



# Risk Management Guide



## Risky business pitfalls every owner should know – and how to avoid them

Growth is great, but with it comes many processes, procedures, and programs to follow so your business portfolio can expand successfully. Whether expansion for you means opening up shop number two, acquiring a new-to-you company, or franchising your proven business model, the following high-risk categories are necessary to navigate – and Montani Consulting is here to guide the way.

### Team Member Misclassifications

Employees are classified as W-2 or 1099 and are paid according to the FLSA. Penalties for misclassification of employees are high and compound for each day of misclassification. Even if you've classified workers correctly, appropriate documentation helps to safeguard your business from future claims. Franchisees are not "employees," so there is a legal difference between how you can communicate and what you can offer them compared to employees and independent contractors. Let us help you navigate these relationships to remain compliant with state and federal law.

### Payroll Pitfalls

Wage and hour laws vary by state and sometimes by county. From payroll schedules to last paycheck laws, wage and hour claims are costly and undermine employee trust.

### OSHA and Safety Compliance

OSHA and safety compliance applies to every workforce, not just manufacturing industries. Written policies and procedures are critical, but so is training staff to respond in an emergency or a surprise OSHA inspection. A heads-up to franchisors: You may be held liable if one of your franchises does not comply.

### Federal Medical Leave Act (FMLA) and Leave Types

Businesses of a specific size and in different states have a variety of leave laws that apply to them. Crafting thoughtful policies surrounding leave that serve the needs of the business AND employees will create a win-win that also keeps you compliant and helps attract and retain top talent.

### Policy Creation

A comprehensive, up-to-date handbook is a crucial resource for any company. Is your handbook easy to read, reference, and understand? Covering everything from employment-at-will to PTO and leave policies, safety in the workplace, and conduct, a handbook is an essential tool for employers day-to-day, as well as in the event of litigation.

### Performance Management

A productive and engaged workforce understands expectations, how success is measured, and the impact of a missed goal. Performance management can be a legal concern if not handled properly. Executed correctly, it sets your workforce up for fulfilling careers and long-term success.



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