MICHAEL LIGON RESOURCE LIBRARY

Strategic Partnership Checklist

A practical review guide for business owners, investors, operators, founders, and opportunity holders evaluating alignment, incentives, roles, risk, capital, and structure.

1	**Alignment**
2	**Incentives**
3	**Roles**
4	**Risk control**
5	**Structure**

IMPORTANT

This checklist is general information only. It is not legal, tax, financial, investment, lending, securities, partnership, operating, or professional advice. No partnership, funding, review, response, transaction, relationship, or outcome is guaranteed.

HOW TO USE THIS CHECKLIST

Review the partnership before momentum creates obligation.

A strategic partnership can look strong in early conversations and still fail because the people, incentives, roles, risk, capital, or decision rights were never made clear. This checklist helps slow the conversation down before excitement becomes confusion.

CORE PRINCIPLE

The goal is not to force a partnership. The goal is to understand whether the partnership has enough alignment, trust, structure, and execution logic to deserve more time.

1	2	3	4	5
FIT	INCENTIVES	ROLES	RISK	TERMS

01

Use it before promises

Use the checklist before anyone commits resources, capital, reputation, introductions, exclusivity, or operating responsibility.

02

Use it during review

Use the checklist to organize questions, open issues, expectations, duties, economics, and risks before drafting terms.

03

Use it before structure

Use the checklist before discussing ownership, profit splits, voting rights, guarantees, control, or exit rights.

04

Use it before moving forward

Use the checklist before signing agreements, announcing a relationship, contributing capital, or involving third parties.

PARTNERSHIP THESIS

Every partnership needs a reason stronger than opportunity.

A partnership should not exist only because two sides like the same idea. It should exist because each side brings something specific that improves the outcome and because the structure makes the relationship clearer, stronger, and more executable.

KEY QUESTION

Why does this partnership make sense for these parties, at this time, under this structure?

A

Strategic fit

The relationship should fit the people, market, timing, capital, operating ability, risk tolerance, and desired outcome.

B

Complementary value

Each side should bring something the other side needs: capital, execution, deal flow, relationships, expertise, systems, credibility, or access.

C

Shared upside logic

The upside should be clear enough that both sides know why they are better together than separate.

D

Downside understanding

The parties should understand what happens if the opportunity slows down, changes direction, costs more, or fails.

ALIGNMENT REVIEW

Partnerships break when expectations are assumed instead of stated.

Alignment is not the same as enthusiasm. Serious partners need clarity on goals, timing, contribution, risk, communication, decision rights, and what success actually means.

1 Outcome alignment

Define what each side wants: income, equity, growth, deal access, control, reputation, capital return, operational support, or long term positioning.

2 Time horizon

Clarify whether the relationship is short term, project based, recurring, platform level, equity based, or intended to become long term.

3 Risk appetite

Review how much risk each side is willing to carry, including capital risk, execution risk, reputation risk, liability, and opportunity cost.

4 Communication style

Understand how the parties make decisions, handle disagreement, share information, and respond when something changes.

REVIEW NOTE

If two sides cannot explain the same partnership in similar terms, the partnership is not yet aligned.

ROLES AND DECISION RIGHTS

A partnership needs clear lanes before pressure arrives.

The best partnerships make roles obvious. Who leads, who funds, who executes, who approves, who communicates, and who has final decision authority should be clear before the work begins.

O

Operating roles

Define who handles sales, sourcing, management, vendors, team leadership, reporting, execution, and daily responsibility.

C

Capital roles

Clarify who contributes capital, who controls capital movement, who approves expenses, and who carries financial exposure.

D

Decision authority

Separate routine decisions from major decisions such as debt, sale, hiring, spending limits, new partners, or changes in strategy.

A

Accountability

Define what each party must deliver, by when, and what happens when delivery does not occur.

INCENTIVES AND ECONOMICS

The economics should reward the behavior the partnership actually needs.

Many partnerships fail because the split sounds fair at the beginning but does not match contribution, control, risk, time, capital, or execution later. Economics should be connected to reality, not emotion.

V

Contribution value

Review what each side contributes and whether the economics fairly reflect capital, expertise, access, labor, relationships, or risk.

T

Profit timing

Clarify when money is distributed, what reserves are kept, what gets repaid first, and how cash flow is handled.

E

Equity and ownership

Define whether the relationship creates ownership, profit participation, referral economics, project economics, or no ownership at all.

P

Performance incentives

Make sure the structure rewards execution, honesty, speed, quality, and follow through instead of only rewarding control.

CAPITAL AND RESOURCE COMMITMENTS

A partnership should make contributions visible and measurable.

Partnerships become fragile when one side believes it is contributing more than the other side recognizes. Capital, labor, relationships, infrastructure, liability, and reputation should be valued clearly.

1

Capital contributions

Identify cash, credit, deposits, guarantees, acquisition funds, working capital, and who is responsible if more capital is needed.

2

Non cash contributions

Document introductions, deal sourcing, systems, staff, office support, licenses, knowledge, credibility, or specialized execution.

3

Expense responsibility

Clarify who pays for legal, accounting, marketing, due diligence, travel, staff, software, vendors, and failed pursuit costs.

4

Resource limits

Define spending caps, approval thresholds, capital calls, emergency authority, and what happens if a party cannot fund its share.

RISK SIGNALS

The red flags usually appear before the agreement is signed.

Most weak partnerships show warning signs early. The goal is to notice those signals before money, reputation, relationships, or legal exposure are already committed.

- One party wants commitment before roles, economics, or decision rights are clear.
- The partnership depends too heavily on vague trust, verbal promises, or future goodwill.
- One side wants control without carrying matching responsibility or risk.
- There is no clear answer for how money is contributed, spent, repaid, or distributed.
- The parties cannot agree on who owns relationships, leads, data, work product, or opportunities.
- There is no exit path if the relationship no longer works.
- A party avoids normal questions, documentation, or professional review.

DECISION RULE

If the partnership cannot survive direct questions, it is not ready for real pressure.

STRUCTURE REVIEW

The structure should protect the relationship from confusion.

Good structure does not make the partnership cold. It makes the relationship safer because expectations are written, authority is clear, and the parties know how to operate when conditions change.

A

Agreement type

Clarify whether the relationship is a joint venture, operating agreement, referral agreement, advisory role, vendor role, profit share, or project level structure.

C

Control and voting

Define who controls ordinary decisions, major decisions, bank accounts, approvals, spending, contracts, hiring, and exits.

P

Confidentiality and ownership

Protect sensitive information, documents, leads, business plans, customer data, deal sources, and work product.

X

Exit and default

Define what happens if a party quits, underperforms, breaches, dies, becomes disabled, fails to fund, or wants to sell its interest.

OPERATING CADENCE

The partnership needs a rhythm after the agreement is signed.

Strong partnerships usually have consistent communication, clean reporting, defined meeting cadence, documentation, and a way to escalate decisions before small issues become expensive.

M

Meeting rhythm

Set weekly, monthly, or milestone based check ins depending on the intensity of the partnership.

R

Reporting format

Define what numbers, documents, updates, risks, timelines, and action items are shared.

E

Issue escalation

Agree on how disputes, delays, underperformance, cash needs, and major changes are raised and resolved.

D

Documentation habit

Keep decisions, approvals, contribution records, expenses, and deliverables documented as the relationship evolves.

OPERATING NOTE

A partnership can have a good agreement and still fail if there is no rhythm for execution, reporting, and decision making.

PARTNERSHIP REVIEW CHECKLIST

Use this checklist before moving the relationship forward.

This checklist is not a formula. It is a practical way to organize the conversation and identify what still needs to be clarified.

- Each party can clearly explain why the partnership should exist.
- The goals, timeline, and desired outcome are understood by all parties.
- Roles, responsibilities, deliverables, and decision rights are clearly defined.
- Capital contributions, expenses, reimbursements, and reserves are understood.
- Profit splits, fees, equity, ownership, or participation rights are clear.
- Major decisions, ordinary decisions, and approval thresholds are separated.
- Confidentiality, work product, leads, customer data, and opportunity ownership are addressed.
- There is a process for reporting, meetings, disputes, underperformance, and exit.
- Qualified legal, tax, financial, and professional advisors can review the final structure.

FINAL QUESTIONS BEFORE MOVING FORWARD

A serious partnership should survive direct questions.

Before moving forward, the parties should be able to answer the following questions clearly.

- Why does this partnership make sense now?
- What does each party contribute that the other side actually needs?
- Who controls decisions, money, information, and execution?
- How are profits, fees, equity, ownership, or upside handled?
- What risks does each party carry, and how are those risks limited?
- What happens if one party underperforms, leaves, disagrees, or needs to exit?
- What would make this partnership a clear no?

MOVE FORWARD ONLY WHEN

The parties are aligned, the roles are clear, the incentives make sense, the risks are visible, and the structure gives the relationship a rational path forward.

ABOUT MICHAEL LIGON

Strategic capital investor, business operator, real estate investor, author, and opportunity reviewer.

Michael Ligon reviews opportunities through the lens of capital, structure, risk, timing, ownership, operations, relationships, and practical execution. His work spans real estate, private business, capital, partnerships, public markets, strategic reviews, and special situations.

The purpose of this resource is to help serious owners, investors, operators, founders, and strategic partners think more clearly before a partnership conversation becomes expensive, emotional, or poorly structured.

MichaelLigon.com is built for serious opportunities where discipline, structure, experience, and strategic review can change the quality of the decision.

RESOURCE LIBRARY

This guide is part of the Michael Ligon Resource Library, created for people reviewing real estate, capital, business, partnership, and special situation opportunities.

NEXT STEP

Bring the opportunity forward when the partnership deserves a serious review.

If the partnership has real parties, clear value, credible contribution, practical timing, and a structure worth exploring, the next step is to organize the facts and bring the opportunity forward clearly.

RECOMMENDED SUBMISSION PACKAGE

Include the parties involved, the opportunity summary, desired outcome, proposed roles, capital needs, known risks, timing, relationship history, documents available, and why the partnership may be worth reviewing.

1. **Good submissions are specific**
   Explain who is involved, what the partnership is meant to do, and what decision needs to be made.

2. **Good submissions include context**
   Include timing, risk, money, people, obligations, documents, and why the opportunity exists now.

3. **Good submissions respect review time**
   Send the facts first. Do not send vague hype, unsupported claims, or unclear requests.

4. **Good submissions know the next step**
   If the opportunity fits, the next conversation should clarify structure, diligence, and decision path.

Bring an opportunity:

https://www.michaelligon.com/opportunities/bring-me-an-opportunity/

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This guide is provided for general informational purposes only. It does not provide legal, tax, financial, investment, lending, valuation, accounting, securities, partnership, brokerage, or other professional advice. No partnership, offer, review, funding, response, transaction, relationship, or outcome is guaranteed. Review all important decisions with qualified professionals.