

Avoid the growing pains

If growth is on the horizon for your business, these are some of the legal issues you should be considering now according to *Jeremy Streten*.

Are you anticipating that a new product or service will greatly increase sales in your business? Are you confused or scared wondering how you will handle this sudden growth? Often the sudden growth will come after you find where your product or service sits within a market. When you grow your business, the problems that you had, whether they are known or unknown, will multiply as a result of the growth.

Onboarding staff

Often a small business will simply exist with a founder and a few staff. At this point, the staff are usually a close-knit group of likeminded individuals. When you experience sudden growth it is often necessary to hire more staff. You need to ensure that you employ the right staff while maintaining your team culture.

From a legal perspective, you need to consider what you do to on-board your new staff to indoctrinate them into your culture. Also, you need to consider implementing rules relating to staff – what policies and procedures you have in place to maintain that culture. Policies and procedures set out your expectations as a boss and give employees written guidance on how to act and deal with problems in the business.

Protecting intellectual property

It is common at this point that other business owners may seek to copy your business. The intellectual property in how you do what you do is the real value in your business. Whether that is the process to create a product or how to perform a service, you need to consider how that intellectual property will be protected from unscrupulous competitors.

Protecting your intellectual property, through either the registration of patents, trademarks or other means, is designed to give you a commercial monopoly, for a period of time, over that intellectual property.

However, the process is costly and time consuming. For this reason you need to be pragmatic – don't protect intellectual property for the sake of protecting it but wait




until you have a product or service that is worthwhile protecting. If you have not protected your intellectual property before you reach a stage of sudden growth, then this is the time to put the protections in place.

Locating capital

If your business requires capital to operate, you may need to consider bringing in investors or borrowing money to be able to cope with your sudden growth. When you realise that you are experiencing – or are about to experience – sudden growth, you need to sit down with your advisors and work out the exact amount of money you are going to need.

You then need to work out how you are going to get that money. Can you afford to borrow the money? Are you willing to give up a portion of ownership in your business to bring in investors?

The temptation for business owners who have experienced sudden growth is to merely focus on getting the work done. You need to work against that instinct, as at that point in your business it is more important that you are working on your business to ensure that you are ready to expand. Every business owner's situation is different, so make sure that if you are experiencing growth, you talk to your advisors and get the best advice to help you succeed. 



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