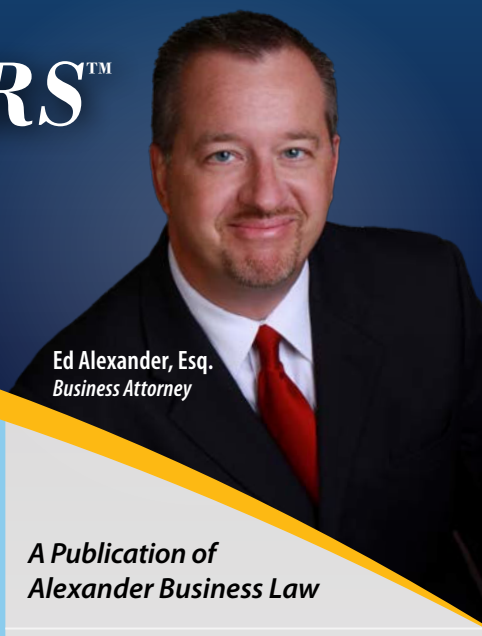
YOUR BUSINESS *MATTERS*™

Enjoy Your Business and Your Life



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To Partner *or* Not to Partner? *That is the* Question.

By Ed Alexander

Whenever I mention "partnerships" to business owners, I invariably hear groans and tales of partnerships gone bad. Many swear off partnerships period.

But, while it is true that partnerships can become problematic, the upside can be significant. Partnerships have created some of today's most valuable businesses (think Google / Alphabet). Plus, for many small businesses, adding a partner is the first step of a succession plan.

Here are six things to consider in order to create a successful partnership:

What is the business reason to enter the partnership? Retention of a key employee? Business succession? Complementary skill sets of the partners? Additional capital?

Whatever the purpose, it must guide the terms of the partnership. For instance, if the reason is complementary skills, ensuring that the partners are required to work for and provide their skills to the business is essential to a functioning partnership.

Do you and your partner have the same business goals and interests? Often, partners don't have in-depth conversations about goals and interests for fear of causing discord. But alignment of goals and interests is essential for a well functioning partnership.

For example, if one partner is looking to operate the business on a long-term basis, but the other wants to grow and sell in five years, there's no alignment. Similarly, if one partner receives a healthy salary, but there's little or no profits to distribute to the other partner, their interests aren't aligned.

Do you really know your prospective partner? For the most part, people don't change. You should expect your partner to be the same person she was in prior business arrangements. If she had three prior business breakups, you're likely to be the fourth.

Do all partners have skin in the game? Growing a business is difficult and there are times when it would be easy to throw in the towel. Having a financial stake in the business means a partner is less likely to walk away.

Is there an easy way to undo the partnership? Even with the best preplanning, a partnership can fail. Life circumstances can change people and their life goals (think divorce and new paramour). So, there must be a fair and straightforward way to unwind the partnership without relying on the partners to come to an agreement when they're not happy with one another.

And, by the way, this isn't the traditional 'right of first refusal' provision. These simply don't work to fairly split the partnership for many reasons.

— continued on page 3

FREE DOWNLOAD:

Guide to Partnerships & Partnership Agreements

In this valuable guide, learn the secrets to building strong business partnerships and the key role partnership agreements play in the success of a multi-owner business. To get your FREE copy, call **(407) 649-7777** or visit **TheGuideToPartnerships.com.**

HOW WE CAN HELP

Alexander Business Law helps professional services firms and consultancies scale and exit their practices so they can start enjoying their lives and stop doing work they no longer want to do. Attorney and entrepreneur Ed Alexander has helped thousands of business owners achieve freedom and wealth with profitable, rock-solid exit strategies. If you would like to work with Alexander Business Law to achieve the same results for you, contact us at **(407) 649-7777** or **Kim@AlexanderBusinessLaw.com**.

CLIENT SPOTLIGHT:

VALBRIDGE PROPERTY ADVISORS

Left to right: Kim Tupper, our client success manager; Richard Armalavage, Valbridge CEO; Ed Alexander; and Norm Hulberg, Valbridge senior managing director.

In September, Kim, Faith, and I attended the tenth anniversary celebration of the Valbridge franchise system in Boston – the location where a meeting of appraisers led to the company's formation.

Valbridge Property Advisors is the franchisor of a commercial real estate appraisal business, owns and operates a software-as-a-service appraisal report writing and data analysis platform, and licenses a commercial real estate information database. Valbridge is innovating in the commercial real estate space, especially with the use of technology to improve profitability of its franchisees.

Its 45 franchisees, located throughout the country, provide appraisals, consulting and expert testimony for commercial real estate matters and work for national, regional, and local banks, as well as investment advisors, accountants, and attorneys.

We're outside general counsel for Valbridge (and have been since 2011) and have enjoyed helping them develop and implement their franchise system, create their corporate structure, raise capital, finance expansion and product development, and license data and intellectual property assets.

Valbridge is a fun client for us. We enjoy and appreciate the group (management and the franchisees) and love working with such an entrepreneurial company. We look forward to working with them for many more years. □

Ed Alexander pictured with Valbridge CEO Richard Armalavage and Lawrence "Larry" Colorito, senior managing director.

THE ALEXANDER BUSINESS LAW
SCALE to EXIT Program™

Call 407-649-7777 to schedule a call with Ed Alexander

Discover how you can stop doing work you don't like, and start enjoying your business and your life.

Biking the ERIE CANALWAY and NY FINGER LAKES

I went on a bike tour for the last week of August in Upstate New York. The trip, the trails, and the weather were all great. A few of the days I woke to temperatures in the 50's – perfect biking weather.

The Erie Canalway near Schenectady, NY

Starting at my daughter's apartment in Brooklyn, she and I rode over the Brooklyn Bridge and up the west side bike trail, eventually making our way to Penn Station in Manhattan. From there I took a train to Rochester.

Like life in general, all trips have complications. On this trip, mine started just after a call with Faith where she mentioned how well everything was going. An absolute jinx if ever I heard one.

When I arrived in Rochester at about midnight, I found the hotel I'd booked and prepaid had no rooms. They directed me to go to another hotel a few miles south. I biked there and was informed they didn't have a room either. Then they directed me a few miles north. Riding late at night around an unfamiliar city when I was dead tired was difficult. At one point I biked a couple of miles in the wrong direction. Exhausted, I finally got a room around 2 am.

The complications continued the next day when, 23 miles outside of Rochester, the bike had a weird mechanical failure that I couldn't fix. I tried to get an UberX ride but couldn't in the remote area. So, I began walking back to Rochester. Luckily, after about five miles of walking a trail angel named Fred gave me a ride to a bike shop in Rochester.

Next, I got a flat as I was nearing my hotel for the second night. It was easily handled and, once completed, everything else went well.

My ride went from Rochester to a little town called Mumford, then down and along the northern edges of the Finger Lakes from Canandaigua to Geneva and Seneca Falls (of It's a Wonderful Life fame) then Auburn. Though I got quite a workout from the hills in the area, the scenery was beautiful and the riding enjoyable.

After Auburn I made my way back to Syracuse and rode east on the Erie Canalway. In contrast to the Finger Lakes, the Canalway is flat. A couple of days later, I took the train from Albany back to Manhattan.

I love Upstate New York and seeing it from the seat of my bike at 13 miles per hour was even better. The people are biker friendly, the roads have ample space, and the trails are well designed and maintained. Plus, there are plenty of interesting little towns with food, restaurants, and hotels. Overall, I highly recommend the Erie Canalway if you're looking for a bike tour adventure. □

QUOTE OF THE MONTH

"If you really look closely, most overnight successes took a long time."

STEVE JOBS

— continued from page 1

To Partner or Not to Partner? That is the Question.

Should the partners participate in a comprehensive guided discussion to create the terms of the partnership? Though partners will often consider some of the more common issues that should be addressed, an in-depth discussion leading to a comprehensive partnership document creates the greatest chance of partnership success because it ensures that partners have discussed the crucial issues and, should something not work, there will be a structured way for the partners to split and protect the business.

A comprehensive guided partnership discussion is what we provide in the Partnership Design Session. If you're considering a partnership, **call 407-649-7777** to learn how we can guide you and your partners through a comprehensive partnership terms discussion to create a long-lasting protected partnership. □

– Ed

The ***Your Business Matters***™ Newsletter is a publication of Alexander Business Law. This publication is intended to educate the general public about business law and other issues. It is for information purposes only and is not intended to be legal advice. The information in this newsletter may be freely copied and distributed as long as the newsletter is copied in its entirety.

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THANK YOU FOR YOUR REFERRALS!

This month, we'd like to thank **David Cohen** for believing we are the right firm to help his friends and business colleagues. Your support gives us the ability to reach more individuals and make a positive difference in their lives. If we can help anyone you know that needs our services, please send them our way!

A Personal Message From Ed Alexander

While we were in Boston enjoying the cool weather, we got the opportunity to tour the iconic Fenway Park as pictured here. With fall upon us in Florida, festival season is beginning, and the weather is perfect for outdoor activities. So, be sure to get outside, go to an Octoberfest celebration, and enjoy the best time of year in Florida!

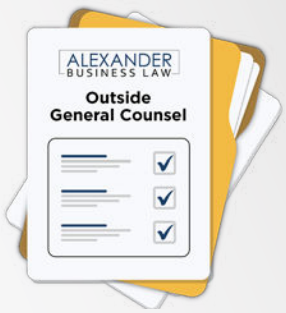
– Ed

Should Your Company Engage Outside General Counsel?

Outside general counsel acts as your business advisor, providing you with guidance, education, and advice to help you create well thought out, documented, and profitable business relationships, and develop short and long-term strategies to meet your business goals and address legal risks.

Benefits of Our Outside General Counsel Program Include:

- ✓ **Long Term Support to Scale Your Business and Solve Business Legal Problems.** Integrated legal support that is based on an understanding of your business goals, practices, and arrangements. We take a holistic approach because we know where you're at and want to go. We tailor our advice to your situation because we understand your business and its history.
- ✓ **Identification of Risks and Implementation of Corrective Actions.** Legal issues are addressed so you can have peace of mind and focus on the big picture of growing your business.
- ✓ **Problem Prevention.** Outside general counsel relationships help mitigate risks as they arise – problems are addressed early when they are typically easier and less expensive to solve. Many legal problems can be avoided by consistent communication with an attorney who is readily accessible, understands your business' legal situation, and can provide proactive advice to minimize the extent of legal problems.
- ✓ **Time and Money Savings.** A predictable monthly investment that can be budgeted, rather than unpredictable hourly rate invoices.



Apply Today to Join the ABL Outside General Counsel Program

Alexander Business Law is accepting a limited number of applications from qualified businesses to join this unique program. To see if your business qualifies, call us at **407-649-7777**. We will discuss your business needs and decide together if membership is right for you.