



The LSLC Shell

Issue 1 Vol 1 Summer 2006



Lynda's Corner:

Hello friends of LSLC. Welcome to our inaugural Client Bulletin which will be published quarterly as part of our continuing effort to keep our clients informed of all things legal that may be of relevance to your businesses and so you can get to know us a little better too. LSLC capped off a very dynamic and successful 2005 by rewarding our Top 13 clients who were: **endota spa, Lovitt's Pet Foods, Sunny, Round, in8, Choice Mobiles, Moving Forward Business Coach, Shearman's Plumbing, Island Spirit, Loaded Footwear, Dog Rocks, Verso Creative and the Hodges Family** with a surprise hamper for Xmas. These clients have been exceptional in their loyalty to our firm. We are implementing a loyalty system of rewarding our Top 10 in July and December each year, so you never know you could be next! 2006 promises to be an exciting year. We won't be bored with the diversity of clients that are consistently being introduced to the LSLC difference. I have also been appointed to the State Government's Small Business Advisory Council which plays a pivotal role in the formulation of small business policy. If you have any concerns about regulation or think of ways the government can help small businesses, please let me know and I will personally relay your concerns to those who can make a difference. Thanks for your continued support. I look forward to assisting you all with your legal needs in 2006. Regards Lynda ☺

LSLC NEWS

- September 2005 - Lynda appointed to the Small Business Advisory Council for the State Government of Victoria.
- Lynda was part of the founding team and offered pro-bono services to "The Edge Community Fund" a charitable trust established for youth of Ashburton, Ashwood and Chadstone. Official launch to be held on 15 Feb 2006.
- Lynda appointed Vice-President of the Ashburton Traders Association.
- Developed a truly unique template for plain English, user friendly customer terms and conditions which were inspired by in8's wish to reflect their values in their legal documents (See Client Profile below). Another example of LSLC breaking down barriers!
- Lynda has a new addition to her family - a Bengal kitten named Frankie!

BUSINESS TIPS - SBC

The Small Business Commissioner's Office www.sbc.vic.gov.au, is Victoria's best kept secret in terms of the assistance it can give to small business. It can assist with Retail Lease disputes but also with any disputes where big businesses are using unfair business practices against small businesses. If you think you have been badly done by as a tenant or in your dealings with the government or larger businesses, have a look at the website and consider seeking intervention by the Commissioner. There is also an excellent mediation service which only costs \$95 for each party! This is an affordable and effective means of resolving disputes. Being a firm which prefers to help our clients avoid disputes rather than having to fix problems when it might be too late, it is our pleasure to recommend this excellent resource to you all!

EXPORT UPDATE: "Guanxi": Chinese Cultural Tradition in Business

Many of our export clients are currently doing or hope to do business with China in the future. Free trade negotiations hope to make business transactions much easier. However, when dealing with China, and any country in Asia, the cultural sensitivities are just as important as lower tariffs. Below are some interesting observations from a major spread in the Age called "Riding the Dragon" about doing business with the Chinese which may complement and are often more crucial than your legal contracts with a country emerging as the economic leader of East Asia.

In China, relationships and cultural tradition are not just part of the commercial process but the actual keys to success. For Australian companies doing on wanting to business in China, importing or exporting, understanding the cultural sensitivities and the do's and don'ts of everyday commerce is vital.

Researching these cultural sensitivities before going to China is vital for individuals who wish to enter the Chinese market. If we are not aware of what we are dealing with, then we will come undone. China can prove to be an unfamiliar environment. The rule of law is different and businesses can lose a lot of money if they are not understanding towards China's cultural diversity, especially in the different provinces.

The concept of relationships, or "guanxi" in Chinese, runs deep in the national culture, where family, friendship and trust form integral components of business networking. China is a very networking and relationship driven place and it's very important to understand who you're doing business with. Westerners often view language as being the greatest barrier to conducting negotiations and business. But language is just the medium.

“Guanxi” Cont’d

“Respect, saving face and guanxi, refers to the concept of drawing on connections in order to secure business and personal relations”

In Australia we tend to be rather trusting of our business partners and we assume the law is there to back us up if anything goes wrong. So we’re generally quite happy to get into business relationships fairly quickly and be quite trusting. In China, you need to know your potential partners and have good relationships with them.

Negotiating in China involves getting to know each other socially. As a result, business and social interactions are etiquette bound and intertwined. There is a lot of entertainment involved such as banquets, karaoke bars and sightseeing sometimes before the negotiations. Legal contracts are a recent occurrence for Chinese people, as they base everything on trust.

It is important for Westerners to understand the basic cultural sensitivities, such as handing over business cards with two hands with the writing facing the person who is receiving it for their convenience. There are also taboos, such as avoiding gifts such as clocks, black or white wrapping paper and the number four, all of which have connotations to death.

However, most Chinese generally do not expect Australians and other Westerners to act and think like them, so long as they show broad respect.

Key Points to cultural issues in China:

- Relationships are paramount
- In business culture, bright colours are considered inappropriate
- Chinese are minimalist in their body language
- Have a permanent or regular presence in the country if possible
- Understand and adapt in the local cultural context
- Carefully select and brief expatriate or foreign staff
- DO NOT rely solely on written contracts

Extracts taken from:

“Culture the key to make or break” by Tony Kaye. Wednesday October 19 2005 (The Age).

“The art of connecting with an ancient culture” by Ming Chang. (Head of Asian business-Victoria for HSBC Bank Australia) Wednesday October 19 2005 (The Age).

Ed’s Note: China has come a long way in the recent past in recognizing the weight of legal contracts, especially in relation to the international sale of goods. The Code of Contract Law promulgated in March 1999 is supplementary to the Convention for the International Sale of Goods (“Vienna” Convention) and governs Contract Law in China. A healthy balance of relationship building and “Guanxi” together with watertight legal documentation would be recommended.

This newsletter is for information purposes only. Nothing in it should be construed as legal advice nor relied upon. If you have a specific legal query please contact us on 9885 5105 or e-mail Lynda@lslc.com.au

CLIENT PROFILE - in8 Pty Ltd

in8 is a professional organising business founded by MaryAnne Bennie offering personalised organising, decluttering and training services for home, office, and life (time management) using its exclusive in8steps™ system.

in8 specialises in developing systems around people and can save you time, money and stress by assisting you or your business to better manage your possessions, your information, your time and your space.

MaryAnne became a client of LSLC after hearing Lynda give a private presentation to a group of business women on the legal issues in growing a business and the differences between licensing and franchising.

In8 is a business with fantastic potential to grow exponentially, but MaryAnne recognised that to support this growth she needed create an infrastructure that minimised risk in her business. MaryAnne has developed systems and materials which are of much value to the business and this intellectual property needed protection. Also, because MaryAnne deals with client’s personal information and is often in their homes and offices, with access to all of their valuables, liability was also an issue. MaryAnne was also keen to explore franchising for in8. So we set out to develop legal solutions to help minimise risk in in8’s business and establish a plan for future growth.

LSLC and in8 worked together on the following:

- Franchise feasibility and analysis session
- Confidentiality Agreement to protect in8’s most valuable assets - its ideas, processes and systems
- Contractor Agreement to clarify relationships with consultants and other staff working with MaryAnne and confirm responsibilities
- And the piece de resistance - VERY Plain English terms and conditions to give in8 clients that protected both MaryAnne and her clients interests. MaryAnne was anxious to have terms and conditions that reflected her company’s commitment to customer service, which were easy to understand, not too long and without a smidge of legal jargon but which still protected her legally. After a few drafts (hard for lawyers not to at least use a couple of “big” words!) and much input from MaryAnne, we finally came up with an extremely user friendly document.

MaryAnne had this to say about her experience working with LSLC:

“Working with Lynda has been a wonderful experience, totally NOT what I expected! Lynda used plain language and really listened to my needs and then delivered in a timely and professional manner. I now have set of legal documents I am pleased and proud to present to clients and contractors. I am looking forward to a continuing relationship with Lynda and am happy to refer her to my colleagues, clients and friends”.

For more information on in8 go to www.in8.com.au and ask LSLC about our “Very Plain English” terms and conditions for your clients.

If you wish to have your profile in future editions of the LSLC Shell, please e-mail Lynda. A great way to tap into our growing network of like minded and successful business people.

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