

JOINT VENTURES

Occasionally a business opportunity may arise but your business is unable to take full advantage of the opportunity because it does not possess the necessary skills, expertise, contacts or finance. Another company may possess the skills your business requires but do not have the skills that your business can offer. In such circumstances a new entity using the most useful components of both businesses can be formed to take advantage of the opportunity. Occasionally several businesses might be able to work together to exploit the opportunity.

The Joint Venture Company can be a short lived business formed to deal with a specific scheme or can be a more permanent business to cover an on going situation. Where a company wants to open in a foreign market it is often advantageous to find a local party who can use their local knowledge to assist in promoting the opportunity.

The advantage to all of the parties entering into the Joint Venture is that they will limit their possible liabilities should the venture fail. However different corporate cultures and an imbalance in the control or finance of the Joint Venture can often create difficulties and what appeared to be a good business opportunity can fail through a lack of cooperation.

To avoid such pitfalls detailed planning and negotiation and carefully drafted documentation can protect the partners in a Joint Venture Company and can help make the business opportunity a success. DMB Law can assist at all stages of the Joint Venture and can provide the necessary advice, company documents and expertise.

To find out how, call Grace on 01732 228801 or email grace@dmblaw.co.uk.