



**THE WISE COUNSEL GUIDE TO**

# **TERMS\$ AND CONDITION\$**

**Ten Steps to Increasing Your Returns  
from Your Small Business Agreements**



by Nina L. Kaufman, Esq.  
and Ronald I. Paltrowitz, Esq.

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**W**elcome to the world of entrepreneurship. By definition, an entrepreneur is someone willing to *take risks* in order to *make a profit*. By starting your business, you are doing what few have had the courage to do: *take a risk*. Whatever your reasons for doing so, you have an exciting journey ahead of you. We are here to let you know you are in good company.

This Wise Counsel Guide is designed to steer you through the issues that arise when negotiating your business agreements. We have broken this down into ten Steps:

- Step 1 discusses your need to know your business well so that you can properly manage your expectations.
- Step 2 helps you choose who you want to work with, even before you begin to negotiate contract terms.
- Step 3 reviews basic contract principles so that you can recognize what you need to give and receive in order to have a valid agreement.
- Step 4 helps you identify appropriate contract partners.
- Step 5 gives you questions to ask so that you can better clarify the promises of each party.
- Step 6 provides tips on structuring better payment terms.
- Step 7 addresses the importance of protecting your intellectual property, such as copyrights and trademarks, and confidential information.
- Step 8 outlines how to think through your exit strategy if contract promises are not kept.
- Step 9 identifies some of the “last resort” terms that can help resolve disputes less expensively.
- Step 10 encourages you to review where deals went “sour” so that you can avoid similar problems in the future.

Along the way, we will provide you with signposts to alert you to certain issues, such as:



for “red flag” situations of which you should be wary,



for legal terms,



for “handy” tips,



for key summary points.

We also recognize that, depending on the situation, you may find yourself on different sides of a transaction. Sometimes you are the “buyer.” Sometimes you are the “seller.” Therefore, in this Guide, we will occasionally refer to the person or company with whom you are doing business as your *contract partner* or *the other side*. By using these more generic terms, we hope to help you develop more flexibility in seeing the possibilities and pitfalls on both sides of a deal.

A paradox of business is that you need to expect the unexpected. Not all business deals will go as planned. But a good agreement can prepare you for what happens if the business deal goes awry. This can save you a great deal of time and money. <sup>W</sup><sub>P</sub>



### **Introduction:**

- Do not leave your contracts to chance.
- *Plan* to create business agreements that increase your profits.
- The following Ten Steps will help you attend to the details.