

Are you safe from unwanted business partners?

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Have you stopped to consider what would happen if your business partner suddenly died or became disabled? Most people assume that it would be business as usual. Just with one less partner and a bigger share of the business. But is it really that simple?

In the event of your business partner being disabled you would more than likely need to find a replacement for him/her. Someone to take over his/her workload. This would involve a cost to your business in terms of recruitment fees, salaries, and benefits. (Added to this would be the fact that you may well find it morally necessary to continue supporting your business partner financially!) Then there is the financial losses associated with a loss in productivity while the replacement employee "learns the ropes" and acquires the same or similar levels of experience and knowledge that were previously held by your business partner. Could your business afford all these additional costs right now?

On the death of your business partner life becomes more complicated. There is of course similar problems as has been discussed above. (Needing to replace your partner with an employee.) But there are also challenges such as:

- suddenly finding your business partners spouse or children involved in the business and making decisions with you;
- being forced to sell your business partners share in the business to a stranger because of the executors of his/her estate wanting to raise capital for dependents.

There are so many more matters that require discussion and attention. The point is that most small to medium business owners have not stopped to consider these and many other circumstances that could arise. There is enough going on with just running the business. But these are important items to consider and they are not that complicated to resolve.