Setting Up Your First Business Entity

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Attorneys Sarah Sawyer and Russell Berger of Offit Kurman discuss key considerations when starting a business, focusing on entity structures and formation. They stress beginning with tax implications by consulting an accountant about what entity to form. The next step is working with a lawyer on questions such as which state to organize in, the business's size and type, plans for growth, and whether additional owners will join. They emphasize the importance of having foundational documents that serve as a roadmap for ownership terms, operating expectations, and what happens if owners exit or the business is sold. They also highlight assessing business risks and insurance needs, aligning co-owners' risk tolerances, and considering multi-entity structures to better allocate and reduce risk.