



The Law Society

Setting up in business

Lawyers for your business

Seeking advice

Setting up a business should be an exciting process, but without the right advice it can also be a minefield, particularly where legal issues are concerned. Too often, it is not until issues reach crisis point that a solicitor's help is sought, yet by then, if a remedy is available, it is much more costly than simple preventative action. Clearly prevention is better than cure; getting legal advice at the start means crises can be avoided. A solicitor can help you identify potential problems and put measures in place to prevent them – to protect your business from risk and save you money.

Choosing and using a solicitor

It is important to choose a lawyer with the appropriate expertise for your needs, which is one of the reasons why The Law Society established the Lawyers For Your Business scheme. The scheme is designed to provide start-up and small to medium-sized businesses with access to specialist business-related legal advice and offers a free initial consultation. The scheme has around 1200 members throughout England and Wales. For a list of solicitors in your area that are Lawyers For Your Business members, call 020 7405 9075 or visit <http://www.lfyb.lawsociety.org.uk>.

Legal advice checklist

Once appointed, solicitors can offer advice on all the typical problems that a new business can face. They can also help you implement a full range of preventative solutions. To establish the sort of help you might need, they will need to ask you a lot of questions about your business, covering a number of areas and issues:

Company structure

The structure of your business will be crucial to its success as you start up and expand. Should you trade in your own name or through a company, for example? If you are going into business with others, you need to ensure you get a fair return for your effort, so you might need a shareholders' agreement or partnership arrangement. Your solicitor can explain all the different options available to you and help you decide on the best one for your business.

Your business premises

When selecting premises for your business, it is important that you understand all the implications of the terms of the lease. Can the rent be increased, and by how much? Will you find yourself paying escalating service charges? If you choose to run your

business from home, what are the restrictions? Your solicitor can advise on all these issues.

Finance

You may also want to establish what sources of finance are available and what their legal implications are. Should you mortgage the family home? Are lenders insisting on unfair terms? Your solicitor will clarify these areas, and can help you negotiate a better deal with the bank.

Taxes

A solicitor can also advise on how to keep taxes to a minimum.

Insurance

Your business may expose you to any number of risks relating to premises, employees, assets and visitors. What if your products or workers injure someone, for example? What if someone is injured whilst working for you? What if an employee incurs you in liability because of Internet abuse? Your solicitor will give you independent advice on the type of insurance you need.

Cash flow

Cash flow is the lifeblood of any business. Your solicitor can help protect you against bad debts by making sure you use the right terms of trading. They can also assist with advice on the collection of bad debts should they arise.

Goods & services

When buying or selling goods and services, it is important to know your legal obligations. What contract terms does the law lay down? What about product liability? How do you protect your inventions? What can you legally say in advertisements and promotional materials? A solicitor can cover all these points in detail, and where necessary, refer you to a specialist.

Franchising

Buying a business that is 'ready-made' is an appealing option, but what about the small print? All too often, people find themselves trapped in a deal with expensive products and no support from the franchiser. What if the franchise doesn't come up to expectations? Can you get your money back? Your solicitor can advise you on all the common problems associated with running a franchise.

Licence

Do you need a licence to trade? Your solicitor can tell you if you need one and can even help you apply for it.

Employment

Employment law is a complicated area, and constantly evolving. Most employment disputes arise out of poorly drafted service contracts or dismissal procedures that don't conform to statutory requirements. Your solicitor can run a health check on your contracts and procedures to prevent such disputes occurring.

Disputes and problems

Generally in business, it is best to plan for all contingencies. What if you fall out with a partner or fellow shareholder: can you be forced out? How do you make sure that responsibilities and profits are divided fairly? What will happen to your business if you fall sick or die? Will your spouse, partner or home be properly protected? Your solicitor will cover all these questions with you, to prepare you and your business for all eventualities.

Costs

If you find a lawyer through the Lawyers For Your Business scheme your initial interview is free, but further advice will be charged at your solicitor's normal hourly rate or a fixed rate. Fees vary between solicitors, with the overall cost dependent on your individual circumstances and the type of advice required. For this reason, you should ask for an estimate of costs before you decide to proceed

How to gain your free half hour consultation

If you would like to use the service, contact LFYB by post or phone on the details listed below. A list of participating solicitors in your area will be sent to you. Simply choose one of the firms on the list and arrange an appointment. You should mention the LFYB scheme when making contact.

Further information

For further information write to:

Lawyers For Your Business

The Law Society

FREEPOST WC 2576

LONDON WC2A 1BR

or phone 020 7405 9075

or visit the website www.lfyb.lawsociety.org.uk