

Schumpeter | Sticking together

Advice on managing partnerships, courtesy of Keith Richards and Michael Eisner



FEW people will read Keith Richards's book, "Life", for its insights on business. There are far more exciting things to learn about. Where did Mr Richards first have sex with Anita Pallenberg? (In the back of his Bentley, somewhere between Barcelona and Valencia, apparently.) What are his reflections on the mayhem at the Altamont concert? ("If it hadn't been for the murder, we'd have thought it a very smooth gig.") How did he survive all those years of self-medication? (He took the finest heroin and cocaine, and avoided "Mexican shoe-scrappings".)

But "Life" does nevertheless throw light on one of the most intriguing problems in business—how to keep a creative partnership alive. The music business "is one of the sleaziest businesses there is", Mr Richards argues, only one step above gangsterism. Most partnerships, from Lennon and McCartney on down, are destroyed by a lethal cocktail of ego, greed and lust. But, for all their ups and downs, Keith Richards and Mick Jagger have been in business together for half a century.

Most business pundits have little interesting to say about partnerships. Journalists focus on solo superheroes—all those mighty chief executives and mould-breaking entrepreneurs. Management gurus fixate on the next big trend in such areas as innovation or business models. But there are signs that the subject is starting to get the attention it deserves. Michael Eisner, a former boss of Disney, devoted a recent book to it, "Working Together: Why Great Partnerships Succeed".

A striking number of businesses were created by partners, despite all the fuss made over lone geniuses. Where would Goldman have been without Sachs? Or Hewlett without Packard? Arthur Blank and Bernie Marcus—known as BernieArthur to their colleagues—revolutionised the retail business when they founded The Home Depot. Bill Gates worked with a succession of partners while he was at Microsoft—most notably Paul Allen and then Steve Ballmer—and now runs his foundation with his wife, Melinda. ("I've never done anything solo", he told Mr Eisner, "except take tests".) Warren Buffett has worked with Charlie Munger, his sidekick, confidant and best friend, since before the Rolling Stones were formed.

It must be said that successful partnerships are rather rarer than failed ones: business people tend to be alpha types, and

money and fame can destroy even the solidest friendships. Disney thrived when Mr Eisner was running it jointly with Frank Wells. But when Mr Wells died and Mr Eisner tried to replace him with Michael Ovitz the result was a disaster: the rows prompted key people to leave, and Mr Ovitz himself quit after 14 months, with a sizeable pay-off.

Dysfunctional partnerships seem to be particularly common in high-tech industries. Although Google's Larry Page and Sergey Brin remain so close that they share an office, Facebook and Twitter have both been plagued by feuds between founders: Twitter's Evan Williams failed to get on with Jack Dorsey; and Mark Zuckerberg has a testy relationship with Facebook's other surviving founder, Dustin Moskovitz.

There are few iron rules on why some partnerships succeed where most fail. Messrs Buffett and Munger seem to get along effortlessly, as if joined by a chemical bond. Mr Gates, however, has had to work at his partnerships: after leaving the chief executive's chair at Microsoft he almost drove Mr Ballmer to distraction and the two had to make peace over dinner in 2001. But Mr Eisner argues that there are some general principles that increase the chances of success. Partners need to be able to trust each other absolutely. Mr Eisner notes that many successful partners split the profits down the middle regardless of their contribution to particular projects. Partners also need to possess a delicate balance between similarities and differences. A striking number of successful partners combine similar backgrounds with very different attitudes to fame. Messrs Buffett and Munger are Midwesterners who grew up a few miles from each other. But Mr Buffett adores the limelight whereas Mr Munger prefers the shadows.

Not fading away

Mr Richards echoes many of these arguments. He also has some good advice on how to repair your partnership after it has been torn apart by money and fame. Messrs Jagger and Richards enjoyed the solidest partnership in the music industry: "Glimmer Twins", as they called themselves, who had fallen in love with American blues as teenagers in London. Mr Richards laid down the riffs and Mr Jagger provided the vocal pyrotechnics. But time took its toll. Mr Richards's decision to give up heroin destroyed the delicate division of labour in which Mr Jagger took care of the details while Mr Richards took the drugs. Mr Jagger started to refer to the Stones as "his" band. He even performed the group's songs on solo tours. A formal break-up looked likely.

But in 1989 the two decided to solve their problems in the same businesslike way as Messrs Gates and Ballmer. They met on neutral turf—Barbados—and thrashed out their differences. Three things helped them to succeed where so many other bands have split: their "under-rooted friendship", as Mr Richards puts it, forged in London in the 1960s; their recognition that they were much better together than apart (who remembers any of their solo work?); and their mutual love of money.

There are clearly still tensions between the two: Mr Richards takes a perverse delight in mocking Sir Mick's "tiny todger", for example. But after 50 years as partners Mick and Keith still recognise that "I pull things out of him; he pulls things out of me." At a time when the French are griping about raising the retirement age to 62 these doughty senior citizens (Mick is 67, Keith 66) are contemplating yet another world tour. ■