8 Steps to choosing a co-founder for your new venture

Businesses founded by partners have a better chance of succeeding than new ventures where everything is dependent on one person. Having a business partner can mean you feel less lonely coping with the challenges that will inevitably arise.

By Jenny Retief 10 Sep 2019

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Companies like Apple, Microsoft and Google all started with good partnerships. But, as these examples show, some partnerships may turn bad.

Do what you can to prevent the heartbreak, anger, legal issues and ultimately bankruptcy that broken partnerships can cause by screening potential partners with our red flag list:

1. The airport test

Picture how you would feel if you had to spend hours stuck at an airport with your potential partner. The answer sho be that you would still be on good terms and willing to look out for each other after spending days working closely together.

2. Values and vision

You need to be able to do more than get along well at a braai or share the same sporting interests, for instance. You should also share the same values and have the same vision.

Your goal could be: building up the business to sell eventually; a lifestyle business that allows you flexibility; or a business that will become a renowned name in the marketplace.

3. Work ethic

This is the practical application of goals and values. If you are prepared to work 14-hour days, but your partner has more relaxed approach, you will come to resent this. Manage both your expectations from the start.

4. Money matters

How does your potential partner handle their financial affairs? Someone living beyond their means is a warning sign. Financial pressures can put strain on any relationship. Ask yourself whether you would trust this person with your business bank account?

5. Balance your strengths

You will create a stronger foundation on which to grow your startup if you have complementary skills and weaknesse in the partnership. Basic skills for a successful business include sales and marketing, product research and development, people skills and accounting skills. Dividing key responsibilities effectively will add the greatest boost to your new business.

6. Business experience

Is your potential partner experienced in the sector that your new venture will tackle? Have they ever run or worked in small business?

Rate their stamina and tenacity. Avoid a partner who will retreat to a full-time job when the going gets tough, leaving y to battle it out alone.

7. Stage of life

This can be the reason why startup partnerships split. Life stage often dictates how much time you can put into your startup, how much capital you can invest and how much risk you are prepared to bear.

With family circumstances, it can help if you have similar experiences but are not in the same life stage. Large age gaps can mean that it is assumed that the older partner has seniority, which can be a problem in itself.

Partners about a decade apart can contribute different life experiences and have different family pressures. Understanding each other’s domestic demands is vital but you will need to establish boundaries that you are both prepared to respect.

8. Other business interests

What other business interests do you and your potential partner have? How much time do these involve? A fundame question that could dictate your success is whether you or your partner have the time to spend on the business or is one party always going to be sucked into other activities?

Once you have screened a potential business partner with this list, move on to working together on a project. Then listen to your gut throughout this project phase before you seal the deal on a start-up partnership.

ABOUT THE AUTHOR

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