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## When forming a partnership, make sure roles are clearly defined

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**Question:** Our company is joining forces with another firm to provide services to a third company. Our two companies provide different services and do not ordinarily compete for the same projects. What advice could you offer regarding how we should organize this partnership?

**Answer:** It is absolutely essential that both companies are clear about the scope and substance of the project, especially each company's responsibilities. Clarity of understanding is a communications task, and communication is where most partnerships begin to fail.

Begin by examining your perceptions of what constitutes the project and each company's roles and responsibilities.

Ask yourself, "Do I understand what is expected of our company to complete this project?" If you have any doubts, then you need to talk some more.

Your project plan should identify specifics about the time frame, sequence of steps and expectations for performance. If you do this, it will be more likely that the project will be completed on time and within budget.

The key to an effective negotiation is for both of you to work toward what is mutually beneficial. If you or the other firm plays a game of cutthroat, you'll both be sorry. When a partnership agreement is equitable for both sides, many of the conflicts that plague partnerships can be alleviated.

There are three pitfalls to avoid:

First, avoid being the nice guy and accepting responsibility for work that should belong to the other company. Your division of responsibility should be clear, mutually acceptable and fairly compensated. Second, avoid basing your perception of progress on the assumption that your partner will work as diligently as you will. Unless you have worked together before, assume that you need more information on the other company's progress than you typically would get. This is an issue of communication and accountability.

In your negotiation to become partners, discuss how you will be mutually accountable to one another. In many partnerships and businesses, the word "accountability" incites passionately negative reactions. At issue is your ability to trust one another. If you can, then you can establish a process for holding one another accountable. It is important that you establish agreement before you begin. It will save you both headaches in the long run.

Third, avoid ambiguity: Be clear about what must be done and who is responsible. Avoid making commitments in which the conditions are ambiguous.

Treat every "if-then" agreement — "If we are ahead on time and money, then ..." — as a commitment that you will have to fulfill. Adding possible situations creates confusion and creates a temptation for the project to grow beyond its budget and time frame.

In negotiating any type of partnership agreement, make sure that you are absolutely clear about roles, responsibilities, compensation and performance expectations.

Do this, and you'll find your partnership experience a successful one.

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](mailto:ed@edbrenegar.com).