

Leading specialist commercial law firm, Blackbourn & Bond Ltd, has teamed up with *Border Business* to offer businesses expert advice on some of today's most pressing legal questions. Below, we introduce Blackbourn & Bond, and their answers to your questions are on the page opposite. If you have any questions you'd like Dwight and Nick to answer, send them to us here at info@borderpublishing.com

SPECIALIST commercial law firm, Blackbourn & Bond Ltd, has teamed up with *Border Business* to share its experience and knowledge, and offer businesses located in the region expert advice on some of today's most pressing legal questions. On 6th April 2009 Blackbourn & Bond Ltd created a new chapter in the company's history by announcing a new company name, revealing a new corporate identity and launching a new website. The changes mark six years of success that have seen the company, known previously as Blackbourn Andrews, grow from being a regional law practice to a boutique law firm dedicated to serving the business and commerce law interests of property and business entrepreneurs, SME's and multi-national corporations. During 2008 the company's two directors, Nick Blackbourn and Dwight Bond, personally handled transactions which had values for their clients ranging between £200k and £7m as well as number of smaller, but no less significant matters.

"Adopting a new name and brand identity is a natural step for our business growth, and provides the platform to build on client relationships and expertise, and further expand the company's portfolio of professional business service," says Dwight.

To mark this milestone and engage with a wider business community, Nick and Dwight have launched this new Q&A column.

"Our approach is purposely different to many other local law firms, in that we want to promote approachable and proactive business relationships," explains Nick. "Over the years this has become our core strength, and by not diluting our focus of working directly with clients, or diversifying into non-business legal areas we have set ourselves apart from other law firms. This has helped us create strong client relationships, enabling us provide a more personal service to businesses and their owners, and be seen as a trusted partner.

"In essence, we believe that professional legal help should not be a last resort, but an integral part of a business' structure," he adds. "Through this Q&A feature we will demonstrate this ethos, and offer real and practical cost effective advice, in an accessible and friendly manner."



DWIGHT BOND

Dwight joined the firm in 2005 as an Associate and in 2008 was appointed a Director and recently became an equity owner of the firm. Dwight specialises in commercial property including residential site acquisitions and developments, construction, planning, environment, landlord and tenant, and licensed trade properties. With a background in leisure and retail he is also able to offer a comprehensive range of legal advice in numerous commercial sectors and has experience of working with major companies such as a national brewery, a European supermarket chain, and multinational banks.



NICK BLACKBOURN

Nick is the firm's founding partner and set up the practice back in 2003. He has more than 25 years' industry-based experience, working with some of the UK's largest PLC's such as Guinness Plc, Rank Hovis McDougall Plc, and United International Pictures (UIP).

Nick specialises in the corporate finance and company commercial sectors focusing on working alongside clients involved in company acquisitions and disposals, business development, management buy outs/ins, private equity, commercial contracts, Intellectual Property and corporate structures.

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In association with Blackbourn & Bond Ltd. For further information, or if you want to seek advice from Nick or Dwight directly, call 01743 233255 or visit www.blackbournbond.co.uk

Questions & Answers

Q: I'm considering selling my business. What steps should I be taking to make sure that it goes smoothly when I find a buyer?

A: Good question. It is important to understand that a business sale is not simply a question of agreeing a price and then the lawyer putting the paperwork in place; rather it is a process during which a relationship between seller and buyer develops. Of course, if they have known each other for years and worked well together, that provides a good platform to work from – it can only successfully move to a conclusion on the basis of trust. So anything which could damage trust, raise suspicion about how you have run the business, whether you're telling the whole story when disclosing information or even something which simply indicates poor management is most likely to put a buyer off. It could make them wonder what sort of unknown problems might creep out of the woodwork once they own it.

There are simple steps you can take to make sure everything is in proper order. In summary make sure that:

- All your employees have written contracts.
- Your tax is properly paid up and provided for.
- Any property lease is in the right name.
- Your trading contracts are in clear and certain written terms.
- You can easily discover historical information.

Be prepared for a lengthy detailed process of disclosing information to a buyer; it may seem laborious but it also acts as your protection – even recent high profile bank transactions

have shown the importance of this process!

In a nutshell, ensure you can present a clean and well managed business as this will greatly encourage the buyer that they will inherit a healthy business.

Q: As a commercial landlord in the current economic downturn, what incentives can I offer to potential tenants for vacant units and retain existing tenants?

A: Over the last 12 months, with more available properties on the market giving tenants more choice, the balance of power has shifted between landlords and tenants, with tenants now in a much stronger position in terms of negotiating terms for a new lease.

Rather than reduce the starting rent, which could weaken a landlord's future position on rent reviews, landlords should look to give potential tenants more options and flexibility whilst retaining a strong lease agreement. This can be achieved through a variety of incentives which make tenants feel they have got a good deal. Offering a rent free period or offering to undertake refurbishment works (which will often be at a cost price to the landlord) are often attractive. Stepped rent or rent holidays are often good incentives too. If there is a service charge for the property, try looking to cap this for say the next year or two. You can also consider offering tenants more than one break option in the lease, so as to give the tenant the option to come out of the lease early.

The bottom line is that it is far more beneficial for a landlord to have a let property rather than an empty

one which will in itself detract from other properties the landlord may own in the vicinity.

Something landlords should avoid however is being too accommodating to tenants, and dispense with the need for an agreement to regulate the tenants occupancy. This in turn could result in the landlord incurring liability such as for a dilapidated building, which is the opposite of what the landlord wanted to achieve.

We would always encourage landlords to take heed of these positive steps sooner rather than later and ensure they have up-to-date lease agreements which fully protect their own position and indeed the property.

Q: Our company is owned by a group of shareholders who are mostly family and the older ones are looking to retire shortly. What do we need to consider in preparation for this, and to ensure the future success of the business without damaging family relations?

A: Family companies have an added dimension over and above the normal elements in business relationships, which is of course the blood tie. This means in addition to business ambitions, personal ambitions, family responsibilities, income requirements and the inevitable personality blends which are ever present in all businesses, family loyalties and historic relationship issues affect everything you are dealing with. So for us the starting point is not a highly technical legal solution, but it is getting to the heart of everyone's personal perspectives. Therefore, before starting to suggest a

combination of elements to change the future structure, gain an understanding of the relationships and establish what each person wants to gain.

It is highly satisfying for us as solicitors, when we find a solution that relieves the blockage causing tension in a family company, which then allows growth and success for the business and everyone's happiness at the outcome.

In our experience, we are often faced with a client saying what they want to do, but when asked why, they can't answer that fully. Once that is clear though, you can move forward. The following elements could be part of the future structure:

- Income can be provided via dividends, employment contracts, licensing any inventions created or owning and renting a building occupied by the business.
- Capital growth can be provided by share ownership, building ownership or an entitlement to consideration on a future sale of the business.
- Decision-making influence can be provided by a seat on the board, a management position or by contractual rights to block certain decisions.
- Status and reputation can be preserved by a number of measures; very often in a smaller community the family name when it is also the business name is a highly valued asset and this aspect is often overlooked.

Much more can be done, and there's scope for creative ideas to be enforceable through a contract between individuals. Provided it is made clear from the start what is wanted and that this in turn is clearly reflected in documentation, desire can be achieved.