

Legalquotes News

PROVIDED BY RANKIN NATHAN LAWYERS

WHY YOUR BUSINESS NEEDS A LEGAL HEALTH CHECK!

Every business regardless of its size, big or small, in whatever industry needs regular legal health check ups. What does this mean? What is a legal health check and why is it needed?

A legal health check is simply a review, carried out at regular intervals by your lawyer, as to whether your business has everything that it needs in place, from a legal point of view, to enable it to be the best that it can be.

The things that might be reviewed by a lawyer as part of a regular legal health check include:-

- ☑ Your operating structure – have you considered what is the best operating structure for your business? Your operating structure can have significant benefits (or disadvantages) for business profitability.
- ☑ Terms of trade – whether you have these and whether they are satisfactory for your current business and trading needs.
- ☑ Employment contracts and employment arrangements with your staff – legislation in this area is constantly changing and it is important to ensure that your legal obligations as an employer are always met.
- ☑ Your lease and business premises – does the business have a current lease? What are the option periods, what are your obligations on termination of the lease, what are your other options in relation to securing business premises?

- ☑ Intellectual property issues – do you need to register a domain name, a trademark, a business name? What are these things and why are they necessary to help you protect your business, its reputation and goodwill?
- ☑ Debt recovery strategies - recovery of debts is crucial for any business. Does your business have the correct systems in place to ensure timely payment of all debts owed to the business? Cash-flow is king and if your systems are not adequate to ensure that your cash flow is maintained, then your business may be in trouble.
- ☑ Insurance issues – do you have adequate insurances in place to cover your business, its premises, its assets and its staff in the event of an untimely event? All employers in NSW are required to maintain compulsory workers compensation insurance for their employees. Do you have this in place? Is it adequate? Are there any public liability, professional indemnity or product liability insurances which you should have in place having regard to the nature of your business and its operations?

The above is not an exhaustive list and is merely an indication of the sorts of things that may come up in a legal health check.

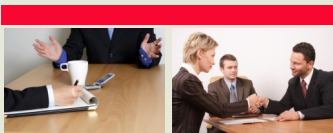
Rankin Nathan Lawyers are able to offer a comprehensive, regular, informative and value adding legal health check service to all businesses. The aim of the service is not to create problems for your business, but to solve them in a proactive and helpful manner.



Example

John provides OH & S consultancy services to coal mines, predominantly located in the Hunter Valley. John's business is very successful and like many successful businesses, John has not been able to focus on many of the administrative matters that come with any business. His focus in the two years since the business has been operating has been almost exclusively on growing the business and its clients. He operates as a sole trader. An accident occurs at one of John's mine clients and a worker is seriously injured. The mine alleges that the accident happened because of a failure in an OH&S system which John reviewed only a couple of months before. The mine sues John for negligence in relation to his OH&S advice and is awarded damages in the amount of \$1,250,000.00. Because John was so busy focussing on developing his business, he neglected to consider whether he should have professional indemnity insurance in place to deal with claims such as this one. John simply does not have the money to pay the judgment debt and is forced into bankruptcy.

If you would like more information about how this service may be of benefit to you and your business, please contact one of our business lawyers on 1300 727 813.



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