

Module 5

Lesson 3: How To Setup A Joint Venture

Hey guys welcome back to Module 5 lesson 3. We are almost there, we've almost completed this module so well done, here we go. And the lesson outcome for you today is to learn how a joint venture works and how are you going to get into them and start one today.

The 3 things we want to look at is:

1. What is a joint venture?
2. Who should I joint venture with?
3. How do I set one up and get going on joint ventures today?

So let's get into it. A joint venture is a business arrangement where 2 companies work together to achieve a specific outcome. A great example of a joint venture might have been a function centre that wants to grow their business by reaching out to people like florists, and wedding planners or wedding designers that will be able to create a venture with these people so that when I have events they'll be able to help, I guess, the parties of the wedding planners or the florist. But when the florist and wedding planners get enquiries about having a function somewhere you'll be their first port of call. So it's really like they're helping each other out to do business. Joint venturing is about helping each other's business making each other's business stronger but working with each other in a business to business relationship to help grow and create a better rapport with each other's customers. There are a few things to look at when we're looking at forming a joint venture partnership.

1. Firstly we want to do some research. We want to find the company that shares common values, beliefs and operating structure. We want to work with a company that we really like to work with someone that can actually do business with. Someone we can get along but their customers are similar to our customers. Remember client avatars that we spoke about? We want to model our client avatar for our products and services and look out for companies that have similar client avatars. You want to find someone who works within the same industry, if possible. Someone that has a great reputation, a great integrity behind them, and someone who has the same sort of work ethics as you do. You want to find out the company that treats their customer as just like you treat yours. It's really important because if you're referring customers or a customer is being referred to you, you're really almost putting your business on the line. So you want to make sure that the company that you're working with, you really feel good about doing business with them and doing business with their customers. Another thing to remember is hopefully they operate in the same location with you. Now if you're a bricks and mortar business that you do work in the same location because their customers will be in that location already and hopefully you can tap into that market at the same time.
2. The second thing to think about is looking at your overall business objectives. How is the joint venture relationship going to be helping you achieve your objectives? You want to map out on paper what your objectives are for the year and we've covered objectives in an earlier lesson. We want to be looking at how will a joint venture help you to achieve your objectives over the next 12 months or 30 days. It's really important to take note of these because if you go into a joint venture agreement, there's actually a lot of time creating that relationship and maintaining that relationship for the long-term. So it needs to be a win-win for both parties but you do need to look at your objectives and see how a joint venture partnership is really going to benefit for you.

Now let's look at how we're going to create a joint venture partnership for you:

1. The first thing is creating a list. Creating a list of suitable joint venture partners that can partner with you from today onwards.
2. The second step is we want to be looking at is how to engage with these joint ventures partners we want to be look at:
 - Who do we need to contact. We don't want to be talking to the person on the front line, you kind of want to be

talking to the maybe one of the higher manager or the boss and be able to create communication channels and maybe start the conversation with them about how to joint venture. First you need to arrange a meeting maybe to go in, maybe just have a conversation about forming a possible joint venture partnership. It's kind of like networking like Nick spoke about. You don't want to jump into bed with them straight away. You want to have that conversation and keep the communication open then you can kind of talk about joint venturing. Remembering that this is going to be a business-to-business, almost a business-to-business relationship that they're going to have to think about as well so we'll take a little bit of time to ease on the process and set it up. When you're speaking with them, you want to be able to speak to them about the benefits and how it's going to benefit their customers and how it will benefit them in the long run. If they can see that this relationship is going to work for both businesses, then they'll definitely jump on board. If they can only see that you're only going to win out of it, then they'll probably not going to join you. Making sure that it's a win-win for both parties is really, really crucial to success.

3. Once you've set up your joint venture partnership and things are starting to actually tick along, you need to manage the relationship. It's not just something that you can set up then leave and forget about. It's like one of your customers you really need to manage and nurture that relationship over time. You want to be in contact with them all the time, you want to see how the joint venture agreement or relationship are working for them as well. Find out how they're doing, find out how they're customers are enjoying it, feedback is absolutely crucial to making sure that the relationship lasts long term. One of the thing that I need to mention, you want to keep in touch with them on a regular basis whether it's a weekly, monthly or maybe even a quarterly catch up call - go in, grab a coffee with them, keep it really informal if you can and go over the progress that you guys are taking over this joint venture relationship.

So there's 5 key lesson/ takeaways that we want to take away from this lesson:

1. We want to find a suitable joint venture partner for your business
2. By doing that, we need to do a few things - we need to research (who's in our market, who's in our industry that we can joint venture with)
3. We want to create a list of suitable joint venture partners. Remember, we want to look at companies that have similar customer base, a similar client avatar, and someone that works with integrity and works like you do and fits with your company values
4. We want to start engaging with these people, maybe starting a conversation, having a coffee with them and speaking about how a joint venture relationship could work for both businesses
5. Probably the most important step really is managing and nurturing that relationship so it lasts and it's been beneficial for both of you long term

And as always, please fill out the google form that comes with this lesson. And in the next lesson, we're going to be speaking to you about some technology that you can use to make yourself productive in your business. And as always, if you ever have anything to ask us, please reach out at ask@nickpsaila.com or speak to us on our Facebook page. We'll see you in the next lesson.