



Turning an Idea or Product Into a Business

The Start-Up/Small Business Advisor

Gary Chodes
Robert Londin
David Lopez-Kurtz
David Postolski



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*** These slides were produced in connection with a video webinar that premiered on [06/10/2025](#). Take note, we make the PDF available for free download because the real benefit of a Financial Poise webinar is the conversation that the faculty has around the slide deck. You can access the webinar on-demand at [West Legal Ed Center](#) (for attorneys or accountants seeking CLE or CPE) or [Financial Poise](#) (for everyone else).

Meet the Faculty

Panelists

Gary Chodes – The National Law Review

David Lopez-Kurtz – Croke Fairchild Duarte & Beres LLC

David Postolski – Gearhart Law LLC

Moderator

Robert Londin - Jaspan Schlesinger Narendran LLP

About This Webinar

Turning an Idea or Product Into a Business

Building the infrastructure of a business around a product or service requires a detailed focus on many areas, not all of which are intuitive.

An early decision founders must make is the selection of a legal entity (LLC, Partnership, S Corp, C Corp, Non-Profit) for the business.

Another critical action item is to consider steps to protect turf by keeping copycats away to the extent possible (i.e. with copyrights, trademarks, patents, and non-disclosure agreements, among other things).

Hiring and incentivizing employees and finding a way to finance the business are examples of other key areas that founders need to get right.

This webinar provides an overview of these topics and shares some best practices with regard to them.

About This Series

The Start-Up/Small Business Advisor 2025

Most startups are not destined to become billion-dollar unicorns. Most, in fact, will fail. Those that survive may never be more than small businesses. Whether and to what extent a startup will be successful depends on many factors. One set of factors is the foundational pillars upon which the venture is built and includes things such as capital structure, financial controls, human capital, management/founder talent, market niche (and barrier to entry and protectable intellectual property rights), financing growth, managing burn rate, and marketing functions. This series explores each of these topics and provides useful tools and insight into how they can build a foundation for success.

Episodes In This Series

1. [The Very Basics: Forming the Business](#)

Premiere date: 2/11/25

2. [Raising Capital: Negotiating with Potential Investors](#)

Premiere date: 3/18/25

3. [What Every Founder/Entrepreneur Must Know](#)

Premiere date: 5/13/25

4. Turning an Idea or Product Into a Business

Premiere date: 6/10/25

Episode #4

Turning an Idea or Product Into a Business

Each Financial Poise Webinar is delivered in Plain English, understandable to investors, business owners, & executives without much background in these areas, yet is of primary value to attorneys, accountants, & other seasoned professionals. Each episode brings you into engaging, sometimes humorous, conversations designed to entertain as it teaches. Each episode in the series is designed to be viewed independently of the other episodes so that participants will enhance their knowledge of this area whether they attend one, some, or all episodes.

Topics Discussed



- Starting versus Acquiring a Business
- Types of Businesses and effect on Legal Structure
- Business Plan(s) and how they Pivot
- Building the Team

Startups vs. Acquisitions



- Own idea or personal skills
 - Innovation
 - Cheaper/Better/Faster
- Opportunity to buy existing business
 - Owners' exit
 - Failing business
- Legal structure (discussed later)

Types of Businesses



The type of business or product shapes the emphasis and priorities.

- Product vs. Service
- Consumer vs. B2B
- Intellectual Property Licensing
- Niche Markets

Creating a Business Plan

- Software available
- Simple vs. complex plans
- Elements of plan
 - Vision/Values
 - Competencies
 - Key Markets
 - Sales/Marketing/Tactics
 - Target Customers
 - Financial Planning/Funding
 - ✓ Key Measurables and Timelines

SWOT Analysis

- Who needs your product or service?
- Who will pay for it?
- How much will they pay?
- Who else offers product or service?
- Why would someone pay for yours vs. competitors'?
- Is market large enough to support multiple players?



Team



- Hire vs. Outsource
 - Confirm experience whether hiring or outsourcing
- Space Planning
- Critical Roles – Lead or Delegate

Know Before You Go

General Business Considerations:

- Business Plan with Forecast & Cash Flow
- Personal Commitment required (time and money)
 - Full Time Job or Hobby?
 - Personal investment cap?
- Partner / Co-Founder / Family members involved?
- Lifestyle or Build and sell

- Professional help – when and who:
 - Bookkeeping & Taxes
 - Human Resources
 - Legal
 - Insurance
 - Marketing
 - Communications / Public relations

Advisors

Business Structures

- There are many legal structures. Which one is right for you depends upon your business.
 - Sole Proprietor
 - Partnership
 - LLC
 - Corporation (C-corp. & S-corp.)

Sole Proprietor

Advantages and Limitations of a Sole Proprietorship.

- Sole Control and Management
- Ease of Formation
- Single tax entity (no double taxation)
- Personal Liability for business debts due to lack of corporate formalities
 - Generally Avoid (personal liability if default on business obligations or if product could cause harm)

Partnership

Advantages and Limitations of a Partnership.

- Informal Management & Growth
- Ease of Formation
- Single tax entity (no double taxation)
- Personal Liability for business debts

Corporation

Advantages and Limitations of a S and C corporation.
Informal Management & Growth

- Structure
- Filing Requirements
- No Personal Liability
- Taxation Differences
- Corporate Formalities

Limited Liability Corporation

Advantages and Limitations of a Limited Liability Company.

- Similar to a Corporation
- Limited Personal Liability
- Fewer Corporate Formalities
- Operating Agreement
- Ownership Transfer Requires Consent

Financing Your Business

- You need money. Amount and Duration of capital needs may dictate appropriate sources of funds.
- Who will fund losses? Do you need to draw a salary?
 - 401(k) & Home Equity
 - Friends and Family
 - Banks
 - Angel Investors
 - “Shark Tank”

Personal Guarantees

- Be prepared to pledge personal assets, regardless of corporate structure.
 - Investors want commitment from entrepreneur
 - Lenders want alternative source of recovery
- Limiting Guarantee Exposure
 - Pledge a particular asset (home)
 - Cap liability at a percentage of Loan

Hiring and Incentivizing Employees

Considerations when hiring:

- What Role to Fill:
 - CEO / CTO needed to guide development?
 - Core competency or necessary evil
- Buy or Rent:
 - Consultants / temporary employees
 - Can you outsource
 - Big firm or small firm experience

Employment Considerations

- Manuals and Records are important and frequently overlooked – plan carefully to avoid pitfalls that can drain cash at critical growth junctures.
 - Handbooks, policies and postings
 - Worker Classifications & workplace safety
 - Benefits, PTO, EEO and related considerations
 - Risk Management, insurance, and ADR

Compensation Components

- You decide to hire. How to think about compensation.
- Cash is King! Equity is cheap but be careful...
 - Fill your blind spot
 - Will employee provide strategic value?
 - Product specialist or back office necessity?
 - Cash, equity or both?

Expertise or Contributor

- **Goals of hiring change over time.**
 - Do you want experience or a clean slate?
 - Do you want a sounding board for fresh ideas?
 - Do you want independence or an order taker?
 - Is there a gap in your skill set?

Expertise or Contributor *(cont'd)*

- **Board of Directors and Advisory Board**

- Industry experts
- Lenders
- Investors
- Trusted resources
- Mentor
- Lawyer / Accountant

Legal Contracts

- **Clearly document relationships to protect your business.**

- Employment / Independent Contractor Agreement
- Proprietary Information Agreement
- Invention Agreement
- Non-Compete Agreement
- Intellectual Property Agreement

Protecting Your Idea

- **Protecting the Secret Sauce: Intellectual Property.**
 - Intellectual Property Considerations
 - ✓ What makes your product special
 - ✓ What don't you want competitors to know
 - Utility Patent?
 - Trademark?
 - Copyright?
 - Trade Secret?

Questions or Comments?

If you have any questions about this webinar that you did not get to ask during the live premiere, or if you are watching this webinar [On Demand](#), please do not hesitate to email us at info@financialpoise.com with any questions or comments you may have. Please include the name of the webinar in your email & we will do our best to provide a timely response.

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Meet The Faculty

Gary Chodes - gchodes@natlawreview.com



Gary is currently the CEO of the National Law Review and its parent publisher the Daily DAC. The National Law Review is a Top Ten online legal and business news and information source with a 100+ year history. A serial entrepreneur having founded multiple successful legal-tech, legal services and on-line lending businesses, Gary has experienced several notable exits to private equity firms, insurance companies and publicly-traded strategic buyers.

Gary previously served as the CEO of American Consumer Lending (ACL), an affiliate of Prospect Capital Corp (NYSE: PSEC), one of the largest purchasers of consumer and small business loans originated by leading on-line originators, such as Lending Club, Prosper and OnDeck. ACL's aggregate loan portfolio at 6/30/2015 exceeded \$500 million.

Gary also built and ran a number of legal-tech and legal services businesses from 1993 to 2018. Several of the brands and companies he was associated with during that time period were the Legal Recovery Fund, Signal Funding, Pegasus, Disability Corner and Viaticus.

Investors and lenders to these businesses included some of the largest financial institutions in the world, such as CNA Insurance, Deutsche Bank, Fifth Third Bank, Fortress Investments, Highbridge Investments and HIG Capital.

Gary holds a B.S. in Economics from the Wharton School at the University of Pennsylvania and an M.B.A. from the Kellogg School of Management at Northwestern University. [Read More](#)

Robert Londin - rlondin@jaspanllp.com



A partner in the Jaspan Schlesinger Narendran LLP Corporate and Commercial Transactions Group, Mr. Londin counsels numerous companies in connection with their mergers and acquisitions (both strategic and financial), financing needs and the execution of their business plans; financial concerns in capital markets transactions; emerging-growth companies; seed and venture capital clients in connection with the formation of their investment vehicles and making of their portfolio company investments; borrowers and lenders in secured financings; and companies and highly compensated executives in connection with their compensation and separation arrangements.

Jaspan Schlesinger Narendran LLP Is a full service law firm located in the NYC Metropolitan Area just outside of Manhattan.

David López-Kurtz - dlopezkurtz@crokefairchild.com



David focuses his practice on corporate and securities matters with an emphasis on private and public securities transactions, compliance, and disclosure obligations. He also represents both large and small companies on all aspects of business formation, fundraising, commercial contracts, mergers and acquisitions, and regulatory compliance.

He represents clients in the digital currency and blockchain ecosystem, working as outside general counsel and drawing on the firm's national platform and comprehensive range of capabilities as he advises on a broad range of matters, including company formation and financing, federal and state securities laws, token fundraising (ICOs and SAFTs), and alternative securities offering options (Reg A+, Reg D/506(c), Reg S, and Equity Crowdfunding).

When counseling clients, including those navigating issues surrounding and arising from digital currencies and blockchain technology, David maintains focus on building relationships based on trust, communication, and responsiveness. [Read More](#)

David Postolski - david@gearhartlaw.com



David Postolski, a senior partner at Gearhart Law, is a registered patent attorney and Intellectual property (IP) attorney. David specializes in assisting inventors, creators, artists, start-ups, entrepreneurs, early-stage companies, and emerging companies with their U.S and international IP strategy, protection, enforcement, and monetization.

David is a frequent speaker and author on emerging IP issues and technologies. Raising capital, business formation, licensing, and equity-based crowdfunding are his strengths

Professor at Temple University, Parsons School of Design and the Radzyner Law School (Herzliya, Israel) where he teaches master-level students about IP, ethics, and other regulatory considerations. [Read More](#)

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