

How to Form a Successful Joint Venture

Presented by the
Equal Opportunity Division

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OhioDAS
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Topics

- Reasons to consider a joint venture.
- Structuring a joint venture.
- Obtaining certification for a joint venture.
 - Requirements
 - How
 - Documentation



Why Consider a Joint Venture?

Traditional Profit Levers

- **Increase Revenue**
 - Gain access to new products, geographic markets, and customer segments/channels.
 - Rent out excess capacity.
 - Combine complimentary skills or assets to launch a new business.



Why Consider a Joint Venture?

Traditional Profit Levers

- **Decrease Costs**
 - Consolidate assets to reduce overlaps in staff and assets, to gain scale and reduce marginal operating costs, and to increase purchasing discounts.
 - Access to new managerial skills or business processes to improve performance.
 - Spread the risk of large-scale capital investments.



Why Consider a Joint Venture?

Traditional Profit Levers

- **Reengineer Financials**
 - Capture tax advantages
- **Access to additional Capital / Funding**
 - Limited access to private equity and debt financing



Structuring your venture: A Note of Caution...

- **Be Wary of the Unintended Partnership**
 - A partnership may be created whether or not the parties intended to form a partnership; the test is whether the parties intended to ***carry on as co-owners a business for profit.***
 - If a partnership is created, each partner is jointly and severally liable for all obligations of the partnership



Certifying a Joint Venture

Purpose

- To have the joint venture certified into the MBE or EDGE programs, it must be controlled by the certified business owner. Additionally, the certified business owner must have an interest in the capital, assets, and profits and losses of the joint venture at least proportionate to their capital in the venture, but not less than 51 percent for MBE or 30 percent for EDGE.



Now What?

Let's discuss:

- Requirements
- How to apply
- Document submission



Requirements

- **EDGE**

- 51% owned and controlled by certified EDGE
- Commercially benefits all parties to the joint venture

- **MBE**

- 51% owned and controlled by certified MBE
- Commercially benefits all parties to the joint venture



Requirements (cont.)

- To obtain MBE or EDGE certification of a joint venture, the applicant must complete an online application through the Ohio Business Gateway. Additionally, the applicant must submit a copy of the Joint Venture Agreement to DAS.BCU@das.ohio.gov. Among other things, the Joint Venture Agreement must include the following:



Requirements (cont.)

- Name of project and contract number, if known.
- Location, bid date, and type of project.
- Description of job to be performed by joint venture partners.
- Percentage of the project to be subcontracted and of actual work being done by the subcontractor.
- Approximate contract start and completion dates.



Applying Online

How to Apply

Step #1

The screenshot shows the Ohio Business Gateway website. At the top, there is a red banner with the text "WELCOME TO THE STATE OF OHIO" and the "Ohio.gov" logo. Below the banner is a navigation bar with a "Home" link. The main heading is "Ohio Business Gateway" with the subtitle "Electronic Filing Services Login". There are two main sections: "Existing Users" and "New Users". The "New Users" section is circled in red and contains a link to "Create an OBG Username". Below this link, there is a note: "If you are starting a new business in Ohio, you may need more than just an OBG Username. Please click here to learn more." There are also links for "Forgot your username or password?", "Having trouble logging in?", and "Review System Requirements". At the bottom, there is a logo for "Ohio Business Gateway Electronic Filing" and a note: "For more information about the services available through the Ohio Business Gateway, please visit our home page."



Applying Online

Step #2

Ohio.gov

WELCOME TO THE
STATE OF OHIO

EOD-UA-ER

Unified Application

Company Name Equal Opportunity Division
Company ID *****0011

Instructions:

Please indicate what program(s) you are requesting certification for. If you select "Both" The Equal Opportunity Division will review your eligibility into both the MBE and EDGE Programs and issue certification in the eligible program(s)*

MBE
 EDGE
 Both

Business Structure*

Sole Proprietorship
 Corporation or LLC
 Partnership or Joint Venture

Date Business Structure Established*

If you need assistance with this page, please view our [help](#).



Additional Information

Contact us:

- Phone: 614-466-8380
- Web: das.ohio.gov/eod
- EDGE Program: edge.ohio.gov
- MBE Program: mbe.ohio.gov
- OBG: obg.ohio.gov
- Email: das.mbe-edge@das.ohio.gov

Thank you for your attention!

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