

ADVANTAGES OF A JOINT VENTURING

Presented by the
Equal Opportunity Division

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OhioDAS
Service · Support · Solutions

Ohio | Development
Services Agency



Topics

- Advantages of a Joint Venture
- Structuring a joint venture
- Obtaining certification for a joint venture
 - Requirements
 - How
 - Documentation



Advantages of a Joint Venturing

- **Increase Revenue**

- Gain access to new products, geographic markets, and customer segments/channels
- Access to new managerial skills or business processes
- Capitalize economies of scale
- Maximize purchasing discounts
- Utilize excess capacity or gain needed capacity
- Augment complimentary skills and/or assets



Advantages of a Joint Venturing

Decreased Costs

- Eliminate redundancy
 - Reduce overlaps in staff
 - Reduce operating costs
- Spread the risk of large-scale capital investments



Advantages of a Joint Venturing

Reengineer Financials

- Capture tax advantages

Access to additional Capital / Funding

- Limited access to private equity and debt financing



Advantages of a Joint Venturing

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



Advantages of a Joint Venturing

Certification

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.



Advantages of a Joint Venturing

Now What?

Let's discuss:

- Requirements
- How to apply
- Document submission



Advantages of a Joint Venturing

Requirements

- **EDGE**
 - 51% owned and controlled by certified EDGE
 - Commercially benefits all parties to the joint venture
 - 70/30 profit/investment
- **MBE**
 - 51% owned and controlled by certified MBE
 - Commercially benefits all parties to the joint venture
 - 51/49 profit/investment



Advantages of a Joint Venturing

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:
 - 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



Advantages of a Joint Venturing

Requirements *(cont.)*

- Percentage of the project to be subcontracted and of actual work being done by the subcontractor.
- Approximate contract start and completion dates.



Advantages of a Joint Venturing

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 black navigation bar with the word "Home". The main content area is titled "Ohio Business Gateway" and "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 paragraph of text: "If you are starting a new business in Ohio, you may need more than just an OBG Username. Please click here to learn more." At the bottom of the page, there is a footer with the Ohio Business Gateway logo and a link to "For more information about the services available through the Ohio Business Gateway, please visit our home page."



Advantages of a Joint Venturing

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](#).



Advantages of a Joint Venturing

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!

Donald Stinson Jr., EEO Contract Officer