

CAN THIS BUSINESS PARTNERSHIP BE SAVED?

Get the Facts on The Table
By Using This Guide to
Know Exactly What to Do
Next, So You Don't Lose
Your Shirt or Your Business.

*Lorraine and Rob McGregor,
Co-Founders, Spirit West Management, Ltd.*

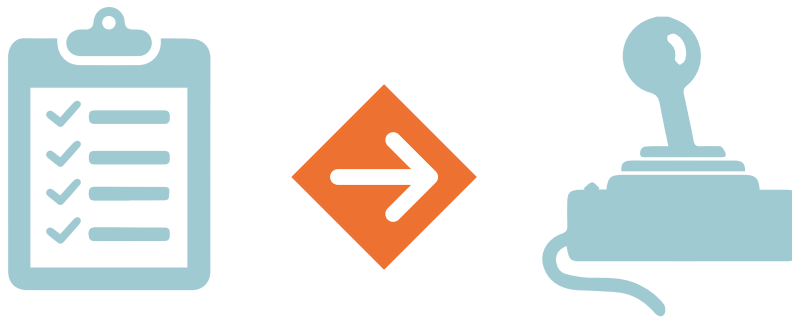
Is It Time To Split With
Your Business Partner?

SPIRIT WEST MANAGEMENT, LTD
BUSINESS PERFORMANCE PEOPLE

Take the Quiz, Then Read the Guide To Take Control:

When you got into business together, you and your partner had a clear vision, an iron-clad agreement, and were ready to pour your hearts into building it.

If you are reading this we are going to assume that your partnership maybe on the rocks... or your doubts are keeping you up at night. You need to seriously know if you have a future together. You want to know if this partnership is worth saving... or would you be better off just walking away from it all.



Let's get the facts on the table so you can take control and stop waiting for change.

With this guide, you're going to be able to face what's really broken and what's worth fixing ... just by answering a few questions.

Who We Are

Spirit West Management, my company, is a partnership. My husband, Rob and I cracked the code on making it work. Business owners have counted on us to rejuvenate or gently disentangle their partnerships since 1990.

Yes, our clients are still talking to each other on the other side of this gut-wrenching situation:

We know the short cuts you can afford to take and the landmines essential to avoid ... without grinding it out for months feeling like your pocket is about to be picked.



SPIRIT WEST MANAGEMENT, LTD
BUSINESS PERFORMANCE PEOPLE

HELPING BUSINESSES GROW TO THE NEXT LEVEL

Instructions

There are 2 Sections.

Complete Section 1 before going to Section 2.

Once you have completed both sections, the answer key will be your guide so you can laser in on what to do next.

To get started read each statement in Section 1 first.
Then go back and grade your answer on a scale of (1) to (5)

1

None Or Never

2

Occasionally

3

Sometimes

4


Often


5


Always


SECTION ONE


ABOUT YOU AND YOUR PARTNER – CAN THIS BUSINESS BE SAVED?

1  My partner and I follow an agreement as to who makes the final decisions. 1 2 3 4 5

2  I trust my partner's ability to make good decisions. 1 2 3 4 5

3  I trust my partner's ability to take action and complete agreed to projects. 1 2 3 4 5

4  We have weekly meetings. 1 2 3 4 5

5  My partner listens and gets curious when I speak. 1 2 3 4 5

*(Continued)***SECTION ONE****ABOUT YOU AND YOUR PARTNER**

- 6  I listen and get curious when my partner speaks. 1 2 3 4 5
- 7  The role I have fits well with my strengths and interests. 1 2 3 4 5
- 8  The role my partner has fits well with his or her strengths and interests. 1 2 3 4 5
- 9  We are able to go to dinner and meet socially. 1 2 3 4 5
- 10  I feel hopeful and excited when I think about being in this partnership and this business three years from now. 1 2 3 4 5

SECTION TWO

ABOUT YOUR BUSINESS – CAN THIS BUSINESS BE SAVED?

For the next three questions grade each statement either:

1

Declining

2

Flat

3

Increasing

11



Based on our revenue or sales growth year over year our company fortunes are:

1 2 3

12



Based on what we each took home last year in salary and/or dividends our personal fortunes are:

1 2 3

13



Based on our industry, market niche and number of new and returning customers, the market for our products, solutions or services is:

1 2 3

Answer Key

INSTRUCTIONS

SECTION ONE EXAMPLE

For questions 1 through 10, total up your responses. For example, if you answered all ten questions with (1) none or never your total would be 10.

| | |
|-------|---|
| 1 | 1 |
| 2 | 1 |
| 3 | 1 |
| 4 | 1 |
| 5 | 1 |
| 6 | 1 |
| 7 | 1 |
| 8 | 1 |
| 9 | 1 |
| 10 | 1 |
| <hr/> | |
| 11 | 3 |
| 12 | 3 |
| 13 | 3 |

10

9

SECTION TWO EXAMPLE

Next, total up your answers for questions 11-13. For example if you answered all three questions with (3) increasing, your total for this section would be 9.

! Write down your totals for both sections.
You don't need to add them together.

THE BUSINESS PARTNERSHIP GUIDE: WHAT YOUR ANSWERS MEAN

SECTION ONE

ABOUT YOUR PARTNERSHIP: INTRODUCTION



Using your total for the questions you answered in Section One, find the range that corresponds with how you ranked the answers:

- ❶ Total 10-20 – **The Ledge.** *The interpretation of this range starts on page 8.*
- ❷ Total 21-40 – **The Daily Grind.** *See page 1 .*
- ❸ Total 41-50 – **The Possibility of Hope.** *See page 1 .*

Total 10-20 THE LEDGE:

We call this perspective about your business partnership The Ledge because partners we have worked with, in similar situations, feel trapped.

On The Ledge you may feel hopeless and/or helpless to know what to do to get the future you really want. You may have tried many strategies to come to a new understanding with your partner and the results didn't stick. Perhaps you fear disappointment and so have stopped hoping for change.

With the strategies we are about to show you, you can regain your hope, your influence and even possibly your partnership, if you make some changes first yourself. When you take the first step to change, you start to feel in control again, because these strategies help you reclaim your sense of power.

In Figure 1, (see the next page) 'The Path of Change' is the first step of a 3 Step System which helps you identify why you have partnership friction and how to fix it. The 3 Step System involves (1) identify what's changed, (2) stop casting each other in Triangle Roles and (3) become clear about your own desired end result. Let's start with Step 1. Looking at the diagram, note where you are on the path of change."

You on the other hand might be the character stuck on the Ledge or attempting to scramble back up. Neither can go back up and notice they can't 'see' a way down. Is this your experience?

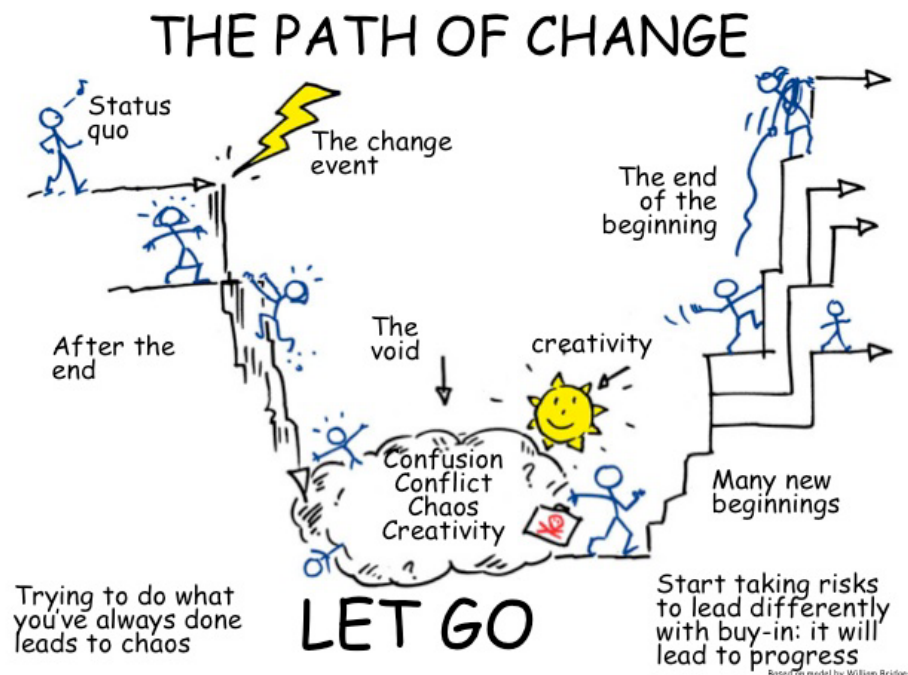


FIGURE 1

For instance: statement 1 asks “my partner and I follow an agreement as to who makes the final decisions.” Think back over the last year or two and compare how you make decisions now vs how you made decisions together when you first started out in the business. Note what has changed. Note what aspects of your decision making process are effective and satisfying and what drive you nuts.

Each of these statements that you ranked, points to a red flag that this way of managing together isn’t working any more. How you manage your business has changed. Your first step is that you need to acknowledge the flags. It’s time to make changes so your process of decision making works properly so your business keeps improving.

You may be stuck on the ledge hoping for change, but not sure whether you should let go and move forward, or scramble back up to rebuild what you may have lost. Recognize the best path forward is to let go of the past. You may have a chance to refresh your partnership if both of you are willing to change... But don’t push to get back to the way it was before the partnership slid sideways. You may already realize there is a fair bit of resentment between you that makes it hard to keep moving forward. Or to even want to. So given your low score rating ranking of this partnership what can you do next?

You have two choices:**RE-COMMIT**

Both you and your partner can commit to learning new communication skills by mastering the 3 step system to take back control, coupled with applying new rules of engagement (see the last section of this guide) about how and when to talk together,

OR**SPLIT UP**

If one of you won't step up, or there is too much water under the bridge from too many years of communication breakdown ... acknowledge what has changed: you know you are done. Next you need a plan to come together to finalize the end... in a way that saves your business and your investment. No, We don't mean get a lawyer quite yet.

How did you get stuck on the Ledge? Something big changed for you. You had an experience, a realization or a steady drip of disappointments that made you start to doubt, question and stress about where this business and your partnership are going. That line of questioning and the desire for something better, different, more of or less of the kinds of interactions you now tolerate each day leaves you in 'The Void': after the end and before the beginning of a new way of managing.

The Path of Change is the first of three steps that help you get back in the driver's seat of your partnership.

Step 1: Acknowledge What's Changed (See Figure 1)

Step 2: Stop the Triangles (See Figure 2)

Step 3: Choose Your Desired End Result (See Figure 3)

Our 3 step system helps you gain perspective so you can see the habit patterns in your way of communicating that keep you stuck in the reaction cycle... where one of you has to be wrong so the other person can be right. Or to shoot down ideas before they are even fully explored. Or to defend territory in order to feel good about the job being done.

When you engage the tools in each of these 3 steps, you can manage how you want to react. It's like you are able to slow down the world around you and choose your next move based on what you don't want. Reacting takes you to what you don't want.

Step 1 is to Acknowledge What Has Changed. To do that, make a list. Use the statements in Section One as your guide.

COMMITTED TO WORK TOGETHER?

Everyone can learn to use the 3 Step System, the tools to create engaged and responsive communication. But not everyone wants to put in the time to learn how to change their communication habits. As you learn more about the 3 Step System in this Guide, you'll discover how it can help you to become mindful so you refresh your interactions. Then you're not reacting to each other.

For example, in Section 3, you'll learn about how to set up Simple Rules of Engagement, like choosing to get curious about what your partner actually means, as a way to interrupt the reaction habit (like when you think you know what they are about to say and attempt to predict it). Asking a question to gain clarity helps you both feel more respected, heard and valued.

Did you rank statements 5 and 6 low? Then you have to become mindful to break the reaction habit, because these two attributes are essential to make partnerships work. These examples help you consider what is involved in re-committing to your business partner.

You may be thinking at this point "**How do I get my partner on board with re-committing?**" First you have to take back control of your own communication by using the **3 step system** (acknowledge change, stop the triangles, desired end result) so you stop reacting and start enacting what you do want.

How do you do that? Now that you've made your list of what has changed (Step 1, Figure 1), you are ready for Step 2, Figure 2, The Triangle. Consider that you may be casting you or your partner in any of these roles - villain, victim or hero, just like the stories that grab our attention on TV and in books. When you see another person as a villain or feel victimized by their behavior, attitude or tone of voice, you can get trapped in a vicious circle. You may feel the urge to 'rescue' yourself from your partner so take on the hero role.



In turn, your partner may feel victimized by your hero efforts and see you as a villain. Then you feel like a victim because you did not intend your actions to be villainous. This Triangle cycle poisons relationships and makes the real issues you are trying to deal with murky, confusing and poorly understood. Triangles are massive time sinks because you are locked into reacting patterns, rather than considering what you really want.

Instead, of trying to be the hero, step into Observer Mode, so that you can unravel who is playing what role. By observing the action, rather than reacting, you gain influence with your partner. By stepping out of The Triangle, you stop waiting for your partner to make the first move to take responsibility to change. You make the first move, and that's how you get back in the driver's seat.

THE ROOT OF ALL STORIES – THE TRIANGLE An obstacle to Partnership Success

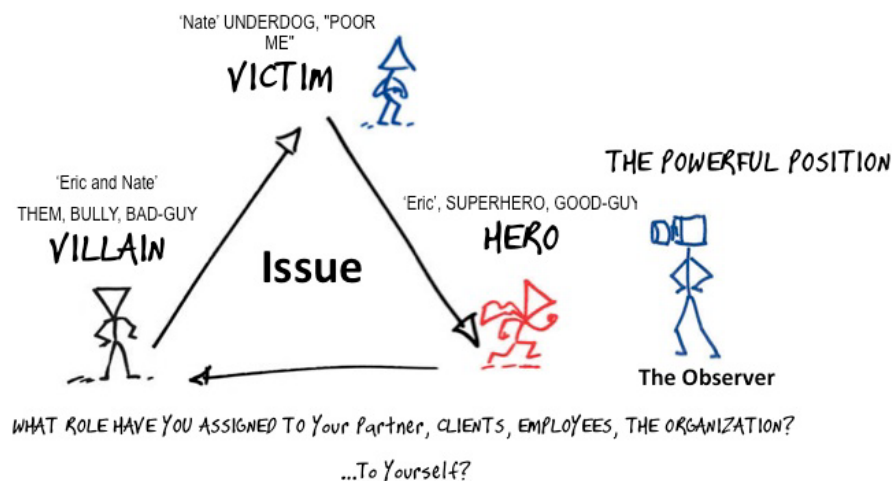


FIGURE 2

If you can see Triangles in your relationship, you may want to book 2 hours with Rob so you can un-hook from the roles and get clear about what you really want. That's the key to having influence. You can

Order your session here

<https://partnership.spiritwest.com/order4313531>

During your session you can practice using the 3 Step System so you can engage your partner with confidence, rather than old habits that get you what you don't want.

Then you will be prepared with a game plan and will have practiced using these three steps before you engage your partner in a discussion about your future together.

Then invite your partner to watch the video you watched before you bought this guide, by sending him or her to this link. He or she can request the video here.

<https://partnership.spiritwest.com/get-video-access>

If your partner doesn't accept your invitation to watch this video, he or she might not be ready to make changes yet.

Step 1 & 2: Commit to changing your own behavior and reactions anyway.

Step 3: Plan your desired end result anyway. Start taking steps toward it.

As you stop reacting, and keep it up over a period of weeks or months, your partner can't push the same buttons anymore! Your change in behavior will change the way you interact. Then your partner may acknowledge that what you learned here in this Guide and in the video is worth paying attention to. This is your moment to act: Send him or her this link again.

If she or he still doesn't respond, remember waiting any longer for your partner to change is the worst thing you can do. Stay your course: Get the support you need to pilot yourself and your business to the future you really want. Yes, your partner will make his or her own choices along the way... probably in reaction to your choices... that's your new influence at work.

Is your partner showing interest? Did he or she follow up and watch the video? Did your partner pick up this guide too? Then you know she or he has started to invest in making changes that could support both of you re-committing to the business and the partnership. Your next step is to suggest you each have a call with Rob, separately. Rob know the right time to bring you together for a fruitful discussion about your future together... or how to split on good terms so you don't ruin the business on the way out.

TIME TO SPLIT UP?

In any partnership dispute, the general consensus is that the other person started the whole thing and/or is the cause of the current perception of what's wrong. In our experience, the bad news is that no one person started it. Business partnership pain starts with unchecked assumptions, un-spoken expectations, un-managed growth in organizational roles and systems, and unclear communication around agreements about how decisions will be made. On top of that, there are multiple perspectives that all add to the truth, rather than one perspective that is the correct accounting of all of these rear-view mirror events.

Which is why we suggest that hoarding baggage from the past about who said what, who started it and who is to blame only keeps you stuck on the cliff of change, unable to retrace your steps or regain your sense of control.

This is especially true if you want to come out of this split with your integrity intact, bitterness at a minimum and with a clear path to regaining your financial footing. Orchestrating this split with a minimum of fall out requires self-management.

If your partner has not made an effort to watch the video, and get this guide, despite your invitations, then you need to choose how you want to preserve your investment in your company. If you are but your partner is not, you can still get a better result than you had feared. Splitting up is the right thing to do when the business has a shaky foundation, a poor business model and your partner is not willing to practice self-management.

Sizzling resentment from too many years of communication breakdown ruins businesses by creating a toxic culture. Employees can't be productive or perform in that atmosphere... And neither can you. So stop expecting it to get better.

If your partner has not made an effort to watch the video, and get this guide, despite your invitations, then you need to choose how you want to preserve your investment in your company. Setting your own course helps you build up your power and influence and makes it difficult for your partner to derail you or your new direction.

HOW TO SELF MANAGE USING THE 3 STEP SYSTEM.

1

CHANGE: Start by Acknowledging What Has Changed. To do that, make a list using the statements in Section One as your guide.

For instance: Statement 3 asks “I trust my partner’s ability to take action and complete agreed to projects.” Think back over the 2 years. Note what has changed. Note what aspects of your agreements to start and complete projects are effective and satisfying and what actions try your patience. Your business has outgrown your project management system.

Each statement you ranked low in Section One points to a red flag that this way of managing together isn’t working any more. You need to acknowledge these flags so you can see clearly how your business has changed.



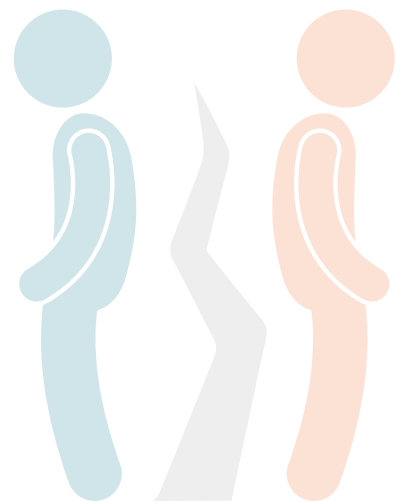
2

TRIANGLES: Realize where you have assigned your partner and yourself the victim, villain or hero role. Step into Observer Mode.



3

Results: What do you think about when you think about your partner, how you work together and what employees notice about your interactions? These are your habits. Look at the diagram in Figure 3 on the next page. This is the 3rd Step of the self-managing: Getting Clear on Your Desired End Result.



Setting a new desired end result is the 3rd step of this 3 Step System. When you practice using all 3 steps, you are able to self-manage, which is exactly what you need to allow for change to take place between you. Self-managing breaks the habit patterns that have eroded your partnership communication.

Learn to self manage so you don't continue to react to your partner. You need a clear head to lead the plan to finalize how the business will move forward without one of you or both of you.

And no, it's still not time to call a lawyer. After you've set a new course for yourself, you and your partner have to work out a new desired end result for the company and how you will split in a way that preserves value and both your interests. Don't let the lawyers decide how you should end it! Having lawyers take control BEFORE you've decided what you really want casts your fate. You'll find this process even more painful, embarrassing and expensive than your partnership already is.

You will get even more insight into how to use the 3 Step System by reading the Daily Grind and Possibility of Hope Sections, even if your ranking places you on The Ledge.

But before you figure out what your plan should be (buy out, sell or close) read the answer guide for Section Two.

SECTION 2
Page 21

Total 21-40 **The Daily Grind:** based on your ranking, your opinion on your partnership shows you've got some baggage here which grinds on your nerves and adds to everyone's stress, including your employees. The grind wears down your passion for the business and productivity.

What's your next step? Well there's good news here. Your willingness to make changes in how you communicate and manage your reactions will go along way to clearing up several of the items you've identified as problem areas... if you are the first to step up to the plate to make changes.

Assuming you want to re-engage your partner and get off the grind, here's how to get started:



1

CHANGE: Start by Acknowledging What Has Changed. To do that, make a list using the statements in Section One as your guide.

For instance: Statement 3 asks “I trust my partner’s ability to take action and complete agreed to projects.” Think back over the 2 years. Note what has changed. Note what aspects of your agreements to start and complete projects are effective and satisfying and what actions try your patience. Your business has outgrown your project management system.



Each statement you ranked low in Section One points to a red flag that this way of managing together isn’t working any more. You need to acknowledge these flags so you can see clearly how your business has changed.



2

TRIANGLES: Realize where you have assigned your partner and yourself the victim, villain or hero role. When does it kick in most often? What role do you take most often? Spend a day watching the dynamics in your office and on TV... who is playing what role? How does that change the nature of the conversation? What happens to productivity, appreciation and action when the Triangle shows up? Step into Observer Mode.



3

RESULTS: What do you think about when you think about your partner, how you work together and what employees notice about your interactions? These are your habits. Look at the diagram in Figure 3 on the next page. This is the 3rd Step of the self-managing: Getting Clear on Your Desired End Result



What Do You Think About?

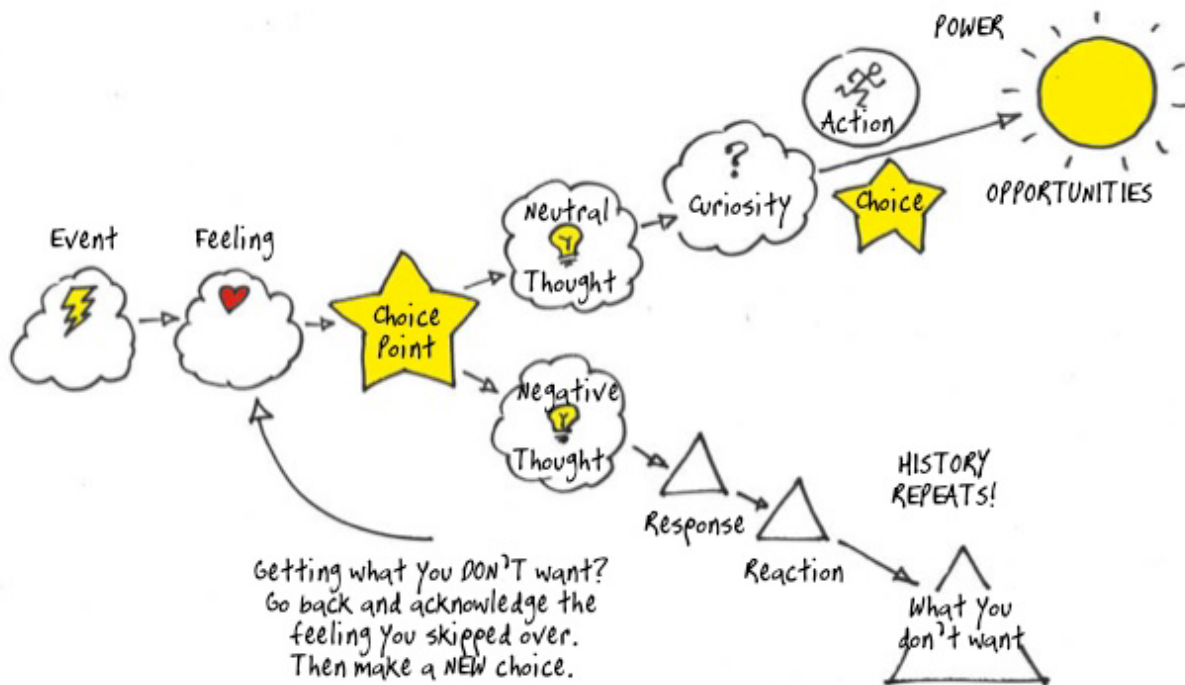


FIGURE 3

Every partnership benefits from having explicit, out in the open, rules about how you will engage each other. Committing to using that structure saves you time, money and hassle. It activates self-responsibility to self-manage, no matter what adventure you are facing.

To be intentional about using your rules, you want to have the practiced self-managing outside of the Triangle, because we all end up there without regular use of that muscle. You want to amplify your awareness of the Triangle so it is part of your muscle memory. Create a new muscle memory for yourself....We call it Observer Mode.

Practicing is your responsibility: your partner can't change his or her communication style until you pay attention to yours. It only takes one person to change for everyone else to feel the ripple effect.

You will get even more insight into how to use the 3 Step System by reading the Possibility of Hope Section, even if your ranking places you on The Ledge or The Daily Grind.

Total 41-50 The Possibility Of Hope:

Ok, good news. So your partnership isn't as rocky or bad as you had thought, based on your ranking. But you obviously have reasons for concern that wear away at your passion for sticking it out. Which one of those questions really is your primary sticking point?

Your partnership could be saved IF you and your partner start re-thinking your roles, hiring or re-defining your employees roles to fill the gaps and working to your individual strengths. Then start meeting regularly, use the 3 Step System and listen to each other in the same way you want to be heard. Simple, mindful habit changes that yield game changing results.

What's your next step? Your willingness to make changes in how you communicate and manage your reactions will go a long way to giving your partner hope too.

Invite your partner to watch the video introducing him or her to the 10 questions you just answered in this guide. If he or she steps up to the plate and comes back having the realizations that you just had, and also answered the questions in this guide, then its time for the two of you to meet together to learn how to clean up the items you've both identified as problem areas.

Invite Your Partner to Watch The Video

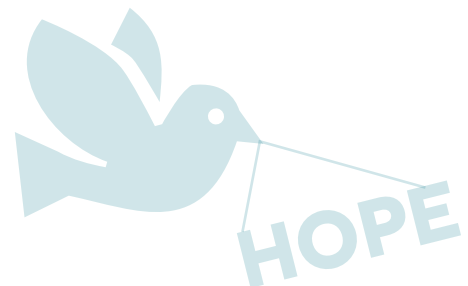
<https://partnership.spiritwest.com/get-video-access>

Why do we suggest inviting your partner? An invitation offers people a choice. It's not an ultimatum. An invitation says "hey, I've looked at this and found value. I think it might help us. I'm willing to give it a try. Let me know if you want to as well." Just the act of inviting your partner to try something different is a brilliant way to show him or her you are committed to changing your half of the equation.

The magic in this option is that when you change the way you react and what you talk about, your partner can't play the old game with you. You have all the influence when you use the power of influence, which is the reward of using the 3 step system.

Assuming you want to re-engage your partner and set up the possibility your partnership will be saved, here's how to get started:

But Before you decide if the rules of engagement are what you need next, read the answer Guide for Section Two.



How To Self-Manage Using the 3 Step System

1



CHANGE: Acknowledge what has changed. You have. Your interests have. You have increased your willingness to notice what specifically leaves you feeling less than committed to keep working together. Look back at the questions in Section One identify the top two you ranked the highest. Make a list of all the things you could change regarding your top two pet peeves so you get the result you really want. See the last section for ideas on how to set up different rules of engagement to see if these ideas might do the trick... assuming you've noticed that your old rules of engagement... or habits chronically set you up for Step 2, next.



2



TRIANGLES: Thinking about your top two pet peeves, are there any Triangles involved? Think of particular situations or settings where your top 2 issues spring to life: who is playing what role in the Triangle? Who initiates the Triangle? Who bites the hook? Realize where you have assigned your partner and yourself the victim, villain or hero role. When does it kick in most often? What role do you take most often? Spend a day watching the dynamics in your office and on TV... who is playing what role? How does that change the nature of the conversation? What happens to productivity, appreciation and action when the Triangle shows up? This homework gives you great practice to Step into Observer Mode.



3



RESULTS: What do you think about when you think about those two top ranked issues? Who do you blame for it? These are your habits, not your choices at work. Notice your **SIX LANE HIGHWAY OF HABIT** with each other, and when you pass the choice point, so you see how your reactions to your thoughts/feelings fuel assumptions... which then start up the Triangle roles all over again. Instead, think about what you do want, your desired end result. How do you want these two pet peeves to change? What could you do differently to get that result? Think about one thing you can do to start the ball rolling, even if no one else notices. Focus on that result instead. Notice you always have a choice. Take it.

SECTION TWO – ABOUT YOUR COMPANY'S OUTLOOK

Introduction

Now that you have identified some of the changes that have made your partnership a struggle, it's time to find out what's going on in your business. You need to know whether it's worth investing more of your time, money and energy into this partnership.

We have divided the ranking results into three ranges. Based on your total for Section Two, where does your business rank?

1. Total 3-4 **A Bleak Future:** Starts here on page 21
2. Total 4-6 **Pandora's Box:** Starts on page 23
3. Total 7-9 **The Climb:** Starts on Page 28

You might want to read all the sections to help you gain greater insight into why the financial and productive health of business is tied to the partners' communication effectiveness, their mindset and their ability to self-manage in the face of change.

TOTAL 3-4 A Bleak Future:

If the business isn't thriving AND neither of you are committed to making it thrive because of these partnership issues you identified in Section One and/or neither of you wants to grow it to the next level, it might be time to shut it down before more losses and hurts stack up.

Painful as this is to contemplate, you don't want to throw more money into sunk costs that will never give you a return.

The Sunk Cost Trap is a well studied psychological phenomenon: you have invested in something that you don't want to lose out on, and you're afraid that if you don't keep investing you will lose the original investment. The sad truth is that the worst decision to make is to keep investing in a lost cause.

We humans fall into the sunk cost decision trap when we are in the Victim place waiting for someone else to change or something magical to happen. Waiting is killing off any goodwill you have left to get out while you can.

A business that isn't doing well financially may not have the right business model and/or internal systems to support delivering your offering at a profit. And if the partnership is also struggling, it is hard to envision the business surviving. But then, we would need to examine the details about why you see your business profits declining.

You have to be willing to fix the partnership so you can communicate about how to save the business. To be successful in business, you've got to have a product or service in demand delivered in a way that solves a real problem for a specific market.

Stand in Observer Mode so you can look at your company objectively: if sales are in decline, and profits uneven or non-existent, the problem could be with your selling proposition. Do you really have a killer offering that your market niche needs and wants? Doubting your company's value, or fighting over how to deliver that value could also be what started the domino effect on your partnership.

Maybe this is what you can both agree on as being the root cause of your problem: neither of you has nailed how to make your business something people want to talk about. You are at a crossroads: you have invested time in reading this guide, looking for a solution to the discomfort you have about your partnership... and you know your business is unstable. You don't want to step back from this crossroads and wait any longer, you've got major profit leaks and you need to stop them before they swallow your investment.

Decide to get appropriate help now to:



TOTAL 4-6 Pandora's Box:

There are a lot of moving parts in this box. Some maybe good, some challenging and some may be out of your control. Let's talk about what you can take control of. Has your business always had an unpredictable history? If you've got loyal fans and make less than a 35% gross margin, you may have hidden profit leaks. It's time to get help to spot them and fix them.

Is it worth your investment to track them down? Only if you scored at least 30 on Section One. How come? You have to have open lines of communication without fear of blame to be able to talk about what is going on in the business. Is blame floating under the surface because of your financial troubles?

Let's put a big idea on the table right now: most business problems are systemic in nature... meaning that the solution involves making changes in process, agreements between departments and possibly adding or changing responsibilities... meaning that it is not any one person's fault or any one person's sole responsibility to figure out and repair.

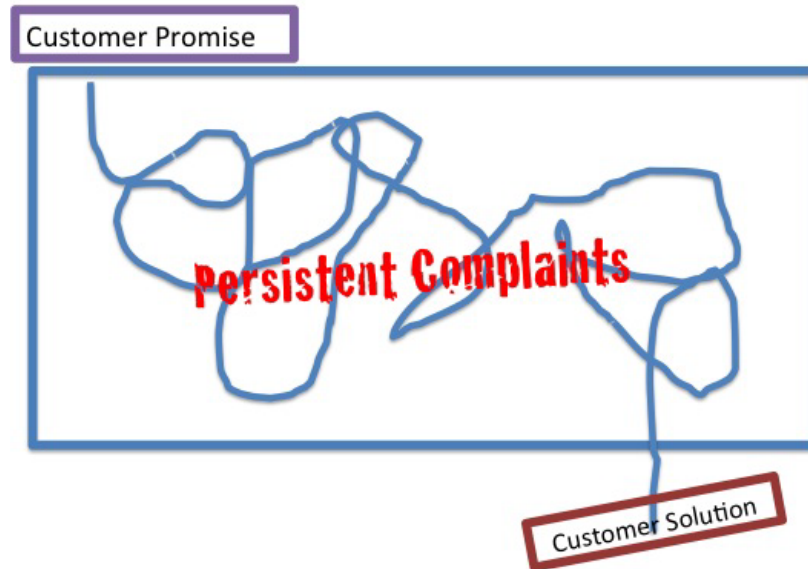
Yet we all find its easier to point a finger than figure out the root cause. But this habit is what leads to partnership problems... unpredictable profitability... and a lousy return on your investment.

You can imagine that it is far easier to manage a company that has a clear path from customer promise to customer delivery. Your partnership pain may also stem from how hard it is to manage the convoluted pipes in your operation.

Look at figure 4 on the next page. Think of a business like a series of pipes stemming from the promise made to the customer, on into your organization and out the other end. If the customer got what was promised, they reward you with money and loyalty. If those pipes don't line up between departments or have a tortured path through your organization because people aren't sharing information in the right way, in the right time frame, and in a way that can be processed for success, company performance and productivity remain plugged up. Profits drip away.



Profitability Leaks Thrive in How the Organization Functions & Shares Information



Fixing the Leaks Straightens the Pipes Making Growth Possible

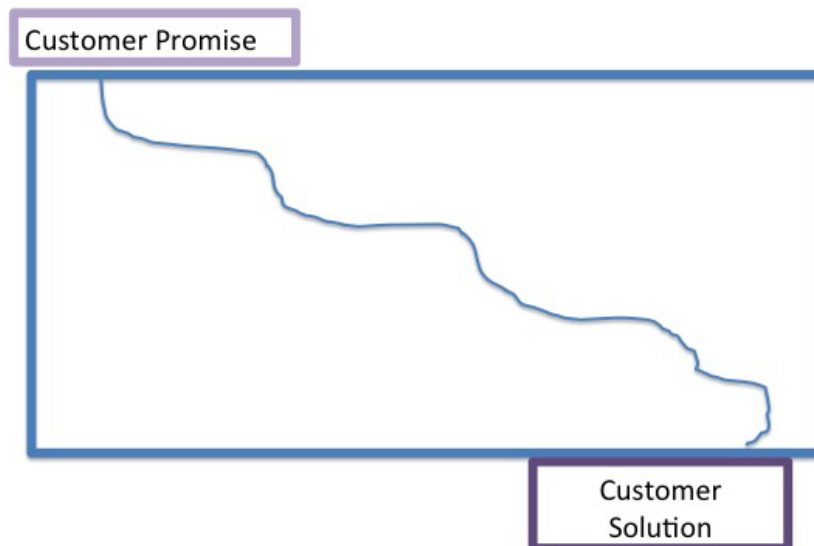


FIGURE 4

You will want to have your concerns about how you and your partner relate to each other ironed out, first, before you start repairing the leaky pipe issues. Otherwise you risk a repeat of the arguments you've had about who is right about who is causing the profit leak, rather than what combination of systemic, role and information flow gaffes are contributing to the leaks.

PANDORA'S BOX: Here's the plan to get started so you can stop waiting for change and back in the driver's seat so you can steer toward the result you really want:



READY TO SPLIT UP?

THIS IS HOW TO DO IT CAREFULLY, SO YOU DON'T BREAK THE BUSINESS AND EACH OTHER IN THE PROCESS

→ **6 BUY-OUT OPTIONS**

Think about what's in the best interests of the business: then this plan will be in your best interests too



Option 1 You still leading the business, but without a partner.

Hire for the empty role. Buyout your partner. Where do you get the money? Don't have it yourself? If your company has the cash flow to pay debt and has a growth plan in place, you may qualify for a management buy out loan... the debt pays out the partner leaving. The bank will do a valuation to base their loan on. If you've got unpredictable cash flow, you'll be paying a higher interest rate but your valuation will be lower (cash flow problems reduce valuation) so the loan will be lower too. If the business has yet to make a profit, there is very little value in the company. Sad but true, are you left without buyout financing options? Then recognize the value isn't there to be split up. Agree on a buyout amount based on something like, one year's salary for the effort your soon to be ex-partner has invested. Pay it out over a year. Sign a contract subject to a formal agreement being finalized. Now you know its time for a lawyer. If you have ambitious plans and proven ability to generate profit, private equity may be willing to step in to buy out your partner and support you in your growth plan.

Option 2 Hire an Expert to Grow Your Business

(See the buyout suggestions above).

Hire a general manager who knows how to resolve profit problems and lead growth. You stick to what you do best for the company and report to the GM. Just because you are the owner, doesn't mean you have to lead it. What's more important to you? The financial success of your business or proving to the world you can lead the company when driving growth isn't your skill set or your track record? Make this decision now. Simultaneously, start a board. You chair the board. Add advisors who can expand your knowledge and networks. The board holds the GM accountable to goals and plans. Wear the right hat every day so people know who they are talking to: the chair, or your functional role, or your personal shareholder hat. You will have a happier, more fulfilling life with a lot more rewards and freedom doing what you love instead of what you think will gain you status... or control. Control does not give power. Influence does.

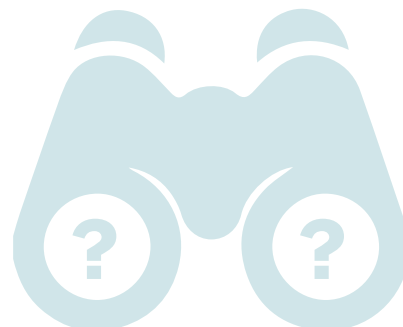
Option 3 Accept a Buy Out From Your Partner*(See Option 1 for how to do this)*

Your Use your shareholder agreement to guide how to do that. Your shareholder agreement should have a 'shot gun' clause which will guide you in how to set up who buys out whom. Your Use a commercial lawyer skilled in managing shareholder agreement dissolution... after you've both agreed to a common desired end result.

Option 4 What To Do When Your Partner Doesn't Respond to Your Invitations

First, have compassion. Your partner is afraid and doesn't know how this story ends, so he or she resists action. Fear can sound like anger. Hurt can sound like anger. Remember, if your partner isn't practicing self-management using our 3 Step System, he or she is still in the Triangle... where we can't see the effect of our own behavior on self, others or our circumstances. This situation doesn't have to stop you from moving forward to get your desired end result. Next, pick your favored Option and let your partner know this is what you are pursuing. Lay out the plan on paper. Get help to construct it properly. Reassure your partner he or she is not going to get shafted in the deal. Maintain your integrity and your compassion for both of you. You are doing this for both of you: the writing is on the wall about your future together. Waiting will just cause both of you more misery (Triangles) and the company more losses.

Will these changes be worth investing in? It depends on how you answered section one. Keep reading the rest of the guide for more insights.



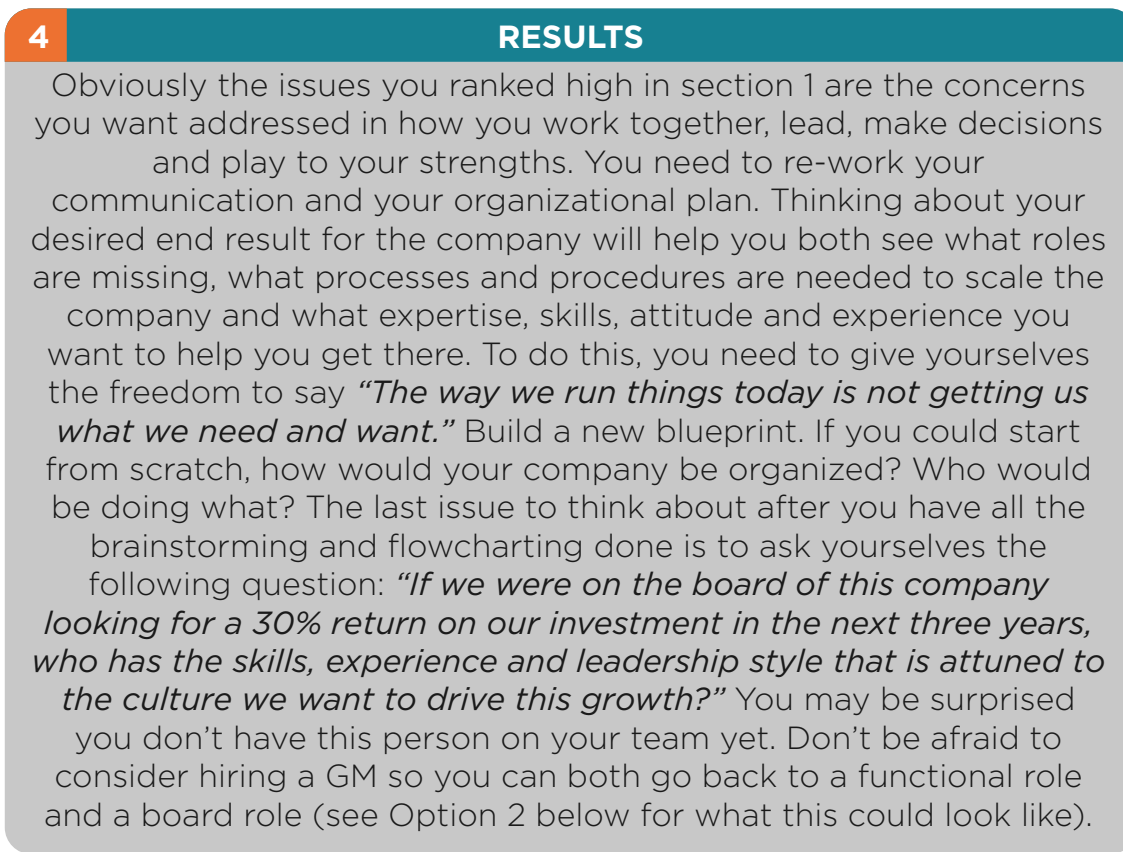
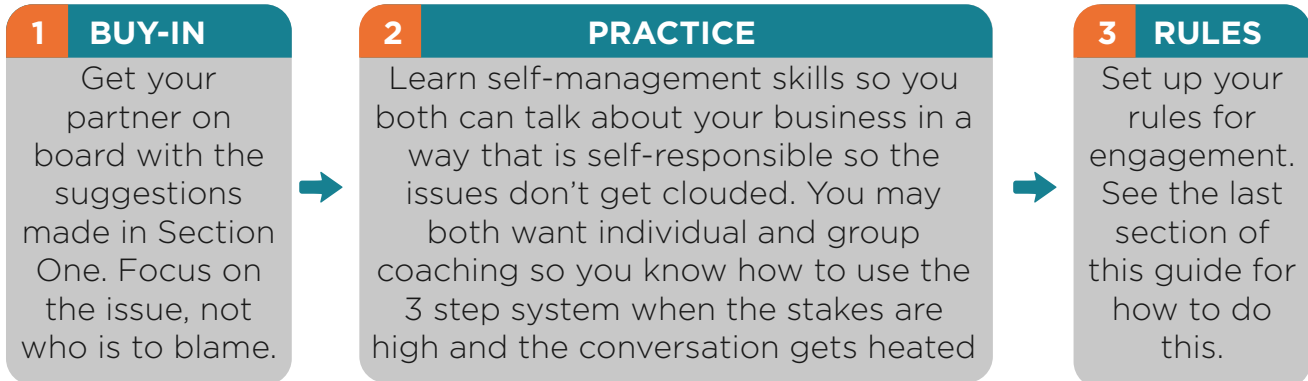
TOTAL 7-9 **The Climb:** Congratulations, your company is doing well and could have an even brighter future. But that future won't come into focus until both of you climb out of the Triangle debate and into a plan that reflects what's best for the company, best for you and best for your partner.

Yet all these competing interests can be accommodated in the plan for your end game. Even if one of you wants to leave, take on a different role, buy you out or remain a silent investor, don't assume these personal interests mean no deal to move forward is possible. When both of you are committed to finding the path to a desired end result that takes care of the company, employees, your financial situation and each other's interests, a way forward does materialize. We've seen it in all the deals where we've consulted to the company and both partners.

It is possible to fix those problems between you and your business partner so you can get back to making a difference and making money.

This is how to get your future back so you can continue to reap the benefits of your company growing into your desired end result:

Here's the plan to get started so you can stop waiting for change and take back control to get the changes you really want:



**5 NO BUY-IN**

If you find that you are committed to self-management and resolving the business issues but your partner isn't, or his or her behavior demonstrates a lack of commitment, then you have to make a clear decision about what you want to do next... fast. Do not wait for change, as we've said all along in the video and this guide, waiting puts you in the victim role waiting for a hero. Think about your desired end result for the business as your top priority. Stay in Observer Mode.

**6****BUY-OUT OPTIONS**

What works for the business will work for you:

**Option 1****You still leading the business, but without a partner.**

Hire for the empty role. Buy out your partner. Where do you get the money? Don't have it yourself? If your company has the cash flow to pay debt and has a growth plan in place, you may qualify for a management buyout loan... the debt pays out the partner leaving.

The bank will do a valuation to base their loan on. If you've got unpredictable cash flow, you'll be paying a higher interest rate but your valuation will be lower so the loan will be smaller too. If you have ambitious growth plans, private equity may be willing to step in to buy out your partner and support you in your growth plan. If the business has yet to make a profit (did you answer this question 12 in Section 2 correctly? We're talking about profits, not revenue), there is very little value in the company. Sad but true. You won't get the financing and the partner shouldn't get more 'value' than is really there. Agree on a buy out amount based on something like, one year's salary for the effort your soon to be ex-partner has invested. Pay it out over a year. Sign a contract subject to a formal agreement being finalized. Now you know its time for a lawyer.

Option 2 You in the business in a functional role that meets your strengths, but without a partner

(see the buyout suggestions above).

Hire a general manager who knows how to resolve profit problems and lead growth. You stick to what you do best for the company and report to the GM. Just because you are the owner, doesn't mean you have to lead it.

What's more important to you? The financial success of your business or proving to the world you can do it when driving growth isn't your skill set or your track record? Make this decision now. Simultaneously, start a board. Be the chair. Add advisors who can expand your knowledge and networks. The board holds the GM accountable to goals and plans. Wear the right hat every day so people know who they are talking to: the chair, or the functional role.

You will have a happier, more fulfilling life with a lot more rewards and freedom doing what you love instead of what you think will gain you status.



Option 3 You being bought out by your partner

(See Option 1 for how to do this)

Your shareholder agreement should have a 'shot gun' clause which will guide you in how to set up who buys out whom. Use a commercial lawyer skilled in managing shareholder agreement dissolution... after you've both agreed to a common desired end result.



Option 4 Is your partner not responding to Step 1, learning and using self-management skills?

First, have compassion. Your partner is afraid and doesn't know how this story ends, so he or she resists action. Fear can sound like anger. Hurt can sound like anger. Remember, if your partner isn't practicing self-management using our 3 Step System, he or she is still in the Triangle...

where we can't see the effect of our own behavior on self, others or our circumstances. This situation doesn't have to stop you from moving forward to get your desired end result. Next, pick your favored Option and let your partner know this is what you are pursuing. Layout the plan on paper. Get help to construct it properly. Reassure your partner he or she is not going to get screwed in the deal. Maintain your integrity and your compassion for both of you. You are doing this because for both of you: the writing is on the wall about your future together. Waiting will just cause both of you more misery (Triangles) and the company more losses.

Will these changes be worth investing in? It depends on how you answered section one. Keep reading the rest of the guide for more insights.



You've Come This Far... Keep Reading the Guide to Know Which Direction to Turn.

You've taken this first step by answering the questions.

You're now staring at the facts. Your instincts have been trying to get your attention.

***Believe it or not, you've just returned to
the driver's seat with this knowledge:***

*This position of influence is far more
powerful than trying to get control.
Yes, you can pick the future you really want.
Now start your action plan.*



LIGHTEN YOUR STRESS LOAD WITH THESE FAST-TRACK PAIN RELIEVERS:

1 Use the 3 Step System Personally

Coaching to learn and practice self management is something most people need some assistance with.

If you didn't already book a strategy session to practice these 3 steps in a way that works for your situation, when you bought this guide, you may still be able to get on Rob's calendar

Get a two hour session with Rob McGregor

<https://partnership.spiritwest.com/order4313531>

Tell him which questions you ranked low on. Then he'll know exactly what you need to help you put the 3 Step System to work.



2 Get Buy-In With Your Partner

Now you have the 3 Step system, your partner needs to know how to use it too.

Invite your partner to watch the same Video you watched

<https://partnership.spiritwest.com/get-video-access>

When your partner finishes watching the video replay, he or she can elect to get this same Guide, and two hours with Rob, just like you were offered. During that two hour session your partner will discover what caused your partnership to slide, what barricades need to be broken down and exactly how to do that. It's best if you each have your own time booked with Rob so you have the freedom to say what needs to be said in private and in confidence.



3 Buyout Strategy

If you know it's time for a Buyout, let's get on the phone for 30 minutes

<http://www.spiritwest.com/schedule-a-30-min-call/>

and talk about how we can create a plan that takes care of everyone carefully, safely and respectfully.

Simple Rules of Engagement for Successful Business Partnerships

Did You Know:

New businesses fail at an alarming rate. Between 2007 and 2010, the failure rate for U.S. small business rose by 40 percent. Yet, according to the U.S. Small Business Administration, **companies with multiple owners are more likely to survive longer than sole proprietorships.** What's more, a 2008 study showed that the average revenues for partnerships increased 157 percent since 1980, while revenues for the average sole proprietor decreased 51 percent during the same period.

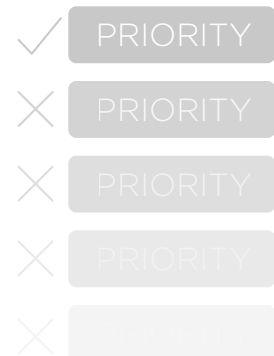
Take Away? Your partnership could be worth investing more into so you can right the wrongs that make it hard to manage today.



Did You Know:

The best way to get your personal interests met and build a trusted partnership is to always consider what's in the best interests of the company in priority over any other interest or agenda.

SECRET: The way to manage this situation is to always ask "Is this in the best interest of the company? What impact will this have on the company's profit, productivity, people, performance and customer experience? All of these focus areas have an impact on profit. As a business owner, your top concern should be your return on your investment (your board hat, not your functional leadership hat).



Did You Know:

The #1 reason we see partnerships stop working is because of unspoken expectations that just pile up into bricks of resentment (barricades!!) and breed mistrust. If you are in a meeting and are working on something that requires a change, you need to know you have identified the right problem to solve so you can agree change is needed (Step 1 of the 3 Step System)

SECRET: Use your 3 Step System to self-manage AND ask questions, don't make assumptions about how it's going to happen, or when... and ask in a neutral tone of voice so you don't start up any Triangles (Step 2 in the 3 Step System). Talk about your desired end result (Step 3 in the 3 Step System!): what you do want... not what you don't want. Your private 'in your mind' assumptions set up expectations of your partner that he or she is unaware of. Make the private thought a public statement. Otherwise your assumptions and expectations become a ticking time bomb Triangle waiting to blow up when your un-spoken expectation isn't met. It's not your partner's fault your expectation wasn't met... it's your responsibility to speak up sooner.



Did You Know:

The #1 reason partnerships sink the company's success is the 'Square Peg in Round Hole' syndrome: not matching each partner's true strengths to roles that the company actually needs. No one is happy. If you find yourself not meeting deadlines, creating plans or going from one crises to the next, never getting to the long to do list, you could be suffering from this syndrome. Your company needs the right person in the role you are in and you need to be in a role where the skills you do have are needed and appreciated.

SECRET: No one good at sales? Don't get mad. Hire or outsource. Hate having to wear a 'hat' or role that no one else can do? Talk about the role, the needs of the organization, the attributes of the ideal fit and then find a better way to meet these needs.



Did You Know:

#1 Partnership Growth Strategy: Don't mix up your meeting purposes. Have partner meetings about where the company is going strategically, and activity meetings to work on company projects.

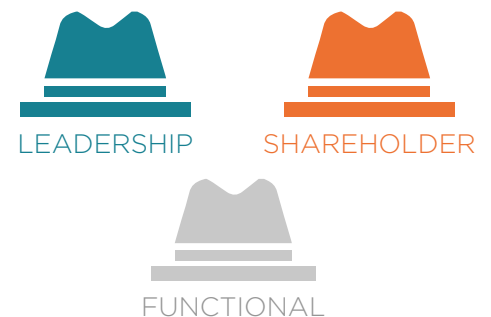
SECRET: Never mix these two meetings into one. Build separate agendas. Schedule them. Re-schedule them if they get cancelled. You and your partner are the board of the company. If you really want to hold each other accountable to the plan and results, add at least one more seasoned, networked, experienced board member to your board. As a board, your responsibility is to set the goals, and request that the business leader, the GM and management team deliver a strategic plan as to how these goals are met. The board discusses the plan, gives input, makes suggestions and the management team revises it. When it's given a green light, the board empowers the management team with the authority to implement it. The team is evaluated and held accountable to the results of the plan. Yes, wearing two hats can get complicated... but when you stay in Observer Mode and know which 'hat' you are wearing when speaking (and when listening to others), it makes it better for everyone. See the next rule.



Did You Know:

#1 Source of Conflict? 'Wrong Hat Syndrome': If you have a leadership role, a shareholder role and a functional role in the company you wear three very different hats.

SECRET: You have to identify which hat you are wearing when speaking to your partner and employees. Otherwise no one knows whose interests and agenda you are serving... which breeds mistrust.



Did You Know:

**#1 Solution to Restore the Business and the Partnership:
Get all the persistent complaints on the table and resolve them once for all.**

SECRET: Hire an independent third party to facilitate this process, so everyone is focused on what the complaints are, not who is at fault. Use this system every year to keep the organizational pipes straight and in alignment as you grow. This system is a powerful growth hack: it saves times, energy, productivity and gets immediate buy-in for any changes that will come out of uncovering the complaint. Triangles disappear, your employees are empowered to solve the problems so this alone frees up your time to do what you are best at.

**Did You Know:**

**The #1 Solution to Getting a Return on Your Investment:
Make Your Company Saleable So At All Times It is
Transferrable and Worth What You Want to Sell it for** Your ideal buyer is looking when it makes sense for their strategic investment goals, not your time frame to exit or retire. A saleable company is a more profitable company. It is easier to run for the owners, because the owners have made themselves redundant to the day-to-day operation of the business. The day you make the most money you will ever have in your life, is the day you sell.

SECRET: It takes 2-4 years to make a business saleable. You have to plan this event years before you want out. Why? 90% of companies are run in a way that make them un-transferrable to a new owner without the current owner continuing to work... and as a result, nowhere near worth the value that you would want to sell the business for. Want to learn how to do this? Get



**How to Increase the Value of
Your Business BEFORE You Sell...
and Make It More Profitable Now!**

<http://www.spiritwest.com/products/product-category/how-to-increase-the-value-of-your-business>

We wish you the best of luck with your partnership and your business... and a return on your investment in all you have both done to bring it to where it is today. Do yourself and your employees a favor and get your partnership back on track fast. We're here to help so you get relief fast.

Lorraine and Rob
The Business Performance People

If you want to talk to us,

✉ call 604-947-0272 PST or

☎ email Info@SpiritWest.com



SPIRIT WEST MANAGEMENT, LTD
BUSINESS PERFORMANCE PEOPLE

HELPING BUSINESSES GROW TO THE NEXT LEVEL