

Small Business is Our Business...

Small Business Advancement National Center
University of Central Arkansas
<http://www.sbaer.uca.edu>

SBANC Newsletter, August 4, 1998

UPCOMING EVENTS

PRE-REGISTRATION IS NOW UNDERWAY!!!

"RUNNING YOUR SMALL BUSINESS SEMINAR" -- AUGUST 15, 1998

Do you want to help your small business run smoother and more efficient? The Small Business Advancement National Center has the perfect seminar to get you started in the right direction. A spectacular one-day event on "Running Your Small Business," will be hosted by the Center along with ProvenEdge, a leading small business software company, on Saturday, August 15, 1998 from 9 a.m. to 4 p.m. at the University of Central Arkansas. The seminar will cover topics such as using technology, business plans, business structures, accounting methods, vendors/purchasing, and much more. Targeted specifically for the small business owner or anyone wishing to start a small business, this one-day event will be extremely helpful. The cost of this seminar is only \$50 per person. This includes a 30-day small business trial ware from ProvenEdge and lunch. Pre-registration is necessary because seating is limited. To register for this exciting event call Kim Stubbs at (501)450-5373 or e-mail: kstubbs@mail.uca.edu.

MARK YOUR CALENDAR!!!

"HOW TO DO BUSINESS IN WESTERN EUROPE"

MARCH 7 - 9, 1999

Make plans now to attend this exciting event held at the Holiday Inn Airport location in Little Rock, Arkansas, March 7-9, 1999. You will be given vital information on how to do business in Europe. Tips on creating joint ventures and ways to sell your product overseas will be discussed, as well as much more. There will be representatives at this conference from France, Germany, United Kingdom, Portugal, Finland, and Ireland. This will be a meeting you will not want to miss, so be looking for registration information in upcoming issues of our newsletter.

LOW DOCUMENTATION LOAN PROGRAMS

The U.S. Small Business Administration offers "Low Documentation" loans for business loans up to \$100,000. This program focuses on the strength of character and credit of applicants. No predetermined percentage of equity is required. A lack of adequate collateral is not a determining factor. Some of the primary considerations are:

1. Willingness to pay debts, as indicated by credit history. Co-signers may be considered if applicants have no credit history.
2. Historical or expected earnings evidencing repayment ability.

3. The requested financing provides the business a good chance of achieving success.

To find out more about this program visit our web site at:
<http://www.sbaer.uca.edu/docs/bulletins/blt10.asc>

WORKPLACE RELATIONSHIPS

Many managers and owners are faced with the dilemma of what to do about married or involved relationships in the workplace. Guidelines must be set for businesses concerning these issues. In July, a visitor to INC. ONLINE (<http://www.inc.com>) stated the following:

"Recently a couple got married but they reported to the same Manager. Another couple broke up and has moved in with a another staff but they reported to different Managers. We have trouble moving staff for project teams as the office is aware of these relationship developments. There is not any secret about these fraternizations but they present difficulties in adjusting work teams. The office has about 90 staff, and about 50 are professionals. I am one of five Managers affect. How should the situation be handled immediately and for the long term?"

Find out what others are saying about this topic at the following address: <Http://www.inc.com/bbs/show/19/901401438-999>

TIP OF THE WEEK

"Attorney-Client Privilege"
(Taken from "The Entrepreneur's Guide to Business Law," by Constance E. Bagley and Craig E. Dauchy. See full credit below.)

When retaining an attorney, it is important to be clear about who the client is. Communications with a lawyer are not protected by the attorney-client privilege unless they are between a lawyer and a client seeking confidential legal advice. If the client is a corporation, the privilege protects the communications or discussions of any company employee with counsel so long as the subject matter of the communication relates to that employee's duties and the communication is made at the direction of a corporate superior. For example, if a corporation hired a lawyer to do an internal investigation of possible misconduct, and an officer instructed an employee to cooperate in the investigation, a third party (such as the government or a competitor) could not compel the disclosure of the communication between the employee and the lawyer. However, because the privilege belongs to the corporation as client, the corporation may require the disclosure of the communication between the employee and the lawyer in a case brought by the corporation against the employee.

An attorney retained to incorporate a company will normally view the company as the client, at least once it is organized. This relationship should be clearly spelled out in an engagement letter with the attorney.

Although the founders may initially be the sole representatives

of the company, they are usually not considered to be the client. This means that if there were a dispute down the road and the board of directors voted to fire a founder, the attorney could not ethically represent both the founder and the company. In addition, any conversations between the attorney and the founders would not be privileged.

Attorneys often recommend that each founder retain separate counsel from the outset, especially when structuring the ownership and negotiating buy-sell agreements. In practice, this rarely happens because it is too expensive. A founder should, and usually will, retain separate counsel if there is a dispute or threatened dispute with the company or its board of directors.

The attorney-client privilege applies only to legal advice, not business advice. It does not protect client communications that are made to further a crime or illegal act. For example, if an entrepreneur were to ask his or her attorney the best way to steal trade secrets of a competitor, that conversation would not be privileged. A client loses the attorney-client privilege if the client shares the attorney's advice with outsiders or permits outsiders to listen in on a discussion between the client and the attorney.

"The Entrepreneur's Guide to Business Law," Bagley, Constance E. and Dauchy, Craig E., West Educational Publishing Company, Internal Thomson Publishing Company, United States, 1998, pp. 44-45.

If you have any comments about our newsletter or if you know of an upcoming small business event in your area, please contact Kim Stubbs by e-mail at: kstubbs@mail.uca.edu

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