

How to go into business with your spouse and succeed

Starting and running a business is rarely a safe or simple process, and doing so with one's spouse creates an additional layer of complexity. Whether that complexity will have a positive or negative effect depends on several factors. Here are some of the questions you need to discuss before going into business with your spouse.

- How well do you work together at home? If you cooperate and collaborate for domestic chores, you'll probably carry that pattern into your workplace. If you bicker constantly over how to do the laundry or maintain the yard, working together in business might be a risky option.
- Even if you work well together, some disagreements are inevitable. How do you handle differences of opinion? The answer is particularly relevant if you'll have employees or customers on the premises. At a minimum, noisy flare-ups will ruin your business ambience.
- Do you and your spouse have similar goals and values? For example, one partner's fixation on maximizing income may not be compatible with the other's goal of job satisfaction or adhering to strong ethical principles. If the two of you have such differences, it's important to recognize them and either arrive at an acceptable compromise or reconsider your proposed venture.
- Will your business be adequately capitalized? You won't have an outside salary to fall back on during hard times.
- Will there be other partners or employees? Each spouse's role and responsibilities with respect to coworkers and subordinates should be clearly defined. Spouses with drastically different management styles can make life miserable for employees and each other.
- Will one of you be supervising the other and/or reviewing the other's work? You'll need to concentrate on treating one another with respect, especially when giving or taking constructive criticism. Conversely, continually overlooking your spouse's mistakes or failings may drag down employee morale or otherwise harm your business.
- Are your strengths complementary or redundant? For example, if you're a pair of engineers starting an engineering firm, you might leave functions such as marketing and accounting to employees or outside services so you can work together within your area of expertise. If you find your professional decisions tend to clash, consider splitting up your clients or processes and working separately within two divisions. Of course, if you're lucky enough to have complementary strengths and weaknesses, the division of labor should be simple.

When spouses work well together, a family business can be enormously satisfying. We can help you address the relevant issues and devise a business plan based on your capabilities, personalities, and desires.

Contact our office at (888) 388-1040, for an appointment to explore the possibilities.

NOTE: This article is written to provide you with information about minimizing your taxes. Do not apply this general information to your specific situation without additional details. Be aware that the tax laws contain varying effective dates and numerous limitations and exceptions that cannot be summarized easily. For details and guidance in applying the tax rules to your individual circumstances, please contact us.

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