

Getting Organized for 2017

The New Year brings the opportunity to start anew with not only our personal choices but also our professional choices as well. No matter if you are a new start-up or if you are well-established in the industry, there are basic steps you can take to ensure your business is staying current. Here is a short list of items that you may want to initiate or consider using for the coming year:

- 1. Written Contracts and Change Orders.** This topic can never be over-emphasized. You should always get a signed contract prior to starting a project and get a change order signed whenever the scope of work has been modified from the original agreement.
- 2. Corporate Documents.** You should have bylaws or an operating agreement in order to detail the management of the business. Over time these materials may have become outdated and will need to be amended. Additionally, depending on your corporate structure, you should be conducting shareholder meetings, board of director meetings, and keeping minutes from all meetings of the company. Failure to do so may result in you losing your corporate liability protection in the event of a lawsuit.
- 3. Sworn Statements, Lien Waivers, and Claim of Lien.** Despite the industry contractors are in, sworn statements, lien waivers, and claim of lien are a somewhat mysterious topic. These documents may be used to enforce a claim for payments; however, they may also be used to defend against a claim for payments. It is important to understand the difference between the terms “*conditional*” and “*unconditional*” as well as “*full*” and “*partial*.”
- 4. Employment Contracts.** Those employees that are essential to the optimal performance of your company should be rewarded for their activities and dissuaded from leaving. An employment contract, in conjunction with a non-competition and non-solicitation agreement, can ensure that you keep those key employees with your company.
- 5. Succession Planning.** All great things come to an end. Your ability or willingness to continue with your business is no different. Perhaps you want to retire or you want to move on to a new business venture; however, you do not want to simply abandon your current business. Now may be the time to consider transferring ownership to a family member or a sale of your ownership interest to a business partner or a trusted employee. This could also serve as a basis for funding your retirement.

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Let's start the year off on the right foot. If you have been neglecting some aspect of your business, then let's change that. There is no time better than right now.

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