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ENTREPRENEUR'S BYLINE

By Sandy Lish and Wendy Spivak

**Making an Equal Partnership Work**

Launching a startup with a friend demands the honesty and trust of a good marriage. Without them, it's a business on the rocks.

Seven years ago, when we founded The Castle Group, our Boston-based public relations and events-management agency, we were determined to do so on a footing that everyone said wouldn't work. We wanted to build the company as equals, each with a 50% stake. Our lawyer, our accountant, and the consultants we retained all pointed out the obvious: strong-willed entrepreneurs bent on exercising control often fail as partners over the long haul.

And we were hardly naive. We had each risen up corporate ladders, gained significant skills in our fields -- Sandy in public relations and Wendy in events management, where she produced events from concept to completion including promotion, marketing and logistics. Having met in 1995, when Wendy, then communications director at a healthcare company, retained Sandy's public relations firm, we had spotted a niche in New England for an agency that offered both specialties.

In our seven years, ours has been a partnership that hasn't failed. In fact, The Castle Group's revenue has soared fivefold, to \$2.5 million, and the company has been profitable since the first year. Our client roster now numbers 20, vs. 2 when we opened our doors, and we've built our staff to 19.

INTERNAL NEGOTIATING. What has enabled us to stay the course in building a company as equals, we believe, has been our ability to negotiate. In short, we have taken a skill typically associated with dealing with outsiders, such as financiers, vendors, and customers, and applied it to ourselves. In doing so, we have been able to survive and thrive working in a relationship with the closeness and potential for conflict that is second only to that of a marriage.

Our negotiating prowess has permeated dealings as elementary as what to have for lunch. In the early days, we would yell at each other from across the hall in our cramped quarters -- and, yes, we still shout out lunch suggestions today.

In a particularly difficult situation, negotiating was what enabled us to turn down a client that would have been our largest, but that came with stipulations we couldn't accept. We both wanted to take on the client, but we both decided -- eventually -- that it just wasn't right.

In our ability to negotiate, we draw upon a trio of principles -- namely, balance, trust, and skills. You should as well, if you are an entrepreneur considering the less typical path of not going it alone. What follows is a look at each.

A QUESTION OF BALANCE. Deciding to work together in an entrepreneurial setting, we both knew that we had a lot in common: our personalities "clicked," our professional aspirations meshed, and we stood equally for values such as honesty, fairness and thinking things through in business settings.

Just as important, however, was that we also had complementary skills and temperaments. When making a hiring decision, for example, Wendy might see the necessity of providing for future growth, while Sandy is likely to turn her eye toward the decision's effect on the bottom line. Although we are friends -- and do socialize occasionally -- we differ personally as well. Sandy, with her home in the suburbs, husband, and two children, provides a counterpoint to Wendy residing in an in-town condo and favoring exotic travel.

The point here is that the yin and yang -- in our set of skills, our temperaments, even our divergent personal interests -- makes for the balance necessary for us to negotiate as equals. Indeed, it was balance that enabled us to ease our way into a partnership in which we would need to share control, breaking from our previous relationship as contractor and employer.

Some tips for bringing balance into an equal entrepreneurial relationship include the following:

- Understand your partner's perspective -- and that it may differ from your own.
- Put yourself in your partner's shoes so that you can provide support when necessary.
- Spend time together -- but also spend time apart.
- Be open, flexible and fair, all the while understanding that it's OK at times to have different needs and objectives.
- Find humor in situations, for not everything is as serious as it seems.

TRUST. Underlying the ability to negotiate is trust between partners. A number of factors go into building trust. The first is that it must be earned -- it cannot be assumed. Even though we had worked together prior to launching our company, we needed to develop our trust in each other. In the beginning, for example, we reviewed each other's work so that we could become completely comfortable. We've done likewise with all of our employees.

Similarly, we share all relevant pieces of business information with each other. In negotiating as partners, you can't assume there is something that the other doesn't need to know. Likewise, when something is bothering you, it likely will be a matter of concern for your partner as well. Letting it fester only leads to resentment later. In short, communicate -- and communicate constantly and intelligently.

Trust doesn't mean that partners reach consensus all of the time. When we have been at an impasse -- or when we just want another perspective -- we seek out the opinion of our vice president, who has often provided a tie-breaking or alternate view.

Takeaways for the 50/50 entrepreneur when it comes to building trust include the following:

- Trust must be earned, not assumed.
- Once you build trust with your partner, don't second-guess that person.
- Bite your tongue if your partner has made a decision that didn't work out.
- Listen to your gut, and remember two guts speak louder than one. (When ours are in synch, we know we've got it right!)
- Spread trust by developing others on your staff.
- Be willing to take a chance. Your partner may be right and you may be wrong. Learn to live with that.

VITAL SKILLS. Compared to trust, skills are an elementary, but nonetheless essential, when it comes to being able to negotiate with a peer. When you can speak from strength, your position at the intracompany bargaining table is enhanced.

In our case, we've gravitated in part to what we like to do. Consider that Sandy's love for talk has led her to assume responsibility for business development. However, we've been careful to unearth some abilities we never knew we had -- and to run with them. No one was more surprised than Wendy, for example, that she is now tending to accounting and operations.

Tactics for incorporating skills into negotiating with your entrepreneurial partner include the following:

- Like what you do -- and do what you like.
- Identify what you're good at and maximize those abilities.
- Conversely, recognize what you don't do well, and allow others to take over those responsibilities.
- Strive to learn more -- continually.
- Share your knowledge with your staff.
- Uncover those hidden abilities.

Skills, trust and balance: these are the principles that smooth the process of negotiating, which underlies the ability to build a company with an equal. Take them to heart, employ them in your internal dealings and you'll create not only a company -- but also an enduring professional relationship.

Sandy Lish, 38, and Wendy Spivak, 41, co-founded The Castle Group, a Boston-based public relations and events management firm in 1996.