

How Prepaid Legal Services Can Help Your Small Business

If you run your own business, you cannot afford to go it alone when it comes to legal matters. The ever increasing complexities of law, spiraling costs of lawsuits and the abundance of government red tape could land you in a lot of trouble.

The other side is hardly attractive either! Hiring a lawyer can represent a substantial financial investment many cash-strapped small businesses and entrepreneurs cannot sustain. Lawyers usually charge a minimum of \$200 per hour when it comes to "business law" and it can get very expensive if you are involved in lengthy legal procedures, complicated contracts or business transactions.

There may just be a bit of hope in prepaid legal plans. For a set monthly fee, some legal providers are now bundling a whole collection of legal services specially tailored to the needs of small businesses. Whether you need phone consultation on the legal complexities of a lease contract, or require legal representation during tax audits, a prepaid plan can help you handle legal costs. An assortment of services is included as "standard coverage" at no additional cost to you in the plan, and any legal matters not covered can be provided with a discount on fees.

Before You Leap

You need to learn more about the quality of service you are likely to receive. While lower fees do not necessarily imply lower quality of work, it is always necessary to remember that legal specialization plays a crucial part and lawyers are not interchangeable. Request references from previous clients or ask entrepreneurs who've used the services of the provider about the quality of work they have obtained from them. Use your state bar association, service organizations in your area and your local Better Business Bureau to research law firms and the background of the attorneys in the network before selecting them.

Things to look for are the number of years they have been operating, complaints from previous clients, the education background of attorneys, professional track record and so on. With the rising amount of small businesses involved in litigation and fee disputes with their legal providers, it is imperative to give some thought to alternative courses of actions when dealing with disputes. Ask your prospective provider about the method in which they settle disputes or complaints. Do they have an in-house system to deal with complaints, appoint a senior attorney to handle such things or do you simply have to settle out of court?