

Making Better Decisions

Lesson 5-5: Successful Partnerships

Discussion Guide – Confidentiality Reminder

One Word Check-in

Update – Personal, Business, Leadership

“Don’t team up with those who are unbelievers. How can righteousness be a partner with wickedness? How can light live with darkness? What harmony can there be between Christ and the devil? How can a believer be a partner with an unbeliever?” 2 Corinthians 6:14-15 (NLT)

Every aspect of life involves partnership. We partner with others constantly – our spouses, friends, employers, managers, co-workers and business partners. These are all partnerships; some have an equity stake at risk while others have a relational risk. Each partner is expected to bring something to the relationship and enhance the partnership, although this is not always the case. The reality is that 50% of marriages end in divorce and 50% of business partnerships fail within the first 3-5 years. Of the businesses that do survive, 70% of those will ultimately fail (according to [Tim Carter writing in Entrepreneur](#)). The data shows that partnering professionally is even more difficult than partnering personally. So, whether you are in the middle of an existing partnership, or contemplating taking on a business partner, we all need to learn how to cultivate strong and successful partnerships.

Successful partnerships have proper alignment in three broad areas: common values, common vision and common expectations. Conflict and potential division will occur when there is not alignment in these areas. This applies personally as well as corporately. Mergers and acquisitions are fraught with incompatible values, vision and expectations.

Assessing common values is the first and most important step in considering a partnership. If you do not have common values, the idea of partnering should end immediately. Values reflect a person’s sense of right and wrong, or what “ought” to be. You can assess common values by looking at whether a person is trustworthy, accountable, honest, respectful, forgiving, fair, ethical and dependable. (Caution: Just because someone says they are a “Christian” does not mean you have common values.)

The second step is evaluating common vision. Partners must have a broad, shared understanding as to what they want their company to be. Another way to say this is, “What does success look like and how are we going to achieve it?” Vision involves the services you will provide, how you will provide them, the market you want to tackle, the growth you want to achieve, exit strategy and many others.

The third step is determining if there are common expectations. This is all about execution. It describes how you will handle debt, achieve proper cash flow, distribute bonus structure and staff compensation, navigate difficult situations and share authority. Additionally, it is important for partners to agree on the level of effort each will dedicate to the business. When this gets out of proportion, there is significant potential for conflict.

Shared Experiences:

- Can someone share their history of partnerships in business, both the good and the bad?
- What is your biggest concern in partnering with others in business?
- Can someone share about their experience with a merger or acquisition? Were any of the above given much consideration or was it just a financial transaction?
- Does anyone have any experience in helping change the values and/or vision of expectations of your partners, and therefore your company? What did you learn?
- Can someone share tools that they have used to assess a person’s values?

Bottom line: The key to successful partnerships is starting with shared values, vision and expectations. Be prudent and cautious to only enter professional and personal partnerships where these three areas are in alignment. This will lead to less conflict and shared success as you work to achieve the work God has set before you.

One Word Check-out

Dig Deeper

Want to learn more?

- *Video:* [Lead with Your Values](#) by Simon Sinek, November 19, 2021
- *Article:* [What to do When It's Time to End a Partnership](#) by Angelica Gutierrez published at Inc.com
- *Article:* [4 Factors to Consider Before Inking an Equity Partnership](#) by Entrepreneurs Organization published at Inc.com
- *Video:* [The Word That Tests Any Relationship](#) by Dr. Henry Cloud, Apr 26, 2020
- *Video:* [Core Values vs. Permission to Play Values](#) by Patrick Lencioni
- *Article:* [The Effective Decision](#) by Peter F. Drucker in the Harvard Business Review

Additional information on creating successful partnerships

If any one of the three areas cited on page one (values, vision or expectations) is misaligned, the probability of having a negative outcome in the partnership is significantly increased. This applies to marriages, business partners, employee to employer relationships and team members.

- **Continually evaluate your shared values, vision and expectations as time goes forward.** This is not a one-time step but an ongoing process. People change and business issues are dynamic, requiring a flexible but unified approach. What seems good today might not be that way in the future.
- **Alignment on your values, vision and expectations will reduce, but not eliminate, conflict.** Expect some degree of conflict to occur in every partnership because we are all human. The less attention you pay to these three areas, the more conflict you will experience. The more conflict you have, the less likely your business will succeed, and you could face financial ruin. If you short-circuit any part of the above evaluation, you are increasing the likelihood of failure. This is true for marriages, friendships, or business partnerships.

Examples of partnerships that created iconic companies

The below partnerships provide examples of how iconic partnerships experienced changes in values, vision and expectations. This often happens when money comes into the picture and creates a dynamic that is difficult to envision at the start of the partner relationship.

- **Microsoft.** Paul Allen and Bill Gates were childhood friends that co-founded Microsoft. In the early years, things went pretty well, but as the company grew, Gates' personality became more toxic. Eventually, Allan decided to leave. Allan wrote about this in his book, "[Idea Man: A Memoir by the Cofounder of Microsoft.](#)" A summary of an interview with Allan about the book was published in [The Guardian](#).
- **Apple.** Steve Jobs and Steve Wozniak (Woz) became friends while Woz was in college and Jobs in high school. Woz designed the Apple I, Apple II and the Apple Macintosh. Wozniak believed that the company was hindering him from achieving his creative potential, so he left in 1985. He also thought the company was headed in the wrong direction at the time and sold most of his stock. Woz stated that he and Jobs remained friends but were not as close as they used to be. He also said when Apple started making "[big money](#)," Jobs changed. Wikipedia shares some of their history in [this article](#).