

Is your business relationship on shaky ground?

Like all meaningful relationships, finding the right person (or people) to work on a business venture with can take time. Once you do connect with a potential collaborator, it then takes a lot of patience, energy and trust to build a strong, lasting bond that's mutually beneficial for all parties.

Unsurprisingly, a business partnership can be just as complicated and challenging as a marriage. And, just like the one in three Australian nuptials that reportedly end in divorce, thousands of business relationships come to a bitter end each year – at best by dissolving the partnership, at worst by bankrupting it.

“Everyone tends to be happy when business is booming and profit is pouring in, however that quickly changes when sales start to recede,” says *Jirsch Sutherland Brisbane* Partner, [Chris Baskerville](#). “People begin to question each other the moment the business under-performs, which can quickly lead to miscommunication, mistrust, and a general skepticism regarding how much time, effort and resources the other partner is putting into it.”

Like all healthy relationships, a business partnership must be built upon solid foundations – namely trust, communication and synergy – alongside the shared goals that initially brought you together. And, the key to sustaining that relationship within the dynamic business sector is to spot the red flags that might indicate trouble looming on the horizon.

Early warning signs your business partnership is in trouble

Having witnessed more than 700 corporate and personal insolvencies, Chris has seen his fair share of bad business break-ups, many of which could have been avoided if all parties had spotted the following warning signs.

Mistrust

- Mysterious losses of monies from the bank account
- Increase in business monies being used for personal use of one partner over the other
- Mysterious losses of records
- A feeling that you are being monitored more than you should be
- One party not sticking to their promises
- Lack of accountability from your partner
- Unexpected legal agreements that you are required to sign
- Signing up for personal guarantees while the other partner is not

Miscommunication

- Not being invited to important meetings
- Surprise emails and memos that your business partner was privy to
- A feeling that ‘the wool is being pulled over your eyes’ (as in someone is trying to

prevent you from seeing the real picture)

- Not knowing where your business partner is or what they are doing
- Gaining intel on your business from third parties, rather than from your business partner

Discord

- One party wanting to seek a different direction for the business, which you oppose
- Different visions for the future
- Changes in ideology
- Silos of team members and factions beginning to develop
- No 'all for one and one for all' mentality amongst staff

"As with all warning signs, you should consider a 'cluster' (i.e. group) of signs as any one sign in isolation may give a false pretense," Chris explains.

According to Chris, what these signs represent is that one or more of the partners in the business relationship is likely to do the following:

- Run the business into the ground
- Start a new business venture (without you)
- Set one partner up for failure
- Exclude one partner from an opportunity being created
- Abandon the business

"It's important to take command of the situation – sooner than later," says Chris. "In virtually all cases, it's better to get the working relationship back on track before it implodes."

One of the most effective ways to do this is through mediation, which is designed to resolve the matter in a way that keeps the business relationship intact. A third-party facilitator creates a conciliatory environment that's necessary for opening the lines of communication, identifying common goals, and ultimately finding a resolution that works for all.

"Other advantages of engaging a business mediator or advisor is that it is immediate, costs considerably less than litigation, and results in fewer disruptions to day-to-day business operations," Chris explains.

If a conflict has reached the point where it's affecting your business relationship, take action by contacting *Jirsch Sutherland*. We have specialists all over Australia trained in dispute resolution and turnaround services so you can once again focus on the shared goals that brought you together in the first place.