

PROFITABLE JOINT VENTURES

How to Join With Other Businesses For Mutual Gain
And Lots Of Extra Scrummy Profit



Paul Baker



PROFITABLE JOINT VENTURES

Copyright © 2015 by Paul Baker

All rights reserved. This course or any portion thereof may not be reproduced or used in any manner whatsoever without the express written permission of the publisher except for the use of brief quotations in a book review or scholarly journal.

DO NOT MAKE UNAUTHORIZED COPIES OF THIS MATERIAL. The information here may be used by the purchaser only and may not be passed into another's possession either by copying or by the passing on of the information herein.

First Printing: 2015

Updated: July 2016

197 Warburton Road, Poole, Dorset, England. United Kingdom. BH17 8SE

www.businesssuperheroes.org



Disclaimer

I am not a lawyer or an accountant. I keep myself away from legal and / or financial matters and I hardly ever discuss them in general terms. My advice is based on my experience, so, if you need a strong legal / financial opinion, you should always consult a professional.

The publication of any Third Party Materials does not constitute my guarantee that any information, instruction, opinion, products or services mentioned within the Third Party Material is true or correct. The use of recommended Third Party Material does not guarantee any success and or earnings related to you or your business. Publication of such Third Party Material is simply a recommendation and an expression of my own opinion.

No part of this publication shall be reproduced, transmitted, or sold in whole or in part, in any form, without the prior written consent of the author. All trademarks appearing in this guide are registered and are the property of their respective owners.

Users of this guide are advised to do their own due diligence when it comes to making business decisions and all information, products, services that have been given as examples should be independently verified by your own qualified professionals.

By reading this guide, you agree that I and my company are not responsible for the success or failure of your business decisions relating to any information presented in this guide.

Table of Contents

<i>Disclaimer</i>	3
Introduction – Joint Ventures for Small Business Owners and Entrepreneurs	5
Outline The Key Components of Your Proposal	24
Recruit Your JV Partner Through Effective Communications.....	33
Establish Your Partnership Agreement.....	43
Conclusion and Next Steps	50

Introduction – Joint Ventures for Small Business Owners and Entrepreneurs

"Businesses once grew by one of two ways; grass roots up, or by acquisition... Today businesses grow through alliances." (Peter F. Drucker)

Joint ventures allow two or more small business owners or entrepreneurs access to resources and expertise they don't currently have. These are the alliances referred to in the quote above from famed business management expert Peter Drucker.

While joint ventures are employed frequently by the largest corporations in the world, they also work well for solo entrepreneurs and other small business owners too.

Think about one of the business goals you have not achieved yet.



Perhaps you want to increase your conversion rate. A small business owner or entrepreneur might also be looking towards a short-term sales boost for an infusion of capital or a longer term boost of sales through acquiring new customers. You might need to generate leads for a new product or service

you are launching. These are all common situations where a small business owner can benefit from a smart joint venture agreement.

Unfortunately, statistics show that many JVs fail because they do not deliver the desired results for one or more of the partners in the agreement. Success often depends on how well planned the ventures are, how many people are involved, and how complicated the venture arrangements are.

What Exactly Is a Joint Venture?

"A joint venture (JV) is a short-term partnership in which the persons jointly undertake transactions for mutual profit. Generally each person contributes assets and shares risks. Like a partnership, joint ventures can involve any type of business transaction and the "persons" involved can be individuals, groups of individuals, companies, or corporations."

(Cornell University Law School, NY, US)

In layman's terms, a joint venture is an agreement or partnership between businesses that share resources to achieve specific goals. These partnerships are usually for a specific and shorter in time-frame. At the small business level, this type of deal may begin with a handshake agreement. To protect both parties, however, most joint ventures are formalized with a contract, in some cases requiring legal representation.

The worldwide reach of the internet has allowed small business owners and entrepreneurs to set up shop for very little money. However, with limited capital and resources, these businesses frequently hit a plateau. They want to enter new markets, launch a new product line, or improve their customer base, but struggle to do so. This is a common complaint of both online and brick-and-mortar small business owners and entrepreneurs. Approaching another small business owner with a JV proposal makes a lot of sense for both parties.

The "You Have a List, I Have a Product" Online JV

One typical internet joint venture does a really good job of describing the "both sides win" aspect of this type of partnership. An online marketer may have a sizable email list of followers, as well as a good reputation in her field. However, that small businessperson has run out of products and services to offer, and has seen sales trending downward over time.

On the other side of the equation is a product developer. This entrepreneur is just starting to enter the field and has created a great product, but has no one to sell to. These two business owners are perfectly poised to share their resources to achieve specific business goals.

Sure. the marketer with a list of followers but no new products to sell could create a new info product, but that takes time and money. The product developer with no reputation or client base could also rent an email list. He could also pay for a one-time email blast from an established online marketer which takes money which, in this case, he does not have.

By entering a joint venture, these two entrepreneurs help each other. The list owner does not have to spend the time and money required to create a new product. The info product developer does not have to lay out any capital to access a large group of prospects. When these types of partnerships are successful, they often lead to many successful joint ventures between the same two parties in the future.

This illustration of a successful JV conclusion occurs all the time, online and off. And our example is by no means limited to just internet small business owners. Small business owners and entrepreneurs with offline businesses can also benefit from a well-coordinated joint venture.

The Benefits of a Successful Joint Venture

There are a number of ways a small business can benefit from this type of partnership. While your business may have unique goals, the following are a few common advantages of successful JVs for entrepreneurs and small business owners.



- Access to new markets
- A successful product or service launch
- Increasing conversion rates
- Increased sales and profits
- A boost in reputation
- Building a pool of prospects
- Access to better staff, software, hardware, and other resources
- Increased productivity and efficiency
- Improvement in the quality of your products and services
- Establishment of important business connections

These are just some of the benefits you can realize when your joint venture is successful. Whatever business goal you have right now, it can be realized when you partner with the right small business owner.

The 3 Main Types of Joint Ventures

The goals of small business owners are just as diverse as the fields they do business in. That means that joint venture projects can be created any number of ways to be beneficial to all parties. However, for the most part, there are 3 main types of joint ventures applicable to small businesses:



- Co-ops
- New Businesses
- Mergers

The most common JV for small business owners is the co-op. The online JV example mentioned above is this type of agreement. Typically, one business is trying to access a new market or prospect pool. They pay another business a set commission per sale to access the client base that second business owner has already developed a relationship with. This is also known as an affiliate partnership.

Sometimes business owners come together to create an entirely new entity or business. Each of the business owners still runs their respective companies, and they agree to partner on an entirely new business or product.

The most complicated form of joint venture among small business owners is a merger, or business partnership. Two or more businesses become one. This usually drives up profits and lowers costs, since two separate sets of processes, staffs, resources, and systems are not needed. However, it requires careful management of change in all aspects of running the business.

Joint ventures can also be considered either insiders or outsiders. An insider JV allows access to all business processes for all parties in the partnership. This could include information on sales, accounting, staffing, customer retention and other "insider" resources. Any product or service created from this JV is rightfully owned by all of the partners in this agreement.

An outsider joint venture allows each company to remain separate. All internal resources and information are not shared. This is extremely common for online businesses, where two business owners or entrepreneurs cooperate to form an affiliate agreement.

What You'll Learn in This Guide

Upon completion of this small business JV course you will be able to:

- Define the different types of joint venture partnerships
- Identify areas in your business where a partnership makes sense
- Select the right type of JV to help you achieve your business goals
- Identify appropriate JV partners for a successful win/win relationship
- Pursue and recruit the best partners through effective research and communication strategies
- Draw up a JV agreement, and deliver it to a prospective partner

Learning Activities:

1. Refer to the list of JV benefits above. Which of those benefits, or others, can help you achieve your entrepreneurial or small business goals? This helps you identify exactly what you hope to receive from a joint venture project.
2. Now that you know the overall purpose of your JV, write down 2 or 3 business goals you want your JV to deliver. You can refer to the goals listed in this introduction, making sure you tailor them to specific and detailed goals relevant to your business needs.
3. Look at the 3 different types of joint ventures. Which do you think will be most applicable to your situation, the most effective for helping you reach your goals?

Introduction Workbook

1. Refer to the list of JV benefits. Which of those benefits, or others, can help you achieve your entrepreneurial or small business goals? This helps you identify exactly what you hope to receive from a joint venture project.

- Access to new markets
- A successful product or service launch
- Increasing conversion rates
- Increased sales and profits
- A boost in reputation
- Building a pool of prospects
- Access to better staff, software, hardware, and other resources
- Increased productivity and efficiency
- Improvement in the quality of your products and services
- Establishment of important business connections

Benefits to You

2. Now that you know the overall purpose of your JV, write down 2 or 3 business goals you want your JV to deliver. You can refer to the goals listed in this introduction, making sure you tailor them to specific and detailed goals relevant to your business needs.

	Goals
1	
2	
3	

3. Look at the 3 different types of joint ventures. Which do you think will be most applicable to your situation, the most effective for helping you reach your goals?

- Co-ops
- New Businesses
- Mergers

Finding the Right JV Partner

Before you seek a JV partner, take a look at your current business strategy. In the previous module you identified areas where you could benefit from a successful joint venture. It is important that those areas for growth align with your overall business goals. Once you ensure partnering up with another small business owner is the right idea for the growth of your company, you can start looking for viable partners.

With the right partner, you can achieve all your business goals. A successful joint venture, where both parties win, paves the way for successful collaborations in the future. However, choose the wrong partner and you can do more harm than just failing to achieve a desired set of results. Teaming up with a partner who is not correctly aligned for both of you, could do lasting harm to both parties' reputations.

What Types of Businesses Should You Consider for a Partnership?

This will have a lot to do with what type of JV you're planning on developing. A cooperative affiliate relationship may require a business partner who is very different from one you would seek in a merger. In the previous learning activity, you chose a particular type of JV partnership to pursue.

Take a look at other similarly sized businesses in your field. Joint ventures are usually more successful when each party is familiar with the struggles and challenges the other party is facing. Talk to other business owners in your market. Look at your immediate circle of influence, those business contacts you already have a relationship with.

Have any of them had success with a JV in the past?

Choosing a partner with JV experience is extremely important, especially if this is your first time entering into this type of agreement. This speeds up the learning curve and improves your chances of success.

Think about what end result you are trying to achieve. Then picture in your mind the perfect type of entrepreneur or business owner who can help you fill that gap in your business. For instance, perhaps you have just designed the world's best fishing lure, guaranteed to catch fish every time. However, you are a virtual unknown, with limited capital, and no one to market to.

Performing a Google search for local fishing tackle stores makes sense in this case. They have the customers, and probably an advertising budget. This "filling the gap" partnership is the most common of all JVs, and is also the easiest to implement.

Look for Similar Customer Bases

If you are a wedding photographer, approach noncompeting businesses that deal with similar prospects. Wedding planning services and caterers would be perfect matches for a partnership. You both serve the same client base, and can help each other through a JV co-op or affiliate partnership.

You can do this if your business is online as well. If you market information products to vegetarians, perform a Google search for vegan diets, vegetarian blogs, and other vegetarian-based terms. This simple strategy can reveal opportunities where a JV partnership is profitable for both parties.

Tap into Your Distributor Network

You already deal with distributors, suppliers, clients, advertisers, and other professionals who are familiar with your business. You never know if a partnership would be profitable for both you and these business connections unless you ask. These are the perfect types of businesses for developing an affiliate relationship with. They offer your products and services to their

established prospect pools, they are paid a commission, and you improve your client base, market exposure, sales, and profits.

A Word about Dealing with Your Direct Competition

Take some time to think about teaming up with your competitors. You are both in the business of offering similar products and services. Each of you would love to have access to the other company's resources and prospect pool. You and your direct competitors could team up on an entirely new product launch, or tout your new partner's offerings.

These types of agreements can be extremely profitable. However, they can also cause a lot of heartache. The balance of power has to be even. You should consider avoiding a JV deal with your competitors altogether, if you are afraid both parties will not be represented equally. On the other hand, don't instantly rule out working with the competition without exploring the possible benefits. If you each have your own unique value proposition, there's a huge potential for filling gaps in each other's offerings.

Smart JV Partner Research

Perhaps you are just starting out, and don't have any business contacts. Reach out to your friends, family members, and coworkers. Ask them if they know anyone who would be interested in a partnership, and tell them what you have to offer. You personally deal with dozens of people each and every day. Each one of these people is an opportunity for a successful joint venture.

As mentioned above, you can put the power of Google to work for you. The internet puts you in touch with a global audience. You may think there aren't too many small business owners specializing in your particular field or marketplace, but a quick web search for your product or service keyword can put you in touch with many potential JV partners from around the world.

One quick way to find other small business owners like yourself online is to search for relevant forums and directories. Enter your "product or service keyword" + "forum" or "directory" into your favorite search engine. The results are virtual meet-ups where business owners and clients in your market like to hang out and talk shop.

Social media sites like Facebook, Twitter, LinkedIn, and Pinterest can also reveal businesses for possible partnerships. Use their built-in search engines to look for groups, company pages, marketing directors, and business owners who are marketing to the same type of audience you are seeking.

Working with a JV Broker

If you have limited time and some marketing capital, consider employing a joint venture broker. There are specialists in a number of fields that make a living putting two interested parties together for a successful joint venture resolution. You pay them a fee for finding potential partners, and they work with you to make sure your match makes sense.

Some really talented joint venture brokers can be found on LinkedIn. Using the LinkedIn search engine, look for "joint venture broker" or "JV broker", followed by the name of your product, service, or niche.

Many JV Brokers are one-person operations. Don't let this dissuade you from working with these individuals. In many cases, they have extensive networks and lists of contacts in your field. In many cases, JV brokers have flexible fees, and will work with even the smallest of budgets.

Consider Internet Marketing Forums

Even if you sell a physical product or service, an internet marketer might be able to help you. Successful online marketers have large, devoted email lists which could make your business an overnight success. These entrepreneurs are very good at what they do - marketing goods and services online.

ClickBank, JVZoo, Warrior Forum, Digital Point, and PayDotCom are just a few internet marketing forums and online affiliate marketplaces where you can locate and contact joint venture specialists.

Live Conferences and Seminars

This approach will usually require more of an investment than an online search. Every field, niche or market has important live events held every year. In most major cities, there are local events, business meetings, and meet-ups that cater to your specific industry. One place to locate "real world" seminars, conferences and business presentations is at MeetUp.com. You can filter your searches by city, state, or industry.

Building Healthy Relationships

One great way to build a strong relationship with a potential JV partner is to purchase that business owner's products. Reach out to them and tell them what you think about the services and products they offer. Let them know you are in a similar field, and ask them if they have ever benefited from a JV relationship before.

Spend time interacting with the social media accounts of your prospective partners. Comment on their blog and Facebook page, and make sure your comments are providing value. If you have purchased that person's products, leaving a strong testimonial is a great way to attract that business owner's attention.

Another smart way to start off on the right foot with a potential JV partner is by doing something for them.

Perhaps you have used a business strategy in the past which was very successful for you. You may have made a costly error that can save that business owner a lot of frustration and wasted capital in the future. Reach

out, giving advice and guidance without thinking about how you will benefit. This is a surefire way to show another business owner you are just as concerned about their benefits in a JV partnership, as you are your own.

More Thoughts on Selecting a JV Partner

Once you have a few prospects in mind, do your homework. Look into their reputations, spend some time on their websites, and see what others have to say about their offerings. If they have a brick-and-mortar business, go check it out. What type of customer service experience do they offer? In relevant online forums, are they well thought of?

When you first interact with their website or blog, what is the initial feeling you get? Is their content all about their business, rather than the customer? How good of a job do they do with their online presence and making prospects want to know more? Scroll down to the bottom of their home page and look for "JV Opportunities", "Partner with Us", or some similar text.

What type of customer experience do they offer?	
Are they well thought of online	
What's the initial feeling you get?	
Is their content about their business or the customer?	
How good of a job do they do with their online presence?	

Some savvy business owners are constantly looking for joint venture partners. If there is not such a reference on the website of a business owner you are interested in partnering with, click on their "About Us" tab. Get to know more about the business, and its owner. Then contact the owner with a simple introduction about who you are and how you think you could help him or her grow their business.

Learning Activity:

1. Review how a JV integrates with your business strategy. What goals, priorities, and objectives do you have? How will a JV partnership align with these? **Tip:** *you may find that your business strategy is outdated. This is a good time to update it. You may uncover new goals and priorities to help you focus your energies.*
2. Research. Complete the table in the workbook to help with your research to find a suitable JV partner. Review the content in this module to help you. Essentially, you are thinking through potential partners within your existing network, and then researching prospects outside of that network.
3. Narrow down the options. Now that you have a list of possible JV partners, you need to narrow these down. Use the matrix in the Workbook to assess each of the potential partners so you can focus on one or two.

Finding the Right JV Partner Workbook:

1. Review how a JV integrates with your business strategy. What goals, priorities, and objectives do you have? How will a JV partnership align with these? *Tip: you may find that your business strategy is outdated. This is a good time to update it. You may uncover new goals and priorities to help you focus your energies.*

Business Strategy, Goal, or Objective	How a JV Partnership might help
<i>Ex. Grow revenue by 20%</i>	<i>Revenue is flat; I am having challenges growing my list.</i>

2. **Research.** Complete the following table to help with your research to find a suitable JV partner. Review the content in this module to help you. Essentially, you are thinking through potential partners within your existing network, and then researching prospects outside of that

network.

Type of partner	Within your network	Outside your network
Filling the gap		
Complementary products or services		
Clients, suppliers, distributors		
Competitors		
Other		

3. **Narrow down the options.** Now that you have a list of possible JV partners, you need to narrow these down. Use the matrix below to assess each of potential partner so you can focus on one or two. To calculate your score, assign the number at the top of each column to the cell you circled. Then add up those numbers for your total score.

Potential Partner:				
Criteria	1	2	3	
Alignment to your product or service	No alignment	Some alignment	Very closely aligned	
How well established	Not yet established	Somewhat established	Very well established	
Size of consumer base	Small consumer base	Growing consumer base	Large, mature consumer base	
Performance	Low performance	Average performance	High performance	
Reputation from customers and suppliers	Poor reputation	Average reputation	Great reputation	
Online presence	Low visibility/presence via various channels	Developing visibility/presence via channels	Diverse and mature online presence via various types of channels	
TOTAL SCORE:				

Outline The Key Components of Your Proposal

Before approaching a potential partner, you need to prepare an offer. You have already decided what business goals a JV can help you achieve, and which type of partnership you will be pursuing. The next step is preparing a proposal that is a win/win situation for both parties. To do this, create an outline of proposed elements of the joint venture before contacting a potential partner. Here are a few considerations to include in your proposal outline that are common to small business, entrepreneurial JVs.

Online Affiliate Relationships

In an affiliate co-op agreement, your first instinct may be to seek a 50/50 commission split. However, you should reconsider this. Take a look at the resources each side is bringing to the table. It is not uncommon for an information product developer to offer a 75% or even 100% commission in a JV partnership. On the other hand, physical product or recurring payment memberships usually offer a much smaller commission, sometimes as low as 5 to 10%.

It all depends on the goal you are trying to achieve and the standard in your marketplace. If you are a newbie in your marketplace, and building your presence in your field while creating an email list of prospects and customers is your goal, offering more than a 50% commission ensures that your new partner will do everything in his or her power to help you reach that goal. That is a very attractive commission rate, and may be what gets your proposal the attention of your potential JV partner.

When approaching an established internet marketer, you have to make your JV "pitch" outstanding. These successful marketers are constantly inundated with business offers. For your proposal to stick out from the crowd, it has to make sense for that business person to give you access to his established

prospect pool. If you under-perform, or offer a substandard product or service, the damage to that business owner's reputation is not worth the risk of a partnership.

Know When to Say No

You should never enter a JV agreement that doesn't make sense. Some entrepreneurs, anxious to rise above a plateau they have reached, will make agreements and partnerships that are one-sided in the other party's favor. They are desperate to establish new business connections and build a prospect pool.

In every JV proposal, whether you are making or receiving the pitch, you need to look at the situation in an objective manner. Pretend you're acting as an arbitrator, seeking a level playing field for both parties. This will allow you to say no when that is the appropriate response, and also allow you to spot opportunities where both parties can profit.

Determine Key Responsibilities

When you are making your JV proposal outline, be as detailed as possible. This is the information you are going to use when you approach a potential partner. Imagine getting the perfect JV partner on the phone and being unable to answer an important question or concern. You can avoid that problem when you determine which party is going to handle the following responsibilities.

- Managing email lists and autoresponder sequences
- Handling affiliate commission payments
- Advertising, promoting, and marketing
- Managing staff
- Handling project finances
- Launching the product, service, or offer
- Offering upsells and down-sells

- Warranty and/or guarantee enforcement in the future
- Ongoing customer service, customer retention, follow-up offers after the sale



Depending on your particular agreement, there may be other important responsibilities you or your partner needs to handle. Don't rush through this process. Write down every relevant task that will be a part of your JV partnership, and then assign those tasks to either you or your prospective partner. This step makes it easy to see if your JV provides a fair 50/50 split of responsibilities.

Establishing Important JV Proposal Details

The more detailed your work here, the better chance of impressing, and landing, the perfect partner. Consider every detail relevant to the venture you have in mind. Then step away from your work, and revisit it later. You will often-times spot important details you left out of your proposal.



Termination – Don't forget to include a termination date for your partnership. One veteran JV trick here is to have the termination date attached to goal achievement. Your partnership would then terminate when each party has achieved a desired result.

However, you should still have a backup termination date specified. If both parties do not reach their business goals by this date, the JV agreement is revisited, and terminated if both sides cannot come to an agreement about a logical extension.

Goals – Your goals need to be articulated as specifically as possible. Instead of "build an email list", a smart goal would be "build an email list of 1,000 new customers in 90 days, by selling my XYZ product through an affiliate partnership with ABC Corporation."

Look at your overall goal, and work backwards. If raising your gross margin by 30% is a result you're looking for, how are you going to do this? Will you simply raise the prices of your product going into the JV? You can alternately

offer only those products and services with the highest margin of profitability. How many transactions or conversions will you need?

If you are working with a commission split, how many unit sales will get you to your goal? What are the limits of negotiation you are willing to accept? You must know your goals specifically. It is also a good idea to think about what your prospective partner may wish to achieve. This allows you to create an outline that covers every contingency that may arise.

Intellectual property – If you are creating a new product, understanding who owns what is extremely important. In most cases where a simple product or service is created, ownership is 50/50. However, if you and your partner are merging your businesses, or agreeing to an affiliate relationship, who owns what after the joint venture has been terminated?

Conflict settlement – Even with the most agreeable of parties, conflicts can arise. You and your partner can create the most detailed, in-depth JV agreement, and some problem can appear out of nowhere. This can lead to conflicts that could doom your relationship. You need to know if you and your partner can handle disagreements, or if you will agree on a third-party arbitrator.

Performance issues – This part of your proposal outline covers what happens if one party or the other is under-performing. Detailing every responsibility and possibility that is encountered in your partnership is extremely important, should this happen. Performance responsibilities must be agreed upon in detail and in advance, so you know how to handle a lack of performance from one party or the other.

Miscellaneous – What happens if an illness strikes one of the partners? If an accident, loss of a loved one, or similar tragedy occurs, what happens with the partnership? If you decide to sell your business after you have formed a JV partnership, what are your responsibilities, and what can your partner expect? These are just a few miscellaneous situations which need to be considered when forming your JV proposal outline.

Legal considerations – A lot of small business, entrepreneurial JVs are successful when built on nothing more than a handshake. However, for complicated situations, you should always consult an attorney or JV arbitrator for advice.

Learning Activity:

1. Use the template in the workbook to draft an outline of your JV proposal.

NOTE: If you are proposing an affiliate relationship, affiliate software or a marketplace will handle many of the details for you.

Outline The Key Components of Your Proposal Workbook:

1. Use the following template to draft a proposal outline.

JV criteria	Details
Plan A: Proposed commission	
Plan B: Maximum viable commission (your limit)	
Additional offers beyond commission splits	
Launch date	
End date	
Responsibilities	
Goals	
Intellectual property	

PROFITABLE JOINT VENTURES

Conflicts	
Performance	
Contract, legal	
Miscellaneous	

Recruit Your JV Partner Through Effective Communications

After creating a detailed JV proposal outline, you are now ready to approach the prospects you identified earlier. Effective communications are important in so many areas of your life. In business, they are crucial. In this module you will plan your communications ahead of time, to increase your chances of success when presenting your proposal.

Initiating Contact

First contact – Anytime you can approach a "warm" prospect in any aspect of business, you should do so. These people already know who you are, and may have done business with you in the past. They are far more likely to respond to your first request for a discussion, even if it's just to acknowledge they received it.

However, many times the ideal candidate you identified for a JV partnership will be unknown to you. These people are far more difficult to connect with and are regarded as "cold contacts" in business terms.

In nearly every case, an email is the best initial form of contact. Make sure you grab attention with your subject line, without looking unprofessional. Communicating with the email address listed on a blog or website is okay, but there is sometimes a more direct route. You will no doubt know the name of the business owner you want to work with.

Head over to LinkedIn. Perform a search for your prospect's name. That person may also offer his or her social media details on a personal or company website or blog. A personal email address gives you a direct path to the person you are trying to communicate with. Standard "contact us"

emails are fine for your first outreach, but personal emails are always preferred if available.

Make your email short and to the point, professional and easy to understand. Avoid using industry jargon, and explain your proposal in a nutshell. A veteran JV move here is to mention something you learned about the prospect on his personal or company website. When a business owner goes out of their way to mention they are a cat lover, or avid fisherman, referring to that fact in your email gets you noticed in a crowded inbox in a good way.

Here are two examples of email templates you can edit for cold or warm JV prospects:

Sample cold contact email template:

Hello! My name is {insert name} with {company name and web address}. I was checking out your website and I'm impressed with {insert aspect}. My business does {insert main line of business}, and I think we could both benefit by partnering. I'd love to connect to explore potential opportunities. We could create a special offer such as {insert potential offer}, and I would be open to whatever you have to offer. Let me know if you're free at {insert 1 or 2 times for a telephone call}.

Sample warm email template, for someone you already know:

Hi {their name}. It's {your name} from {your business}. I'm {state your relationship with them - "I'm a customer of yours" or "I'm a member of your private mastermind group"} and I've been impressed with {insert aspect}. My business does {insert main line of business}, and I think we could both benefit by partnering up.

I'd love to connect to explore potential opportunities. For example, we could create a special offer such as {insert potential offer}. I'm also anxious to see if you have a joint partnership idea in mind. Let me know if you're free at {insert 1 or 2 times} to chat. If you prefer to touch base in another way, just let me know. Thanks, and I look forward to talking more.

Alternate Methods of Contact

Some websites employ a pop-up online chat box. After you have been on a website for a certain amount of time, a pop-up box appears with a chat feature. In most cases, you are only dealing with some type of customer service individual and not the prospective JV. If so, ask about the best way to get in touch with the company's owner.

A business owner might prefer Skype, VOIP software, or even mobile texting over email. In any case, be prepared to use whatever communication method your prospect prefers.

Second contact – If your prospect answers your initial contact attempt, great. Reach out in whatever way the business owner suggests, and discuss your proposal. In some cases, your prospect will not get back in touch with you. Don't worry. Just like you, that small businessman has a lot to deal with every day. Your email could have fallen through the cracks, and there is a simple way to deal with this situation.

A day or two after you have sent your email, follow up with a telephone call or additional email. Mention that you sent an email previously, that you are a small business owner just like they are, and that you respect their busy schedule. Before you call, have your detailed JV proposal in front of you.

You should also pull up the prospect's website or blog on your computer. Arrange your telephone call with no distractions or responsibilities to disturb you. Communicate with your prospect in a casual but professional manner, and discuss the outline you have created.

Sell, but Don't Overdo It

Treat this just like any other sale. You want to convince your prospect that this is a smart opportunity for both of you. However, remember that this business owner, just like you, is pitched to all the time. Don't overdo your sales tactics, or you may trigger an immediate defensive response that shuts down your proposal before it has even started.

Common Communication Pitfalls

You need to know how to overcome typical problems which may arise when communicating your proposal. The following problems are common to initial JV proposal communications, especially when dealing with a cold prospect.

- Not clearly outlining the benefits for both parties
- Focusing on just one aspect of the partnership, such as commission rate
- Being unwilling to negotiate
- Approaching the wrong type of prospect
- Inability to walk away from a bad deal
- Expecting a yes or no commitment right away



"No" does not always mean no forever. If you receive a definite refusal, contact this business owner in the future. Keep them in your communications loop, as the timing might just be off currently. The same person that says no now may look forward to a proposal in the future.

You also shouldn't forget that it is going to take multiple communications to land the perfect JV partner.

Don't expect your first phone call or face-to-face meeting to end in a deal. There is research that shows it takes a prospect a minimum of 7 contacts with you or your company before that person makes a purchase. Small business owners and entrepreneurs are no different, so be prepared to communicate often before a deal is reached. And keep track of every communication you've made, the timing, the results, and your next steps using the prospect tracking spreadsheet.

Other Communication Considerations

Your potential partner will have questions about your reputation, the length of time you have been in business, the products and services you sell, and other relevant inquiries. They may ask for testimonials from clients, or your experience handling joint ventures in the past. If you have completed your

learning activities up to this point, and done the appropriate research, you will be able to satisfy your prospect's curiosity in any area.

To seal the deal, and depending on the specifics of your JV offering, you may want to add extra incentives. In addition to a favorable commission split, would you be willing to share your email list with your new partner? Are there resources, physical or virtual, that would be attractive to your new partner? Should you increase their commission as sales increase? Creative thinking can lead to an attractive JV proposal that leads to a successful partnership.

Don't forget that communication is a two-way street. You should be talking less than you are listening. Ask a lot of questions. Understand that you are the person making this proposal. This business owner did not come looking for you. Remember these tips about effective communication, and your chance of landing your target JV partner improve dramatically.

Learning Activities:

1. Plan your communications using the template in your workbook. Always do research to see what contact info you can find above and beyond the email address provided on most web pages.
2. Draft your communications. This can either be an email or phone intro. Outline your key points so you don't forget something.
3. Outline some key talking points to have prepared for discussions.

Recruit Your JV Partner Through Effective Communications Workbook:

1. Plan your communications using the following template. Always do research to see what contact info you can find above and beyond the email address provided on most web pages.

Potential JV partner	Email	Phone	Chat	Other

2. Draft your communications. This can either be an email or phone intro. Outline your key points so you don't forget something. Here are the two email first-contact templates mentioned in the Course Book.

Sample cold contact email template:

Hello! My name is {insert name} with {company name and web address}. I was checking out your website and I'm impressed with {insert aspect}. My business does {insert main line of business}, and I think we could both benefit by partnering. I'd love to connect to explore potential opportunities. We could create a special offer such as {insert potential offer}, and I would be open to whatever you have to offer. Let me know if you're free at {insert 1 or 2 times for a telephone call}.

Sample warm email template, for someone you already know:

Hi {their name}. It's {your name} from {your business}. I'm {state your relationship with them - "I'm a customer of yours" or "I'm a member of your private mastermind group"} and I've been impressed with {insert aspect}. My business does {insert main line of business}, and I think we could both benefit by partnering up.

I'd love to connect to explore potential opportunities. For example, we could create a special offer such as {insert potential offer}. I'm also anxious to see if you have a joint partnership idea in mind. Let me know if you're free at {insert 1 or 2 times} to chat. If you prefer to touch base in another way, just let me know. Thanks, and I look forward to talking more.

Your Communications Draft

3. Outline some key talking points to have prepared for negotiations.

Talking points	Details
What makes your product/service unique and special?	
Your reputation	
Why they should do business with you	
Thinking beyond commissions	
Miscellaneous	

Establish Your Partnership Agreement

In the introduction, you learned that a large number of joint ventures fail. To keep this from happening, consider these common reasons that joint venture agreements are unsuccessful.



Control issues – As a small business owner, you are used to being in control. In a JV, control must be shared, and this can be a problem if it is not taken into account before a partnership is agreed upon.

Responsibility – Entrepreneurs and small business owners are busy people. A JV means even more responsibility. Structure your agreement so

that it includes sufficient time for running your current businesses, as well as the partnership.

Culture clash – Every business has a specific culture. Even though your partner may be perfect for you, and vice versa, you need to understand and accept culture differences.

Imbalances – Plan to address any perceived, or actual, imbalances in responsibilities, commission, expertise, or any other area.

Profit distribution – This should be fair and balanced, and agreed upon beforehand.

Competition issues – These generally arise when you partner up with a competitor. Your agreement should be structured so your new partner does not perceive you as stealing market share.

Poor planning – This course removes this common JV pitfall. By following the information provided in this course, and completing your learning activities, you won't experience problems that arise from lack of planning.

Partnership Agreements and Contracts

For small, straightforward JVs, you and your partner can write out a simple agreement both can sign. You should have this notarized, or otherwise witnessed and signed by a third party you both agree on. In more complex situations, a more in-depth contract will be required.

One example of a joint venture agreement template can be found [here](#).

Bear in mind, this is just a sample template. Your agreement may need to be drawn up by an attorney, and whether or not you seek legal counsel needs to be agreed upon by both parties.

JV Agreement Considerations

Your situation may be unique. There could be very specific responsibilities, tasks, and/or performances that are uncommon to most situations and so should be mentioned in your JV agreement. In most situations though, you should consider covering the following areas.

Beginning and ending dates of your agreement

Management considerations, responsibilities, contributions

Profit and commission structure

Conflict resolution

Frequency of necessary meetings and communication

Partnership considerations outside of this JV

Decision-making responsibilities

The handling of staff, resources, customer service

When and how dissolving the partnership is handled

- Beginning and ending dates of your agreement
- Management considerations, responsibilities, and contributions of each partner
- Profit and commission structure
- Conflict resolution
- Frequency of necessary meetings and communication
- Partnership considerations outside of this JV
- Decision-making responsibilities
- The handling of staff, resources, customer service
- When and how dissolving the partnership is handled

If you are in an established field, there is probably an existing JV template available that will cover all of your needs. Search for "your industry name JV

agreement template" online, where you replace "your industry name" with the market or field you are doing business in. A search for "free joint venture contract" also reveals plenty of boilerplate forms you can consider.

Affiliate JV Agreements

Working through JV Zoo, ClickBank, ShareASale or other affiliate marketplaces means benefiting from an agreement that is already set in place. These and other affiliate networks and programs have established contracts which both parties can sign. If you are working with an independent partner, there is a free, sample affiliate agreement template available [here](#).

Key considerations for any affiliate agreement include, but may not be limited to, the following items.

- Names of each partner, business
- Details of the affiliate program
- Duration of the program and end date
- Goals and objectives
- Individual responsibilities
- Terms and conditions
- Payment schedules, commission structure
- Conditions for termination
- Signatures

Names of each partner, business

Details of the affiliate program

Duration of the program and end date

Goals and objectives

Individual responsibilities

Terms and conditions

Payment schedules, commission structure

Conditions for termination

Signatures

Learning Activities

1. Download the agreement templates or draft your own for either the affiliate program or more formal JV (depending on which you are pursuing). Review the agreements and work out the details for any missing components you had not yet considered.
2. Work through the list in the workbook and fill in any gaps in how you'll set up the partnership. For more complicated joint ventures, you'll then need to contact a lawyer to draw up something more formal.

Establish Your Partnership Agreement Workbook:

1. Download the agreement templates or draft your own for either the affiliate program or more formal JV (depending on which you are pursuing). Review the agreements and work out the details for any missing components you had not yet considered.
2. Work through the following list and fill in any gaps in how you'll set up the partnership. For more complicated joint ventures, you'll then need to contact a lawyer to draw up something more formal.

	✓
Details of the affiliate program	
Duration of the program and end date	
Goals and objectives	
Individual responsibilities	
Terms and conditions	
Payment schedules, commission structure	
Conditions for terminating, dissolving the relationship	
Miscellaneous issues	

Conclusion and Next Steps

Congratulations. You now understand the key steps to establishing a joint venture agreement that's profitable for both you and your partners. Course completion means you have a firm grasp of the following:

- You understand the different types of joint venture partnerships
- You know how to choose a JV type to deliver the business goals you are trying to achieve
- You know research strategies to identify the "perfect" JV prospect
- You have prepared a JV proposal outline
- You understand effective communication techniques and strategies to ensure successful agreement
- You can draw up a JV agreement or contract
- You understand the entire process that makes for a strong and profitable joint venture

Next Steps

Review your course notes. Make sure you have completed each learning activity. When you have, you can be confident in your ability to write up, propose, and land a successful JV agreement. Take the powerful knowledge you have just obtained, and put it to work, pursuing and landing a JV partner.

Learning Activities:

1. Review your learning activities in each of the modules.
2. List your next action steps and deadlines for achieving them. Follow the lessons in each module in order when identifying your task, and be sure to include a task for contacting a potential partner.
3. Don't forget to consider a lawyer if necessary for the peace of mind of both you and your new partner. As one task, you can ask friends or colleagues for names of lawyers they have used.

Conclusion and Next Steps Workbook:

1. Review your learning activities in each of the modules.
2. List your next action steps and deadlines for achieving them. Follow the lessons in each module in order when identifying your task, and be sure to include a task for contacting a potential partner.

Task	Notes	Deadline

3. Don't forget to consider a lawyer if necessary for the peace of mind of both you and your new partner. As one task, you can ask friends or colleagues for names of lawyers they have used.