



From: Ed Alexander

Subject: **5 Business Killing Mistakes**

Dear Business Owner,

Have you ever looked back on a costly mistake and said "I wish I knew then what I know today." What business owner hasn't?

You might take comfort knowing the school of hard knocks provides a great education - You won't make the same mistake twice. Unfortunately, the tuition is usually very high.

Well, that's why I wrote this report. I want you to have that education without the high price. Using the key information below, you'll be able to easily avoid these 5 critical mistakes that could cost you thousands of dollars and put you out of business entirely.

Why listen to me? Good question.

I've been a corporate and business law attorney for over 15 years. Before that for 7 years I was a marketing manager for a publicly traded technology company as well as a systems engineer.

Through that time I've seen literally thousands of deals and businesses - the good, the bad and the ugly.

My experience can help you avoid repeating the business ending mistakes that I've seen others make. Just knowing about these problems will put you way ahead of the typical entrepreneur.

With the solutions, you'll be able to navigate around these business killing land mines.

Now, to the mistakes.

**Mistake #1: Having a business "partner" without a written agreement.**

Here's a situation I see all the time:

*'When my partner and I started this business, we'd been friends for 10 years. I trusted her and she trusted me. We didn't need an agreement between us. We just did the right thing.*

*But, now things have changed. Now, she's only in it for herself. I do all the work and she's taking more than her fair share. What can I do?'*

When things are tough in the beginning, everyone pulls together. But, at some point, whether because of very good times or a slow down, the relationship changes.

One partner works less than in the past. Or takes more than he puts into the business. And, it becomes time to end the partnership.

But how?

When this happens, the leaving partner thinks the business is a gold mine. And the partner who stays can only see the problems and what it'll take to get the business on track again.

This is why 'business divorces' - breakups between partners - can be messy, costly and time consuming. They can also kill your successful business.

To avoid a messy business divorce and protect your business, you must have a written agreement (sometimes called a "shareholders" or "buy-sell" agreement) long before the problem comes up. If you wait until you're successful, it's probably too late.

These agreements come in a variety of sizes and shapes.

**Unfortunately, most don't work.**

Why?

Well, instead of providing a fair and orderly method for a partner to leave, the agreement doesn't permit anyone to leave at all, making an already bad situation worse. Let me explain.

These agreements usually permit one partner to sell her interest to an outsider only after offering it to the other partner at the same price. In theory a 'fair price' is set by the market.

But, that's not real world.

Would you buy part of a small business where the partners are fighting? Would you buy it at fair market value?

No one else will either.

So, there are no outside offers. Without an offer, the already unhappy partners can't agree on a price.

Or, just as bad, the partners decided on a price many years ago when the business was still a start-up. At that time, with no real business and

only risks, they picked a price out of thin air. Now, that price isn't even in the ballpark of reality. So, no one makes a move for fear they'll have to accept the ridiculous price.

No one can leave and no one can stay. In the end, the business leaves instead of the owners! The disagreements destroy the business.

An agreement between owners is not "one size fits all." (*You know the kind: straight from the Internet!*) Because your business is unique, an owners' agreement must be tailored to your business and your goals.

Here are some key issues for your agreement:

\* Buy-out price. How will the price of a departing owner's shares be set? The seller will, of course, want top dollar. The buyer will have the opposite view. Leaving it open will result in a mess.

A preset price (even one which is subject to updating) will usually also result in a mess because it's often unfair to one person or the other. And, its rarely updated.

The method should be fair and inexpensive to use. It should also minimize taxes.

Often, a good method is a formula based on the business' financial records. This works well as long as your business doesn't change. Often, businesses grow and mature into different areas. A formula based on a retail business, for example, probably won't work well for a wholesale business.

A more expensive, but accurate, method to set the price using a business valuation by a qualified appraiser.

To avoid the expense of a valuation, when the buyout is voluntary (that is, not due to death or disability) many owners use a 'one-cuts, one chooses' method.

In that situation, one owner makes an offer to buy-out the other. The partner receiving the offer then gets a period of time to decide whether to accept the offer or flip it - on exactly the same terms and conditions - to buy-out the offering partner.

This keeps everyone honest.

\* Management and daily operation of the business. Are the owners "hands-on" people or would they rather play a more passive role? If one is hands-on and the other isn't, this should be reflected in roles and compensation.

\* Compensation. How will the owners be paid. Salary and profits, or profits only? Remember, you get paid to work in the business and for the risk of being in business. Don't confuse the two.

How are the partners' salaries to be set? Equal is rarely appropriate. Consider what the business would pay to replace the partner with an outsider doing that part of the job that isn't owner oriented.

Beware of tax law requirements. In many cases owners must be paid a salary. Failure to do so can result in significant tax penalties and interest.

\* Owners' roles, responsibilities and titles. What role will each owner play in the business? Who will be in charge of the day-to-day operation (there can be only one chief)? What decisions will be partner decisions? What will happen in the case of a deadlock?

\* Bringing in new partners. How and at what price, if at all, are new partners to be brought into the business?

\* Disputes and resolution. How will disputes be resolved without one of the partners leaving? Should a deadlock advisor be appointed (ahead of any dispute)?

\* Exit Strategies: Retirement, Disability Death and Nest Egg issues. What is the exit strategy for the business? There are only three options: liquidation, public offering and sale.

With a liquidation, the assets are sold and the business is terminated. Any goodwill (i.e., the value of the business over the value of its physical assets) is lost. This is usually not a good outcome because the partners lose the value of the going concern they've created.

Public offerings are not appropriate for the vast majority of businesses. Since 2002, the initial public offering market has been extremely limited. Therefore, most businesses don't look to this avenue as their exit strategy.

That leaves the sale of the business.

Sounds simple. But what happens if one partner doesn't want to sell? Or, he isn't realistic about price or terms?

I've had business owners tell me they'd only sell their business for \$1 million, even though it wasn't making any money. Not particularly realistic.

How will a partner realize the benefit of her investment when the other partner doesn't want to sell? Can a partner retire? If so, how, when, and under what conditions? How will the partner receive the value of his investment of time and money in the business?

Where does each partner want to be in 3, 5 or 10 years? Is one talking about going public while the other is looking for a long term life style business? What about life changes - children, grandchildren, life threatening illnesses, etc.?

\* Growth. How far and how fast do the partners want the business to grow? Growth requires cash to feed the business. Are they willing to forego present income and benefits for long term growth?

\* General expectations. What is 'success' to each partner? What does each partner expect from the other?

\* Work styles. Is one a morning person and the other a late riser? Will one work 100 hours per week and the other 35? What is the relative value of the labor each partner puts into the business?

One of the most important roles of the agreement happens after one partner dies. If properly structured, the surviving partner doesn't end up in business with her partner's widow or, worse, her partner's children.

Without an agreement, the heirs can have the right to manage the business with the surviving partner.

To avoid this, the agreement must:

\* Require the surviving partner to buy (and the heirs to sell) the stock or interest.

\* Make sure there is a source of money to fund the purchase. Life insurance is usually the best alternative. It's cheap, not taxed if structured right and can be used to help the business as well as buy-out the deceased partner's family.

Beware of using cash flow from the business. That can cause the business to fail or the surviving partner to quit ("why am I working to pay my partner's kids?"). Then, everyone loses.

\* Avoid tax problems and maximize tax benefits for the heirs and surviving partner. Again, with the right structure, the surviving partner never pays taxes on the buyout when the business is sold.

\* Have a convenient method to set a realistic purchase price that will be honored by the IRS.

An agreement between partners is essential to protect and maximize your business investment. With it you'll be sure each partner is working towards a common goal, that changes in ownership will not harm your business and that you and your family will realize the benefit of your hard work and investment.

**Mistake #2: Doing business without a written customer contract.**

Failing to use a written contract with customers will cost you many thousands of dollars in lost and uncollectible revenue and other problems.

First, written customer contracts help you with the two types of customers you don't want:

**Those who can't pay.**

**- and -**

**Those who won't pay.**

Contracts discourage those who can't pay and helps you collect from those who won't pay.

For example, a local company, providing a subscription based online business-to-business information service, used a written customer contract.

Over time quite a few of the company's customers became delinquent in paying subscription fees, resulting in a significant accounts receivable problem - a five figure sum. The owner decided to collect.

We began collection actions resulting in payment of more than 80% of the delinquent fees, primarily because of the use of the written contract.

The amount of each delinquent account wasn't large. So, the expenses of collecting in each case could've easily exceeded the recovery.

When faced with this situation, most business owners make the right business decision: not to throw good money after bad.

However, in this case the agreement had an attorney's fees provision where the loser paid the winner's costs and legal fees. So, the balance was irrelevant. The delinquent customer paid the costs and legal fees.

Consider the following actual recent Florida court case.

In 2003, Mr. and Mrs. Williamson, the owners of Coastal Loading, a roof tile loading and hauling business, put it up for sale. In early 2004, two people decided to buy the business and negotiated a contract for purchase and sale. Among other things, that contract stated that the Williamsons would agree "not to compete with the business being sold."

As often happens, the buyer and seller signed the contract before they closed the deal. So, at the closing a few months later, the Williamsons and buyers negotiated and signed a separate non-compete and non-solicitation agreement. That agreement said the seller would not compete in the "roof tile loading" business for 5 years and would not "call on or solicit" seller's customers.

A few months later the buyers discovered that Mr. Williamson had hauled roof tiles for a former Coastal Loading customer. Mr. Williamson claimed the customer had called him and requested his services.

The buyer was, understandably, unhappy.

Eventually, the buyer filed suit to stop future competition. A trial court ordered the Williamsons not to engage in the roof tile hauling business and not to do business with any of the Coastal Loading customers.

Seems right?

Well, the Williamsons appealed.

A bit of background is helpful here. In Florida, these types of contract are enforceable only if they meet certain statutory requirements. One of those requirements is that they be in writing and signed by the person who is restricted. They are enforced only as written.

After reading the written agreement, the appeals court decided that the hadn't Williamsons breached it.

Instead, the appeals court said that roof tile hauling and roof tile loading were two separate businesses. Since the written agreement only referenced roof tile loading, the Williamsons were not prohibited from roof tile hauling.

To add insult to injury, the court also decided that the word solicitation in the written agreement meant that the sellers had to market or sell to the Coastal Loading customers. So, because the former Coastal customer contacted Mr. Williamson directly, the court ruled that there was no violation of the written agreement.

In other words, because the written contract did not include the word 'hauling' and didn't say Mr. Williamson couldn't work with any of the Coastal Loading customers, he could haul tiles for customers who call him.

The buyers paid good money for a business and now have to compete with the seller. And, while Mr. Williamson receives money from the buyers for the business, he can make additional money competing against it.

Why? All because of a few missing words in a contract.

If those words had been in the contract, Mr. Williamson would have been prevented from hauling tiles for Coastal Loading customers.

The above case is but one example of why it is critical for your business to have and use written contracts with customers.

Even if you never intend to sue delinquent customers, a written contract will still benefit your business.

It will:

- \* Provide a detailed record of all the issues between you and your customers.

Business disputes arise over missed expectations. They're costly in terms of time and money. One key to avoiding them is to have a detailed contract that spells out - specifically - all of the expectations.

Think of what a couple of words meant to the buyers of the Coastal Loading business.

- \* Provide you with a defense if the customer sues you. Without a signed agreement, your defense is "he said, she said." With an agreement your defense is in writing for a judge to see, there's no dispute over what the parties agreed to do.

- \* Make your business look more professional. This can lead to larger and better business opportunities.

- \* Increase customer goodwill. If you decide to give the customer something extra, he'll know you're going above and beyond the agreement, creating goodwill, future business and referrals.

- \* Give you a way to control salespeople. No sale is made until you approve it and make sure your salespeople haven't promised the moon and the stars.

Some key provisions to include in your agreement are:

- \* "Venue" clause. A venue clause makes sure any fight will happen on your home turf.

If a customer sues you and you don't have a written contract with a venue clause, you might have to defend the lawsuit on their home field. Perhaps, a far off place with increased costs and lost time.

- \* Attorney's fees clause. Make the loser pay the winner's attorney's fees. Without it you could win and still end up with a big legal bill and little or no recovery.

- \* Warranty provisions. This specifically describes the warranty for your product or service. Without it, the law could give the customer larger rights than you intend to provide. In many cases, the statutory warranty protects the customer rather than the seller.

- \* Service/Product Description. State exactly what the client will get from you as well as the customer's responsibilities. Don't use flowery language - best in grade - world class - they lead to mismatched expectations. World class will probably mean something different to me than to you.

\* "Merger" clause. This clause ensures your customer can't claim your salesperson promised something different than what is described in the written agreement.

\* Payment Terms. If you have to collect from the customer, make sure the agreement specifies exactly when payment is due and whether interest will accrue. Remember, when the customer's bills are piling up, the ones with the highest interest rates get paid first. And, if you're going to be a customer's bank, make sure you get paid for it.

The investment in a good written contract form to be used with all customers will more than pay for itself over the life of your business.

### **Mistake #3: Failing to protect your trade marks.**

The most valuable assets you have are your customers. Lets face it, without them, you don't have a business.

Your customer base is built on goodwill - the value created because customers continue to patronize your business - and trademarks are symbols of that goodwill. As a result, your trademarks (and service marks) are critical business assets that must be protected.

The results of failing to do that is exemplified by Mr. "Smith," (not his real name) a business owner.

Mr. Smith built a successful local financial services company from scratch using a particularly good name; one that immediately conveyed the nature of the company's business as well as strength (think something like the Prudential rock logo).

He'd invested tens of thousands of dollars on marketing and advertising using the name and it was really paying off. Business was good.

One early spring afternoon (when Florida weather can't be beat) Mr. Smith was playing golf at a Disney resort wearing a baseball cap with his company's name embroidered on it (part of his marketing).

As he was playing a gentleman approached and inquired about Mr. Smith's company. They talked.

This gentleman said he worked for a company by the same name. It was located in the New York and he didn't know another company using the same name existed.

The gentleman then asked when Mr. Smith started the business and what he did. They were in the same business. The two exchanged cards and Mr. Smith thought that was the end of the coincidence.

A few weeks later, though, Mr. Smith received a letter from a lawyer representing the gentleman's company. Apparently, the gentleman's

company had registered the name of Mr. Smith's business as a service mark. The letter demanded Mr. Smith cease using the name immediately.

Stunned, Mr. Smith vowed to fight. After all, he'd spent a great deal of money marketing the business under that name.

But the fight didn't last long. Mr. Smith hadn't researched the name before investing the marketing money and hadn't taken any steps to protect it afterward.

As a result, the New York company had the exclusive right to the name.

Mr. Smith had to change the name of his company and, in the process, waste much of the goodwill he'd built. He had to start over again, rebuilding a company brand.

To avoid that problem, there are a few things you should know about trademarks:

**1.)** The first one to use a trademark usually wins. If you're using a mark and another business begins using or registers it afterwards, you'll probably have the right to continue your use.

If you've protected it properly, you might even be able to prevent the other business from using it.

To check if your mark or something similar is already being used, check your state registry ([www.sunbiz.org](http://www.sunbiz.org), for Florida) and the U.S. Patent and Trademark Office website ([www.uspto.gov](http://www.uspto.gov)). Also do a Google search to see if the mark is used elsewhere.

**2.)** The area where you get the exclusive right to use the mark depends on how you've protected it.

If you've merely used the mark and haven't filed it, you have what is known as "common law" protection. You can use the mark in your trading area plus a reasonable expansion area.

On the other hand, if you've registered the mark, you get exclusive use for a defined area. That might be a state or it might be the entire county.

If you register your mark with the U.S. Patent and Trademark Office, you can get exclusive rights to the United States, though, anyone using the mark before that time can continue.

**3.)** Trademarks apply to different categories of products and services. And, similar marks can be used as long as they are in different categories.

For example, "Lexus" cars and the "Lexis/Nexis" information service can co-exist. Cars and information services are different categories.

So, if you find your mark being used in a different industry, you may still be entitled to use it and protect it.

4.) Your trademark can't be a generic name for the product or service (e.g., "apple" as applied to fruit) and can't merely describe something about it (e.g., "baby brie" for small sized brie cheese).

The best mark is arbitrary or fanciful (e.g., "Lexus" for cars, "Xerox" for copy machines). These have no relation to the product.

That said, you might be able to protect a mark that merely describes your product/service if you've been using it for some time.

After a mark is used for a time, it may have a "secondary meaning" that relates the descriptive mark to your business. This can happen after extensive marketing or a period of sales.

5.) There's a difference between a service mark and a trademark. Service marks are used to market a service. Trademarks are attached to a product.

6.) When registering a mark, it's typically best to register the words of the mark separate from the logo of the mark. This way, if the logo changes over time, the words remain protected.

If the logo and words together were registered and the logo changed, the words alone will have to be re-registered to be protected. And, because there are benefits to having a mark registered for a longer period of time, you don't want to have to re-register your words alone.

Business owners should protect their service marks and trademarks to protect the long term value of marketing investments and customer goodwill.

#### **Mistake #4: Failing to have an employee handbook.**

One bad hire can result in major problems for your business.

Aside from morale problems with other employees, a problem employee could sue your business resulting in tens or hundreds of thousands in attorney's fees, not to mention damages you could have to pay to your employee.

Part of the key to avoiding employee problems is an employee handbook that describes, in detail, the key provisions of employment.

Take, for example, a local company I'll call "Acme."

Acme didn't have an employee handbook. Instead, its owner kept handwritten notes about employee pay rates, reviews, raises, and vacation and sick time. The handwriting wasn't that legible, even to the owner. But, he had it all "in his head," so it wasn't a problem.

That was until he died suddenly.

When his heirs took over the business it was a mess. The employees claimed they had accumulated hundreds of hours of sick and vacation time. **One employee even claimed enough accumulated time to take 8 weeks off from work!**

This doesn't include the claims for overtime pay.

Unfortunately, the heirs had no records to refute the claims. So, they were left with two bad choices: give in and pay an outrageous amount of money, or refuse, have employees leave, disrupting the business, and possibly be subject to lawsuits.

And the back pay isn't even the bad part about those lawsuits. Florida law allows employees to recover attorney's fees when they sue your business for failure to pay overtime and minimum amounts they're due. You can be sure those fees will be tens of thousands of dollars.

While that situation may seem extreme, consider your own employee records. Is everything you've spoken about to your employees written in their files? How about their reviews? Are they up to date and accurate? Or, do your files only containing glowing recommendations?

Do you have written time sheets and a policy on overtime? What will happen when a disgruntled employee leaves claiming you failed to pay overtime for the past year or two?

One way to avoid serious problems like that is to have a written employee handbook. With a handbook you won't have "misunderstandings" and all of your team will know what is expected.

Your handbook should be comprehensive, addressing all of the terms of employment, including:

- \* Performance expectations;
- \* Working hours and overtime, and time sheet requirements;
- \* Disciplinary procedures;
- \* Performance review process;
- \* Complaint handling;
- \* Benefits;
- \* Vacation and sick time;
- \* Salary and compensation payments;
- \* Expense reimbursement requirements;
- \* Code of conduct;
- \* Conflicts of interest policy; and
- \* Sexual harassment policy.

Also, if you've had a particular problem in the past (e.g., travel arrangements, etc.), make sure it is fully addressed.

Every employee should sign a written receipt acknowledging they read the handbook and each change or supplement (when they are distributed).

Practically, the handbook will help avoid legitimate misunderstandings. Strategically, it will help prevent (or at least provide a defense to) unscrupulous lawsuits.

**Mistake #5: Failing to use non-compete agreements and restrictive covenants.**

Non-compete and other "restrictive covenant" agreements are your way to prevent employees and contractors from learning your business at your expense, then becoming your competition.

Employees leave, then open shop knowing your prices, customers and way of doing business. They gain an advantage you paid for!

You can (and should) tailor your agreement to protect your business. That might mean keeping your employee out of the field entirely or just keeping them from working with your customers.

Without this protection, though, you could lose your entire business.

Such a situation is exemplified by ABC Corp. (not its real name). ABC sold and installed industrial products manufactured overseas.

A few years ago ABC hired a sales manager, Mr. Jones. Mr. Jones was an experienced sales manager from a different industry and claimed he could significantly grow the ABC business. The owner wanted Mr. Jones on the team.

As part of the normal hiring process, Mr. Jones was presented with a restrictive covenant for his signature. He refused.

But, ABC hired Mr. Jones anyway.

ABC taught Mr. Jones the ABC business, showing him the ABC prospecting and sales processes, introducing him to the manufacturer's representative, and giving him the ABC customer list.

Only six months after joining ABC, Mr. Jones quit.

At first all continued as before with the ABC owner looking for a new sales manager.

Then, a long time customer stopped buying. Not long after that the manufacturer terminated its relationship with ABC.

Within 3 months, ABC was on its knees and had to layoff most of its employees. What happened?

Once Mr. Jones learned the ABC business (while receiving his ABC salary and benefits), he set up his own company, became a direct representative of the manufacturer and began calling on ABC's customers.

Since he had little overhead, Mr. Jones offered rock bottom pricing. He cut prices to the point where ABC couldn't compete and make a profit.

The simple mistake: permitting the sales manager to be employed without a restrictive covenant.

Non-compete and other restrictive covenants take 4 primary forms:

- 1.) **Non-compete agreements** that prohibit competing business activities.
- 2.) **Non-solicitation agreements** that prohibit marketing and selling to your customers.
- 3.) **Non-piracy agreements** that prohibit soliciting your employees and vendors.
- 4.) **Non-disclosure agreements** that prohibit disclosure and use of your company's secret information.

**Under Florida law restrictive covenants are enforceable** if they meet certain requirements:

- \* The agreement must be in writing and signed by the employee or contractor.
- \* The business must be protecting a legitimate business interest such as: valuable secret information, customer relationships, goodwill, or extraordinary training, to name a few.
- \* The restriction must be for a reasonable time. For employees, any time less than 6 months is usually reasonable and any time more than 2 years is usually not reasonable. In between it depends on the circumstances.
- \* The restriction must also be reasonable geographically. It can apply only in those areas where you are doing business or have begun to expand. If your client relationships are local, a multi-county restriction in the area is probably reasonable.
- \* The restriction must be related to your type of business. Say you sell billing software to dentists, your restriction will generally be practice management software. But, your restriction can't be all software. Also, be sure to provide a catch-all just in case your business changes.
- \* Restrictive covenants for present employees must be supported by consideration. In other words, you must give something for the covenant. That could be continued employment or a bonus.

Business owners get into trouble with continued employment. One employee may resist signing the restrictive covenant. If the employee has been with the company long term or is productive, owners hesitate to fire them

if they don't sign. But, this leads to trouble because it can make all of the other agreements unenforceable.

If this happens to you, you have to provide other consideration for the restrictive covenant.

\* You must enforce the agreement if a former employee violates it or you risk losing your rights.

Restrictive covenants are a legitimate and effective tool to protect your business and the livelihood of your employees. Your agreement must be carefully drafted to meet the legal requirements as well as your particular business needs.

**Bonus Mistake #6:**

**Finding a business lawyer AFTER you shake on a deal or discover a problem.**

I've seen business owners lose thousands of dollars when they don't seek legal advice. According to ***Entrepreneur Magazine***:

*"If you wait until you have a problem before finding a business attorney, it's too late."*

Unfortunately, when you don't have experienced real world legal advice, important issues are not addressed or, worse, decided without knowing the real world implications. Simple solution can go unknown.

Of course, the best case scenario is a legal advisor with real world business experience who understands and cares about you and your business and who'll give you practical advice without breaking your bank.

Most business owners know this. Yet they still don't get legal help. Why?

The number one reason I hear is cost.

Usually, though, after a bit of conversation, the typical bottom-line answer is that **business owners don't use attorneys because of attorney billing methods (the meter is always running) and because attorneys don't return phone calls.**

I sympathize with these business owners. Who wants to be on the hook for something when you don't know what it'll actually cost? With hourly rate attorneys you have no idea until AFTER you have to pay for it!

Imagine if the airlines used this method to charge for flights.

You'd book your flight and they'd give you an 'estimate.' Of course, the actual cost will vary greatly from the estimate because of things the airline 'can't control.' But the actual cost would be calculated based on the amount of time you were in the plane.

The clock would start running the minute you got onboard. The people crowding the isles looking for the perfect spot for their carry-on luggage who delay taxi and take-off would cost you time and money. So would the safety announcement and those all to frequent runway delays. Headwinds would also increase costs.

But here's the real kicker: you'd only know the actual cost when you arrived and had pay for the flight. No way to budget. No way to say 'no thanks too expensive.'

This sounds crazy to me. It sounds crazy to most business owners I know as well. But it's business as usual for attorneys.

It's even more strange, though. The lawyer is supposed to be efficient and work to keep the fees (in other words, his earnings) low?

Huh?

And, when the lawyer is great at what she does (taking less time to produce a better result), her income goes down?

How does that make ANY sense?

In fact, hourly billing comes up so often in my informal surveys and I think it causes so many problems between lawyers and their attorneys, that **I've changed my practice to use fixed prices.**

This means **you'll know what my services will cost BEFORE you have to pay for them.** You won't have to worry whether the bill will be more than you can afford and you'll feel free to get legal advice without the meter running.

To be successful in business you need experienced legal advice without having to worry about the hourly meter running or nasty surprise bills.

The number two issue people raise is their attorney's failure to return telephone calls and e-mail.

Although I'm busy like other lawyers, my office will return your telephone calls and e-mails within one business day.

We also avoid telephone tag by setting specific times to speak. This way we can thoroughly discuss your situation without interruption at a time convenient to both of our schedules.

Finally, real world business legal advice means working with an experienced attorney whose practices only on business matters. Real world non-lawyer business experience is an added bonus. It means the lawyer has been on your side of the table.

Once admitted to the bar, attorneys can practice in any area of the law.

As a result, many attorneys appear in criminal court and meet with a divorce client in the morning, then try to negotiate a business deal in the afternoon.

Similarly, attorneys who litigate in court - even business litigation - don't put business deals together and don't approach business deals in the same manner as attorneys who only put deals together.

Litigation is about conquering the opposition. Transactions are about doing deals that will work. Transactions usually require good relationships after the deal is done.

To paraphrase an old saying: *you can't be jack of all trades and be king of any of them.*

My practice is concentrated solely on business transactions for entrepreneurs - doing deals and working out disputes outside of court. I don't practice criminal law. I don't do divorces. I don't litigate. And I don't work for mega-companies.

I've represented entrepreneurs each and every day for the past 16 years (a more detailed list of qualifications is on the last page) and did deals as a marketing manager for 9 years before that.

This means **you don't pay to train me on business deals. Instead, you get real-world, focused and experienced business law advice.**

I hope you've found this information helpful and can avoid these mistakes. Of course, information is not legal advice. That can only be provided after knowing your particular situation and circumstances.

If you have any questions about these mistakes or how they apply in your business, please feel free to **call me at 407-649-7777 or contact me by e-mail at: [ed@EntrepreneurshipLawFirm.com](mailto:ed@EntrepreneurshipLawFirm.com).**

Just let my assistant know you've got the report and have a couple of questions. They'll set us up for a call. I welcome the opportunity to speak with you and get to know more about your business.

Very truly yours,

Ed Alexander



Ed Alexander helps entrepreneurs Start, Purchase, Improve, Protect and Cash-Out from their businesses. He's represented entrepreneurs and their ventures since he became a lawyer in 1993.

Ed is the founder of the Entrepreneurship Law Firm, P.L., located in Orlando, Florida, and is admitted to practice law in both Florida and New York.

Ed is also a licensed transaction advisor in Florida and is a principal of FitzGibbon Alexander, Inc., a Central Florida consulting and business intermediary firm.

Ed is a member of the Greater Orlando Chamber of Commerce Entrepreneurial Advisory Counsel and the United States Small Business Administration Small Business Resource Network. Ed works closely with University of Central Florida Technology Incubator (UCFTI) client and Seminole County Technology Incubator clients and is regularly requested to present the "Legal and Ethical Foundations" portion of the UCFTI Entrepreneurship Certificate Course.

Ed is author of "**5 Business Killing Mistakes**" and "**The Entrepreneur's No-Nonsense Nuts and Bolts New Venture Legal Guide.**"

Prior to law school, Ed held non-legal positions in the business world with technology companies, including positions with a pacemaker manufacturer, custom integrated circuit manufacturer and laser bar code manufacturer. He has been part of teams that designed software and hardware for the first generation of defibrillator pacemakers, as well as custom analog and digital integrated circuits used in, among other applications, automobiles and hearing aids.

In 1995, Ed was awarded U.S. Patent, No. 5,468,952, for his 1992 invention of a combined miniature high speed scanner and portable handheld computer.

Ed has been an Adjunct Professor for the University of Central Florida (School of Business) for the New Venture Finance course of the Entrepreneurship Business Management Concentration and was 2007 Chairman of the East Orlando Chamber of Commerce.

He works with the Orange County Legal Aid Society as a volunteer guardian ad-litem for abused and neglected children. He also enjoys outdoor activities including fishing, kayaking, hiking, backpacking and hunting.