

# Creating a Professional Partnership: What's the Recipe for Success?

Jeff Zimmerman, Ph.D., ABPP

Starting a partnership is an exciting time. In most cases, you and your potential partner have known each other for years, and are friends as well as colleagues. In these situations, it is normal to want to rush in, “get married,” and start your professional lives together. But, as you know (both professionally and personally), people are complicated, have differing expectations, and will not always agree on what is fair.

So, what is the recipe for creating a successful professional partnership? These tips do not ensure success, but certainly can help create an environment that promotes success.

Consider each of these dimensions and the questions that you and your potential partner(s) should address. This is not an exhaustive list, but rather a list to get you started.

## **1. Overall Practice Vision**

- Why are you creating this partnership?
- What will the practice stand for?
- What are your values?
- What are your short-, medium-, and long-term goals and plans?

## **2. Infrastructure**

### **A. LEGAL STRUCTURE**

- Have you consulted with an attorney and accountant about the legal structure required that best suits your needs?

- Do you know what your possible exposure is to malpractice and other liabilities (e.g., loans and debt) that may be caused by one partner?
- What are the terms that need to be included in your bylaws or partnership papers?

#### **B. INITIAL INVESTMENT**

- How much money will each partner contribute to the start of the practice?
- What else is each partner bringing of value (e.g., furnishings, equipment, active cases, referral relationships)?
- What “sweat equity” will each partner contribute?
- Will you each have equal equity in the practice or different percentages of ownership?
- How will each partner be compensated? Will compensation be based on productivity, a share of the profits according to equity, or a hybrid model?

### **3. Decision-Making and Operations**

- What decisions will be made by voting with equal weight (one person one vote) and what decisions will be made by voting by the percentage of equity in the practice?
- What decisions can each of you make independently of the other?
- What policies and procedures will be in place to run the practice?
- How will you make decisions when you disagree or do not have consensus?
- What are your respective responsibilities: clinical; administrative; marketing; staff oversight, etc.?
- What accountability do you each have to the other(s)?

### **4. Planning for Change**

- How will you measure success?
- When will you meet to discuss making changes to the “recipe” or how you structure and run the practice?
- Will you have partner retreats?
- What consultants will you use (legal, accounting, practice management) to help you build and strengthen the practice and deal with challenges that emerge?
- What understandings and plans will you put in place for a partner exiting the partnership due to death, disability, personal choice, or for cause?

- Will an exiting partner have a restrictive covenant, and will there be a non-disclosure agreement that all partners agree to in advance?
- How will equity from the departing partner be valued and bought back by the remaining partner(s)?

The above questions take time and thought. Unlike a box of cake mix, there is no simple set of instructions that will produce a near-perfect result for everyone.

In planning a partnership, you first need to determine what kind of “cake” you are making, what the recipe is, and how all the ingredients will fit together before turning on the oven. The result: a custom-designed partnership, palatable to all, with a potentially long shelf-life.

---

*The practice of your dreams can be your reality. If you're looking for personalized guidance or more on this topic, consider a one-on-one consultation with a TPI consultant. Contact us at [support@thepracticeinstitute.com](mailto:support@thepracticeinstitute.com) to arrange a convenient time.*

*TPI members have access to our expanded checklists, guides, and tips; a free one-on-one consultation; access to our on-demand Answer Desk; and free small group discussions on a variety of practice needs.*

*<https://thepracticeinstitute.com/join-tpi/membership-options/>*