to walk away: not every partnership, or potential partnership, will succeed.

Once You've Chosen a Business Partner

- [ ] Make it formal. Put your agreement in writing with the help of an attorney so there are no questions about profits, decision making or percent of ownership.
- [ ] Be honest. Set up a regular communication channel, such as monthly meetings, to discuss the business and evaluate the partnership.
- [ ] How will disputes be resolved?
- [ ] Can you buy out your partner or change ownership percents?
- [ ] Under what criteria can the partnership be dissolved?