

Business Planning

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Whether establishing a new venture or managing an existing enterprise, business owners must address an array of ongoing legal issues. The common perception may be that these issues are limited to legal disputes, but the fact of the matter is that there is much more to consider. Start-up business owners face a number of decisions and administrative tasks. Vendors and office locations must be selected, bank accounts must be established and, often, credit must be secured. All of this must be done before the first dollar comes in the door, so it is no surprise that legal decisions are often made hastily, or ignored altogether.

It may seem that “all that legal mumbo jumbo” can and should be dealt with at a later time, when cash flow is steady and the business is running smoothly. But the way in which a business is organized at its inception will have consequences down the line. Not only does the structure of the business have tax implications, but estate planning (see above) and personal liability are also involved. Every new business is unique, so the aspiring entrepreneur is well-advised to discuss the specifics of their situation with a professional.

Once a business is up and running, an entirely new set of strategic and other transactional questions present themselves. Should office space be purchased or leased? Should a new project be financed using debt or equity? What is the best way to get money out of the business and profit from all the hard work? These questions, and others like them, have tax and other legal ramifications which should be discussed with a professional.

Business planning is also important in the wake of a business owner’s death. This often means that ownership and control must be formally shifted without the business collapsing. Sometimes the ownership of a business is restricted, and even where it is not, certain changes in control must be documented with the state. It may also be necessary to obtain an appraisal of a business for tax and other purposes. When a loved one dies, such issues are not typically on the minds of surviving family and friends but they are important issues which should be addressed with professional guidance.