



Business Wellness Checklist

By Robert S. Duxstad

Many people see their doctor for an annual physical, not because they have any particular illness or problem, but rather to help prevent health problems from developing. As a businessperson, you should consider having a wellness exam done on a periodic basis, not with your doctor, but with your attorney, so that your business can avoid costly mistakes and maximize your profits. The following is a partial checklist of items that should be reviewed:

- Is your business entity appropriate for your company? A business entity can be a sole proprietorship, partnership, limited partnership, limited liability company, S corporation, or C corporation. There can be advantages or disadvantages to each type of entity depending on the nature and size of your business.
- Do you have an employee personnel policy? A personnel policy, if properly drafted, can avoid many employee disputes about benefits and the terms of employment. Poorly drafted, a personnel policy can be used as a sword against a well-meaning employer.
- Are your hiring and firing practices in compliance with state and federal laws concerning discrimination, employment of minors, and persons with disabilities?
- Does your insurance plan adequately protect you and your employees? Many health insurance plans will exclude work injuries which otherwise should be covered by worker's compensation, yet many self-employed persons do not carry worker's compensation, yet many self-employed persons do not carry worker's compensation insurance on themselves. If you run a business out of your home, your homeowner's policy likely excludes any coverage arising out of business arising out of business activities. Do you have an umbrella liability policy?
- Do you have a business succession plan? What will happen to your business in the event of your death or disability? Do your business partners or other shareholders have a right to purchase the company? Is the plan properly funded with insurance or other means to make it work? Does your personal estate planning coincide with your business succession plan?
- Do you have a lease for your business building? Does it adequately protect your business interest? Do you have an option to purchase or first right of refusal, so you don't lose your business location?
- Do you require your employees to sign a confidentiality agreement, so they do not disclose trade secrets or customer information to competitors?
- Do you need key employees to sign non-competition or non-solicitation agreements? Are your current agreements still valid in light of recent caselaw that affects their enforceability?
- Do you have contracts with vendors or customers that need to be drafted or reviewed? Many standard contracts signed by businesses shift potential liability or impose the obligation to pay the other party's attorney fees.





- Do you extend credit to customers? If there is a default in payment, do you have an enforceable agreement to collect interest or attorney fees? Are you in compliance with the Wisconsin Consumer Act and the Uniform Commercial Code? Are you properly perfecting your rights in collateral or goods sold?
- If you engage in the construction trades, are you complying with the Wisconsin Construction Lien law? Failure to adhere to strict deadlines or the failure to give the proper notice will result in a loss of lien rights.
- Are there any other items you should be doing to avoid litigation or costly legal mistakes?

Make an appointment today to review the above issues and more with your attorney. Work with you attorney, develop a team of professionals, including your accountant, insurance agent, banker, and investment advisor who you can rely upon for the development of a solid business plan. Then follow through with the pan. It doesn't have to be all at once, but make steps in the right direction. Lastly, continue with periodic checkups, so that your business plan stays current with the ever-changing laws affect

