

## Where to turn when business partners are in conflict

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Many times partners in a business start out at the beginning of the business excited to go into business with each other. Each has their own separate skill set that they bring to the table, whether it is in sales, production or operations. Many times their background is in a large corporate environment and they yearn for the ability to call the shots themselves. Just as in a marriage, they may not spend the time to talk about the problems that they may have down the line in the business. These issues may involve control of the business, responsibility for various aspects of the business, nonperformance issues, capital needs, to name but a few. How can these issues be resolved?



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All of these issues require healthy communications between the parties. If the parties are unable to talk, especially in this tough business climate, consider using a facilitator to listen to the conversations and keep the conversation on a business plain and not allow it to get into personalities. Here are some other ways to allow the tough business conversations to proceed to a successful conclusion.

First, find out the real facts. If you are relying on “facts” that are really gossip or are not truly the facts, you may be furthering miscommunication or misleading information, at best. When gathering the facts, don’t rely upon conclusions. Quantify the facts in terms of dollars and cents or number of units sold or percentage of sales, rather than stating conclusions. State the source of your facts in a memo to the other parties that you will give the other parties before you discuss the matter. Before you give it to the other parties, if time permits, let the memo sit for a day or two. You may find other information which resolves some of the issues. Along with the memo of facts which states the source of the facts, make sure to have an agenda for the meeting that you give to the other participants. Give the other parties the time to digest the issues.

Second, if you have an issue or disagreement with one of your business partners, don’t ignore it, as it will only fester. Face the issue and talk things out with the other party sooner

rather than later. Keep the conversation civil and respectful in your discussions and do what it takes to move forward to a fair resolution.

Third, be an active listener in the conversation. Your business partner has another perspective that you have not heard and you need to examine the basis for that person's point of view. That perspective may also be based upon facts, as well. Try to understand the other side's perspective and keep an open mind. The parties need to make this commitment to move forward through sometimes painful, unpleasant or sensitive issues.

Fourth, if you find that you or the other persons are unable to keep the conversation respectful or unemotional, you may have to hire a neutral third person to act as a mediator. The mediator can help to facilitate you through the awkwardness of your communication, miscommunications and the pains of the conflicts between the parties. You can also consider using "experts" who can bring in more information, such as accountants, lawyers, insurance experts, human resource experts, to name but a few. The new information that these experts may bring may open the doors to some solution to the issues.

You may find it unusual for an attorney to talk about communication between business partners, however, if you do not communicate properly and regularly with your business partners, this may lead to further conflict and perhaps significant legal expenses to try to diffuse the conflict that ensues. It may seem like common sense to state that it is better to "nip it in the bud," but one would be surprised how often that does not happen.

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