HOW TO MAKE YOUR JOINT VENTURE A SUCCESS

1. COMPLEMENTARY BENEFITS

Ensure there are complementary benefits and roles for each of the parties in the joint venture. First step is to consider: what's in it for me? Next step: what's in it for the other interested party?

2. CLEAR EXPECTATIONS

Clearly prescribe, from the outset, all arrangements relating to:

- joint business activities
- valuation of the business
- ownership
- shareholder arrangements
- further buy-outs and/or exit.

3. EXIT STRATEGY

We mentioned this in Tip 2 but it deserves highlighting: make sure there is a clear plan for how one or both parties can exit, should the need arise.

4. CONTROL ISSUES

Issues of control will need to be addressed regarding:

- management (day-to-day)
- governance
- transparency
- business versus personal needs.

5. SHARED VALUES

It's often the little issues that lead to a joint venture arrangement breaking down, therefore cultural fit and shared values between the parties are critical. They don't have to be the same, but there has to be mutual respect from the outset.

If you're considering a joint venture, arrange a confidential discussion with the team at JPAbusiness on **02 6360 0360** or visit **jpabusiness.com.au**

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