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Choosing the right partner: Tips for lawyers, entrepreneurs and business leaders

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Choosing the wrong business partner can lead to costly and frustrating mistakes, but by paying close attention to their behavior, goals, values, and history, you can reduce risks and foster a more successful and productive partnership.

Picking the wrong partner can be an expensive, distracting and aggravating mistake.

Whether you are guiding clients as they start a business or are expanding your law practice, there are many things you can do to reduce the risks. This article highlights a few of them.

When advising a client who is selecting a partner for their business (or choosing a partner for your law practice), consider the following:

When they tell you what they are like as a professional and a person, listen! Potential partners will frequently tell you things that, in hindsight, you will wish you had paid attention to more closely. For instance:

Do they seem to be proud of, and boast about, situations when they took advantage of a former partner or business associate?

When they tell stories about their career or personal relationships, is there any hint that

they are vengeful, spiteful, quick to anger, unable/unwilling to recognize and admit mistakes, lack self-awareness, feel entitled, or always portray themselves as the victim?

Does the person have the same goals and commitment to do the massive amount of work and make the sacrifices that are oftentimes needed for success in business or law? Someone living off a trust fund is motivated differently than someone supporting a growing family.

What is your potential business partner reading, watching and inspired by? This can tell you a lot about their values and goals.

Is there any history of litigation, personally or professionally? This sounds obvious, but it can be overlooked and very costly.

The first sign of any of these issues means that your client, or you, needs to dig deeper before forming the partnership.

Are there any indications, even if trivial, that they are willing to

bend the rules or truth? Jokes, stories, and how potential partners act in informal situations can tell you a lot about their ethics if you pay attention.

Compliance: Are they dismissive or impatient when it comes to compliance requirements? If there is any unwillingness to complete the mundane, tedious tasks that are part of any company or law practice, then expect to run into problems.

How do they treat other people? During lunch or dinner with the potential partner, are they impatient or discourteous to restaurant staff? Pay attention to small, but important things such as how they tip, how they handle mistakes that might have been made by servers or the kitchen staff, and how they speak to people who are providing a service or have less power/influence. Your employees and customers don't want to deal with a behavior problem you could have avoided.

How easy are they to work with? When it comes time to nego-

tiate an agreement with the potential partner, does that person approach the discussions in a hyper-legalistic, demanding or contentious manner? If so, end the process and search for a new candidate. After all, this



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is your client's (or your firm's) future partner. Relationships that start out this way don't get better with time. The business, or your firm, will run into many situations that require partners to work together and possibly negotiate difficult issues. Employees, investors and customers will thank you.

Are they discreet? Does the potential partner make indiscreet, embarrassing remarks about former or current business associates, friends or family members? You don't want to be the next person they talk about.

Do they have a track record of playing nicely with others? Do they have longstanding business relationships with whom they keep in touch, or do they burn bridges and leave a trail of damaged relationships as they move from one opportunity to the next?

What are they not telling you? Pay attention to what the potential partner does not tell you. Do not be surprised to find litigation, bankruptcies or even criminal problems that were not disclosed, or were carefully hidden, during the initial interview and evaluation pro-

cess. Rigorous, formal background checks are, of course, critical. You owe it to investors, your employees and future acquirers to do the due diligence necessary to uncover problems.

Overall, assume that conflicts/hostilities will arise. If you are surprised because you did not pay attention at the start of the relationship, then you have only yourself to blame.

As a former litigator, investment banker, CEO and board member, I have had the opportunity to see many situa-

tions that either could have been avoided or should have been resolved much earlier, saving a great deal of time, money and stress. I now serve as a mediator, helping businesses and individuals resolve the problems that frequently arise.

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