

ENTREPRENEURS

Should you ever go into business with a friend?

Lindsay Tigar August 30, 2018



You anticipate each other's mood swings. Can easily finish each other's sentences — or know exactly how to pinch a nerve. You've celebrated alongside them at their happiest and pushed them out of bed in their darkest hours. They've been your confidant, your cheerleader, your therapist, your punching bag and your safe harbor. You likely can't imagine making it through many of life's adventures and trials without them. Considering the trust you share in your best friend is amongst the strongest and most reliable, it makes sense why so many folks consider starting a company with their favorite companions. After all, you've seen their work, helped them prepare for interviews or client calls and you've watched as they've succeeded or failed. Why wouldn't you put your two noggins' together to do more than plan a Mexico vacation — but a business plan?

Experts don't necessarily warn against friends becoming professional partners, but they do stress it's not a decision to make lightly. Here, the smartest way to approach the potential opportunity, keeping your savings account and your friendship intact:

Why it can be difficult to go into business with a friend.

When author and career coach [Heather Monahan](#) was early in her career, she learned an invaluable lesson: never hire someone that you cannot fire. While this might not be difficult to follow with folks you aren't inherently attached to or share an emotional bond to, you might

consider your best friend at a different level. However, friend duos who are successful at running companies together are comfortable with confrontation—and they find a way to handle sticky situations. But is it easy? Not at all, Monahan says. “There will absolutely be times of disagreement and angst when working with others, and it is critical that you can separate emotion and focus on business when you need to. This is much easier to do with someone you don’t have a pre-existing personal relationship with,” she explains.

Taha Bawa, the cofounder and CEO of [Goodwall](#) says many people may struggle with developing strategies with their besties because pals occupy a less transactional sphere of our mind space, thus making us go a little easier on them than we would anyone else. “With friends, it’s possible that we might be less objective with their performance, deliverables, and responsibility than a typical colleague,” he continues.

But of all the hurdles that arise as you maintain a pal dynamic while figuring out your quarterly goals, career expert and co-founder Anna Hunter of [ArcVida](#) says the toughest is knowing what’s at stake. Not only your financial and professional future, but your friendship. This can make the whole process more intense, requiring both parties to have a certain level of maturity to weed through it.

Why you should set clear boundaries.

If you feel like your friendship is ready for the challenge and can withstand the ebbs and flows, Bawa recommends starting with an honest conversation about how you’ll approach working hours — and happy hours. Though it’s easy enough to intertwine your normal chit-chats into your business discussions, Bawa explains this can become tricky and potentially lead to resentment or arguments. That’s why separating your WhatsApp banter and your crunching numbers dialogue clearly is essential. “Setting boundaries and expectations will help to keep both relationships intact. Be as explicit as possible and don’t make assumptions,” he explains. This might mean purposefully setting ‘off the clock’ time together where you can disengage from work discussions and talk about what else is going on in your life, making sure you aren’t all-business, all-the-time.

Why you should consider all possibilities — for better or for worse.

Children have the tendency to catastrophize — instantly going to the absolute most terrible, awful thing that could ever happen. While good parenting helps kiddos walk through their anxieties to calm their nerves, smart business practices encourage the same kind of process. Or in other words, Monahan suggests answering honestly how you would handle the absolute worst case scenario of going into business with your friend: “If you have to fire your friend in order to keep the business sustainable will you be able to do it?” If not, she said it doesn’t make sense to move forward.

Another possibility to consider is if your friend is actually your most ideal match for your entrepreneurial quest. "Taking time to evaluate all opportunities and potential partners will allow you to see what the best option is for you. Many relationships come to an end over money and while you may not believe it on the front end, you may find yourself off the back end, regretting the decision to partner with someone you care about deeply," Monahan says.

Why you should always communicate.

Considering Hunter went into business with a friend, she can speak first-hand on what the experience is like. Or better yet, how she's managed to grow a company while keeping a friendship healthy, too. "I can say unequivocally that open and honest conversations are the best way to make sure things don't go sideways in terms of festering resentment," she says. Though the conversations can be antsy, she explains her and her partner perform their best and feel the closest when they express when they feel hurt or dismissed or irritated. Once they address the issue, they can move on. "Even though the conversations themselves can be unpleasant, we are usually in a much better mood afterward," she continues. That's why — contrary to popular advice — you should sweat the small stuff when it comes to interactions. "It doesn't always need to be a big deal, and the more you flex the muscle of direct communication, the easier it will be to have the much tougher discussions, such as which direction the business is headed," she adds.

Why you should focus on the benefits.

Though sure, you should tread carefully and choose your business co-team leader wisely, Bawa says it's also important to focus on the benefits of starting something new with a person you value and care about. "You will have a much smaller learning curve of your business partner's personality, risk tolerance, skills mix, and other characteristics important for you to understand to work well together," he explains. "As friends, you have a higher degree of trust from the start, which could potentially translate into legal savings with less paperwork between the parties as business partners." And since there is already a groundwork there, you have each other's happiness and future in mind, giving you both increased motivation to support one another and drive to not let the other person down.

A win-win? Hopefully so — just speak your truth and make sure to wind down with cocktails when you can.