



**JOHNSTON BUSINESS
LAW GROUP**

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Taking the Next Steps for Different Paths

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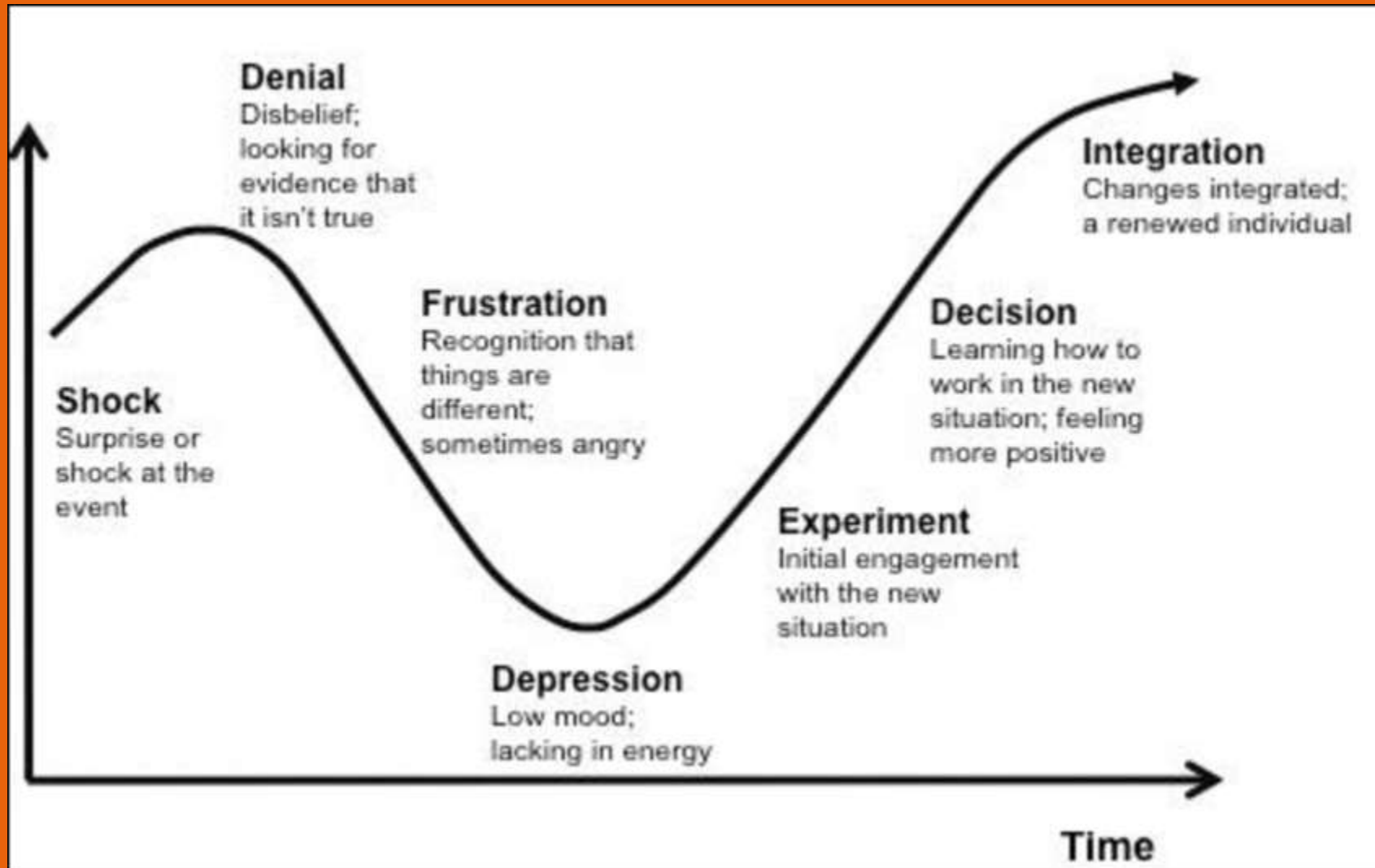
Topics in This Session

- ▶ The Psychology of Change
- ▶ Reopening
- ▶ Pivots in sales/operations
- ▶ Mergers, Acquisitions, Sales
- ▶ Closing up
- ▶ Bankruptcy Basics
- ▶ Q&A aka “What Ifs”

The CMB Slide

- ▶ We are talking “legal” but this general advice for education purposes, I am going to assume all your questions are “hypothetical”
- ▶ Legal advice is very fact dependent, different facts = different advice.
- ▶ Just because we talk about your situation doesn’t mean the talk is privileged
- ▶ I am A lawyer, but I am not YOUR lawyer (unless you hire me)
- ▶ If you need confidential legal advice you should consult an attorney.

Kubler-Ross Change Curve



The Psychology of Change

One of the most difficult shifts that must occur is shift from survival to planning.

You are now making bets about your future, bets are about uncertainty, probabilities, skill, luck, and risk.

Don't Bathe in the Uncertainty

Think about Levels of Confidence, accept levels of skill and luck, rather than self-serving bias

The Psychology of Change

Roshomon Effect and the power of your Management Team

Managing your uncertainty

Pre-Decision Regret

10-10-10 Method

Scenario Planning

Backcasting

Pre-Mortems

Reopening Concerns

- ▶ Legal/Regulatory Environment
- ▶ Hiring/Recalling employees
- ▶ OSHA/CDC Guidance for employees and customers
- ▶ Changes in Employee Policies
- ▶ Creating Demand for your goods/services
- ▶ Marketing in a New World

Pivots in Sales/Operations

- ▶ Fire bullets first, experiment
- ▶ Look at your skills and staff skills
- ▶ Examine Changes in business risks
- ▶ Consult with Management Team
- ▶ Use Backcasting to plan needs
- ▶ Make Decision and Fire Cannonball

Legal Risk Assessment Matrix

Costly

Costly & Not Likely Insure It	Costly & Likely Proactive Policy, Active Mgmt. & Insurance
Not Costly & Not Likely General Policy	Likely & Not Costly Proactive Policy & Active Mgmt

Likely

Mergers, Acquisitions, Sale

- ▶ Prepare for Due Diligence
- ▶ Collect your assets and your needs
- ▶ Pick your partners/buyers/sellers carefully
- ▶ Know what you need and what you can give up
- ▶ Document, Document, Document
- ▶ Consult management team
- ▶ Follow up carefully and re-assess

Closing Up Shop

- ▶ Close out any pending contracts
- ▶ Collect your assets and your liabilities
- ▶ Sell off assets
 - ▶ Pay attention to bulk sales taxes and bills of sale
- ▶ Pay off liabilities
 - ▶ Make sure liens are satisfied and removed
- ▶ File Termination Papers with State/Feds
- ▶ Transfer licenses as necessary
- ▶ Close out ownership agreements.

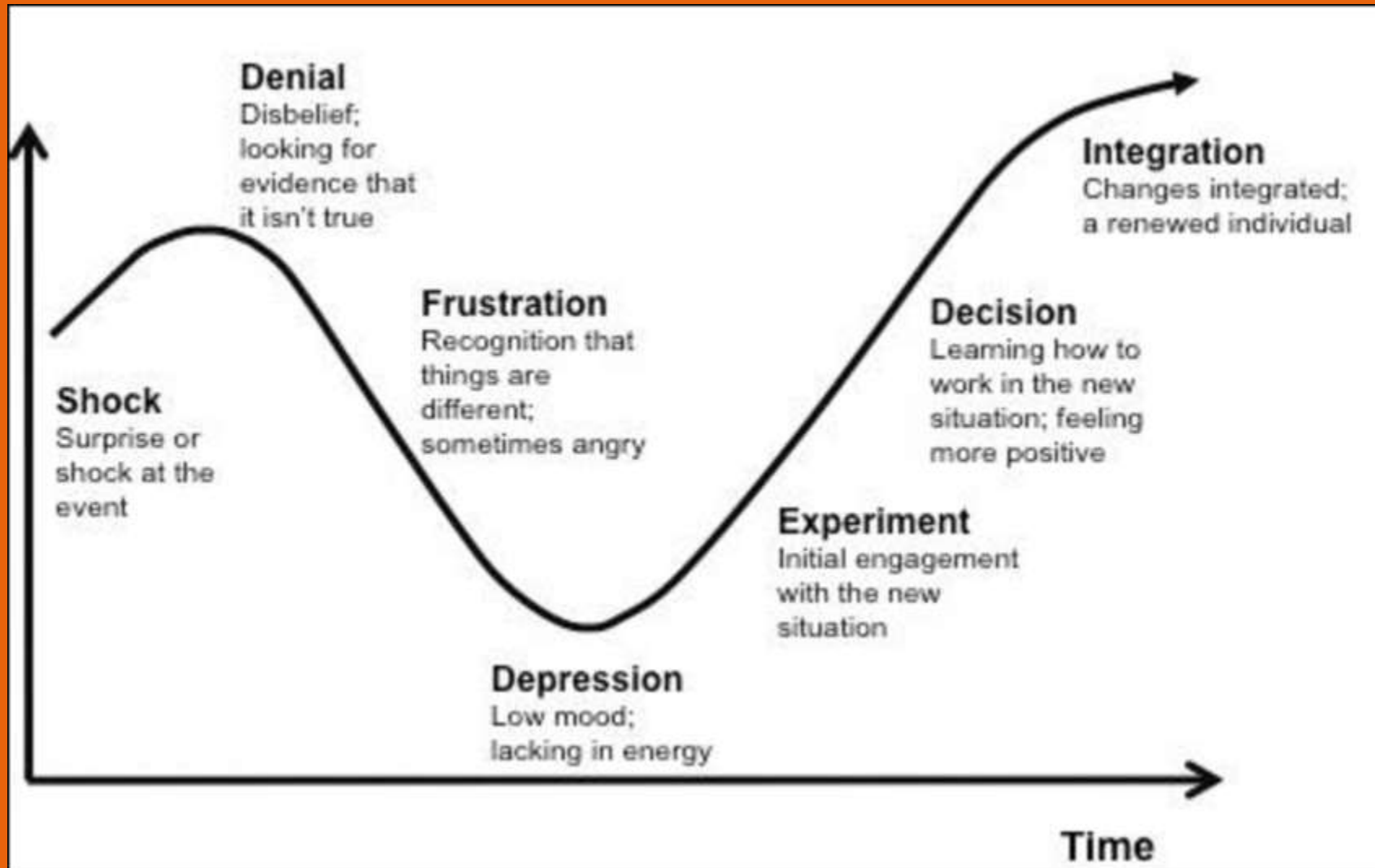
Bankruptcy Basics

- ▶ Bankruptcy standard—unable to pay liabilities as they become due in the ordinary course of business.
- ▶ Bankruptcy is a pause button
- ▶ Chapter 7 Close-out, sell assets, and seeking discharge of debts
- ▶ Chapter 11-Continue Operation, reorganize debts, create payment plan for paying creditors, some changes in debt load possible
- ▶ Chapter 13-only available to sole proprietors, restructure debt, create payment plan to creditors

Bankruptcy Basics

- ▶ Consult Bankruptcy Counsel!!!!!!
- ▶ Look at every debt and contracts for debts
- ▶ Be mindful of Personal Guarantees, particularly ones where spouses signed guarantees
- ▶ If you can continue operations, Chapter 11 is best bet
- ▶ Consider implications on employees/customers

Kubler-Ross Change Curve



Resources

- ▶ Book recommendation: Annie Duke—*Thinking In Bets*
- ▶ Robert K. Merton, *A Note on Science and Technology in a Democratic Order*
- ▶ Jim Collins, jimcollins.com, specifically book *Great by Choice*

Do or do not. There is no try.
- Yoda

There is no such thing as a failure
who keeps trying.
-Blues Traveler
“Just Wait”

Time for What Ifs

Ask Matt the Lawyer Plans

- ▶ Unlimited email communications with video responses
- ▶ Scheduled 15-minute consultations
- ▶ \$99/month recurring subscription
- ▶ Discounts on other hourly or flat fee work
- ▶ Sign Up Now to get Free FFCRA Leave Policy and Teleworking Policy

Got Questions, Comments, or Want to Chat

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