

Should you choose a friend to be your business partner?

Planning to start a business partnership with a friend? Prudence demands looking at the pitfalls - as well as the potential strengths - of such relationships. Here are a few questions to consider.

- **What will my friend contribute to the business?** Does he or she have strengths that will clearly enhance the business - abilities, knowledge, or resources that you don't possess or aren't willing to acquire by other means? Say, for example, you are good with customer relations, but not too good with numbers. If your friend loves details and is clever with records, the partnership may make sense. If, on the other hand, your friend really can not offer something that would round out the business or make it more profitable, you might want to consider partnering with someone else.
- **Are you willing to lose the friendship?** This is a tough question, but one that's critical to consider. After all, you and your friend will be working together, day in and day out, to make the business succeed. Such relationships can bring out the best - and worst - in people. If maintaining your friendship is one of your highest priorities, partnering with someone else may be a better choice.
- **What's expected from each partner?** Developing a profitable business is hard and often unrewarding work. You and any potential business partner should honestly discuss expected work hours, contributions, and responsibilities. Resentment can creep into any business relationship when partners feel that workloads and rewards aren't fairly distributed.
- **Can you communicate effectively?** Like a good marriage, a long-term business partnership takes honest communication to succeed. Ask yourself, for example, whether you can handle constructive criticism from your friend/business partner. Even the closest business partners don't always see eye to eye, so it's important to take an honest look at how you both handle disagreements. Will you work through difficulties for the firm's sake, or bury your head in the sand and hope for the best? Answering this question is crucial to the success of your partnership.