Extra Paragraphs

Take two or three of these extra paragraphs and combine them

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Choose a title from the title file, make a few quick edits, and

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Some of these can also be used as quick tips that you can

send out a few times a month.

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Some people partner with others in exchange for a service. One will become the brains while the other is the operation. Others seek partners by virtue of their contacts and connections with agencies. With that person on board, selling the products will be easier. The same goes with those who seek partners purely for their citizenship as with foreigners who want to start a business in a foreign land.

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Another important consideration is to make sure that everything is made into writing. That way, you can be sure that everybody will be doing their part. It is not impossible for people to slack off especially when they know that another partner can take over their responsibilities for them. This can be a huge problem and may create discord among in the group.

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Another benefit that joint ventures have that is very attractive to young people who are starting their business for the first time is the fact that there is less risk involved. When you have partners, you will need to invest less money and also less time. You will also not be responsible for the whole company. If you are fresh out of college and you do not have the money to invest, having a partner who will raise the other half of the capital is important.

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On the other hand, what is a partnership? Always remember that a partnership is different from a joint venture or a merger. A partnership could just be a pact or a business relationship between two or more companies. The alliance could be bonded by a formal agreement with specific terms and conditions for the continuous existence of a partnership. Partnerships often involve long-term and continuing business relationships whereas joint ventures create other business projects. In partnerships, any of the company need not swallow or buy ownership of another.

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That is actually the first rule that you should know when opting for a joint venture. Just because a company fits your needs-criteria, it does not mean that it is already a perfect fit to you or your company for a joint venture. You see, a company may provide the service, the product or the technology that you need for a project but if they are not a company that you trust, partnering with them may mean suicide for you. There are a lot of smaller companies who have gotten eaten up by big companies because they made the mistake of getting into joint ventures with those industrial sharks.

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A joint venture is very much different from a merger. The two concepts should not be taken synonymously. In a merger, two existing companies combine through acquisition or transfer of ownership. There is a deal to buy one company by another. In a merger, both companies could decide to pursue each others current operations. The management of the acquired or absorbed firm is usually terminated or re-assigned into the acquiring company (though in a different hierarchy or position). Mergers do not usually result in creation of a new business or entity. Just two companies merge. Unlike a joint venture, a merger or combination could last forever provided ownership in one would not be transferred or sold again in the future.

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For one thing, a joint venture means that you have partners on your side who will care about the business as much as you will. This reason is enough for some people especially those who just want somebody by their side to help cushion the blow in case it does not become a success. There is after all easier to accept that you and a partner failed in a business than you failing alone.

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To begin with, a joint venture is technically defined as a strategic alliance between two or more parties (or businesses/ companies) to form a new business that would facilitate sharing of resources, knowledge, assets, intellectual property, markets, and profits. A new business or operational entity is established when a joint venture between two or more companies is formed. The venture could not proceed if a company does not find a willing partner to get into the deal. The joint venture is not forever. Its existence could be limited, as specified by the joint venture agreement or contract.

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You should start a joint venture with another company or with other businesses if you humbly admit the fact that your business is lacking specific resources, expertise, and scale to get into more areas you could not possibly reach with your current status. You could form a joint venture with other companies within your industry or in other industries. You could also form such a venture with a foreign firm or a much larger/smaller one. In a joint venture, you would form another entity or a project.

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Getting into a joint venture is like getting into a give and take relationship. In such a business effort, you should also contribute to the alliance instead of just reaping benefits from it. Your contribution could also be in the form of capital or expertise/technical share. Just like any other business strategies and measures, joint ventures have their own sets of general advantages and disadvantages.

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You need expertise. You can’t know anything. One of the best reasons for opting for a joint venture as opposed to doing it on your own is the need for another persons expertise. For instance, if you want to start a T-shirt business but you do not know a thing about a T-shirt, the best way to start the business is to partner with someone who knows the business. You can learn from his or her expertise and start the business that you want. It beats having to enroll in some sort of T-shirt workshop.

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Joint ventures are also sought in the most part because of financial constraints. Some projects can be really expensive to undertake and some products can take a huge chunk of a companies savings, cash that they really do not want to risk in a new enterprise. Joint ventures provide these companies with the option to partner with another company and therefore, divide that risk and also divide the capital.

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Some people also go for joint ventures in exchange for something that they are lacking. For instance, people who have the idea but not the expertise can partner with someone who is knowledgeable in the industry to make the idea come to life. Someone who has the money but do not want to do all the dirty work can partner with someone who do not have the capability to finance it but have the knowledge on how to make it work. These people are called the financiers and the industry partner respectively.

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For the list of cons, joint ventures could be taken as mere strategies of opportunistic partners to gain exposure to a new business segment. In many cases, some companies also use the effort just to poach technical experts and professionals from other companies. Joint ventures could also end up in disaster. According to market analyses, up to 60% of all joint businesses worldwide end up in failure.

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So how does one go about going into a joint venture? Well, of course, the first step is getting a partner or partners. Write up a list of prospective partners and do a thorough screening – checking on the company's history and determining whether they are what you're looking for. After that, you should contact your potential partner so that you develop a business plan together – this includes both how your business relationship begins and ends, if your venture will be a limited one. Another part of the business plan will be how your companies will be structured to accommodate each other and how the income will apportioned.

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That's where starting a joint venture comes in. A joint venture is essentially a limited form of legal partnership that spreads the risk of a business between two or more partners. Joint ventures are usually dedicated to one purpose though there are several ventures that are continuing business relationships – MSNBC, Microsoft and NBC Universal's cable news channel, being a prime example of an ongoing joint venture.

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You need the money. Some people opt for having many business partners because they do not have enough money to start the business. Remember that starting any kind of business takes a lot of money and if you are young and fresh out of school, you will not the have that amount of money sitting idly. Thus, you can partner with several other people so that you can pool your money together and raise enough money for the business.

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Another example when a joint venture is called for is when companies want to expand to another country and they want to partner with a company that already has an established market in the country. This makes everything easier for the company and sometimes also cost-effective. The same goes for companies who want to put their products in the market and need the resources like factories and selling areas to launch their products.

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Another vital thing that you have to look into is the profit sharing and the contribution of each of the partners to the enterprise. This is perhaps the most important aspect of the joint venture because this is after all what all these companies are after. Although the partners are primarily giving something to the joint venture, some will have more contributions than others. It is important that you check all these and make sure that you have the profits and the compensation distributed to the partners fairly.

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When you've cleared up the nitty-gritty business details, it's time to go into the legal stuff. When you're dealing with the finer points of business law, it would be best to hire a lawyer – yes, it may be expensive, but it will be even more expensive in the long-run if you don't hire one to draw up your partnership agreement. An ironclad legal agreement is the best defense against any future litigation that can be sent in your direction. Here are the main points that should be highlighted in your joint venture agreement: how intellectual property rights are dealt with, how the venture is managed, what the partnership covers in terms of business and what each partner is supposed to contribute to the venture.

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But as much as it is one viable idea for businesses, it is not always beneficial. In fact, out of the many who attempt to get into a joint venture, only a few manages to really survive the first five years. This is not because of the “joint venture” per se but because the partners or the partner companies are incompatible.

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You need to have less risk. This goes back to the subject of money. Although some people have the money to risk, they do not want to risk everything. Thus, they look for partners who will share the risk with them. When there are many of you in a business, the amount of money that you need to initially invest will be smaller and more manageable.

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It differs from ordinary partnership in the sense that it is not always for the long term and unlike, partnerships, the resources may not become the property of the other. It all depends on how the parties agree on paper.

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If you are comfortable about combining or sharing your resources with other businesses, you are ready for a joint venture. Modern firms could not possibly function in solitary these days. At one point, every business should consider forming joint ventures with other companies. Competitors and market stalwarts could act together to share a significant market pie. You could opt to own 25% of a $200 million joint venture. It could be more ideal than fully owning a $1 million small business that may eventually collapse due to scale and capital issues.

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Joint ventures, you see, can happen even with companies that have already established themselves in the field. So why would they opt for a joint venture when they can certainly put up the project themselves? They lack the resources or one element in the mix. One example is perhaps two technology companies who each own a patent for a product and when these products are combined, they can produce one great product that they can sell. Because one cannot make the product on their own, the company will seek a joint venture with another to make it work.

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Joint ventures also work for foreign companies who want to establish operations in a foreign land but cannot get a permit to do it. Some countries have strict laws against foreigner owning a business. Because of this law, some companies will seek partnership with a local company in order for their operations to push through. The same goes with companies who have problems with a language barrier and therefore need local companies to help them be introduced in the market.

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It should also be noted that the legal agreement must also cover how the venture may end – you may have achieved your goal, or you and your partners' interests have diverged or you have agreed to end the partnership at a particular time.

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Second, a joint venture could enable companies to enter into related business activities, reach new geographic markets, or attain new technological skills or knowledge. The businesses could access greater resources, including new technology and specialized staff.

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Is your business competitor too strong and too huge to be beaten by your company? Raising more capital may not be the sole solution to your problem. A joint venture with another huge business would do. The deal could give you the necessary resources, technical capability, reach, and scale to equal or challenge a current industry or market leader. The joint venture could also take a broader or wider coverage than your business’ current reach.

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But as most people who have gone to business with other people have realized, a joint venture is not all sweetness and light. It can turn into a nightmare if you do not take care it. Here are some of the downsides of getting into a joint venture and how to avoid or prevent it.

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First on the list of pros, a joint venture could bring about opportunities to gain or learn new expertise or capacity. Even major or huge companies decide to get into such initiatives especially when they lack specific technical capability or expertise. Through a joint venture, they could learn the skills and technical capacity they need by the end of the partnership.

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You need people to do the work. When you are alone in the business, you will need to take care of it 24/7. This is not for people who are also holding full-time jobs and are just doing the business on the side. Having partners means that they can take over for you or you guys can come up with a schedule where each can take turns taking care of the business.

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You need a cushion. Going into business can be frightening and some people feel better if they have people who will cushion their fall. In fact, some do not even care if they lose a lot of money just as long as they lose it with other people. Failure, after all, appears better and is easier to accept when shared with a lot of people.

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The lessening of potential loss for both partners is one of the more obvious perks of being in a joint venture, but the fact that you and your partner share resources and expertise is the main point. He may have information on the marketplace and already have a distribution channel set up, while you have a product that you think is appropriate for the target demographic and just needs to reach the customers. Combining your skills is a no-brainer.

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Of course, a joint venture would force companies to share risks. If your business could not gather the guts to try out a new initiative or project because of the risks involved, you could still pursue the endeavor by making it a joint venture with other firms. This way, the chances of success are made bigger and more achievable. Joint ventures are naturally flexible. It could exist in a limited, specified period or just cease to operate once common objectives and business goals are met.

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It could take too much effort and time to establish the right and healthy relationship between joint venture partners. There could be inevitable problems. The joint venture objectives and goals may not be fully clear and well communicated to all participants. There could be imbalance in the level of investments, expertise, and assets infused into the project by the partners. Then, there could be less cooperation and poor integration because of varying management styles and cultures of joint venture partners.

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Choose your partner well. preferably it should be someone or a company that is similar to you in stature or if ever slightly smaller or bigger. Partnering with a big company may give you instant access but it can be a problem for you in the long run. The partner should also trustworthy and whose work ethic coincides with how you do business. If you find a company who is comfortable in testing the laws and you can’t, it will be a disaster. It is better to not start the partnership at all than to bail out of an agreement.

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Another reason to get into a joint venture is your lack of know-how and technical expertise or capability. Your companies marketing, operational scale, production, and R&D component may not be enough to compete head on with other giants in the industry or in the market. Other companies may have the resources, capital, and technical expertise to complement your own. You should persuade such companies to get into a joint venture agreement with your business.

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Slow management of business. Decision-making will be slower because the opinions of the other partners are needed before one can make a decision. This can slow down the operations and may result to lost opportunity. If all the opinions are not sought, discord among the partners can start.

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Inequality with the brunt of work. Knowing that there are partners who can take over for them, some people slack off and do not do the job. They pass their responsibilities to their partners and just give a variety of excuse. Also, in any kind of group, there will be people who will be doing most of the work while others will just be sitting on the sidelines. It’s natural for a group to have inequality of workload even when there is a clear division of labor.

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Single proprietors hire people to this for them but sometimes, it is better to have someone who you can trust. Employees are also seen as not having the same kind of passion and commitment to the business as perhaps a partner because they do not have a personal stake on it. Thus, they cannot be relied on the same way as you can rely on a partner.

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For people who are just starting their business or are virtually novices in the business arena, it can be frightening to just plunge head first and not have someone with you to cushion the risk. Having a partner or partners will make your investment smaller and therefore, lesser risk for you should the business fail. This is ideal for young entrepreneurs who are just testing the market and are not yet sure of their business ideas yet or those who are going into a field they do not know.

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If you are comfortable about combining or sharing your resources with other businesses, you are ready for a joint venture. Modern firms could not possibly function in solitary these days. At one point, every business should consider forming joint ventures with other companies. Competitors and market stalwarts could act together to share a significant market pie. You could opt to own 25% of a $200 million joint venture. It could be more ideal than fully owning a $1 million small business that may eventually collapse due to scale and capital issues.

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The best thing to do about this is to devise a system wherein partners will have limit on the number of ideas that they will come up with and to have a deadline for narrowing down the ideas into something that everyone can work on and deal with.

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There are many misconceptions about joint ventures. You might be surprised to know that you might not completely know the concept. What is a joint venture? How is it different from a merger and from a partnership? Is it a good option for salvaging or redeeming your business from the difficult challenges brought about by prevailing market conditions? Correct and adequate knowledge about joint ventures is truly imperative these days.

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On the other hand, what is a partnership? Always remember that a partnership is different from a joint venture or a merger. A partnership could just be a pact or a business relationship between two or more companies. The alliance could be bonded by a formal agreement with specific terms and conditions for the continuous existence of a partnership. Partnerships often involve long-term and continuing business relationships whereas joint ventures create other business projects. In partnerships, any of the company need not swallow or buy ownership of another.

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Too many ideas, no agreement. Although it is good to have more than one thinking heads, it can also be a problem when no agreements are reached. Just imagine having a lot of ideas on the table but nothing concrete to work on. Too many people who want to get their voices heard can create problems within the company.

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One can avoid this by making sure that one or two member of the company will be given the power of attorney to make decisions for the group. That way, the company can keep up with suppliers and the operations. Only the big decisions that can affect the company long term will be consulted with each partner.

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A joint venture is very much different from a merger. The two concepts should not be taken synonymously. In a merger, two existing companies combine through acquisition or transfer of ownership. There is a deal to buy one company by another. In a merger, both companies could decide to pursue each others current operations. The management of the acquired or absorbed firm is usually terminated or re-assigned into the acquiring company (though in a different hierarchy or position). Mergers do not usually result in creation of a new business or entity. Just two companies merge. Unlike a joint venture, a merger or combination could last forever provided ownership in one would not be transferred or sold again in the future.

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Most start-up businesspeople opt for a joint venture as opposed to single proprietorship or multi-partners or corporation. Here is a brief rundown of the reasons why a joint venture is a good choice.

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To begin with, a joint venture is technically defined as a strategic alliance between two or more parties (or businesses/ companies) to form a new business that would facilitate sharing of resources, knowledge, assets, intellectual property, markets, and profits. A new business or operational entity is established when a joint venture between two or more companies is formed. The venture could not proceed if a company does not find a willing partner to get into the deal. The joint venture is not forever. Its existence could be limited, as specified by the joint venture agreement or contract.

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When you have partners, there will be division of labor. Thus, you don’t need to do all the work yourself. You can divide the work among the partners where each one will handle one aspect of the business. This set-up is ideal for those who are doing the business part-time and would not be able to look into the business 24/7. If you can’t make it for instance to look at materials or check the quality control, at least, you have someone who can take over the reins for you. This does not mean however that you have the right to slack off.

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For some people, they do not really care about the investment or the risk, they just want someone to be there should the business fail or have problems. Having somebody to rely on in times of trouble is vastly reassuring. Besides, although you can hire people to be there for you, there is nothing better than having a friend or someone you trust by your side.