

BUSINESS PARTNER CHECKLIST

It's a big decision to go into business with someone else. How do you know they're the right person? The truth is, you don't. You won't know for sure until you're both under pressure and in the thick of it. But, you can get a good idea by making sure you're both aligned on key business decisions and work ethic before you start out.

Reduce the sources of potential disagreements and discontent by discussing and agreeing the following:

► BUSINESS OWNERSHIP

There are a number of different business ownership types so it's important to agree on what you both want and what's best for the business.

Like a marriage; some early investment goes a long way in a business partnership and unlike a marriage, the idea of a prenuptial style arrangement is not a taboo. A shareholders' agreement is an opportunity to make sure there is a common understanding between everyone involved about the roles and responsibilities of the team. It regulates the management of the company, ownership of the shares and the protection of the shareholders.

- ☐ Business ownership
- ☐ A shareholders' agreement

► WORKING HOURS

You should discuss how much time you each want to spend on the business. You and your partner may decide on a minimum amount of hours you need to dedicate to the company every week or month. When it comes down to the nitty-gritty details of your partnership, working hours is an important topic that needs discussing before going into business together.

- ☐ The number of hours you will each dedicate to the business

► HOLIDAYS AND ANNUAL LEAVE

- ☐ The amount of annual leave allocated to each person
- ☐ The policy on sick leave
- ☐ The amount of holiday allocated to each person

► TIME OFF

Plan for how much time off each person will get. If you're in a partnership, you need to decide how much notice you will each give when you need time off for personal or professional reasons.

Decide the maximum time off an employee should have in a year and make sure you stick to it.

- ☐ Time off policy

► RESPONSIBILITIES AND DIVISION OF LABOUR

When you're about to go into business with someone, it's important to coordinate expectations and responsibilities. You'll want to be sure you both agree on how things will be split up and what each person's role will be. The best way to do this is by sitting down together and writing out a list that details everything that needs to get done, from big picture goals all the way down to small tasks. This will help to avoid conflict later down the line if things don't go according to plan.

- ☐ Each partner's role in the business
- ☐ Specific tasks and responsibilities for each partner
- ☐ Who has the final say in certain situations
- ☐ How disputes will be handled if there's a disagreement about something
- ☐ Communication channels - will you have regular face-to-face meetings, calls or emails?

► CONDUCT

It's important to have a clear understanding of the company's values and standards, so that you know what is and isn't acceptable behaviour. You'll also want to be sure you're on the same page about workplace etiquette and communication styles, especially if you work remotely or have different personalities.

- ☐ Code of conduct

► THE FINANCIALS

One of the most important things to address is what will happen with your personal compensation and dividends. How much will each partner receive? When will they receive it? What if the company is sold?

How much are you willing to invest or contribute to the business financially? Consider how much time each person is going to devote so that everyone can understand their financial contribution.

Remember: if there's no agreement on payment, there's no protection for either partner in case something goes wrong in your relationship.

☐ The financials

► BANKING

When you are a business partner, you will have to sign for things. It's a good idea to discuss with your partner what each of you can and cannot spend money on without the other person's signature.

Your bank account may also need a cosigner. This can be done easily when opening a new business account or adding another member of staff so make sure to get this sorted before opening day!

☐ Banking authorisation

► LOCATION

Where will you both work? Will you work together in a rented office or shared workspace? Or each from home? Maybe a mix? It's important to have a clear understanding of where you are going to work and what that means for your responsibilities.

☐ Work location(s)

► CONTINGENCY PLANS

You should also discuss what to do in the event of any of the following:

- ☐ One partner becomes ill for a prolonged period of time and is unable to fulfil their duties
- ☐ One partner wants out
- ☐ One partner isn't pulling their weight or is unable to complete a task because they don't have certain skills or time for training/learning new ones



► VISION, CULTURE & VALUES

You've worked with your business partner to come up with a solid idea, but now you need to figure out where it's going. What does your company stand for? How will it be different from other companies in its industry? What does success look like for this company and its customers?

This section should include:

- A description of who you are as a team (what makes you unique)
- A summary of the vision, mission and values that guide decision-making within the organisation

☐ Business vision, mission and values

► PRIORITIES AND GOALS

Are your goals for the business aligned?

To determine your priorities, you'll need to look at the long term and the short term. Be sure to discuss short-, medium-, and long-term goals. These are important because they give you a sense of what you want to achieve in the next few months, years, or decades.

For example:

- A short-term goal could be around how much money each party wants to make in the next three months.
- A medium-term goal might be about how much profit each party wants to see from a particular deal within two or three years.

- A long-term goal could be around how big of an impact on the industry or local community your business can have during its lifetime.

☐ Business goals

When it comes to business, there are a lot of things to keep track of and manage. That's why it's important to make sure you are aligned and have an agreement in place before you go into business together. You'll thank yourselves later down the line.

