

## BUSINESS

### ARBOR OUTLOOK

# Allman, Hanks and 'That Thing You Do'



**Margaret McDowell**

"I guess I saw it comin' ...day by day; But oh I could not stand the failure." — from "Please Call Home" as performed by Greg Allman

All partnerships are difficult. Business partnerships are extremely so.

Consider the movie "That Thing You Do," written and directed by Tom Hanks and released in 1996. It's the story

of a one-hit, 60's rock band (The Wonders) from Erie, Penn. The group happens onto a neat, catchy tune and the drummer's (Tom Scott as Guy Patterson) uncle records the song in a church, using equipment normally reserved for gospel offerings.

A producer hears one of the band's live performances and signs the boys to a contract in the back of his mini-van. Soon "That Thing You Do" hits the airwaves and it's an immediate hit. Guy is wolfing down a hamburger and trying to sell two ladies a washer and dryer in his father's appliance store when the song is first

played on the local radio station. The entire band materializes immediately in the store and line dances through the appliances in ecstatic celebration. It's a happy, tender moment.

You can guess the rest. The producer's contract is purchased by a major record label, represented by a Mr. White (Tom Hanks). White arranges for a tour across the Midwest and a brief appearance in a teen beach movie and guides the group through the recording of their first album. Problems arise. The bass player leaves the group. Artistic differences develop between White

and the lead singer, who quits in a tantrum during a recording session, leaving the group in violation of its contract. The Wonders disband, having evolved from nowhere to hit maker and then back to nowhere in the dizzying expanse of a few months.

Business partnerships can be equally challenging, and should begin with an exit strategy in mind. It's like buying a house: we should probably consider the practicality and possibility of reselling it down the road. Few of us envision leaving a house that we're buying, but a great majority of

the time, we'll eventually move and sell it.

Partnership agreements that outline succession plans and buy-out clauses and which stipulate specific arrangements for dissolution make excellent sense.

No one enters a partnership anticipating that it will devolve, but often-times they do. What if one partner becomes ill and can't work?

What if, heaven forbid, a partner dies unexpectedly? Will his family receive any compensation, or will the surviving partner own 100 percent of the firm? If differences

between the partners are irreconcilable and one partner leaves, what are the buy-out terms?

If all these arrangements are constructed and signed off on in advance, it saves the heartache of negotiating them at the worst, most emotional moment in the partnership's history.

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