



THE OKLAHOMAN

Q&A with Michael Scoggins



Fixed-fee packages can minimize legal fees for startups

Q: What legal issues should new entrepreneurs be aware of when launching a business?

A: Building a business with a solid foundation is vital to positioning a new business for future success. This includes checking all of your legal boxes from the inception of a business idea or invention. There are numerous types of entities an entrepreneur can establish his or her new business as, and the selection of the most appropriate structure will have an impact on a variety of issues, including ownership rights, management, taxes, and liability.

Q: What are the most important legal decisions a startup must make?

A: New business owners need to concern themselves with a variety of issues including legal formation and financing, intellectual property protection, data privacy, contracts and employment agreements. Other important tasks include reservation of a business name, preparing and filing certificates of incorporation or formation and the preparation of standard bylaws and operating agreements. Also, a startup will want to be certain its structure and operations comply with the local, state and federal rules and regulations that govern its particular industry. In addition to any agreements a new business owner must negotiate with its business partners, such as an operating agreement or partnership agreement, new business owners will likely also need to negotiate numerous contracts with third parties in order to lease office space, secure financing, or purchase insurance coverage.

Q: How can early legal costs be minimized for a lean, startup budget?

A: While most startups need hands-on guidance with various legal matters, many also have limited budgets since they are, after all, a startup organization. Working with an attorney on an hourly basis can be costly and probably is not the most cost-effective approach for a new business. Instead, entrepreneurs can look to work with a law firm or individual attorney that offers a fixed-fee or package approach to performing necessary initial legal work. This fixed-fee approach is not typical but can certainly be an economical way for a new business to ensure the new business stands on solid legal ground at its launch.

Q: What elements should be included in a fixed-fee startup package?

A: First, look for a firm/attorney that is experienced at providing sound, experienced counsel to startup ventures and also has the capacity to advise and support your business on a variety of issues. Seek out a fixed-fee package that meets all the standard legal needs of any new business but also offers customized services based on your startup's specific industry standards and needs. Additionally, look for a legal adviser who will include within the package a prescribed number of hours for ongoing advice concerning issues that may arise around employment matters, cybersecurity, intellectual property protection, operational support and data privacy.