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In forming business partnerships, learn to identify trust, confidence

By Ed Brenegar

REAL LIFE LEADERSHIP

Question: Is trust the most important value in business relationships?

Answer: At a recent meeting I discussed this question with two business partners. As important as trust was to these two partners, having confidence in the other's ability was equally important. Trust and confidence: These are two important ways for measuring how our relationships in life and business are doing.

What is the difference between trust and confidence? What is their significance in a business partnership?

The way these partners described the difference is insightful and helpful. Trust is how we feel about the moral character of a person. We trust them to be honest and hard-working, to do what is best for the business, and to be forthright and caring in their interactions with people. When we trust people, we expect commitment and perseverance in working through the challenges and difficulties of growing a business.

Business partnerships are some of the most difficult relationships to manage. There are always opportunities for trust to be destroyed by selfishness, indifference or simple stubbornness. Trust is an essential condition for a healthy partnership. Trust is the product of respect. When we respect one another, we believe that everyone will bring his or her best to the company every day. We believe in everyone's dignity and value to the company.

While trust is a measure of moral character, confidence is a different type of judgment. Confidence is our belief in the competence of the other person to do his or her job. As one of the partners expressed it, we can trust someone and still feel he or she is the wrong person for the job. In this sense, confidence is just as important as trust: You are not just putting the business' ethical environment into your partner's hands but also the very functioning of the business. This is an important distinction.

Let's look at this issue from the perspective of establishing a business partnership. This means that the person you choose as a partner must be trustworthy and competent. A successful business partnership involves more than just shared goals and values. Together, you have to be able to establish the business and make it work.

The partners I talked to described the experience as a change of identity. When you stop being an employee and become a business owner and partner, you have the responsibility for resolving all the business' problems and conflicts. As a result, trust and confidence are essential.

If you are considering starting a business partnership, know well the people with whom you align your financial future. Make sure they are not only trustworthy, but also that they deserve your confidence.

Do your best to determine whether your personalities complement one another and whether your partner brings talent and skills that make the difference between business success and failure.

This is the opinion of Ed Brenegar, president of the Community of Leadership, a leadership development and transition-planning consultancy. He writes the Leading Questions blog at <http://edbrenegar.typepad.com>. Send questions to him at ed@edbrenegar.com.