

# THE JOURNAL RECORD

## Gavel to Gavel: Driving success – a legal road map for startups

By: [Susan Lindberg](#) // Guest Columnist // August 2, 2023



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So, you've decided to start a business – congratulations! Perhaps you have made a plan with a co-founder, you've gotten funding from friends and family, and you might already have formed a legal entity. But have you considered your legal strategy? As you develop your road map to your business goals, be aware of the legal milestones along the way. At the same time, consider a budget for legal services. A trained practitioner can help you anticipate the bumps, potholes, and speed traps along the way. They also can provide valuable input as you determine the best route.

Here are some trip-planning pointers to consider.

**Precious cargo** (Protecting your intellectual property): This includes trademarks, patents, copyrights, and trade secrets. Consult an expert early to protect your unique ideas, expressions of those ideas, inventions, and more.

**The right set of wheels** (Entity formation): Many, but not all, startups form as Delaware limited liability companies. An attorney can help you choose the right legal entity and state for your business and create the right documentation. They can draft an operating agreement, which is a foundational document, that defines the rights and duties of the owners, how the company will be owned and operated, address division of profits and losses, managerial responsibilities, and voting rights and procedures.

**Fueling up** (Raising capital): Once you have found sources of funding, an experienced attorney can properly document loans, convertible debt, or equity issuance. They also can advise you on preparing for next stages of funding, dealing with private equity firms, or preparing for an initial public offering.

**Knowing the rules of the road** (Regulatory compliance): An attorney can help you anticipate regulatory requirements and avoid costly penalties. For example, if you have employees, an employment attorney can assist with employment compliance. If you are collecting personal or financial information on individuals, you will want advice on data privacy regulations, which differ from state to state (not to mention internationally).

**Roadside assistance** (Dispute resolution): Contractual or other types of legal disputes may arise along the way. If they do, a practical-minded attorney can help you resolve the dispute as efficiently as possible so that you can get back to business.

**End of the road** (Selling your business): An attorney can help you negotiate the eventual sale of your company. It's never too early to start thinking about what your end goal is, as it will shape your strategy.

Good luck and enjoy the journey!

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