



Ten Ways to Grow Your Business

By Paul and Sarah Edwards

Going into Business for yourself doesn't necessarily mean going it alone. Over the past 10 years, business partnerships have grown at twice the rate of one-person businesses, as measured by tax returns. So what is the attraction that is driving seven out of ten small-business operators to team up with others? Among the most frequently given reasons are: to be able to take on larger projects or clients and thus become more profitable, to avoid downtime, to develop new product lines, and to expand into new areas. Added pluses include: learning and gaining insights from colleagues; added support; and the camaraderie, stimulation, and fun that can come from working with others. What may also be surprising is that partnerships, while the most obvious form, are not the most common or popular type of business collaboration. Thus, before jumping into a partnership, consider other ways of collaborating that can work just fine in their own right. We have identified ten forms of collaboration that range from nearly risk-free, short-term relationships, to long-term agreements that extend over a period of years.

1. Networking

The least risky way of collaborating is networking in one of the four types of networking organizations: Business referral organizations like Business Network International and Le Tip Business organizations such as the National Association of Women Business Owners (NAWBO) or the local Chamber of Commerce Service clubs like the Lions and Rotary Clubs Professional and trade associations in your field. You can make contacts, trade information and intelligence, and get and make business referrals.

2. Mutual Referral Arrangements

Somewhat more involved are ongoing agreements to mutually refer clients between two or more businesses. These may be businesses in different, the same, or related fields.

3. Cross Promotions

Examples of cross promotions may be joint advertising, sharing a booth at a trade show, or promoting one another's business with signs and flyers in your places of business.

4. Interdependent Alliances

Where two or more business agree to work consistently with each other on projects originated by either party.

5. Joint Ventures

Essentially a short-term partnership, a project or proposal may justify a joint venture, but keep in mind these have the legal liability of regular partnerships and should be formalized in writing.

6. Satellite Subcontracting

When one business or consultant is a rainmaker who prefers to outsource work rather than take on employees, this form of collaborating can go on for years as rainmakers like working with people they can rely on and their subcontractors love having a repeat source of business.

Rainmakers produce business. Often they are better at getting business than doing work. In a law firm or medical practice, this is the partner who is responsible for the lion's share of business.

7. Consortiums

In a consortium, business people with different types of skills associate as a group to attract business for the whole group. For example, an ISP, a Web designer, a Webmaster, and a writer might form themselves into a group to get business.

8. Family/Spouse collaboration

Working with one's husband is the most typical, but these arrangements also include working with siblings, parents, and cousins. These relationships present special challenges and it is important to formally separate the business relationship from the personal one.

9. Partnerships

While written agreements are important in almost all forms of business collaborations, they're vital in a partnership and should be detailed to cover buying out a partner and terminating the partnership. While they're not prenups, partnership agreements need to consider the contingences.

10. Virtual Organizations

Virtual organizations are like flexible consortiums that band and disband on a project-by-project basis. Members are often located in various parts of the country and teams are often not even the same from project to project.

So take your choice. And most of all be sure to look for people and businesses who are as committed as you are.

For more resources to Start or Grow Small Business, visit our website at www.womensenterprise.ca or call 1.800.643.7014.