

Are We a Match? The Four Cs of Finding a Good Partner

Planners who are leaving the business need to take their time getting to know a potential successor

By Barbara Kay, LPC, RCC, TIPC



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- “Barbara, my senior partner handed me the reins and now can’t stop meddling. I’m doing great, but he can’t let go.”
- “Barbara, I partnered with an adviser who assured me our investments were similar. I’ve discovered they’re completely different, and my partner won’t change.”

FINDING A GOOD PARTNER for growth, succession, or any goal is difficult. Too often I hear stories of failed partnerships. People end up bruised and exhausted. It’s such a waste.

Why does this happen? Too many partnerships

are based on surface appeal. The person’s practice looks successful, appears to be similar, you like each other, and there is something to be gained. This is akin to eloping after a few dates. It rarely works out.

The challenge is how to assess the suitability of a potential partner before partnering. Start with investigating two things: character and culture. In my professional opinion, these must be a good fit for a partnership to succeed.

“Rarely will two advisers have identical cultures or bring exactly the same benefits to a partnership. There will be different strengths, styles, and types of contributions.”

Character

The most successful and charming financial professional will not be a good partner if a dark personality hides behind the charm. Dark personalities score high on narcissism and/or Machiavellianism.

The term narcissist is used loosely, but it has a clinical definition. A true narcissist always puts self first. The Machiavellian personality will freely use deception and manipulation to gain advantage. It's normal for people to desire their own well-being (narcissism) and work for their own interests (Machiavellianism). A dark personality consistently puts self above others.

How to Measure Character

Measuring character is simple and can be summed up in one word: behavior. Ignore words. Focus entirely on the past and present behavior with peers, subordinates, leaders, and clients. A dark personality will push for their desires and dismiss the needs of others. Look for a pattern of two-faced behavior. Dark personalities often charm influencers but mistreat peers and subordinates.

- **“Barbara, I’m working with a team leader who is amazingly charming with clients and highly successful, but he bullies his team. He keeps them down while he amasses wealth and power off their efforts.”**
- **“Barbara, I have a frenemy at work. She needs my help, but then takes the credit behind my back. She’s not that skilled but is manipulating her way up the ladder.”**

These are real-life examples of narcissism and Machiavellianism. To discover character, have confidential conversations with people who know the person well. Ask neutral questions like: “What’s it like to work together?”, “What are the strengths?”, “What are the challenges?”, “What kind of partner would be a good fit?”, and “What is most valued?”

This is the first and most important test of a potential partner. Run from anyone with an untrustworthy character. Whatever they do to others, they

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will do to you. If their character is upstanding, move on to assess the culture.

Culture

Culture is a comprehensive word that encompasses the style, values, and methods of the potential partner. Many partnerships fail because of mismatched culture. Evaluate the culture by looking at two areas: the practice and the people.

Is the Practice a Good Match?

Evaluating the practice is like walking into the manufacturing plant of your potential partner. What is the product and how is it being made? The easiest mergers will be between partners of similar practices.

Practices that are significantly different require extra consideration before proceeding. Take a hard look at all aspects of each practice. As needed, use a respected mediator to evaluate the details, so your evaluation of practice symmetry is evidence-based. This is definitely time to “trust but verify” before moving ahead.

Are the People a Good Match?

Consider the partner and the team. What time, talent, and activities are valued? What are the skill sets? What are the personality styles? How do they work together? Then consider the external relationships. Who are the clients? How do they fit? How well do your client service models align?

Rarely will two advisers have identical cultures

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or bring exactly the same benefits to a partnership. There will be different strengths, styles, and types of contributions. As differences become evident, consider what accommodations must be made so that the partnership is equal and reciprocal.

Julie Genjac, vice president and managing director of applied insights for Hartford Funds, is a teaming expert with over 20 years' experience. When I asked Julie the key to a successful partnership, her response was immediate: "Each partner must equally value what each other will contribute to the practice, even if the monetary value is not equal. A mismatch in perceived contributions can lead to stress and ultimately divorce over time."

I agree! The cultures and contributions do not need to be identical, but they need to be equally valued and agreed upon before partnering.

After determining that the cultures are complementary, move to the next phase of negotiating the match. Focus on clarity and conduct.

Clarity

This is the time to define the *what*, *how*, and *when*. Start with *what*.

What?

Professional coaches are trained to ask short questions that reveal as much information as possible.

You might start by asking:

- What do you want in a partnership?
- What do you expect?
- What do you value most?

What questions reveal expectations, values, and goals. These need to be aligned first. For example, if a senior adviser partners with a younger professional for the purpose of succession, they'll each have expectations. If the senior partner wants to work indefinitely, that might conflict with the junior part-

ner's desire for a quick timeline. What the succession looks like needs to be clearly defined. Once you've clarified these, move on to the granular questions of *how* and *when*.

How and When?

Capture all you need to move forward in a comprehensive series of *how* and *when* questions. For example:

- How does your practice work exactly?
- How do you manage investments
- How do you serve clients?
- How do you work with staff?
- How and when do we reach an agreement?
- How and when do we integrate?

Although this level of investigation may feel invasive, it's essential to get very granular at this point. If a potential partner is unwilling to be specific about what, how, and when, stop. There's a reason for not committing. Go back and do more discovery. You might ask: "What's stopping you from getting specific?" or "What would help you move forward?"

Clarity is also gained with good communication habits. Use meta-communication (talking about how you communicate) to advocate for open and collaborative dialogue. For example, you might say: "The partnering process is often uncomfortable, and people can be hesitant to share their feelings. I want us to work through concerns openly from the start." This sets the stage for emotionally frank conversations, now and in the future.

In my professional experience, dealing openly with the emotions underneath the decisions is essential. Hidden emotions are often the source of indecisiveness, inactivity, or resistance. I hear examples frequently:

- **"Barbara, my senior partner is rapidly approaching retirement, but I'm not meeting**

clients. He keeps making excuses. I don't know why he's stalling."

- **"Barbara, my new partner agreed to follow the team investment model, but he keeps doing his own thing. I don't know why he won't adapt."**

These situations are often caused by unexpressed anxiety. A partner is afraid of being embarrassed, losing credibility, or feeling inadequate or irrelevant. This is why transparency is so important. Unless the emotional concerns are dealt with up front, they turn into time bombs that erupt down the road.

Conduct

While pursuing clarity, focus on the last litmus test: conduct. Like assessing character, ignore the words. At every stage, pay attention to how your potential partner behaves. Hesitancy, disagreement, and negotiating compromise is normal. The question is what's the conduct before, during, and after compromise is reached. Conduct is king. Even at this late stage, turn away from a partner who is not working to align, commit, and execute with you.

Save Time and Trouble

A complete partnering guide is beyond the scope of this article. My purpose is to save you time and trouble. Assessing character is first for a reason. It's the fastest litmus test, and a "no" will save a lot of trouble. Evaluating culture requires more effort but will give you good evidence for investing more, or not. Gaining clarity and observing conduct takes much longer but is well worth it to establish a great partnership or avoid the pain of a business divorce. Reach out to discuss in more detail and tap into excellent resource partners like Julie Genjac. Don't skip the "pre-marital counseling." ■