

Six things your solicitor can teach you about business

Although there is a common misconception that lawyers are only needed for drafting complex legal documents and mediating disputes, the reality is that the insight and guidance of solicitors can be more important for your business than you think.

The right legal advice can lay the foundation for every aspect of your business' success, from keeping employees happy to helping you take home a higher net salary.

Here are just six of the many things you can learn from your solicitor about business, guiding you through the many phases of your entrepreneurial journey.

1. How to Protect your Brand and Business

A solicitor will offer guidance on how to protect your brand through intellectual property (IP) legislation. A solicitor will advise as to which type of IP protection you need, and will see to it that all aspects of your brand and business are fully protected, from your logos to your trade secrets.

Importantly, solicitors will also advise as to whether or not your contracts should include restrictive covenants such as non-compete or non-disclosure provisions. This will prevent situations like former employees disclosing your sensitive information or former franchisees competing with your business within your area of operation.

Intellectual property can have great value and is often disregarded because it is not tangible. But if you plan on expanding your business, or even selling it in the future, your solicitor can help secure IP rights to your greatest advantage.

2. How to Achieve your Financial Goals

When starting a business, each person has unique financial goals. A solicitor will advise you on how to select the most appropriate legal status for your business in line with these financial goals, giving you the best possible chance of making them a reality. For example, if your aim is to take home a high net salary from your company's profits, then setting up a limited liability partnership may be the best option for you, as partners pay lower taxes overall than directors in a limited company who pay higher National Insurance rates.

3. How to Avoid Personal Liability

A solicitor will offer insights to avoid personal liability by choosing the right legal status for your business. This is because different legal entities carry varying degrees of personal liability: sole traders and general partners are personally liable for any liabilities incurred by their business, for instance, whereas the shareholders of a limited company cannot be held personally liable.

4. How to get the Value you Deserve

Whether you're the buyer or seller, hiring a solicitor is imperative in negotiating the sale agreement for an acquisition. Solicitors will negotiate the terms of the agreement so that they are fair and mutually beneficial to both parties, and even more importantly, solicitors will guide you through due diligence investigations and advise as to whether warranties or indemnities are needed.

This way, both parties receive necessary protection from the risk of liabilities, with the seller receiving a fair price for the target company, and the buyer paying a fair sum for the company's market value and opportunity.

5. How to learn from experience

Ray Dalio, the renowned hedge fund manager and billionaire, has famously said: "Everyone makes mistakes. The main difference is that successful

people learn from them and unsuccessful people don't." An experienced solicitor has the benefit of learning from other people's mistakes. After all, people with problems usually seek out advice. This should benefit you, as your solicitor can advise you on matters from experience, not just technical points of law.

6. How to End Things Cleanly

Ending a business is typically far trickier than starting one; there are outstanding payments to be made, debts to be collected, and many legal requirements to be met.

A solicitor will ensure that proper procedures are followed, particularly in cases of insolvency or bankruptcy; if you are simply closing up shop for whatever reason, a solicitor will advise on how best to tie up loose ends, handle ongoing contracts like leases, and deal with employee matters.

A solicitor's guidance will also be crucial in the event that you want to exit or dissolve a partnership, or if you need to remove a company director. In certain circumstances, solicitors will lessen or remove the risk of acrimonious disputes which could even end up in Court.

For more information, or for expert advice on business or personal legal issues, call us on 020 3475 6751 or via email at info@carterbond.co.uk

This content is not intended to be used as a substitute for specific legal advice or opinions. No recipients of content from this site should act or refrain from acting on the basis of content of the site without seeking appropriate legal advice or other professional counselling.

"I am so impressed with the services provided to my family by this firm."

Gita Ragone

HIGHLIGHT

We were awarded the 'Commercial Lawyers - London', in the prestigious 2020 UK Enterprise Awards