

COLLABORATION AGREEMENTS CRITICAL QUESTIONS



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5 Critical Questions Before Signing a Collaboration Agreement

Preparing for Successful Business
Partnerships

Business collaborations create opportunities to combine strengths, expand reach, and offer enhanced services to clients. When two businesses with complementary capabilities decide to work together, the potential often feels clear and the enthusiasm is genuine.

What many business owners discover is that even well-intentioned collaborations run into friction when fundamental questions weren't addressed before work began. It's not that either party acted in bad faith—it's that critical considerations weren't discussed and documented clearly.

This guide presents five questions every business owner should answer before entering a collaboration agreement. Thinking through these questions now helps you structure partnerships that protect both parties' interests and support successful working relationships.

QUESTION 1

Who Owns What We Create Together?

Consider what you'll create during the collaboration: workshop materials and presentations, templates or systems developed for joint delivery, co-branded content and marketing materials, databases of contacts or leads compiled through collaborative marketing, and processes or methodologies refined through working together.

Without clear documentation, both parties typically assume they own these materials and can continue using them after the collaboration ends. One party may plan to continue offering similar services using the materials you created together. The other party may have assumed those materials were developed specifically for the partnership and shouldn't be used independently.

The question requires specific answers: Will materials be jointly owned with both parties retaining usage rights indefinitely? Will each party own what it creates independently, with joint ownership only for collaboratively developed content? Will ownership transfer to one party with licensing rights for the other? What happens to client databases—who can contact these clients after the collaboration concludes?

Why this matters: Intellectual property disputes after collaborations end are common, costly to resolve, and damage professional relationships. Most could be prevented by addressing ownership clearly before creating anything of value together. Different assumptions about IP ownership become incompatible positions when partnerships conclude.

QUESTION 2

How Will Money Be Tracked, Collected, and Distributed?

Business owners entering collaborations often agree in principle to share revenue but don't establish specific mechanics. This creates friction as income starts flowing and parties interpret the arrangement differently.

The question needs detailed answers: Does the revenue split apply to gross income before expenses, or net income after costs are deducted? Who will track revenue and expenses, and how will both parties access this information? How often will distributions be made—monthly, quarterly, per project? What happens if one party's contribution requires significantly more time than initially expected—does the revenue split adjust, or was it based on expected effort?

Consider shared costs as well: How will marketing expenses, tool subscriptions, or administrative costs be allocated? Who pays these upfront, and how is reimbursement handled? If the collaboration generates less revenue than expected, how are losses or deficits managed?

Why this matters: Vague revenue sharing creates ongoing tension, delays in distributing income, and disputes about whether the split fairly reflects each party's actual contribution. Clear financial mechanics prevent money from becoming a source of friction that undermines otherwise successful collaborations. Transparency around tracking and distribution builds trust between partners.

QUESTION 3

What Confidential Information Will Be Shared and How Can It Be Used?

Collaborations frequently involve sharing client lists, lead databases, business processes, pricing structures, or operational details. Business owners often share this information freely during active collaboration without establishing boundaries around its use, particularly after the partnership ends.

The question requires specific boundaries: Which information can be used during the collaboration only, versus retained and used afterward? If you're sharing existing client contact lists, can the other party market to these clients independently after the collaboration concludes? For new leads generated through collaborative marketing, can both parties approach them for independent business? What happens to client information gathered during joint delivery—must it be deleted when the collaboration ends, or can either party retain it?

Consider what business information gets revealed: operational processes, supplier relationships, pricing models, or commercial strategies. Should these remain confidential even after collaboration concludes? What restrictions apply to how this information can be used?

Why this matters: Former collaborators competing for the same clients using information obtained through the partnership damages relationships and raises privacy compliance concerns. Client relationships feel appropriated when former partners market to shared contacts without clear prior agreement.

Confidentiality boundaries protect both parties' business interests and prevent uncomfortable situations after collaborations end.

QUESTION 4

How Can Either Party Exit If Circumstances Change?

When entering collaborations enthusiastically, discussing exit terms feels premature. Many partnerships therefore lack any documented process for withdrawal, leaving both parties uncertain about their obligations if circumstances change.

The question needs practical answers: What notice period is required if one party wants to exit—30 days, 60 days, longer for complex collaborations? What obligations continue regarding current clients or projects in progress? If the collaboration is generating ongoing revenue, how are financial matters settled when one party withdraws? Can either party continue offering similar services independently after exit, or are there restrictions?

Consider different exit scenarios: one party's business direction changes, conflicting commitments arise, or the partnership simply isn't working as intended. In each case, what's the process for orderly separation that protects both parties' interests?

Why this matters: Without exit terms, collaborations that need to end become messy separations with disputes over completing current work, disagreements about revenue from projects in progress, and confusion about whether either party can continue similar offerings independently. Exit terms established upfront make separation manageable when circumstances require it, protecting professional relationships even as partnerships conclude.

QUESTION 5

What Branding and Marketing Rights Apply During and After Collaboration?

Business owners collaborating often use each other's brands, logos, and names in marketing materials without establishing specific usage rights, approval requirements, or time limitations. This informal approach creates complications when partnerships end.

The question requires specific permissions: Can each party display the other's logo on their website, and for how long? Can you reference the collaboration in proposals to new clients—during the partnership only, or continuing afterward? Do co-branded materials require approval from both parties before use, or can either party create marketing content independently? If significant changes are made to collaborative materials, what approval process applies?

Consider post-collaboration usage: When the partnership ends, must all references to the other party be removed immediately? Can you continue displaying past collaborative work as portfolio examples? How long can co-branded materials remain on your website or in circulation? What happens if one party wants to continue similar offerings using materials that include the other party's branding?

Why this matters: *Unclear branding rights lead to awkward requests to remove materials after collaborations end, disputes over continued use of co-branded content, and confusion in the market about whether parties are still working together. Clear branding provisions prevent misunderstandings about appropriate usage and protect both parties' brand integrity throughout and after the partnership.*

IMPORTANT NOTE

These questions highlight critical considerations for collaboration agreements. Every partnership has unique circumstances requiring professional guidance tailored to your specific situation and objectives.

READY TO DISCUSS YOUR COLLABORATION PLANS?

Next Steps: From Questions to Clear Agreements

Working through these questions before entering a collaboration helps you identify what needs to be documented and prepares you for constructive conversations with potential partners. Clear answers to these questions form the foundation of collaboration agreements that protect both parties' interests.

I work with business owners to structure collaboration agreements that address intellectual property ownership, revenue sharing mechanics, confidentiality boundaries, exit terms, and branding rights clearly. If you're planning a business collaboration and want to ensure these questions are answered properly in your agreement, let's discuss how to establish terms that work for your specific partnership.

Ready to explore your collaboration structure with professional guidance? Contact Jackie Atchison at LexAlia Property & Commercial Law to discuss how your partnership can be documented effectively.

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