



If Your Business Is Important, What Are You Doing To Protect It?

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Business owners, boards and managers need to constantly review the steps being taken to protect their organization's assets. Ideally, this will be thought through initially at the start-up phase when businesses have the opportunity to lay a solid foundation for their company. How much thought has gone into the type of legal entity used? Should it be a corporation? An LLC? A limited partnership? How are these entities different and what information is relevant when making this important decision? Should it be formed in Delaware? New York? Florida? Depending upon your goals, are you more likely to attract the interest of a venture capital firm as a Delaware corporation or Florida LLC? The answers to these important questions will often determine the efficiency in which a business will be able to grow, scale and provide meaningful returns to its owners. Moreover, as companies grow their owners will think about various exit strategies. Often buyers will look to the company's structure and the foundation laid by the owners to determine the ease with which an acquisition can be executed as well as the acumen and sophistication of those operating the business. If the structure of the business is not sound, how might that reflect on the operation of the business itself?