

# BUSINESS

## Perfecting partnerships

### The whole has to be greater than the sum of its parts

BY TAMSYN BURGEMANN

Two heads think better than one. Except when knocking the wrong two heads together results in something worse than a headache.

That's the risk of entering into a business partnership. When it's good, it's very good — balancing talents and having someone to bounce ideas off of are just two of the perks.

But when it's bad, it very bad. Bruised feelings, battered bank accounts and an unsalvageable work climate can be the result of the wrong people getting into business together.

"Partnership is close to a lifetime decision," said John Dolbec, CEO of the Hamilton Chamber of Commerce. "Like choosing your mate, you should be careful about who you're climbing into bed with."

Successful partnerships are built on mutual respect, an open line of communication and the ability to put the business first.

The ideal result is a combined whole that's greater than the sum of its parts.

It's these ingredients that are ringing in a third solid year for Streamline-Living, a home staging and organizing company with clients from Niagara to Whitby.

Nicki Hanley and Tammy Rafferty, both 30, unofficially started their partnership seven years ago when each learned she was pregnant. Formerly colleagues who didn't socialize outside of work, the two bonded over the joys and fears of near motherhood — shopping, lunching and attending Lamaze classes together. Giving birth on the same day was the deal maker.

"If I didn't go into business with her, I wouldn't be in business," Rafferty said. "It's hard to find a partner that fits well."

The two don't always see eye to eye — especially when it comes to decorating a room — but they learned there's not only one way to do the job well.

To get through their differences, they've defined roles based on complementary strengths. And they've come to agree that in the end, only results matters.



GARY YOKOYAMA, THE HAMILTON SPECTATOR

Partners Nicki Hanley, left, and Tammy Rafferty own a home-staging business.

"When it's business, it's business — it's black and white," Rafferty said. "There's no hard feelings, you just get on with it."

But for every match made in heaven, there's a partnership gone sour.

"A breakup from a partnership is just as messy as divorce," Dolbec said.

Lawyer Victoria Loh, of the Hamil-

ton firm Hammond & Loh, faced that obstacle only eight months in. That's when a third partner quit the firm, claiming different goals and that expenses were too high.

"You never really know somebody until you go into business with them," Loh said. "If it's in the first five years of your business, a split is a lot to recover from."

Professor Nick Bontis, who teaches business strategy at McMaster University, cautioned people not to partner for the wrong reasons.

"It's a bad idea to partner if a person desperately needs more startup funds," he said.

His advice is to create a legal agreement not only spelling out each other's obligations, but also what should happen if the people part.

"You don't go into the wedding thinking it's going to be dissolved, but you can never be too prepared." *Special to The Hamilton Spectator*

### Top mistakes partners make (and how to avoid them)

1) Not signing an agreement

Partners should define their roles, the division of work and profit sharing. Revisit the document. Often.

2) No exit strategy

Partners should establish what is required if one party decides to leave. For example, independently value the business and agree to pay the other out over a period of time.

3) Not registering as a limited company

Register with the province to ensure liability only reaches the company, not either partner personally.

4) Not enough startup funds

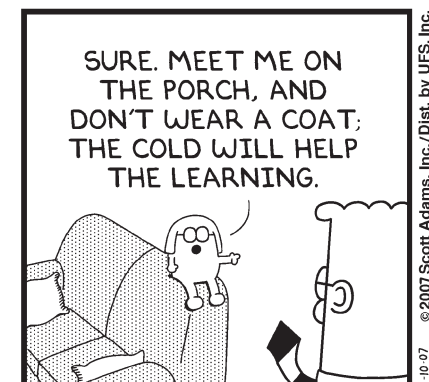
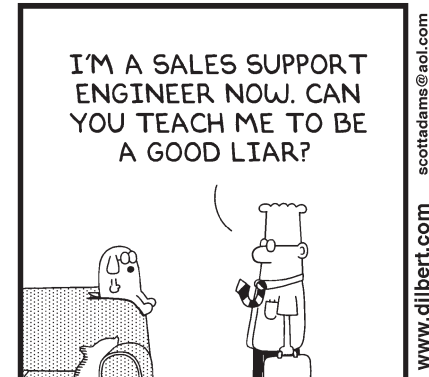
It's usually better to take a bank loan than charge all expenses to personal credit cards. Investors can also help.

5) Give a "late partner" the same deal

Since the original partners took on the initial risk and invested equally, it's fair to value the company and have a third partner make their own one-third investment.

Source: Nick Bontis

### DILBERT



## Lager-lovers cry in their beer as barley prices rise

NEW YORK — Lager-lovers may need to search suds-soaked sofas for a few more cents thanks, in part, to the rising cost of barley.

Production numbers are down and costs are up for the grain, one of several used to make beer. Combined with soaring energy costs and the high cost of raw materials, such as aluminum, analysts caution those costs may be passed along to consumers.

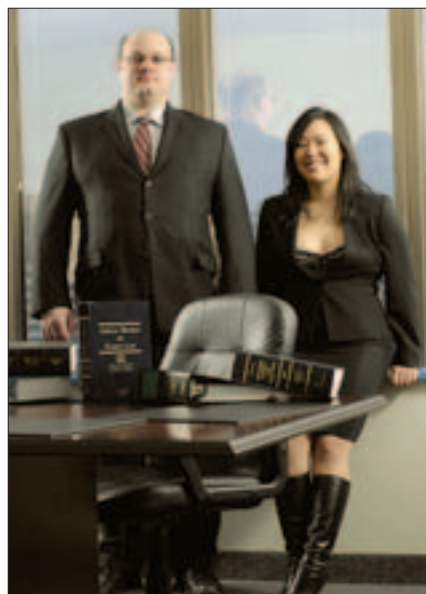
Molson Coors Brewing Co. may be in more danger than competitor Anheuser-Busch since Molson will be faced with spiking aluminum costs.

Aluminum prices for Anheuser-Busch, meanwhile, are capped.

Aluminum accounts for about 20 per cent of brewers' cost of goods sold, while barley makes up 8 per cent to 12 per cent typically.

*The Associated Press*

### Partner profiles



GARY YOKOYAMA, THE HAMILTON SPECTATOR

Matthew Hammond and Victoria Loh.

**WHO:** Matthew Hammond, 29, and Victoria Loh, 27

**WHAT:** They opened Hammond & Loh LLP in November 2004

**HOW IT STARTED:** The two lived on the same residence floor when they attended Queen's University to earn law degrees. After neither was hired at the firms where they articulated, they joined with a third friend to open their own. He later split.

**WHY IT WORKS:** "We're in this together," Loh said. "If one of us goes down, we bring the other one with us."



BARRY GRAY, THE HAMILTON SPECTATOR

Twin brothers Amit and Ajit Chaudhry are dentists in Ancaster.

**WHO:** Drs. Amit and Ajit Chaudhry

**WHAT:** Ancaster Dental Arts. They've spent four years running the dental practice together.

**HOW IT STARTED:** The twin brothers spent eight years earning their university degrees. Out of school, they worked at different dental practices near Kingston. After they started working together at Canadian Forces Base Trenton, they saw the benefits of sharing ideas.

**WHY IT WORKS:** "We split up our duties and didn't make the other person do things he didn't like or wasn't good at, because then the job wouldn't get done," Amit Chaudhry said.



GARY YOKOYAMA, THE HAMILTON SPECTATOR

Zach Mathew and Dorian Batycka.

**WHO:** Zach Mathew and Dorian Batycka, both 21.

**WHAT:** Web Logic Solutions, a new web-development company.

**HOW IT STARTED:** The two friends attended elementary and high school together. Mathew has technical skills while Batycka is the creative thinker. Batycka convinced Mathew that together, they could sell his skills.

Their first hurdle came when each had different ideas about what should be their first project.

**WHY IT WORKS:** "We ended up coming to a compromise, a little more to his end," Mathew said. "But I'm trusting him and hoping it will work out."

### APPOINTMENT ANNOUNCEMENT



Richard Koroscil, President and C.E.O. of the John C. Munro Hamilton International Airport (hi) is pleased to announce the appointment of Cathie Puckering, CGA, to the position of Director, Finance and Corporate Controller.

With over eighteen years senior management experience with CARSTAR Automotive Canada and Hamilton International, Ms. Puckering most recently held the position of Financial Controller for Hamilton International.

In her new role at hi, Ms. Puckering is responsible for directing the organization's finance, accounting and human resources functions and activities.

She will also provide strategic financial expertise and leadership on issues affecting the organization, evaluating potential alliances, and planning and budgeting new programs.

Hamilton International air carrier partners WestJet and Air Canada offer passengers over 70 flights per week to 45 destinations. Beginning May 1, 2007, award-winning carrier flyglovespan will provide 21 flights per week to 12 UK / Ireland destinations. Tour Operators Transat Holidays and Sunquest offer sunspot winter charter destinations from hi. Hamilton International is the largest inter-modal freighter airport in the country and services all major Canadian and international destinations. Hi cargo partners include: Cargojet, UPS, Purolator, DHL and BAX Global.

www.flyhi.ca



## Taser maker hopes to zero in on women customers

BY CARMELINA PRETE

A chic new fashion accessory will soon be available to the modern woman.

Taser International Inc., the Arizona company behind the powerful handheld electrical weapons used by police forces worldwide, unveiled the personal model at the Consumer Electronics Show in Las Vegas Monday.

Available in metallic pink, titanium silver, black pearl and electric blue; the

Taser C2 Personal Protector even colour co-ordinates — just like a cell-phone.

It will be available in April for about \$300 US.

Billed by the company as the "next generation in personal protections," this stun gun out-powers the whistle, kuboton (a handheld martial arts weapon used to strike an assailant) or key-ring panic alarms women usually carry for self-defence.

Lenore Lukasik-Foss, director of Hamilton's Sexual Assault Centre, said she understands why some women might consider carrying such devices for personal safety.

But she cautions that, like any dangerous weapon, it can be taken from you and used against you.

"And I'm worried that these things play on women's fears and make money off women's fears, when they may not be helpful in the long run."

Taser and stun guns are illegal in Canada but are often purchased online or smuggled across the border.

Canada Customs says mailed goods are examined and any illegal product would be seized.

Hamilton police Sergeant Mike Weber says owning one means you risk being charged with possession of a prohibited weapon.

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