

A JOINT VENTURE CAN DELIVER MORE THAN GROWTH

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In the last three decades, businesses in the United States have moved from trying to grow from within to mergers to the promise of joint ventures.

The way a company approaches its growth affects its communication patterns. When a business is expanding from within, managers focus on gross volume, span of control, and building alliances. The management team spends much of its time reviewing individual departments rather than the competition. Analysis is often introspective rather than global.

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The atmosphere within an expanding-from-within company is often highly competitive and political. One manager wins the favor of the top executives by eroding the credibility of others. Another gets promoted because his social life matches the corporate image.

When companies expand through mergers, management's communication pattern shifts to an increased focus on external factors and the competition. Executives become more secretive because they are unsure what information can be safely shared with others without risking the deals being made.

The atmosphere of business during periods of mergers/acquisitions can seem paranoid as the rumor mill spins at full speed. Periods of no information are followed by a sudden flood of confusing details, drastic change, and adjustment. Many employees, perhaps prematurely, feel little sense of job security during periods of potential merger and are less willing to offer their ideas.

Not surprisingly, this brought about a period of increased emphasis on participative management techniques. Many executives had to painstakingly solicit their employees' suggestions and then clearly demonstrate that they had heard employee comments. Unfortunately, for many corporations, the gap between management and labor has widened over the past decade or so.

Leveraged buyouts, employee ownership programs, entrepreneurship, and joint ventures provide some hope for improved communication and advantage. Much of the growth in the gross national product over the past few years has come from small businesses. An increasing number of the small business start-ups are owned by former corporate managers who were

dismissed following a merger or who became discouraged by the focus on deal making over production.

As the number of small business startups accelerates and the economy slows, competition within the small business community will no doubt heighten. Fortunately, many small business owners are recognizing the value of joint ventures. In a joint venture, the entrepreneurs retain independence, but share resources, risks, and benefits.

Communication within the context of a joint venture is often more comfortable for those involved. Potential competitors become teammates. No one is forced to share all of his information. The players in a joint venture discuss facts that are relevant to the project, thus reducing the fear of lost control, privacy, or identity. Many joint ventures take place within a defined time frame, thus leading to more purposeful, focused conversation.

Joint ventures can have an equalizing effect because the parties involved have a mutual need for one another. Joint ventures can also greatly increase a company's chances for success. A small business can compete against large corporations when its resources are combined with those of others. Joint ventures also allow entrepreneurs to retain their flexibility. If a project does not work out well, it can be stopped or a new direction attempted. It is much more difficult to dissolve a merger.

Joint ventures represent America's competitive edge in the future. Owners of small businesses will enjoy the chance to compete in a global economy while retaining independence, flexibility, and more comfortable communication.

*Known as **The Growth Strategist**™, Aldonna R. Ambler, CMC, CSP helps professional service firms, technology/telecommunication companies, and construction-related/distribution companies reach their goal of **Achieving Accelerated Growth With Sustained Profitability**® through a combination of speaking, consulting, executive coaching, authorship, and growth financing. She has executed an ESOP, grown multiple international businesses, won just about every major award an entrepreneur can win, provided expert testimony on economic growth at over 30 legislative hearings, conferred with 4 different Presidents in the Oval Office, and published 2 books and over 100 articles. Aldonna was named the **national (USA) "Woman Business Owner of the Year" for 2000**. Aldonna Ambler can be reached at 1-888-Aldonna (253-6662) or at www.TheGrowthStrategist.com.*

