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Last month, we looked at some of the things businesses should consider to prevent the World Cup from disrupting their workplace. This month, we examine the challenges business owners can face when it comes to restructuring a business.



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There are a number of reasons that you might want to restructure or reorganise your business. Perhaps it is to meet increased demand, to avoid the risk of insolvency, or maybe one or more of the owners are planning to leave the business.

Regardless of the circumstances, you need to ensure that you have a clear purpose in mind before starting a restructure. Naturally, the whole process can mean a lot of upheaval for directors, shareholders, staff, suppliers and everyone involved, so you need to carefully assess your existing circumstances to be 100 per cent sure that a restructure is in the business' best interests.

Depending on the reasons for restructuring, you will have very different issues to consider. For example, if downsizing is the main objective, you may need to systematically remove specific services from your business and think carefully about the impact this will have on members of staff, cash flow or future capacity.

Communication is key – everyone involved needs to know, at the right time, what is happening to the business and how they will be affected. It is wise to seek specialist business law advice to reduce the likelihood of any contractual disputes or Employment Tribunal claims arising later down the line.

If relocation is required, are you legally entitled to require your employees to relocate? If not how will you retain key members of staff? Will you need to make redundancies? Taking advice at an early stage will help you plan ahead and achieve your goals amicably, with minimal disruption to your business' day-to-day operations.

If you are planning a management reshuffle, you will again face very different challenges. Under these circumstances, you will need to assess each of your directors' or managers' duties, how these will continue and how they might need to change or be incorporated into new roles. You may need to re-draft contracts, shareholders agreements, partnership agreements and other vital documents.

Whatever the circumstances, the challenges faced will vary, which is why it is important you seek specialist advice tailored to suit you.

For further information or advice, please call our Business Support team on 01904 528 200 and speak to Jessica, Jo or David.

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