

# RISK CONTROL AND BUSINESS/LEGAL CONSULTING

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The best defense is a great offense. Knowing what problems may arise and how to avoid them is sometimes the whole war being won. Know who to hire and what tools to use, is the key to having the right team.

The process of gathering information you need to know can be summed up in two words – Due Diligence. Due diligence is the process used to investigate and evaluate a business opportunity of all kinds. This can be from the process of **hiring an employee**, to the point of **making a business acquisition** or anyone in the process or **offering or accepting venture capital**.

The term due diligence describes a general duty to exercise care in any transaction. As such, it spans investigations into all relevant aspects of the past, present, and predictable future of the business of a target company or the person you are interested in making an offer to. Due diligence sounds impressive but ultimately it translates into basic commonsense success factors such as "thinking things through" and "doing your homework".

What does Due Diligence Involve? Due diligence involves a detailed research into a company and its plans. It involves:

- The business's identity.
- The business's financial health.
- The credibility of the business's owners, directors and senior managers.
- The future potential of the business.
- An assessment of the risk involved in your business.

Due Diligence of an individual includes much of the same thing:

- An Individual's Identity - Verifying the person is who they say they are.
- A background includes confirming basic identifying information such as name and SS#.
- An individual's financial health, can include litigation records, UCC filings, liens and bankruptcies and credit history.
- An individual's credibility – Criminal records, verification of past employment and business relationships, education and activities in the community

This information helps to establish if this person is the right choice for the position you are considering them for. An assessment of the risk involved in your business based upon an individual, can be further analyzed by doing just that, assessing the individual with an in depth assessment or personality profile. One of the best reasons for Due Diligence: To prevent any unnecessary surprises while conducting business and to eliminate the cost of employee turnover!