

□ AB FINANCIAL NEWS
★ COMMUNITY GUIDE ★
**THE PARTNERSHIP
PLAYBOOK**

Why You Cannot Build Alone — and How to Build Together Without Losing Everything

— A Maraki Group Business Education Edition —

Published: April 2026 | Hosted by AB | Maraki Group

□ WHY THIS GUIDE EXISTS

In our community, we have watched two equally painful patterns repeat themselves for thirty years:

<p>PATTERN A THE EXHAUSTED SOLO FOUNDER</p> <p>Tries to do everything alone. Burns out by year 3. Business never scales.</p>	<p>PATTERN B THE BETRAYED PARTNER</p> <p>Trusted family or friend. Money disappears, books go dark. Family destroyed forever.</p>
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Both patterns end in failure. Both leave entrepreneurs poorer, more isolated, and less likely to try again. **This guide exists to break the cycle.** Partnership is not the enemy. **Unstructured partnership is the enemy.** Our ancestors knew how to do partnership well — they did Iqub, Iddir, and family business for centuries. What modern diaspora partnerships are missing is not love or trust. It is **structure**.

□ **THE THESIS:** No serious business is built by one person. But no serious partnership survives without rules everyone agreed to in advance, accounting everyone can see, and exits everyone can take with dignity. **This guide gives you both halves: why partnership is essential AND how to build one that does not destroy you.**

□ **1. THE THREE PILLARS — WHY NO ONE BUILDS ALONE**

Every business — from the smallest restaurant to the largest tech company — stands on **three pillars**. Remove any one and the building falls.

<p>□</p> <p>PILLAR 1 OPERATION</p> <p>Making the product. Delivering the service. Managing people, supplies, inventory, quality, time.</p>	<p>□</p> <p>PILLAR 2 FINANCE</p> <p>Capital and cash flow. Accounting and taxes. Pricing, costs, margins, loans, payroll, runway.</p>	<p>□</p> <p>PILLAR 3 MARKETING</p> <p>Finding customers. Telling the story. Branding, sales, content, community, retention.</p>
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1.1 The Honest Math of Solo Founders

Almost no human being is genuinely excellent at all three pillars. The natural operator hates marketing. The natural marketer hates accounting. The natural accountant hates customer service. **Trying to be all three is the most common reason small businesses fail** — not lack of money, not lack of effort, but lack of complementary skill.

Solo Founder Type	What They Do Well	Where They Drown
The Natural Operator	Quality, consistency, customer service. The shop runs perfectly.	Numbers, marketing. Cannot grow.
The Natural Numbers Person	Books, taxes, cost control, lending relationships.	Cannot generate sales. Hates dealing with people.
The Natural Marketer	Brings in customers. Builds brand. Drives growth.	Operations and finances chaotic. Money disappears.

□ **THE INSIGHT:** Look honestly at yourself. Of the three pillars, you are probably **strong in one, decent in one, and weak in one**. The right partner is someone whose strength matches your weakness — **not someone like you**. Two operators with no marketer make a beautiful, empty store. Two marketers with no operator close in six months from chaos.

□ 2. WHY DIASPORA PARTNERSHIPS FAIL — THE EIGHT PATTERNS

Before we discuss how to build partnerships well, we must look honestly at how they fail. **Every pattern below has destroyed multiple Ethiopian and Eritrean businesses in the DMV**. Naming them is not pessimism — it is protection.

#	Failure Pattern	How It Plays Out
1	The Silent Partner Becomes Invisible	One partner contributes capital but no work. Over time, he stops showing up, stops asking questions, and stops monitoring. The active partner runs everything. Money flows. Then one day the silent partner suddenly demands "his share" of growth he had nothing to do with — or worse, accuses the active partner of theft because he never bothered to look at the books.
2	The Bookkeeper Goes Dark	The partner handling the money stops sharing books. "I will show you next month." Next month becomes never. By the time the other partners insist on seeing the records, \$50,000 to \$300,000 has quietly moved to personal accounts. Often the bookkeeper genuinely believes he was "owed" extra for working harder.
3	The Family Trust Trap	"He is my brother / cousin / nephew. We do not need a contract." Two years in, the brother's wife wants to expand. The cousin's gambling debts surface. The nephew sells his share to a stranger without asking. The family relationship that was the partnership's strength becomes its undoing — and now Christmas dinner is destroyed too.
4	Role Drift	At the start, partners agree on clear roles. Six months in, lines blur. The marketing partner starts making operational decisions. The operations partner starts holding sales meetings. Each begins to resent the other for "interfering." No one is in charge of anything. Decisions slow. Quality suffers. Customers leave.
5	Money Envy	The partner who works the cash register sees customers paying daily. The partner working in the back sees only paychecks every two weeks. Slowly the front-of-house partner thinks: "I am the one bringing in the

		money — why do we split 50/50?" The back-of-house partner thinks the same in reverse. Both believe they carry the business.
6	Communication Breakdown	A small disagreement is not addressed. It festers. Within months, the partners are communicating only through their spouses — who tell each other things were never said. By the time anyone tries to fix it, both partners have lost trust in the other's motives. Every business decision becomes a power struggle.
7	Life Event Disruption	A partner gets divorced. Or sick. Or has a child go off to college and needs cash. Or moves home to Ethiopia for a family emergency. The partnership agreement (if there is one) does not address what happens. The remaining partner is stuck running the business alone while still paying the absent partner — or facing a forced sale.
8	Success Exposure	The business finally makes real money. Suddenly relatives, in-laws, and friends start whispering: "You deserve more — your partner is taking advantage." Or "He works less than you, why are you splitting equally?" The whispers grow until one partner believes the relationship was never fair. Success destroys what struggle could not.

☐ **THE COMMON THREAD:** Every one of these eight patterns is preventable. Each one fails because **something that should have been written down was left to memory and goodwill**. Memory fades. Goodwill is finite. *Paper is forever.*

☐ 3. CULTURAL TRAPS — PHRASES THAT DESTROY BUSINESSES

Certain phrases are spoken at the start of nearly every failed diaspora partnership. They sound noble. They sound trusting. **They are the warning signs of a business about to die.** Recognize them in yourself, and recognize them in any partner who says them to you.

The Phrase	What It Really Means — and the Right Response
<i>"We are like family — we do not need a contract."</i>	It means: "I want the freedom to be unaccountable later." RESPONSE: "Family is exactly why we DO need a contract. It protects our family relationship from our business disagreements."
<i>"He is my cousin — he would never cheat me."</i>	It means: "I will not check the books because checking implies suspicion." RESPONSE: Cousins cheat cousins every year. Not because they are evil — because they think they are owed extra. Trust the cousin, AND verify the books.
<i>"We agreed at the church — God heard us."</i>	It means: "I want to use your faith to shame you out of asking later." RESPONSE: "God blesses contracts. Abraham wrote his agreements down. Let us honor God by writing ours."
<i>"Asking me to sign means you do not trust me."</i>	A weaponized guilt trip. RESPONSE: "I trust you completely. I do not trust LIFE. People die. Marriages end. Tax laws change. The contract is for the unknown — not for you."
<i>"Why are we paying a lawyer? It is wasted money."</i>	It means: "I do not want a third party to read what we are agreeing to." RESPONSE: "A \$1,500 lawyer today saves a \$50,000 lawsuit later. The lawyer is the cheapest insurance we will ever buy."
<i>"Let us start first and work out details later."</i>	It means: "I do not want to negotiate hard things now while we still need each other." RESPONSE: "We will never have more

	goodwill than we do today. Let us use that goodwill to handle the hard questions before money clouds judgment."
"You are too American — you are forgetting our culture."	A cultural shame attack. RESPONSE: "Our ancestors wrote contracts on stone tablets in Ge'ez 1,500 years ago. Writing things down IS our culture. Verbal agreements are not."

☐ **THE CULTURAL SHIELD:** When a potential partner uses any of these phrases, do not get angry. Do not argue. **Become curious.** Ask gently: "What about the contract feels uncomfortable to you?" Their answer will tell you **everything** you need to know about whether to proceed.

☐ 4. THE FIVE LEGAL STRUCTURES — KNOW THE BOX YOU LIVE IN

Before any partnership begins, you must choose the **legal container** it lives in. Each container has different rules about who is liable, who pays taxes, and what happens when things go wrong.

4.1 General Partnership (GP)

What it is: Two or more people in business together. Default form when nothing else is filed. Created by handshake or implication — no paperwork required.

- ☐ **Risks:** UNLIMITED PERSONAL LIABILITY for all partners. If the business is sued, your house and savings are exposed. Each partner can bind the others to debts.
- ☐ **Best for:** Almost no one. The risks far outweigh the simplicity savings.

4.2 Limited Partnership (LP)

What it is: At least one general partner (full liability + management control) and one or more limited partners (liability capped at investment, no management role).

- ☐ **Use case:** Investor brings money but stays out of operations; one operator runs day-to-day with full control.
- ☐ **Watch out:** Limited partners who get involved in management LOSE their liability protection.

4.3 Limited Liability Partnership (LLP)

What it is: All partners have limited liability protection from the partnership's debts and other partners' misconduct. Common for professional service firms (lawyers, accountants, doctors).

- ☐ **Best for:** Licensed professionals partnering on practice. Some states restrict LLP to specific industries.

4.4 Limited Liability Company (LLC) — Multi-Member

What it is: A hybrid combining partnership taxation with corporation-style liability protection. Members own a percentage; managers run operations. The most flexible structure for small businesses.

- ☐ **Best for:** Most diaspora partnerships should default to multi-member LLC. Pass-through taxation, personal asset protection, flexible management, simple to form.
- ☐ **What you need:** Articles of Organization (~\$100-\$300), EIN (free), Operating Agreement (most important document — \$1,500-\$3,000 attorney fee), business license.

4.5 S-Corporation (Multiple Shareholders)

What it is: A corporation taxed like a partnership (pass-through). Shareholders pay reasonable salary + dividends. Strict eligibility rules: U.S. citizens/residents only, max 100 shareholders, one class of stock.

- ☐ **Best for:** Established profitable businesses earning enough that the salary/dividend split saves serious self-employment tax. Often the right STAGE TWO move after an LLC matures.

4.6 Quick Comparison Table

Structure	Liability	Taxes	Complexity	Cost to Form	Best For
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General Partnership	UNLIMITED	Pass-through	Lowest	\$0	<i>Almost no one</i>
Limited Partnership	Mixed	Pass-through	Medium	\$200-\$500	<i>Investor + operator</i>
LLP	Limited	Pass-through	Medium	\$500-\$1,500	<i>Professionals</i>
LLC (multi-member)	Limited	Pass-through	Medium	\$300-\$3,000	MOST DIASPORA BIZ
S-Corp	Limited	Salary + dividend	Higher	\$1,000-\$3,000	<i>Mature, profitable</i>

□ **AB'S RECOMMENDATION FOR 90% OF DIASPORA PARTNERSHIPS:** Form a **multi-member LLC** with a thorough Operating Agreement. It gives you personal asset protection, simple pass-through taxes, flexible management, and a written rulebook every partner agreed to. The Operating Agreement is the single most valuable document in your business — **do not skip it, do not rush it, do not write it yourselves.**

□ 5. THE SEVEN CONVERSATIONS BEFORE SIGNING

Before any money moves, before any handshake is final, before any attorney drafts anything, partners must have **seven hard conversations** and document the answers. If your potential partner avoids ANY of these conversations, **that is the partnership ending** — even if you have not noticed yet.

CONVO
1

MONEY — How much, when, and from whom?

- How much capital does each partner contribute? In cash or in services valued how?
- Are contributions returned before profit is split, or counted as equity?
- What if more capital is needed later? Who contributes? In what proportion?
- How are profits distributed — equally, proportionally, or based on a formula?
- Are partners drawing salaries? How much? Equal or based on role?

CONVO
2

TIME — Who does what, and how much?

- Is each partner full-time, part-time, or capital-only?
- How many hours per week is each partner committed?
- Are partners free to work other jobs? Run other businesses?
- What happens if a partner is "in" but doing less than agreed?
- How is performance measured and addressed?

CONVO
3

ROLES — Who is the boss of what?

- Who is responsible for Operations? Finance? Marketing? Customer service?
- Who has signing authority on bank accounts? Up to what dollar amount?
- Who hires and fires employees?
- Who decides on big purchases (over \$5,000? \$10,000? \$25,000?)
- Who is the CEO/Managing Member if equal partners disagree?

CONVO

DECISIONS — How are big calls made?

4

- Day-to-day decisions: who decides alone, who needs consultation?
- Major decisions (lease, hire, major purchase, new product line): unanimous, majority, or specific authority?
- How quickly must decisions be made? What if a partner is unreachable?
- What about decisions outside the agreed scope (new business line)?
- Who has tie-breaking authority if there are exactly two partners?

CONVO

5

DISAGREEMENTS — How do we handle conflict?

- When we disagree, what is the process? Talk first? Cool-down period?
- Who is the trusted third party (mentor, attorney, mediator) we agree to consult?
- What disputes go to mediation? Which go to binding arbitration? Which to court?
- What is the cost of disputes? Who pays?
- Can we agree NOW that we will not damage each other's reputations during disputes?

CONVO

6

EXIT — How does this end?

- Can a partner sell his share to an outsider? With approval? With right of first refusal?
- What is the buyout price formula? Book value? Multiple of earnings? Independent appraisal?
- What if someone wants OUT but no one can afford to buy them?
- What is the non-compete period after a partner leaves? In what geography?
- What happens to the business name and customer list if we split?

CONVO

7

DEATH AND DISABILITY — What if life happens?

- If a partner dies, does the spouse inherit the share or is it bought out?
- Do we carry "key person" life insurance to fund a buyout if a partner dies?
- What if a partner is disabled and cannot work? For how long until something changes?
- What if a partner gets divorced — can their spouse claim part of the business?
- What if a partner moves home to Ethiopia or Eritrea long-term?

☐ **THE TWO-MEETING RULE:** Have these conversations across **at least two separate meetings** — at least a week apart. Why? Because the first meeting reveals what each person *thinks they want*. The second meeting reveals what they actually want after they have slept on it. Big differences between meeting one and meeting two are gold — they show the real character of your potential partner.

☐ 6. THE PARTNERSHIP AGREEMENT — WHAT MUST BE IN WRITING

The Partnership Agreement (or LLC Operating Agreement) is the **single most important document** in your business. Every protection, every rule, every "what if" must live here. Below is the minimum checklist of clauses that must appear:

Clause	What It Must Specify
1. Identification	Full legal names, addresses, SSN/EIN, ownership percentage of each partner
2. Capital Contributions	Initial cash, equipment, services contributed and their dollar value. How additional capital calls work.

3. Profit & Loss Allocation	Exact formula. When distributions happen. Whether minimum reserves must be held first.
4. Management Authority	Who manages day-to-day. What requires unanimous consent. Dollar thresholds for major decisions.
5. Banking & Books	Where accounts are held. Who has access. Required dual signatures above thresholds. CPA review schedule.
6. Books Open to All Partners	Every partner has the right to inspect all financial records on demand, with a maximum 5-business-day response time.
7. Compensation	Salaries, draws, expense reimbursements. Reviewed annually. Cannot be unilaterally changed.
8. Restrictions on Partners	No competing businesses, no diverting opportunities, no using business assets personally without consent.
9. Buy-Sell Provisions	THE MOST IMPORTANT CLAUSE. Triggers: voluntary exit, death, disability, divorce, bankruptcy. Pricing formula. Funding mechanism (life insurance, installments).
10. New Members / Successors	How new partners can join. Right of first refusal. Spouse rights upon a partner's death.
11. Dispute Resolution	Negotiation → mediation → binding arbitration. Specific mediator/arbitrator if possible. Choice of law.
12. Non-Compete	Geographic scope and time period a departing partner cannot start a competing business.
13. Confidentiality	Trade secrets, customer lists, financial info — what cannot leave the partnership.
14. Dissolution	How and when the partnership ends. How assets are distributed. Tax filings required.
15. Amendment Process	How the agreement can be changed. Unanimous? Majority? In writing only.

☐ **THE COST EQUATION:** A small-business attorney drafting this agreement properly costs **\$1,500-\$3,000**. Splitting that across partners is **\$500-\$1,500 each**. Compare to the cost of partnership disputes that go bad: **\$30,000-\$200,000 in litigation, plus the destroyed business, plus the destroyed family relationships**. The agreement is the cheapest insurance you will ever buy.

☐ 7. THE TRUST ARCHITECTURE — STRUCTURE BEATS HOPE

Most partnerships do not fail because of bad people. They fail because **good people drift toward bad behavior when no structure stops them**. The honest financial pillar partner who slowly stops sharing books did not start as a thief — he started as a tired person who was "going to update everyone next week" for two years. **Build the structure that prevents drift**, and you protect everyone from themselves.

7.1 The Six Mandatory Trust Mechanisms

Mechanism	How It Works in Practice
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1. Quarterly Books-Open Meetings	Every 90 days, all partners sit together and review every line of the financials. No exceptions. Even when business is going well — especially when business is going well.
2. External CPA	Hire an outside CPA (not a relative, not a friend) to do the books or at minimum review them annually. The CPA reports to ALL partners simultaneously, never to one.
3. Dual Signature Threshold	Any check or transfer above an agreed amount (often \$5,000-\$10,000) requires TWO partner signatures. This is not distrust — it is process.
4. Separate Personal & Business Accounts	Never mix. Never "borrow" temporarily. Every business expense goes through the business card or account. Personal needs come out of agreed salaries only.
5. Annual Partnership Review	Once a year, partners meet (with attorney or facilitator if helpful) to review: agreement compliance, role performance, compensation appropriateness, future plans. Adjust the agreement as needed.
6. No-Whisper Rule	Partners agree in writing to bring any concern about another partner DIRECTLY to that partner first — not to spouses, family, or community. Whispers behind backs end partnerships.

☐ **THE TRUTH ABOUT TRUST:** You should trust your partner deeply. **AND you should still build the trust architecture.** Not because they will betray you, but because **the architecture protects them too** — from accidental drift, from spousal pressure, from temptations every human faces. **A good partner welcomes structure. A bad partner resists it.** Their reaction tells you which one you have.

☐ 8. BUSINESS INSURANCE — PROTECTING THE PARTNERSHIP FROM LIFE

Every partnership in this document so far has been about how partners **act**. But sometimes a partnership is destroyed not by what someone does — but by what **life does to them**. A partner dies. A partner becomes disabled. A partner divorces. A partner needs to leave for family reasons. **The question is not IF this will happen. The question is WHEN — and whether you funded it.**

☐ **THE CRITICAL INSIGHT:** Without insurance, a partner's death triggers a financial catastrophe. The deceased partner's spouse expects to be bought out. The surviving partner does not have \$200,000-\$500,000 sitting in a checking account. The business is forced into a fire sale or saddled with debt for years. **Properly structured insurance turns the worst day of someone's life from a business-killing event into a manageable transition.**

8.1 The Five Insurance Policies Every Partnership Needs

Before we discuss buy-sell insurance specifically, partnerships need **five layers of insurance protection**. Each protects against a different threat to business continuity:

Insurance Type	Annual Cost (estimate)	What It Protects
1. General Liability	\$500 - \$1,500	Customer slips and falls; property damage you cause; basic business protection
2. Property / Business Owner Policy (BOP)	\$1,000 - \$3,000	Equipment, inventory, business interruption from fire, theft, storm
3. Workers' Compensation	Varies by payroll	Required by law in most states once you have employees; covers workplace injuries

4. Key Person Life Insurance	\$500 - \$3,000 per partner	THE ESSENTIAL PARTNERSHIP INSURANCE. Pays the business if a partner dies. Funds buy-sell agreements.
5. Disability Buy-Out Insurance	\$300 - \$1,500 per partner	Pays out if a partner becomes disabled and cannot work. Funds buyout of disabled partner.
TYPICAL ANNUAL TOTAL (small partnership)	\$3,500 - \$10,000	A line item in your annual budget

8.2 Buy-Sell Insurance — The Heart of Partnership Continuity

A **buy-sell agreement** is the clause in your Operating Agreement that says: "If a partner dies, becomes disabled, divorces, retires, or wants out, here is exactly what happens." **Buy-sell INSURANCE** is the funding mechanism that makes the agreement actually work. **A buy-sell agreement without funding is just a wish.**

How a Funded Buy-Sell Works in Practice

Imagine three partners — Alemu, Saba, and Daniel — each owning 1/3 of a \$600,000 business (\$200,000 share each).

- Step 1:** Each partner takes out a \$200,000 life insurance policy on each of the other partners. The business pays the premiums (~\$1,000-\$2,500 per policy per year). The PARTNERSHIP is the beneficiary.
- Step 2:** Daniel passes away unexpectedly. Tragic for the family. Devastating for the business.
- Step 3:** The insurance company pays \$200,000 to the partnership within 60 days. The partnership uses that exact amount to buy out Daniel's 1/3 share from his widow per the buy-sell agreement.
- Step 4:** Daniel's widow receives \$200,000 cash, free and clear. She can grieve, pay funeral costs, support her children, and move forward. She does not have to sit on a board she does not understand. She does not have to fight for monthly payments. She does not become entangled with the business.
- Step 5:** Alemu and Saba now each own 1/2 of the business. The business has no new debt. They can hire someone to fill Daniel's role. The business survives. The widow is fairly compensated. Everyone wins on the worst possible day.

WITHOUT BUY-SELL INSURANCE, the same scenario plays out very differently: Daniel's widow inherits 1/3 of the business. She demands monthly payments the business cannot afford. Or she sells her 1/3 to a stranger Alemu and Saba do not trust. Or she sues. Or the partners take out personal loans to buy her share. Within 18 months the business closes. The widow gets pennies on the dollar. Two families are financially harmed by one unexpected death. **The \$1,500-\$3,000 per partner per year that funded the insurance would have prevented all of it.**

8.3 Two Buy-Sell Insurance Structures — Cross-Purchase vs. Entity Purchase

There are two main ways to structure buy-sell insurance. The right choice depends on the number of partners and tax considerations.

CROSS-PURCHASE	ENTITY PURCHASE (Stock Redemption)
Each partner buys policies on every OTHER partner. Owner = partner. Beneficiary = partner.	The BUSINESS owns one policy on each partner. Owner = company. Beneficiary = company.
Best for: 2-3 partners	Best for: 4+ partners
Number of policies needed: $N \times (N-1)$	Number of policies needed: just N
Example with 3 partners: 6 policies needed	Example with 3 partners: 3 policies needed
Tax advantage: Surviving partners get a "stepped-up basis" — lower future capital gains	Tax advantage: Simpler administration; business pays premiums directly

Watch out: Older partners pay more for premiums on younger partners

Watch out: No basis step-up; potential AMT issues for C-corps

□ **AB'S RECOMMENDATION:** For most diaspora partnerships with 2-3 partners, **cross-purchase is the simpler answer**. For partnerships with 4+ members, switch to entity purchase. **Always discuss with both an insurance broker AND a CPA** before choosing — the tax implications are significant.

8.4 Disability Buy-Out — The Forgotten Insurance

Statistically, **a working adult is 3-5 times more likely to become disabled than to die** before retirement age. Yet most partnerships only insure for death. This is a major blind spot.

Disability buy-out insurance pays the partnership if a partner becomes disabled and cannot work for a defined period (typically 12-24 months). The payout funds the same buyout that would happen at death — the disabled partner gets a fair price for their share, and the business gets a clean transition.

Key features to look for:

- **Definition of disability:** "Own occupation" coverage (cannot do YOUR specific work) is much better than "any occupation" (cannot do ANY work). Pay for the better definition.
- **Elimination period:** Typically 12-24 months. Shorter = more expensive but more useful. Match it to how long the business can carry the absent partner.
- **Payout structure:** Lump sum is cleanest. Installment payouts can work for larger buyouts but complicate the agreement.

8.5 Funding Exits That Insurance Cannot Cover

Insurance handles death and disability. But buy-sell agreements need funding for **other exit scenarios** too — voluntary withdrawal, retirement, divorce, dispute resolution. These cannot be insured. They must be funded another way.

Exit Trigger	How to Fund the Buyout
Voluntary Withdrawal	Installment payments over 3-7 years from business cash flow. Departing partner functions as a creditor; remaining partners pay over time.
Retirement	Same as voluntary withdrawal, often paired with a "retirement reserve" fund the partnership builds over years (1-2% of revenue).
Divorce	Critical: agreement must FORCE the partner to buy out spouse's claim. Typically funded through personal loan + installment payments. Some carriers offer "divorce buyout" coverage.
Dispute Expulsion	Reserve fund or installment payments. Often discounted price (75-85%% of book value) since departure was not voluntary. Specified in agreement.
Bankruptcy / Personal Insolvency	Partnership has right of first refusal at book value. Must be triggered automatically the moment a partner files. Otherwise creditors can force a sale.

8.6 The Six Most Common Insurance Mistakes

Even partnerships that buy insurance often buy it wrong. Avoid these mistakes:

1. **No revaluation clause.** The business is worth \$300,000 today. In ten years it is worth \$3 million. The insurance is still \$300,000. The widow gets cheated. Fix: review and update coverage annually based on a formula in the agreement.
2. **Term life only for older partners.** Term is cheaper but expires. A partner over 50 should usually have permanent coverage (whole life or universal life) so the policy is still in force when statistically most needed.
3. **No medical underwriting upfront.** Skipping the physical exam to save time means the carrier may deny the claim later for a pre-existing condition. Always do full underwriting at the start.

4. **Mixing personal and partnership coverage.** Partner's personal life insurance (for family) should be SEPARATE from buy-sell coverage. Different beneficiaries, different ownership, different purpose.
5. **Forgetting to fund disability AS WELL as death.** Most partnerships forget this. Statistically, disability is the more likely event before age 65.
6. **Buying from the wrong agent.** Buy-sell insurance is specialized. Do NOT buy from the friend at church who sells personal life insurance. Find a broker who specializes in business insurance and works with small business CPAs.

□ **THE BOTTOM LINE:** Buy-sell insurance costs the average diaspora partnership **\$2,000-\$8,000 per year combined for all partners.** That is the cost of a few weekends of family travel. In exchange, you protect: the surviving partners from financial catastrophe, the deceased partner's family from being shortchanged, and the business itself from being destroyed by one unexpected event. *There is no smaller investment with bigger payback in business.*

8.7 Three Action Steps This Quarter

1. **Get a business valuation.** Even a rough number from your CPA. You cannot insure what you have not valued.
2. **Schedule a meeting with a business insurance broker.** Bring your Operating Agreement and your valuation. Get quotes for general liability, property, key person life, and disability buy-out.
3. **Update your Operating Agreement.** Add or refine: buy-sell triggers, valuation formula, insurance funding mechanism, annual revaluation clause.

9. THREE STORIES — THE FRAMEWORK IN REAL LIFE

Below are three composite stories drawn from countless partnership outcomes in our community over the past two decades. **Names are fictional. The patterns are real.** Read each one and ask: which mechanism would have changed the ending?

STORY

1

The Restaurant That Became a Lawsuit

A composite from multiple DMV restaurant partnership failures

Two cousins opened a restaurant. One ran the kitchen, the other handled money and front-of-house. They had no Operating Agreement — "We are family." For three years it worked. Year four, the front-of-house cousin started buying equipment for his side catering business with restaurant funds. The kitchen cousin found out by accident through a vendor invoice. Confrontation led to denial. Denial led to silence. Silence led to litigation. After two years and \$80,000 in legal fees, the restaurant closed. The cousins have not spoken since. Their families do not attend the same weddings.

□ **Lesson:** *A \$2,000 Operating Agreement with quarterly books-open meetings would have caught the diversion in month four. The relationship would have been preserved. The restaurant might still be open today.*

STORY

2

The Two Drivers Who Built a Fleet

A composite drawn from successful diaspora transportation businesses

Two unrelated rideshare drivers met at a Habesha Orthodox church. One was strong on operations and customer service; the other had taken accounting classes at community college and loved spreadsheets. They wanted to start a small chauffeur service. They spent \$1,800 on an attorney before earning their first dollar. They formed an LLC with a 50/50 split, clear roles, dual signatures above \$5,000, quarterly books reviews, and a buy-sell clause funded by life insurance. Six years later, they own three vehicles, employ four part-time drivers, gross \$400,000 a year, and remain best friends. Their wives are godmothers to each other's children.

□ **Lesson:** *The structure did not replace trust. It deepened it. Both partners knew the other could not drift, so both stopped having to wonder. They could focus on building rather than monitoring.*

STORY

The Body Shop That Was Saved

A composite illustrating intervention before collapse

3

Three brothers ran an auto body shop. The middle brother had quietly started skimming small amounts of cash to gamble — not enough to alarm anyone, but trending up. The youngest brother noticed inventory was off. Instead of confronting alone or staying silent, he called the family’s long-time CPA — who was named in the original Operating Agreement as the neutral party for disputes. The CPA reviewed the books with all three brothers present. The middle brother broke down, admitted the gambling, and asked for help. Instead of expelling him, the brothers paused his cash access, set up a recovery plan with their pastor, and rotated his role to one without daily cash handling. Two years later, he is in recovery. The shop is thriving. The brothers are closer than before.

□ **Lesson:** *The agreement’s neutral-third-party clause and the no-whisper rule did not prevent the failure — they ALLOWED EARLY INTERVENTION before it became catastrophic. Sometimes the structure saves the partner, not just the business.*

□ **THE THREE ENDINGS:** Same culture, same context, same kind of business. **Different structures, different endings.** Story 1 had no agreement and lost everything. Story 2 had a complete agreement and built generational wealth. Story 3 had structure that allowed early intervention — and saved both the business AND the brother. **Structure is not bureaucracy. Structure is love made practical.**

10. PARTNERING ACROSS GENERATIONS, FAMILIES, AND CULTURES

Some partnerships have an extra layer of complexity because the partners are not equals in age, language, citizenship, or cultural fluency. These can be **the most powerful partnerships** — combining experience with energy, capital with hustle, language with networks — but they require special care.

9.1 The Older Immigrant + Younger Americanized Partner

Strengths:

- Older partner: capital, work ethic, community network, patience, immigrant grit
- Younger partner: English fluency, US institutional knowledge, technology, banking systems, marketing instinct

Risks:

- Older partner may sign documents in English they do not fully understand
- Younger partner may quietly accumulate decision power as more becomes their domain
- Family hierarchy may make older partner reluctant to question the younger partner publicly

Protection:

- All key documents translated to Amharic/Tigrinya AND English. Both languages signed.
- Older partner has independent advisor (their own attorney or trusted CPA), not just the partnership’s lawyer
- Roles assigned by skill, not age. Both have meaningful authority.

9.2 Spouse Partnerships

When you go into business with your spouse, you are doubling down: same household, same finances, same business.

The risks are extreme but so are the rewards. **Specific protections required:**

- Separate business identity from marriage. The business is its own LLC, with its own books, its own bank account, and its own decision-making meetings (not over dinner).
- Document everything as if you might divorce. Not because you will — because if life happens, the business should not be a weapon.
- Schedule weekly business-only meetings with an agenda. No business talk at family dinner. No family talk in business meetings.
- Have a clear plan for what happens if one spouse wants out — financially, operationally, legally.

9.3 Parent-Child Partnerships

Possibly the most emotionally complex partnership in our community. Parents who built businesses through 60-hour weeks struggle to share authority with children whose work patterns and values differ. Children resent being treated as unpaid family labor. **Hard truths:**

- "Family business" is not a substitute for a real partnership agreement. Both parties need legal clarity.
- Children working in the family business should be paid market wages from the start, with formal job descriptions and performance reviews.
- Succession (when child takes over) must be planned in writing 5-10 years in advance. Verbal "someday this will be yours" creates massive conflict.
- Other children not in the business need to be addressed: do they get equity? Cash? Other inheritance? Silence here destroys families.

9.4 Cross-Cultural Partnerships

An Ethiopian partnering with an American (or any non-Ethiopian) partner. Increasingly common, often very successful, but with cultural friction points worth naming.

- **Communication style:** American partners may interpret Ethiopian indirectness as evasion. Ethiopian partners may interpret American directness as rudeness.
- **Decision speed:** American partners often want decisions in days. Ethiopian partners often want to consult family or community first.
- **Time orientation:** American business culture is short-term and metric-driven. Ethiopian culture often takes a multi-decade family view.
- **Religious holidays and family obligations:** Ethiopian Orthodox calendar, Ramadan, family back home — all can affect availability. Discuss explicitly upfront.

□ **THE BRIDGE PRINCIPLE:** Every cross-context partnership requires explicit conversation about **how we will communicate**, not just what we will do. The partners who succeed are not the ones who pretend differences do not exist — they are the ones who name the differences and design around them.

□ 11. THE MARAKI PARTNERSHIP FRAMEWORK — FROM STRANGER TO PARTNER

Treat partnership selection like marriage. Because financially, that is exactly what it is. **Below is a four-stage process to move from "interesting person" to "business partner" without rushing past the warning signs.**

Stage	What Happens
STAGE 1 VET	Background research. Talk to people who have known this person for 5+ years — former employers, former partners, former clients. Run a background check (federal courts, civil judgments, bankruptcies). Check their credit habits if possible. This is not paranoia. This is what professionals always do before any major commitment.
STAGE 2 COURT	3-6 months of casual professional contact. Coffee, lunches, attending an industry event together. Watch how they handle: setbacks, money discussions, criticism, social pressure, family stress, alcohol. The patterns you see in small contexts will show up magnified in business contexts.
STAGE 3 TRIAL	Do ONE small project together before forming a partnership. A short-term contract gig, a single event, a 90-day pilot. See how they show up under pressure. See how they handle disagreements. See if they deliver what they promise. The trial project tells you 80% of what you need to know.
STAGE 4 FORM	Only after Stages 1-3 pass: walk through the Seven Conversations (Section 5), draft the Operating Agreement with an attorney (Section 6), implement the Trust Architecture (Section 7), and sign. Total time from first meeting to signed partnership: 6-12 months minimum.

□ **THE TIME RULE:** If anyone — including yourself — is pushing to compress this 6-12 month process into 2 weeks "because the opportunity will not wait," **that is exactly when you must slow down.** Genuine opportunities accommodate due diligence. Pressure to skip the process is the surest sign you should not proceed. *There will be other opportunities. There will not be other partnerships once this one fails badly.*

□ 12. THE PRE-PARTNERSHIP WORKSHEET

Print this section. Sit down with your potential partner. Each of you fills out your own copy independently first. Then meet, compare, and discuss. **The differences in your answers are the conversation you need to have.**

Question	Your Answer
How much capital will I contribute (cash + valued services)?	_____
What ownership percentage do I expect for that contribution?	_____
How many hours per week will I dedicate?	_____
What is my primary role? (Operations / Finance / Marketing)	_____
What is my secondary role / what will I help with?	_____
What roles will I NOT do under any circumstance?	_____
What is my expected salary or draw in the first year?	_____
How should profits be distributed? Equally, by ownership, by formula?	_____
What is the maximum spend I can authorize without consulting my partner?	_____
Where will the books be kept and who will see them how often?	_____
How do I prefer to handle disagreement?	_____
What outside work or other businesses will I continue?	_____
What life events might disrupt my participation? (move, family, health)	_____
How long do I plan to be in this partnership? 3 years? 10? 30?	_____
What is my exit price formula if I want out?	_____
What happens to my share if I die or become disabled?	_____
What is my deal-breaker — the one thing that would make me leave?	_____
What do I need from my partner that I am hesitant to ask for?	_____

□ **THE COMPARISON:** After both of you fill this out, compare. Where you agree, write it into the Operating Agreement. Where you disagree, **that is your conversation** — work through each disagreement until you both have an answer you can live with. **If you cannot resolve major disagreements at this stage, you cannot resolve them in business either.** That is gift information.

□ 13. AB'S CLOSING WORD

*"You cannot build alone.
You should not build with just anyone.
And no matter how good the partner,
build the structure that protects you both."*

— AB

Three truths to carry away from this guide:

- 1. No serious business is built alone.** Operations, Finance, and Marketing are three pillars no single person carries well. Find your complement, not your clone.
- 2. Trust without structure is a fairy tale.** Our community has watched too many beautiful relationships destroyed by money over the last thirty years. The structure is not a sign of distrust. The structure is what allows trust to deepen safely over decades.
- 3. Our ancestors knew this.** The Iqub had clear rules. The Iddir had bylaws. The family business had inheritance customs. Modern partnership agreements are not foreign — they are the same wisdom in legal form. ***We are not abandoning our culture by writing things down. We are returning to it.***

□ **THE INVITATION:** To anyone in our community holding a business idea but afraid to start because of past partnership pain — **your idea deserves life.** The next partnership does not have to be like the last one. With the framework in this document, you can build something that lasts three generations. **Start the conversation. Vet carefully. Court patiently. Trial honestly. Then form formally.** Maraki Group stands ready to support every step.

□ TUNE IN DAILY | 6:00 PM EST

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