

Making good partners

by Lucy La Grassa



It's not just about the money

Paradoxically, business partners come together to make money and often break apart because they make money. The bottom line – partnering is not just about the money.

Most partners agree that the most important factor to a successful partnership is *trust*. Ray Chang, chairman and one of four “partners” at CI Funds, says trust “is number one.”

Agreeing, Donna Messers, president of ConnectUS Canada and editor of *Women's Business Magazine*, adds, “trust for one person is different than trust for another.”

Jean Price, partner in Clews Clothing, says that, “if you don't have trust in the person you are working with then there is no working relationship.”

Louis Sapi, Partner in Hinchcliffe Sapi & Associates Chartered Accountants, says, “too much trust can result in losing sight of things, and too little can ruin a relationship.” He further suggests that trust between partners is initially intuitive and then requires a system of checks and balances. “Complete trust evolves because systems and procedures are in place that prevent the trust from being broken,” he says. “I believe my partner, Mark Hinchcliffe, makes decisions he believes are the best decisions for the company. I trust this fundamental premise in our partnership – the partnership comes first and self-interest second.”

Peter D. Mielzynski of Peter Mielzynski Agencies, purveyors of spirits and wines for international brands, says, “Trust is a two-way street. The companies that I represent in Canada trust my judgment with how I'm going to spend their money to promote their brands and increase their sales. Trust builds up over time. My father told me 22 years ago that the most important thing that you have is your reputation. I have never forgotten that.”

How then do ethics build themselves into the equation for establishing and maintaining trust between partners?

“Ethics begets values which begets business conduct,” says Louis Sapi.

At the core of every business is ethics,

better known today as corporate governance. Professional ethics are rules and regulations that are cast in stone. It is in the application of these professional ethics that the moral ethics of a partner become challenged and manifested. This is when personal judgment about what is right and wrong takes over in business dealings.

Would ethics come between partners? “Absolutely,” says Donna Messers, “unless you know in advance that you were going to think differently on those moral issues.”

Richard Reid, partner in Succession Fund, a private equity firm, says, “In our first meeting with a prospective partner if the chemistry isn't right, there is no sense getting to the numbers. If ethics and practices are too different, partners will go in different directions.”

Chang agrees, emphasizing the second most important aspect of partnerships: everyone needs to be “facing in the same direction.” He says he and his three partners each have completely different backgrounds, but “... personal values were the first indication that we were facing the same way.”

Mielzynski and his father are still facing in the same direction and they have never had an argument. “My father started [the company] 24 years ago and at age 81, he is still chairman. We treat people with respect ... like our family. Many of the companies we represent, the shareholders, also have the same kind of culture. We understand each other.”

As for who is the boss in a partnership, Mielzynski says his father, “told me to lead by example. Whatever you tell your people to do, be prepared to do twice [as much yourself]. My father did this and I believe in it 100 percent.”

Reid says, “The leader isn't [designated]. Leadership is the guy who says he's going to do something and does it. He takes responsibility for an action. Often he is cloaked as the guy who makes himself vulnerable in order to create an agreement. He may appear weak in a negotiation just to make things happen that should happen.”

Sapi agrees. “The one who has character and is dynamic may appear to be the leader, but often it is the less obvious person who is leading.” He adds that, “Leadership can go back and forth between partners. The one who has the stronger sense in a situation, who has a better solution, runs with it. No ego.”

Donna Messers takes this one step further and says, “Leadership to me means the ability to take the lead and the ability to drop it – sort of like Canada geese. Good leaders train others so they don't have to lead all the time. A good leader has the ability to fall back and let others lead. If there's a problem they go back to the front and lead. There's no breaking formation. Everybody is flapping wings at the same pace. There's nothing harder than always being responsible for the flock.”

For other partners, who the boss is needs to be in writing at the inception of the business arrangement. Vicky Talangbayan is a former partner of Bay Medical Health Services. She says, “Organization is very important in establishing leadership, so there is no chaos or confusion for the people you are leading.”

Still other partnerships have defined roles to suit the talent, abilities and choices of each partner. Price says that she is the “mouth of the business – the front person. It inspires me to go and meet the public and new people, watching fashions and people's reactions. My business partner, Fred Perkins, enjoys being in the background.”

Chang refers “to all four of us as partners, irrespective of titles. One or more could take the leadership role in different areas, even though titles may designate one person as leader. Different factors become important at different times. We may have different points of view, but when we agree to go a certain route we back each other up 100 percent.”

Lucy La Grassa and Partner Donette Chin-Loy of La Grassa Chin-Loy Communications are currently writing a book on the 7 Factors of Successful Business Partners.