
Simple JV SUCCESS
How To Benefit From Joint-Ventures
Even If You're Just Starting Out

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Introduction

Succeeding in a new business of any kind can be difficult. It takes time, dedication, and money to succeed. You may have the time, and you may be dedicated, but finances are tight. If so, it can be challenging for you to do the necessary projects you need… so that you can achieve the success you dream of. How many times have you heard or said, “If I only had the money.” There is probably more than one person out there with similar goals to yours. The truth is, if you could meet this person and work together, there’s a chance you could both do great things.

How does this happen? How can you find people who have similar goals and dreams? How can you find someone to help you achieve success? That’s what this book is going to show you. I’m going to introduce you to a powerful tool you can use to achieve success in the business world, even though your competition may be fierce.

What is a Joint Venture?

If you think JV stands for Junior Varsity, you might be right, but you might not be. In the business world, JV stands for Joint Venture. Joint Ventures are very popular. If you don’t know about them, and aren’t using them, you can be at a disadvantage in the business world, because your competitors probably are using them. They’re using joint ventures to achieve success over you in the business world.

A Joint Venture is a business agreement. It’s like a joint undertaking where the parties involved agree to establish and new assets. The parties contribute equity. Since they share control, they also share in the expenses, revenues, and other assets. It is important to know that a joint venture is NOT a merger. There is no transfer of title or ownership involved.

JV's are usually for small projects. They can, however, be used by big corporations who want to diversify. When you're just starting out in a business, a joint venture can help you complete and achieve success in projects. Often, projects can't be started because of the costs involved. With a joint venture, the costs are shared. It helps both achieve profits.

When this type of temporary partnership is created, it can be for one individual project, or it can be a relationship that is continuing. Either way, both parties need to be dedicated and focused on the success of the joint venture partnership. You also need to have a good plan developed, since you'll both be putting money into the project.

If you think about it, you'll know that the act of partnering with someone else to achieve a common goal isn't new. It's a well-known process that has stood the test of time. A joint venture works best when it is executed well. This means everyone knows what to do, how to do it, and when it needs to be done. Then, they do it.

It is important to define what everyone needs to do. Perhaps create some type of agreement. This will be the basis for your relationship.

There are a lot of reasons to form a joint venture. You can expand your business, develop new products, or move over into new or larger markets. If you have strong growth potential and new original ideas, a joint venture could do a lot for you. It could give you new resources, increase your capacity, improve your technical abilities, and give you access to markets and distribution channels you don't currently have.

Finding a partner, developing a plan, and negotiating a contract…all seem like a lot of work? You might think it's more work than it's worth, but it isn't. When you have the right mindset for business, you want to find ways to improve your business in every way. A joint venture may be just what you need to help your business advance. Just remember, they don't have to be permanent arrangements, and you don't need to exchange trade secrets. All you're doing is finding a way that is mutually satisfying to both partners to help both of them advance.

You can't enter into a joint venture with a closed mind. You have to realize that there are many different ways of doing things. Someone else's way might not be wrong just because it's different. You need to develop a new mindset, and stop thinking, "That' the way it's always been done." If you do, you can open yourself and your business to a world of new possibilities.

In a joint venture seeing things through an open mind and looking at it from different perspectives is necessary. A new mindset will help you see that you can find opportunities anywhere. Look at each opportunity as a seed. Plant it together and watch it grow.

Some find it beneficial to develop a joint venture with a non-profit organization. For this type of venture, the obvious draw is the exempt status.

There is no set number of partners in a joint venture. Many JV's have more than two partners. Many times, these partners choose to be "silent" partners. Not everyone agrees that having two or more partners is a good idea. It is obvious that having more partners will cause the levels of management to be more complex in the joint venture. It can lead to disagreements and the increased monitoring costs. On the other hand, having more than two partners in your venture should earn greater returns than if there are only two partners. There is no definite guarantee that a joint venture will succeed in either case, or that one is better than the other. Multiple partners do, however, give you resource diversity. You will probably find that this diversity will add value to the joint venture in time.

What are the Benefits of a Joint Venture?

Competing against big businesses can be difficult. Since they've finally jumped into online marketing, a small business just doesn't have the financial strength to compete.

Small businesses can give big businesses a run. There have been instances when small businesses have given the big giants a run for their money by joining forces. Most online businesses start with a little bit of nothing and a whole lot of work. To stay alive, these businesses have had to learn how to build on their strengths and improve their weaknesses.

Market dynamics have changed, and you can't just sit around patiently waiting for your business to grow. It can take months or even years that you can't afford to lose. You want to get your business up and running in a way that will give you not only quick, but sustainable results. That's what joint ventures can do for you. It gives you a solid foundation on which to build, and gives you the means with which to challenge the big businesses with confidence.

You may still be doubtful about what combining resources and talents of other businesses can do for you. You could be wondering why you should do it. Why should you team up with someone else and develop a joint venture? There are many reasons. Let me explain a few of the major ones.

- Leverage on each other's strengths and skills

It is common knowledge that you could focus on your strengths and the skills you have to achieve success. Often, we might not have a needed skill. What do we do then? That's simple. Find someone who does! When you start a joint venture, each of you benefit from each other's skills and strengths. You leverage on each other's skills and strengths. You translate the unique skills and strengths that each of you have and distinguish your business from others. Here are the things you need to do to leverage.

1. **Take what you have and build on it.**

   Each of you will have unique skills. You'll have your own technology and processes. Each of you will have built your own customers and created information databases. You can use these as a launch pad for developing new products and services that will skyrocket profits.

2. **Work together to put new strategies into practice**

   You need to look for ways you and your joint venture partner connect. Find strategies that put those connections of your systems, services and/or products into practice. By doing so, look for new ways to develop or sell back-end products that are related to your business to increase profits.

3. **Appreciate and use the differences between them to help grow your business**

   Take the strengths you have and the strengths they have and use them to compliment one another's weak areas. Maybe you sell fashion accessories. You could team up with someone who owns a fashion store that can't yet afford to branch out into accessories.

   You can increase your market and your customer base. You can then share each other's mailing list, so you open the door to many new customers. You can also promote their fashions and they can promote your accessories by putting a link to their site on yours and vice versa.

Joint ventures can offer you a great deal more marketing possibilities. Marketing is something that you always need to focus on. Being able to tap these other markets can help your business grow. You can also increase your marketing budget with the right joint venture. It could mean the difference between a local and national marketing area.

- Split development costs/expenses saving each other money

If you develop a partnership, then all the partners share in profits. In a joint venture, each person involved receives a percentage, based on the percentage they contributed, of both the revenue and the expenses. If money is needed, the venture doesn't borrow it. It is up to the individual to borrow it.

This can save you money with development costs. If you have to borrow money for a project or to improve your company's technology, you're obligated to pay it back before you can think about profit. Finding the right joint venture partner, and using resources they already have, your business will grow faster and you'll increase your profits at a much faster rate.

The difference between profit sharing not gross revenue is a key factor in a joint venture. It can often be unclear. In a joint venture, those involved do not work to make money for the venture. They work to make money for themselves. Sometimes, the venture can work for one and not the other. In the above example, the fashion accessory may sell a lot more accessories, while the fashion store doesn't increase.

- Working together increases the speed of progress of projects

The old saying, “Two heads are better than one,” definitely applies here. That would mean that four hands are better than two. Of course a process can be quicker. It may be as simple as that…two people joining together. It could mean the heads and hands of many people join together by two companies joining forces.

As your business grows through the joint venture, you will become familiar with other industries, businesses, and successful people. You can learn the strategies they use. Some of those ideas won’t work for you, but many will. Look for those with possibility and put them to work for you to improve the progress of your projects and for future business.

Working with the right venture partner can also increase the process of building your company’s reputation. If you have a small business, it can take a long time to build a reputation. If you come up with a good idea that will work for a large national company, it can work wonders for your business and quickly open many doors you thought you’d never get opened.

- Accountability

Often, when doing something for yourself, it’s easy to procrastinate. When you’re responsible for doing something for someone else, however, it’s easier to not put it off. If you’ve made a promise or a joint venture with someone, then you’re accountable for your own business. You want to keep a good reputation for your business, so you follow through on those promises and to the agreements in the joint venture agreement.

It works the same way for your joint venture partner. When they agree or promise to do something for you, especially if it is online, they have the option to do it or not. Usually, for the same reasons you do it, they do. Each of you becomes responsible to deliver on your end of the deal. In other words, you can hold each other accountable for performing, for the results, and for providing what you promised.

Often, when you're working online, you can feel you're the only one who cares about what's going on with your business. You feel no one cares about how you rank on Google. Your offline friends don't have a clue what's going on. There are, however, many businesses online that feel the same way. They face the same problems you face every day.

Many would be willing to join in a joint venture with you. Even if they couldn't do that, or if you didn't benefit each other that way, you could become accountability partners. These people are simply people you have a relationship with. They are people who help support you in your business growth.

- Build relationships

Relationships don't happen overnight. They are something that needs to be built over time. When you hold up to your end of the bargain, you are building trust with your joint venture partner. You're showing them that you are serious about the venture, and that you want it to succeed. It works the same way with them. When they stick to their agreements, you begin to trust them. As your relationship builds, you may want to joint venture on bigger projects. Even if you don't, you're building a relationship that you can use for a long time. Make a good impression, and you'll get a good reference as a reliable joint venture partner should you want to venture with someone else in the future.

How to Find a Potential Joint-Venture Partner

In order to have a successful joint venture that is a win/win venture, you need to find the perfect match. You may be looking for an individual or you might be looking for a larger company to partner with. Whichever it is, here are a few things to do and places to look:

- See if their existing products/services to see what type of products they sell

1. **Contacts you already have—**If you already have a good contact that you trust, it could save you a lot of unnecessary time looking for one. It could be a customer, supplier, or other successful person you know personally. Beginning your search by looking through your contacts is a great way to start.

2. **Industry related trade shows—**These are great places to get a large overview of your industry. They're great for making new contacts and they can give you an idea of how people you're interested in partnering with look for new business themselves, work with their clients/customers, and whether or not they present themselves in a professional manner.

3. **Search engines such as Google—**A common phrase for everyone now is "Just Google it." It is not different when you're looking for a potential partner. You can use any search engine and search for an individual or business partner to venture with. If you want to get a good match, make sure you use the right keywords. You'll want to use keywords that describe the type of business you have or keywords that describe the type of company you want for a partner.

4. **Social media sites—**Social media marketing has opened doors for many small businesses. Sites like Facebook, Twitter, LinkedIn, etc., are a great place to look for a potential partner. You'll want to look for those who add you as a friend, those who

follow you, or those who go to the same pages you do. These are people who might share the same goals and interests that you have.

5. **Specialist websites—**There are sites that actually have updates from those who are looking for someone to join them in a joint venture. Most of these contacts, however, will be international, so be sure to research thoroughly before you join them.

- Develop a list

From your contacts, write a list of those you would really like to venture with. Find those you feel will help you most, and that you have something to offer. Once you have a list of your “Dream Team,” write down what would be good about venturing with them and what wouldn’t. In other words list the pros and cons of each potential partner.

When determining your lists, ask yourself three questions:

1. Does the potential partner have the skills and resources you need?

2. Will you have access to those skills and resources?

3. Will the two of you be compatible partners?

Joint ventures that are the most successful are created by those who see their specific needs and find joint venture partners to fill those needs. They also see the needs of the potential partner and see how they will be able to fill those needs. You’ll also want to make sure when you create your list that the people you select to contact are keeping their skills up-to-date.

- Put potential partners order from most to least favorable

Develop some kind of system to rank those you’ve listed. Why contact the one you’d least like to partner with first? You’ll have your own method of doing this, and your own criteria. You could consider the company's potential for growth, their reputation, their customer base, their brand reach, etc. If you have any personal experience working with the individuals or management of the company, you'll want to consider that as well.

Remember that you need to find a joint venture partner that you can live with. It has to be someone you feel is compatible. Visit them, and get to know them. You need to be comfortable working with that partner and working in their type of organizational climate. Get references. Check with other partners and suppliers and ask their opinion of your potential partner. If possible, you can work together on a project that is small to see if you are compatible and work well together.

- Research thoroughly

Just because someone has a big website and a big following, doesn't mean they're right for you. It is imperative that you search them thoroughly. Check to see if they have any financial data on their site. If so, check the numbers. Sign up for any regular mailings such as newsletters to get a better prospective of the company.

Staying on top of things is important in a partner. Look to see if the company's website is current. Look to see if they present themselves well. If they have a correspondence section on their site, see if they handle that promptly and professionally. Presenting yourself well to the public is one way of promoting your own company. If they can't present and promote their own business effectively, chances are they won't be able to help a joint venture if they can't promote themselves.

You can do an extensive online search to see if they have any negative publicity. If they do, you can probably find it online. Check to see if the potential partner has a history of legal claims against them.

Before you search for the perfect match, you should consider questions such as:

1. What do you sell?
2. What is the best way to reach your target market?
3. Who are your competitors?
4. What do your competitors have that you don't?
5. What geographical areas would you like to reach that you can't because of high costs?
6. Is there someone you know who could be your business partner and help you develop a vertical or horizontal market penetration?
7. How do you feel about combining resources?
8. Do you know any successful joint venture partners who can share their experience being a JV partner with you?
9. Do you realize that going through the decision means you have to take the time to write a full-length joint business plan?
10. Does your company need of more credibility? Do you know someone you could become joint venture partner with who could help that?
11. What are your individual strengths and weaknesses?
12. Do you have all the support you will need to go begin the joint venture knowing it will be a major change in your business life?
13. What are your chances of success?

These questions are just a few that will you use the information you've gathered and best match it to your needs.

- Type a proposal

Getting someone to venture with you could all come down to how well you sell yourself to the person. If it's someone you don't at all, or don't know well, this could be the first impression they get of you.

1. **The offer—**If you want to find a good joint venture partner, you need to make them an offer they can't refuse. Not every proposal will be the same. It should be geared toward the company you're preparing the proposal for.

2. **Be personal—not "salesy"—**Typing a form letter as a proposal just won't do. When you come to draft the proposal, personal goes a long way. The old phrase "Flattery will get you everywhere" works if you don't use overkill. Simply point out things you've noticed that you like on their site or tell them good feedback you've received from others regarding their company.

   It's a good idea to look at their literature and see if there are any key words they use. Use them in your proposal. It will help them feel your goals and objectives are in sync with theirs. Here are a few things you'll want to remember:

   - Pinpoint the main benefits of your proposal you're presenting.
   - Present the most attractive benefit the potential partner will receive first. This will catch their attention quickly and help to make sure they read your entire offer. Too often, people start small and end with a bang. What good does that do if no one ever reads the ending of your offer?
   - Use quantitative terms to specify benefits.
   - Be realistic and practical in explaining the benefits. If you state unrealistic revenue goals, your proposal won't seem realistic.

3. **Talk as if you're talking to a friend—**Joint ventures are not only based on working together, they are based on trust. Friends are people you trust the most. Being friendly in your proposal will make them more at ease. It's always easier to work with someone you feel is nice. If they get a nice, friendly first impression of you, it will make the decision to want to be your joint venture partner more favorable.

4. **Think "What's in it for me?" (W.I.I.F.M.)—**Everyone wants to know what's in it for them. It's important that you let the prospective partner know that. How can being in a joint venture with you help them? What do you have to offer them that no one else can? What the benefits of being in a joint venture are, for example: JV's get higher commission rates than regular affiliates.

What to do if You Receive a Proposal to be a Joint Venture Partner

It may not be you that initiates the joint venture. You may be approached by an individual or organization that feels you have a lot to offer. If you are approached, you need to evaluate the proposal carefully and consider a few things:

1. **The Terms of the Proposal.** Look to see exactly what is the other party proposing. Do the terms look good to you and do you feel you can benefit from one another's efforts.

2. **The Potential Partner.** If you were going to propose, you'd research companies you were thinking about proposing a venture to. Just because someone approaches you, doesn't mean they're a good match for you. Don't feel so "honored" by the proposal that you jump on the band wagon without researching your potential partner thoroughly. Research the party just like you would if it was one you were thinking about proposing to.

3. **Business Potential.** Big names don't necessarily mean they're right for a joint venture with you. Don't let your ego jump in. Remember, you want to benefit from the venture. If there's no potential for you to benefit, politely decline the joint venture proposal.

4. **What is the Proposed Structure.** Sometimes, the structure will play an important factor in your decision to choose to join in a joint venture with someone. Look at things like: Time period proposed, profit sharing, etc. Also look to see what the other person plans to gain from the venture. Is there a possibility of a win/win negotiated agreement?

5. **Seek the Advice of an Experienced Lawyer.** This might not be necessary for a smaller scale joint venture, but if you're dealing

with joint ventures that are in the five or more figures then it is advised to have an experienced attorney look over the proposal for you. Since you'll probably be hiring the attorney in the event you proceed, they will be familiar with it when that time comes. They can give you advice about the legal aspects of the proposal.

6. **Contact Potential Partner.** After you've considered the proposal carefully and researched thoroughly, you need to contact the potential joint venture partner with your decision. Remember, if you decline the proposal, you don't want to shut that door. Do it in a professional, friendly manner that won't let the potential partner feel hurt. You never know where your future might lead, or if you will change your mind. Keep that door open.

From here, once two partners have agreed to join in a joint venture, it's time to begin the negotiating process.

Approaching A Super Affiliate With A Joint Venture Offer

An affiliate is someone who receives a commission on any referred sales when they promote your product. They are more than a partner, they are a power partner. They have access to large mailing lists or have a very large following as a target market to greatly increase your sales.

There are many online businesses that started where you are now and have grown their businesses into raging successes. A lot of them are simple individuals like you. These are individuals who can help you if you approach them in the right way. You do want to follow the above guidelines, but here are a few extra tips for approaching super affiliates.

1. **Try for direct contact—**If you can reach the individual directly, you greatly increase your chances of getting their help. Use all methods you can including phone, email, and social media. Remember, they'll want to know what you have to offer them as well.

   You might want to try something a bit different. Really catch their attention. Send them a Fed Ex or UPS package by express mail addressed directly to them, not their business. Often, mail gets sorted into different piles. Usually, however, a Fed Ex or UPS package will actually make it to the person's desk.

   People have been original enough to send a pre-paid cell with their number programmed into it so the person could call them back. Whatever you think will work. As long as you're polite and have a good offer, you'll have a chance of them reading your offer, because you got their attention.

2. **Simplicity helps—**Busy people don't' have time to click links here and there to see if they want to help you. Put samples and all relative information in your email. Anything you can do to make it easier for them to read and get to know about your business in one place will help

them and possibly help you.

3. **Generous commissions/rewards—**Remember these are big businesses. They can do you a lot of good. Consider if you get 25% of something it is way better than 100% of nothing. I'm not saying you should go that low. In fact, you shouldn't. Giving them the greater share, like 60/40, will let them see you recognize them as the more powerful partner. If you're giving them something else, for example if you are a printing business who's offering them free promoting merchandise in exchange for them promoting you, be generous with what you give. You will get the money spent on these items plus a lot more back in no time.

4. **Free trial—**Give them a chance to try your product/service for free before they recommend it to others.

Getting your offer to the right person will pay off, so do whatever you can to make sure they actually see it. You do, however, want to know the difference between persistent and pushy.

How You Should NOT Approach a Potential Partner

Some businesses are approached at least once a week by someone looking for them who can promote the products they have. When this is the case, they have to reject a lot of offers. A lot of offers are deleted before they're thoroughly read. We've discussed how to approach a potential partner, but here's how NOT to approach them.

If you send someone a standard template, there's a good chance they may simply delete it. There is a right and a wrong way to approach a potential partner. Often times, even a sincere approach may not be the right one if the potential partner doesn't feel you would be a good fit for their business, or see what it is that you could do for them.

1. **Don't send a form letter**—Often times a template email that simply suggests they promote your product will be immediately deleted. If you use a template that definitely looks like one, you probably won't get a positive answer. If you're going to use one, at least use the person's name, not "Dear Website Owner."

2. **Don't approach a new potential partner by asking for something—**Remember the favor bank starts with a zero balance. If you begin your request by asking them for something, you're doing the same as making a withdrawal before you make a deposit. You might have an awesome product, but if you want a potential partner to help you promote it, you're asking them for a favor. Don't make your first approach by asking for something.

   Don't dive in head first by suggesting someone do something. Even if it may make them a lot of money. Establish a relationship or they won't trust you. They don't know you and you haven't done anything to warrant respect or justify that they give you their attention.

When you're talking to them in an impersonal format like email, you need to go beyond human courtesy. Let them know what you can do for them first.

3. **You will probably be rejected—Don't take it personally—**Just because someone denies your request to join you in a joint venture, doesn't necessarily mean they think you're a risk. They also may not think your product is bad, or that you have bad ideas or goals for the venture. Sometimes, they're just not in the position to join a venture at that time. Don't feel it is a personal attack if they reject you, and definitely don't send back an angry email. You may want to work with that person in the future, and you not only shut, but SLAM the door shut if you do that. It will let them see you as a bad potential partner. You'll go through many no's before you receive that yes.

4. **Start with people you don't know when you have friends that can help—**Joint ventures work best if you have a prior relationship with the person you are approaching for a potential partner. You've had time to warm up to that person and have them warm up to you. Going in cold, however, usually will get you a cold response in return. People you've built a relationship with will at least listen to you. If they're not able to join you at that time, they may make suggestions or give you referrals with people they know who can. If you don't know anyone who can fill the need you have, then build a relationship with someone who can before you approach them. Get to know them first. You should know what they're working on at the present time, and listen for a chance to help them. Doing them a favor first, put a balance in your favor bank. They will be more apt to help you, because they will want to reciprocate the favor. You may want to promote their product. If you help them make money, it is a big motivator for them to help you.

5. **Don’t approach someone with a bad offer—**Most people have been burned a few times by recommending products or businesses or products that looked good on paper, but weren’t. Because of that, they’re careful about the offers they consider, and the recommendations they make. When they recommend you, they’re also risking their reputation. It’s a waste of both your time and theirs to approach them with a bad offer or with a product you don’t believe in.

   Sometimes, you might think you have a good offer, but it might not be. If you want to be sure, you should consider these things:

   - Customer Support—Do you stay on top of customer support? Do you have satisfied customers?

   - Follow-up Process—Every prospect is a potential customer. How do you follow-up to turn these prospects into customers?

   - Sales Page—You need to have a sales page that is tested. It needs to be converting well. Is yours?

   - Proof—I’ve stressed over and over how important it is to research a potential partner. Since they’ll be researching you, it is important that you can backup what you say. You need to be able to prove your own results. Can you?

   - Testimonials—What do the customers you’ve helped have to say? People will read your testimonials and consider this as proof from your customers.

   - Your Ability to Present—If you’re promoting someone else’s product, you need to be able to present their ideas even if you get nothing in return. Sometimes it may work that they profit more from the joint venture than you do. Can you do that?

- Your Intention—What is the intention of your offer. Do you sincerely want to help the person you're sending the offer to, or is your only intention to make money for yourself?

A good offer shows that you are on top of your game and that you understand the importance of relationships. You need to understand how things are done if you want to be a successful joint venture partner. Be sure to evaluate your offer before you send it. It could make a big difference.

Joint-Venture Partnership Negotiating

One of the most important things to consider when negotiating a joint venture partnership is the choice of the partner. Once you do, it's imperative that you negotiate a good, fair agreement that will be profitable for you both.

When you're negotiating a joint-venture partnership, you want it to be win/win. You have to know how to negotiate your own interests with that of your partner. A bad negotiation can doom the negotiation before it ever gets started.

Information and open communication are important in a joint venture. Traditional negotiation, however, are anything but. They're usually secretive with each side holding back and trying to get the most for less. Vital information should be given in a joint venture, because it helps determine if the partnership will succeed. Let them know what is important to you and what has to be there for the relationship to work. In return, pay attention to the needs of your potential partner. This way, you can come up with a solution that works for both of you and will help increase the profit of you both.

Once it has been decided that two persons/businesses determine that they'll make a good fit, outlining the small details of the venture comes next. There are many details that need to be determined during the negotiation process.

1. How will the profit sharing be set up? How will they split the percentages of capital, division of profits?

   When you enter the negotiation stages, it is a good idea to find an attorney with experience drafting a JV agreement. They can help you prepare the paperwork for a successful joint venture.

Funding for the venture can come from external sources, or the venture partners can provide their own. During the negotiations, the parties have to come to an agreement as to the percentage each will benefit in the venture. They can be 50/50, 60/40, or any split that works for the partners. Working capital requirements, losses, and expansion costs must also be considered.

It is often better to find a JV partner who is larger and more established. If you do that you can take advantage of their customer base. This may mean that you are on the low end of the percentage, such as 60/40. It can still benefit you more in the long run. Whatever the decision, both partners must find benefit from the venture, and the profit must be defined.

Don't assume anything. Giving general descriptions of role doesn't work. You need to create a list of each partner's tasks, and after you complete the list, assign them to each partner. Consider all the tasks, including the expected and unexpected ones in the event of a contingency. You might come across a task that neither party can do. If that happens, you should choose a third party contractor to do them before the venture gets started. Even include responsibilities you feel are obvious like emergency planning and risk management. All tasks should be clearly defined and there should be policies written policies in case of problems. This will prevent everyone pointing fingers at each other when things go wrong. If performances are clearly defined, each party will have a better understanding of what to expect of each other.

2. Who will manage the operations of the JV and how will we define responsibility for key management functions?

   You need to define who will manage areas such as: accounting, safety, billing and information technology, just to mention a few.

   Here are several ways joint venture partners can divide control:

- Split-control management—This means the specific advantage a partner can bring to the joint venture is what they control. You control whatever you contribute. The logic behind this is that you are more familiar with these, so you can manage them better than your partner.

- Shared control over all decisions—This means that both partners share control over all of the decisions in the JV. It's kind of a shared-management method which feels the newly combined contributions should require combined control. If all partners agree, it can cause faster implementation, but it can also mean that it will take longer to make the decisions.

- Either partner is dominant—Here one partner dominates. One partner has control over the decision making process. Usually when this type is used, the partner feels that shared management in a joint venture is just too difficult to manage. While this may make it easy to manage for the dominant partner, it does make you wonder what the purpose of a "joint" venture is if one partner is in charge of it all.

There are other things that need to be considered when negotiating a JV partnership agreement as well. The following are really for bigger joint venture deals:

- Will territory in which it operates have limitations?

- What are the necessary consents, approvals, licenses, and permits you need to operate the joint venture?

- If you're working across borders, where will the jurisdiction for the venture be?

- Will the parties involved in the joint venture be prohibited from competing with the joint venture totally, or will it just be in the territory of the venture?

- What will the procedure be in the event that there is a deadlock and a decision cannot be made?

- What will the duration of the joint venture be?

- How will the venture be terminated?

- How you will handle the assets distributed, outstanding contracts, and liabilities of the venture at the time of termination?

The key thing to remember is that both partners need to understand the terms of the joint venture partnership. Make sure the terms are clearly stated and understood. If money is going to be changing hands, it is extremely important that everything be clear. This helps ensure the happiness of both partners, and prevents misunderstandings that occur which could threaten the joint venture's success.

Tips for Negotiating Joint Venture Agreements

1. Make sure to have face-to-face interactions—This is a key factor to having a negotiation that is successful. This helps you get to know the person and build trust.

2. Good layout and preparation of goals, risks and benefits—When you're negotiating, it is important to be well prepared. It is important to remember that in a truly successful negotiation, you will create a sense of win/win and both partners feel they will benefit from the venture arrangement you completed.

3. Know about your potential partner—Research their methods of negotiating, and check ventures they've negotiated in the past. This will help you be more effective during the process of negotiation. This can help you be prepared to offer important information to them about your business that meets their needs during negotiations.

4. Give and Take—Negotiation is often a process of compromising. Before negotiations begin, have what you feel would be the best negotiation for you and the worst. Always start with your idea of the "perfect" venture, and work your way down. Don't lower your standards, or settle for a venture that won't benefit your company a well as the partner's

5. Be honest and transparent—You should always be honest with potential partners. You want to get your venture started right, and it can't do it with deceit.

6. Have regular contact—Staying in contact with your will help you know if your arrangement is going the way you planned. It will also let you know if you need to make adjustments.

Putting it All in Writing

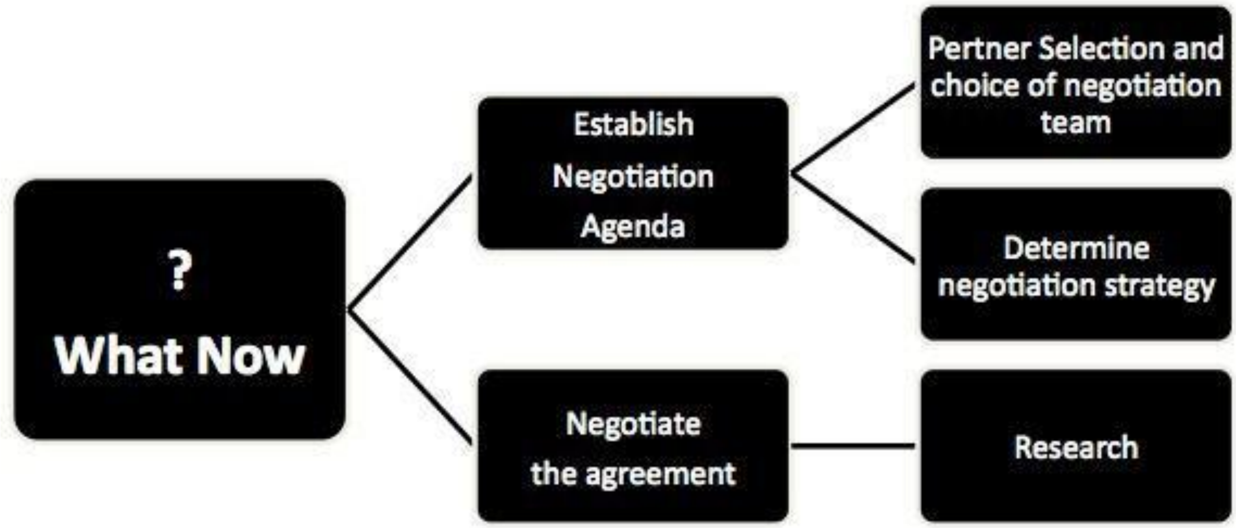
Once you've discussed all the fine points, it's time to put everything you've agreed to in writing. A good, solid contract will be written at the end of a successful negotiation. You should put the following things in writing:

1. Overall goals of the joint venture
2. Timeline for the venture, or date to revisit partnership
3. Each partners expectations
4. Fallback options
5. Ground rules
6. The structure of the joint venture such as: ownership, voting rights, governing body)
7. Financial contributions each partner will make to the venture
8. Allocation of profits and losses.
9. Liabilities of partners to each other and indemnities.
10. Rights to business opportunities discovered during the venture that were not suitable for the venture.
11. Distributions

It will always be more difficult to add to the agreement later. Try not to leave things to be worked out later. If you have a joint venture that fails, remember…it happens. No partnership will be perfect, no matter how well you negotiate.

Make sure everything is spelled out in writing and that both partners sign the agreement before the joint venture actually gets started. It is possible to create your own joint venture contract if you search for a good template online, however, to be on the safe side, it never hurts to have representation for all parties involved in a joint venture.

Getting your Projects Going and Managing Them



If you follow the steps in this book, you've selected your partner by researching them thoroughly, negotiated your agreement, and signed your contract. Now what? How do you effectively manage your venture to keep it going?

It seems that everyone is seeking for someone to do a joint venture with online. The rise in JV's since the beginning of internet marketing is unprecedented. Since joint ventures are so popular, it is important that you work to sustain them. As long as they continue to be successful, online businesses will continue to join hands and expand their businesses. They can expand their virtual market share and have higher profits.

Around 40% of the world's joint ventures and alliances don't last long. Many of them fail due to poor management. They fail to optimize what's already there, and keep things at a minimum marginal cost.

Tips To Help Lead To Success

For success at joint ventures management should:

- Have a good plan and stick to it.
- Don’t be selfish or naïve.
- Anticipate conflict and acknowledge it when it happens—don’t just gloss over it and go on like it isn’t there.
- Set up a clear strategic leadership. You should know the vision and the purpose of the venture and don’t have a biased authority.
- Authority should be flexible—Remember that brittle branches break much faster than those that bend. Sometimes that is necessary during the evolution of the venture.
- Know who does what—It is necessary for a manager to understand all the intents and roles of every partner and be able to communicate them in an effective way.
- Be culturally diverse—Cultures are different. You must allow for them and then you can gain from the cultural differences.
- Asset transfer—It is up to the management to strategically transfer assets including knowledge, understanding, and technology.
- Be able to learn—An old quote says, “The road to success is paved with the will to never stop learning.” Management needs

to learn from the partner involved, from the venture, from other companies. They need to be open to knowledge around them.

Maximizing cash, growth, profits, and market shares are important. It is extremely difficult, if not impossible to do this with all four concurrently. That’s why joint ventures work so well. Having a definite plan with everyone having their own thing to work on can help overall.

Communication

If you want a joint venture to succeed, you have to have good partner relations. At the core of these relations is good communication. Too many times, joint venture partners only communicate in formal meetings. This can lead to a negative cycle of communication that leads to failure of a joint venture.

With technological advances today, there simply isn't a reason not to stay in touch with your joint venture partner. Here are some ways you can do that:

1. Phone—Practically everyone has a cell phone. Give your partner a call once a week or so to let them know the progress of the venture as well as any problems that arise.

2. Text—If you don't have the time to call or you know they're busy and can't take the time to talk, a simple text message with a brief update will work.

3. Email—You should always at least email your partner regularly to stay in touch and keep them aware of the workings of the venture.

4. Skype— If you haven't heard of Skype, it is a service that allows people who use it to communicate with others either by voice with a microphone, video with a webcam or by simply using instant messaging. It is all done online. If you call other Skype users, everything is free of charge. You can call landlines and mobile

phones, but there is a charge for them. Skype has over 660 million users, so you know it works for communication.

If you have board meetings quarterly, you go months without communication. It could greatly benefit the joint venture partnership to have “mini” meetings weekly via Skype. Face-to-face meetings are always better, and with Skype, a computer, and a webcam, that is possible. It is worth the investment for the equipment, and the time spent. Even if the meeting is short, it can still keep the communication flowing and keep the relationship strong.

Setting up a Skype account

To setup a Skype account, follow these simple steps:

1. Go to http://skype.com. When you get to there, look in the upper right corner. You’ll find a button that says “Join Skype.” Click it.

2. Type your personal information in the appropriate boxes. All the information you enter is confidential unless you explicitly give permission to use it. If it is something they want to use, it will clearly state that it will be displayed to the public. For your convenience, you can actually use your Facebook information to automatically create your account on Skype. Just click that option when it pops up.

3. Type in your profile information. There are a lot of fields such as: birth date, gender, country, city, native language, and your phone number. Many of them are not required. You can fill in as many as you wish, but only the ones with

the asterisks (*) are required to be filled in. Be sure to use the right country.

4. Choose a good password. It will show you a green box below the password box. It will tell you if your password is good, medium, or weak. If it is too weak, they will make you pick another before you continue. You have to have at least a medium password to continue

5. Choose your pattern of use. You will be asked to select if you will be using Skype for work or personal use, but answering this is optional.

6. Username. Select a good username. Remember, that once it is chosen, it will be associated with you forever.

7. Confirmation—Tell Skype how you want to be contacted, and they will contact you to ask you to confirm that you are signing up for Skype. They will have a spam-blocker code that you need to type in. Once you do, if you agree to the terms and conditions, just press the green button that says, “I agree. Continue.”

It’s that simple to sign up. You can help your joint venture succeed by having face-to-face meetings whenever you want. Just make sure you do! It doesn’t do you any good to sign up if you don’t use it.

Collaboration Tools/Software

Collaboration simply means working together toward a goal that is shared.

If you've never heard of a collaboration tool, it is something that helps people work together. There is a lot of collaborative software, but people used collaboration tools long before technology of this sort existed. Any tool you use to solve predefined tasks as a group in an easier, more effective way is a collaborative tool.

It doesn't seem like that long ago that you had to be in physical proximity with someone to collaborate. If not, it required constant emails or phone calls. With today's technology, you can work on a project with people from all over the world. You can do it without ever even meeting them in person. This is done through modern collaborative tools and software. Most of these great collaboration tools are easy to use and they are affordable. I've already discussed Skype and how it can be used to improve communication between joint venture partners. Collaborative software is becoming a must for any online business. Here are three other good collaboration tools online:

1. **Basecamp** (http://basecamp.com) **-** This online project collaboration system is powerful. It was created for businesses such as: entrepreneurs, small businesses, freelancers, groups of businesses, etc. This program seems to be the most used online project management application around. You can use it to collaborate with others on almost all types of projects. With this software, you can do things such as: upload, store, edit, share documents and files online, etc. online. What's great about this application is it provides users an overview of the project schedule. It also lets you know who is working on what, and how things are moving along. It has a messaging schedule for communication with team members along with to-do lists and time tracking. Together, this helps to be sure that everything is in the right order and on-schedule.

2. **Trello** (https://trello.com/) - Other collaboration tools have been designed to meet specific project needs. Trello is one of them. It is free and simple. It's a great collaboration too if you're an individual or a small group doing a project. Its interface is friendly and allows users to do many things such as: create a project, add items and lists, and assign people to specific tasks. Through Trello, all members of the team are provided real-time updates of the actions and progress made on the project.

3. **Sync.in** (http://sync.in/) - Sync.in is the simplest form of online collaboration. It is a web-based word processor. With it, users can view and co-edit the same notes and documents from anywhere in the world in real time. It allows a number of users to plan projects collectively, brainstorm to compose any document, and it's easy to identify who made the edits. It allows you to easily slide back to see earlier edits made to the document so you can edit changes. There is a chat box for communication between members of the group. The basic service on Sync.in is free, easy to use, and doesn't require you to sign up or log in.

Joint ventures aren't perfect. There are always problems that can arise that you need to look out for. They are, easier than trying to struggle alone to increase your business. What it boils down to when you want to start a joint venture is:

- Why would an online business, when it is already marketing thousands of products, want to help market you and your business?

- What do you have to offer them? What can you give them that will make joining in a joint venture with you to their advantage?

The best way to be sure you'll have success in your online venture is to have a strong networking and good long-term relationships. If you're brand new to the online business world, take the steps to begin building these relationships. Attend the conferences in your niche market, go to product launches, or set up and conduct marketing activities for clients. Whatever you can do to build these relationships will go a long way to helping you land the perfect joint venture partner.

Chances of Success

You can't find any official statistics that will tell you the rate of success in a joint venture. There have been a few studies conducted in this field. These studies show that around 60% will fail within five years. This is mainly due to what is known as the "human factor." It includes things like the integration of human resources and knowledge sharing.

There are several formulas for actually measuring the performance of your joint venture. It varies depending on whether or not you want to:

- Increase your company profits
- Share Research and Development costs
- Extend your market position or maintain it
- Improve your distribution channels
- Develop new technology for your company
- Offer a larger variety of products
- Reduce competition for your company
- Reduce the risks of making a large investment

You may have a goal that can be stated in financial figures. If you're looking to increase your profits by a certain percentage, all you have to do I look at the profits and compare the numbers to determine if your venture is working for you.

Some goals and objectives are hard to determine. Even though if your goal was to reduce competition you could figure that your profits would increase. You can't be for sure.

From the above percentage, you can guess that your chances of success would be 40%. When you consider that that number includes partnerships that were set up with underdeveloped countries, you can think it would be higher. Those countries have a high rate of failure. With that knowledge, it is reasonable to say that if you follow the steps in this book, do your homework, get the right partner, and communicate during the process, you have about an 80% chance of success.

Risks Involved

Everything we do involves a risk. You can't write a book about something and not tell about the risks. I mean, choosing to get in your car and drive to the grocery store gives you a risk of being in an accident. You can't go through life without facing some amount of risk. You need to be aware that a joint venture concept can only be effective when the partners have a true willingness to move forward as partners. Signed contracts are just a piece of paper and are meaningless unless you have that mutual trust and understand and accept the terms of it. There are some risks you need to consider when you enter a joint venture. Here are a few:

- You'll just waste your time
- You could lose money
- You might share some important technology or information and get nothing in return
- Not really get anything significant from the venture
- Lose your company's credibility

You should know that even though there are a few risks, the rewards can far outweigh them. If you do your homework beforehand, you can help prevent these things from happening.

Owning a business can be very rewarding. It can also be one of the most exciting times in your career. If you do it right, you could make all those dreams you have for your life come true. It all depends on what you want for your business and how quickly you want it. Joining forces in a joint venture can make it happen much faster. Just remember the dos and don'ts of setting up and operating a joint venture and you'll do fine.

Do

- Make your partner choice carefully or it could be costly
- Use an attorney to be sure

- Negotiate the rates for your venture and develop a contingency plan for any cost overrun.
- Plan how the venture will operate carefully

Don't

- Don't enter a joint venture that isn't thoroughly planned out.
- Have a good contingency plan.

Conclusion

Joint Venture seems to be known as the way to a “fast and easy fortune”. They might not get you a fortune, but if they’re done correctly, they can boost your profits. Taking the time to look for and research a good joint venture partner could help your company expand beyond your dreams.

Joint Ventures can be a very exciting prospect for online businesses. It can often open new doors and avenues for a business that establishes sustainable growth. You don’t have to invest nearly as much time, and your profits will increase if you have a good agreement process. Higher revenues and profits are realized with a significantly lower investment of time, capital and resources. Researching is imperative to have a successful venture.

Is a joint venture for you? Only you can tell. You know your business better than anyone and you know what it needs. You also know what it has to offer someone else. If you want to increase your company’s gross profits, maybe a joint venture is for you!