10 questions to work through with your business partner

James and Michael trusted each other. That was never the problem. They just never finished the conversation about what would happen if one of them was not there. These questions finish it. You do not need all the answers today; start by finding out what you have both been assuming.

STEP 1

Print two copies. Each of you answers every question on your own, honestly, before you compare.

STEP 2

Put the two sets of answers side by side. Mark every question where you assumed different things.

STEP 3

Take the marked questions, and the documents on page 3, to your lawyer, accountant and adviser in one meeting.

1 If something happened to me tonight, what would you want to do?

Buy my half. Keep my family involved as owners. Sell the whole business. One of you may expect the family to stay in while the other expects to buy them out. Start here, because everything else depends on the answer.

WHAT I ASSUME	WHAT MY PARTNER ASSUMES

2 What would my family actually need to receive, and when?

A lump sum for my share of the business, an income for a period, or both. Owning half of a $10 million business does not put cash in a bank account. Write down what each family would need to get through the first year.

WHAT I ASSUME	WHAT MY PARTNER ASSUMES

3 Who holds our shares, and in whose name?

A director's seat ends on death. Shares are a separate matter: held personally they pass through the estate alongside whatever the company documents require. Held in a trust or company, different rules apply. Do our wills say the same thing as our agreement?

WHAT I ASSUME	WHAT MY PARTNER ASSUMES

4 Do we have a written agreement, and what does it say about death, serious illness and permanent disability?

An agreement tucked away somewhere is only useful if it covers the events that actually happen and both of you have read it recently. Note when it was last reviewed and whether the business still looks like the one it describes.

WHAT I ASSUME	WHAT MY PARTNER ASSUMES

5 What is the business worth today, and how did we arrive at that number?

The value may sit in equipment, contracts, customer relationships and expected profit rather than cash. Would both families accept the figure you each wrote down? If the two numbers are far apart, that gap is the first thing to resolve.

WHAT I ASSUME	WHAT MY PARTNER ASSUMES

6 If I had to buy your half, where would the money come from?

Borrow it: would the bank still lend after losing one of the two people who built the business, and what security would it want, including the family home? Pay the family over several years: can they afford to wait, and what happens if the business struggles and the payments stop? Sell: is that also selling your own livelihood?

WHAT I ASSUME	WHAT MY PARTNER ASSUMES

7 What does the business owe, who has guaranteed it, and whose home is the security?

If one partner's home is security for business debt and the debt cannot be refinanced or repaid, that family could be dealing with a death and the loss of their home at the same time. Write down every loan, every guarantee, and what would have to happen to release each family from that exposure.

WHAT I ASSUME	WHAT MY PARTNER ASSUMES

8 What insurance do we actually hold for this, who owns it, and who receives the payout?

Taking out the policy is only part of the work. How does the money reach the person selling the shares, and what makes sure the shares transfer to the buyer? Does the amount still match today's value, or was it set when the business was worth a fraction of what it is now?

WHAT I ASSUME	WHAT MY PARTNER ASSUMES

9 Have we funded two separate needs, or are we counting the same money twice?

The same death creates two needs. Buy sell cover funds the ownership transfer and goes to the family. Key person cover helps the business survive losing the person who brought in the biggest client. The money that bought the shares is not also sitting in the business to cover wages, rent and loan repayments.

WHAT I ASSUME	WHAT MY PARTNER ASSUMES

10 If one of us is seriously ill and cannot return to work, what happens, and when?

Does the ill partner want to sell, and does the other have the right or the obligation to buy? After six months away, a year, or only once a medical definition is met? Does the disability and illness cover pay at the same point the agreement requires a buyout? And in the meantime: who does the work, how are they paid, and what income can that family rely on?

WHAT I ASSUME	WHAT MY PARTNER ASSUMES

Bring these to the meeting

Documents and numbers, together, in front of your lawyer, accountant and adviser.

- [ ] Shareholders' or partnership agreement, plus both wills
- [ ] Every business insurance policy, showing owner and beneficiary
- [ ] Loan documents, personal guarantees, any security over either home
- [ ] A current valuation, and how it was calculated

Three questions for the professional team

If one of you dies or cannot return to work:

- Who can make decisions?
- Who receives the money, and where does it come from?
- What debt or risk is each family left with?

THE QUESTION BEFORE ANY BUYOUT, LOAN OR POLICY

Where did you and your partner assume different things? If there is a gap, find it while you still have time and choices.

Book a 30 minute meeting

Listen to Episode 2 on **Apple Podcasts**, **Spotify** or **YouTube**. Sangram Rana, Principal Financial Adviser, Level 1, 55 Collins Street, Melbourne. **sangram@buildmywealth.com.au**

Keep this worksheet private once filled in: it records what each of you assumes about your business, your families and your debts.
General information only. This worksheet does not take into account your objectives, financial situation or needs. Before acting, consider whether it is appropriate for you and seek personal financial, tax and legal advice. The James and Michael scenario is used to explain the issues and does not describe any particular business. Accounting Cloud Pty Ltd T/A Build MyWealth is a Corporate Authorised Representative (No. 1306106) of Lifespan Financial Planning Pty Ltd, AFSL 229892. Sangram Rana is an Authorised Representative (No. 1251526). Current as at October 2026.