

# 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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