

Business Legal Lifecycle Annual Report

December 2018

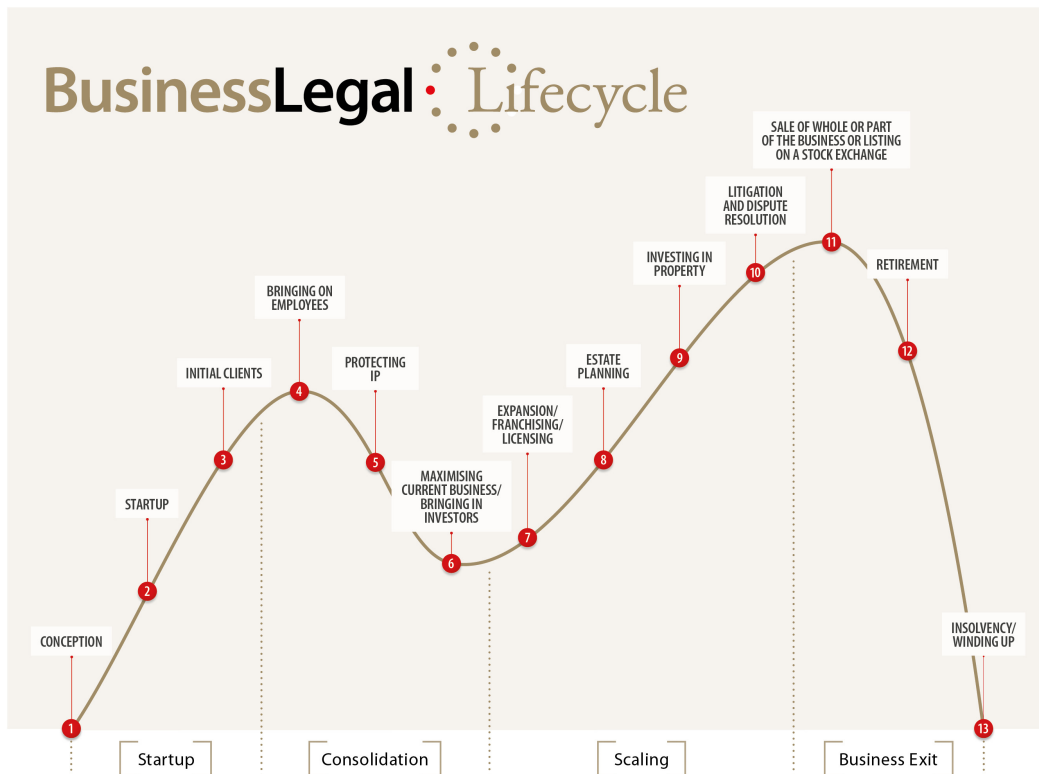


Table of Contents

1.	Summary	3
2.	About Business Legal Lifecycle	4
	2.1 Our Vision for our Business Owners	4
	2.2 Our Purpose	4
	2.3 Our Values	4
3.	Phase 3 Initial Clients	1
4.	Phase 4 – Bringing on Employees	2
5.	Phase 5 – Protecting Intellectual Property	4
6.	Phase 7 – Expansion, Franchising and Licensing	5
7.	Where to Find Out More Information	6

1. Summary

Thank you for downloading the Business Legal Lifecycle's Second Annual Report for the 2018 year. This is our second annual report that will show the information and trends for the small to medium sized business community. You can view the First annual report by clicking <https://businesslegallifecycle.com.au/2017-annual-report/>.

For this report the information and statistics provided are based on the countries of Australia and United Kingdom. It is our hope that we can expand this report into the United States of America and other countries moving into 2019 and beyond.

The purpose of this report is to provide you with information on selected important areas of the law, to show what legal steps and processes small to medium sized businesses are missing and where that can be improved.

There has been a dramatic improvement in the number of businesses without a registered trademark moving from **42.86% from 85.71%** in 2017 of all businesses that completed the Business Legal Lifecycle test. This is an improvement but still nearly half of all businesses that took our survey do not have a registered trademark. If a dispute arose those businesses would need to rely on the precedents of common law to protect themselves.

From our analysis of the data we noticed that the average business owner thought that their business was between 1 to 2 phases further through the Business Legal Lifecycle than it was after taking our test. The main reason for this was a failure to understand the importance of key documentation such as standard engagement procedures for Phase 3 Initial Clients as well as jumping straight into Phase 7 (Expansion) without ensuring that their business didn't have systems and procedures in place that are required.

Another interesting statistic is that only **42.86%** of businesses utilised a company as the trading entity. This means that their business structure was a sole trader operating their business. This is dangerous as it means that more than half of business owners are not protected through simple asset structure rules.

This report will go through the important areas of the Business Legal Lifecycle and report on the information that is in place to help you to understand what you need in place for your business. If you are a lawyer, accountant, financial planner or other consultant this information will provide you with a guide on what you need to do to market to your clients and help them put the right legal steps in place for their business.

2. About Business Legal Lifecycle

2.1 Our Vision for our Business Owners

We want to provide access to cost effective legal advice for all Small and Medium Sized Business Owners around the world. In doing this we will help those businesses to survive and thrive in the market place so that they can help their families, the staff, their staff's families, their communities and the world at large become more prosperous.

2.2 Our Purpose

The Business Legal Lifecycle is designed to help Business Owners:

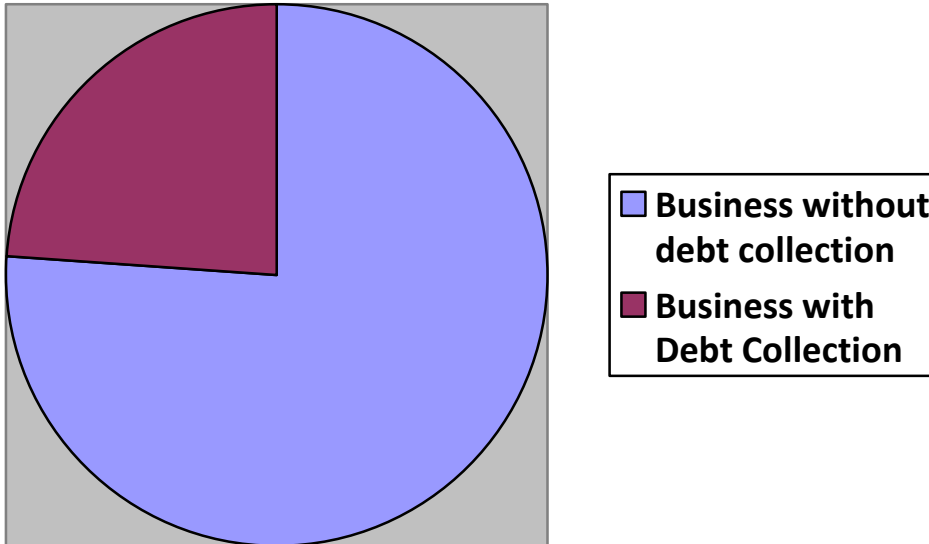
- (a) Understand complex legal concepts in an easy to understand manner;
- (b) Understand where their business is at in its lifecycle, so they know why business owners need to take certain steps for their business; and
- (c) Develop a plan for the future of their business.

2.3 Our Values

- (a) We treat each other, our clients and all people we deal with in a respectful, courteous and friendly manner. We are helpful, approachable and supportive and display loyalty and patience in all we do.
- (b) We are a hardworking, organised team that is motivated and passionate about helping people and the community.
- (c) Our standards are that we act with integrity, set high expectations and provide strong role models in order to get things done in an innovative, confident, positive and fun manner.

3. Phase 3 Initial Clients

Debt Collection Procedures



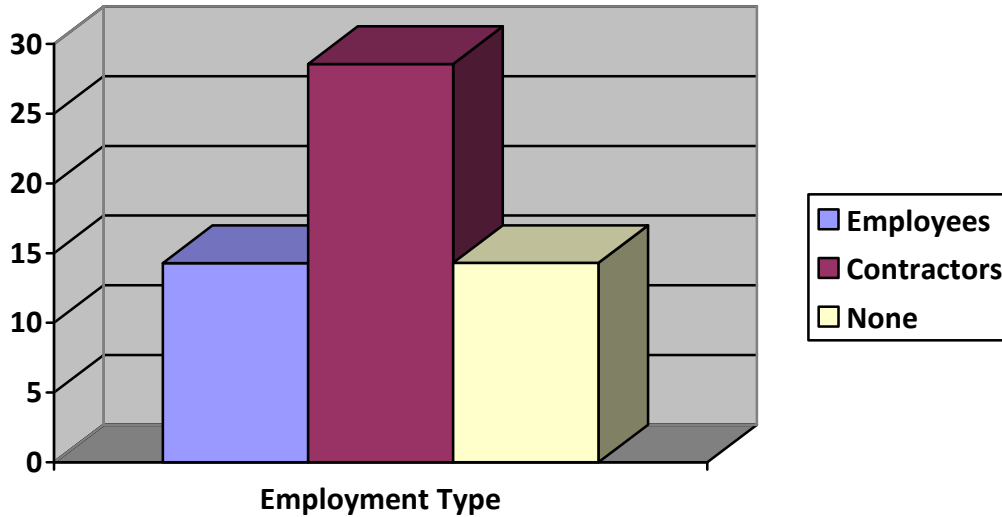
Three-quarters of all businesses surveyed did not have a debt collection process in place. These are businesses that provide goods and/or services on credit and therefore need a debt collection process in place.

Not having this type of process in place could cause serious detriment to your business. Putting a simple process in place to ensure that you collect your debts in a timely fashion will have a drastic effect on your cash flow position. You should engage with your lawyer to set up a proper process. Once it is in place you should test and measure to make sure that all of the payments are being sort and that you are ensuring that any staff in charge of this process are following it closely.

4. Phase 4 – Bringing on Employees

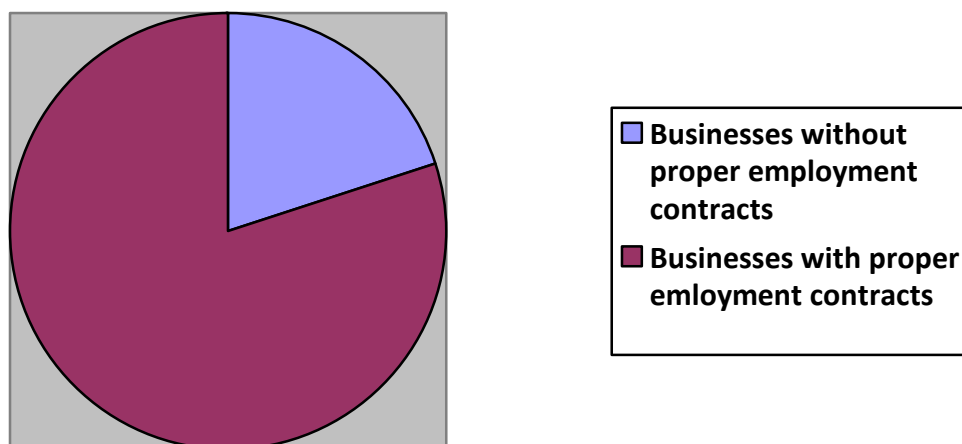
Types of Staff Members

Different businesses have different types of employees. The split of Employees and Contractors is as follows:



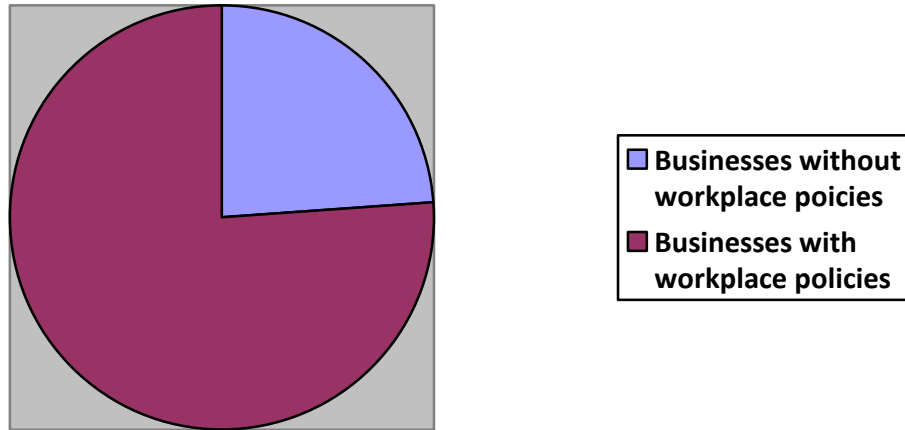
Employment Contracts

The news was better for businesses with employment contracts with less than one-fifth (19.05%) of businesses having employment contracts in place for their staff. That number has been consistent over the past few years.



Workplace Policies

The good news continued with the majority of businesses with employment policies in place for their business. **23.81%** of businesses didn't have employment policies that were necessary for their staff.

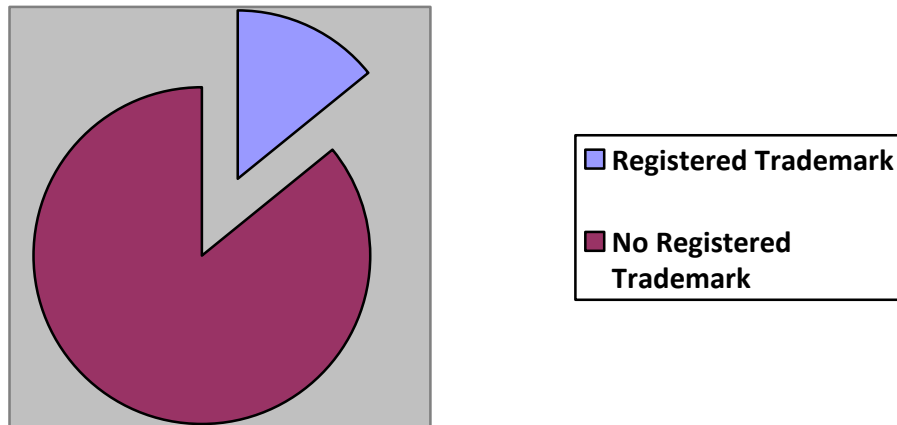


These policies are documents that set the basic rules and expectations that you, as a business owner or manager have for your staff in your business. While a business only has 1 or 2 staff such policies are probably not necessary (depending on the industry, a business in the building industry for example will probably need workplace policies right from the start), however when the business has around 4 or 5 employees workplace policies are advisable. To draft them properly you should consult with your lawyer or employment consultant to make sure that the terms do not breach any law.

5. Phase 5 – Protecting Intellectual Property

Registered Trademarks

The majority of businesses haven't yet registered a trademark. This is unsurprising given the cost of registration compared to the benefits that registration affords small to medium sized businesses.

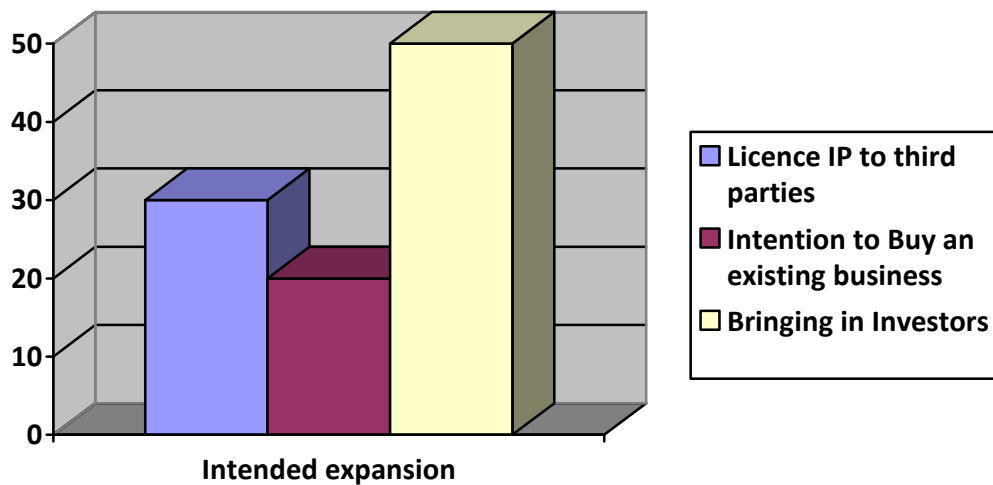


6. Phase 7 – Expansion, Franchising and Licensing

Expansion

Of the businesses surveyed **less than 15%** of those businesses have already done some expansion, whether that be opening new premises, franchising, buying another business or setting up a licence agreement.

However interesting the only **38.10%** do plan to expand in the future (this is down from over 90% in 2017). The way that they plan on doing that is interesting, with the following categories favoured by business owners:



7. Where to Find Out More Information

To find out more information please contact us on:

Email: lifecycle@jeremystreten.com

Visit our Website: www.businesslegallifecycle.com.au

Call us on: 1300 000 LAW (529)