

## **Ten Tips to Manage a Parent-Adult Child Business Venture**

Michele Bonneville, who shares ownership of a Home Instead Senior Care® franchise business with her daughter, offers points to consider for parents and adult children when considering a business partnership.

1. If it is a business start-up, does the parent have the money, assets or good credit to go into a business with the adult child? Does the adult child understand what debt is and know that it is to be avoided or dealt with in a serious way? It may benefit the child having easier access to capital with the parent versus going directly to a lender.
2. How much preparation and on-the-job training is needed? A successful franchise system can help with each step of the setup and provide checkpoints for progress after the franchise is under way.
3. Does the adult child's educational background lend itself to making sound business decisions? For instance, what would happen if a fine arts major suddenly is thrust into the role of hiring and firing employees?
4. Has the adult child gone through a business internship in college? Did he or she enjoy it? Has he or she worked at the parent's business part time?
5. Does the adult child have the inner drive, passion or ambition to want to achieve success? Or is the business merely a fallback employment option for the adult child?
6. Is the adult child involved in a relationship that would place marriage plans on the horizon? Sort out the impact of a marriage and children on a business endeavor.
7. Is there a shareholder's agreement? Work on a pact that establishes placement of the authority and the division of work.
8. Is a plan of succession in place? If not, set up one, even if the parent doesn't foresee an immediate retirement.
9. Have you done your research? Plan an analysis of the market where you're going to work together and agree that it is the right place, circumstance and timing for what you're going to do. Agree on a detailed business plan, complete with short- and long-range goals.
10. Do you have a trusted team to help you? Perhaps most important, plan to hire a team that includes experienced and trusted staffers, or have access to an impartial consultant who can help sort out issues if needed. Be prepared to handle growing pains when they come up because no successful business is without stresses.