

The Nuts and Bolts of Entity Choice

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Nuts and Bolts of LLCs, LPs and Partnerships

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Know Your Client

You must know your client's business objectives and know that your client knows his or her business objectives.



Start with the client's objectives

Quality business planning requires identifying one or more specific client objectives, not just "I want to form or reorganize my business to make more money." A non-exclusive list of factors may include one or more of the following:

- Allowing workers, investors, or family to participate (stakeholders)
- Type of Business
- Asset protection
- Exit strategy



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Clients need help in identifying specific objectives

- Even brightest, capable clients need your help in articulating what they want to accomplish.
- Identify and prioritize competing objectives.
- Understand the strategic options and trade-offs to assist the client in choosing.
- No strategy can accomplish all the client's objectives. Be clear what you can and cannot accomplish.



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Know the Business Owners & Stakeholders

- A sole proprietor's needs differ from a developer/multi-member investor group.
- A worker/investor group has different needs than a majority owner/ minority owner(s) organization.
- Family affairs and professional service organizations have specific needs.

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The business entity as your client

Can you represent an entity that doesn't exist?



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