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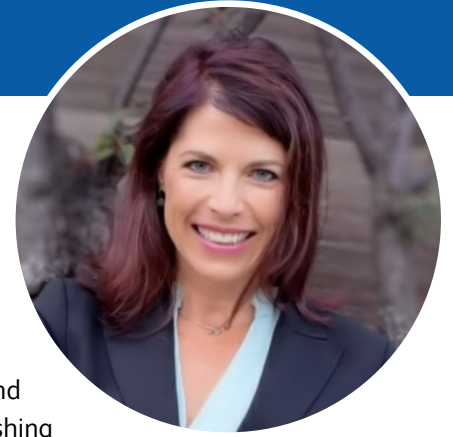


Choosing Partners for Your Business A Guide to What to Look For

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Who Am I and Why Can You Trust Me?

I am Sara LaForest, an entrepreneur, consultant, coach, instructor, and author with comprehensive experience in the private, nonprofit, education, and government sectors.

I am on a mission to empower entrepreneurs, executives and leaders to grow their businesses and help them create flourishing workplace environments. If you share this mission, these articles will introduce my approach. I believe you will find them helpful and pragmatic.

For more than a decade, I have grown, managed, and nurtured my own companies specializing in leadership consulting, organizational development, and executive and performance coaching. My focus is on the critical—yet often overlooked—interdependencies of strategy, branding, culture, and talent necessary to foster and propel growth. My high-touch, personalized approach helps leaders improve company performance and team functioning at all levels, while facilitating a positive and productive workplace culture.

How am I different? What new perspective do I bring? My strength is combining company growth with an emphasis on the personal growth and well-being of the people with whom I work and serve. My deep-rooted commitment to human advancement is my advantage.

This article, along with many other national and international published works, was co-written with my retired partner, Tony Kubica. Our book, *Organizational Gravity: A Guide to Strategically Growing Your Company's Brand, Culture, and Talent*, is available on [Amazon](#).

To learn more about my services, publications, and speaking engagements, please visit [LaForestConsulting.com](#). You can contact me directly at Sara@LaForestConsulting.com or via [LinkedIn](#).

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Partners should be selected for what they can bring to the business with respect to Human Capital, Social Capital or Financial Capital.

Too often business partnerships are developed for all the wrong reasons:

- We're friends, we went to school together and it would be fun to go into business.
- We have such a great working relationship in our last job; it can certainly work just as well in our own business.
- You've been such a great boss, of course I'd like to go into business with you as your partner.
- As a husband and wife team we will do great together in business after all we have a great marriage.

None of these reasons, in and of themselves, is a reason to select this person as your business partner, whether a start-up company or a growing business that can afford to hire staff. Unfortunately, far too often, these are still the reasons why people form partnerships.

Can it work, yes it can. But it can **only** work if the partner has value to bring to the table. Unless they have value that is accretive to the business, the partnership is not only a financial drain on the business, but very often can be an interpersonal drain as well.

Consider the value partners can, and should, bring to the business:

Human Capital

- Does this person have skills that are unique and important for business development and growth?

Social Capital

- Does this person have connections?

Financial Capital

- Does this person have capital to invest or access to capital?

Let us look at each of these capitals in more detail and frame how each can benefit the business and a partnership.

Human Capital is about skills and talent. What does each partner have that is not part of another partner's skill set? Sure there can be overlap, but too much overlap is redundancy.

Businesses need these skills:

- Managerial experience
- Experience with a previous start-up(s)
- Content skills based on what product or service the business will offer
- Technical
- Financial
- Sales

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While this list is not exhaustive, it is indicative of the type of skills needed to run a business. When selecting your partner(s):

1. Inventory what you bring to the table
2. Define what skills and talents will be necessary to start and/or grow your business
3. Identify where the gaps are between your skills and the needed skills
4. It is within these gaps that the “job description” of your partner resides.

One efficient way of doing this is to make an organizational chart of what is required when your business is up and running (and growing) and look for boxes with no names in them.

Social Capital falls into the category of who do you know and who do you know who know people that can be helpful to the business. We are in a connected world, and connections – or should we say, meaningful connections – are a great asset to your business.

Social capital can help with finding people who:

1. May have the skills and talents you need for your business
2. Know people who may have the skills and talents you need to grow your business
3. May be potential early stage buyers for your product or service
4. Are well connected and can help you get the word out about your product or service
5. Can help find you money

Social capital is important. Connectors are important because in a highly connected world that’s shrouded in a veil of economic uncertainty and a sea of sameness, it is sometimes a challenge to get people’s (read – buyers) attention. And one way to break through that is through meaningful connections.

Financial Capital. We have all heard that cash is king. And, it certainly is. No cash, no business. It’s as simple as that. So access to cash and the ability to manage cash is important.

But often times we find that some business owners believe that “if I only had more money, if I only could get the tax break, the business loan, the line of credit, I would be able to grow my business”—perhaps but not necessarily.

If you don’t have:

- The people with the right and complementary skills and talents to grow the business
- The connections needed to find people, buyers and money

Then money may just delay the inevitable.

So if you are seriously considering a partnership, look at what each person can bring to the table. And if the partnership looks like this:

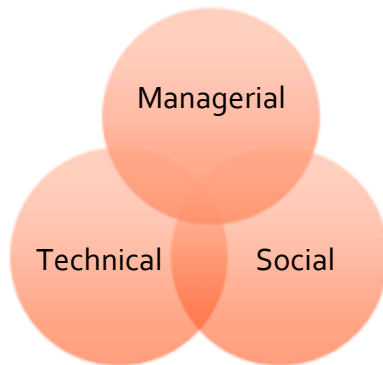
Where essentially all the partners have similar skills, the probability of success is not high. And a further disruptive factor is when three partners (as demonstrated in this case) essentially have the



same skills, costs go up, and infighting inevitably starts as each person wants badly to justify their existence in the partnership.

If on the other hand, the partnership looks like this:

The probability that this partnership will work is much higher.



Now for purposes of this demonstration, we chose managerial, technical and social. When you complete your organizational chart to help define what your business needs, you are likely to come up with different skills. The point is to ensure that there is minimal overlap of skills in your partnership and that the skills brought to the partnership are the ones needed to grow your business.

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