
THE COMPLETE GUIDE TO

FRACTIONAL GENERAL COUNSEL

For Family-Owned Businesses



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Important Notice

This guide is provided for informational purposes only and does not constitute legal advice. The information contained herein is general in nature and may not apply to your specific situation. Reading this guide does not create an attorney-client relationship between you and Burhanuddin Law LLC.

Every business situation is unique, and legal outcomes depend on the specific facts and circumstances involved. Before making any legal decisions or taking any action based on the information in this guide, you should consult with a qualified attorney who can evaluate your particular circumstances.

Illinois law governs the topics discussed in this guide. If your business operates in other states, additional or different legal requirements may apply.

For a consultation tailored to your business needs, contact us at (312) 216-5174 or visit burhanuddinlaw.com to schedule an appointment.

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1. What is Fractional General Counsel?

A Fractional General Counsel (FGC) is an experienced business attorney who serves as your company's part-time, outsourced legal department. Unlike hiring an attorney only when problems arise, an FGC works with you on an ongoing basis to prevent legal issues before they become expensive crises.

Think of it this way: Fortune 500 companies have full-time General Counsels who attend meetings, review contracts before they're signed, and spot potential issues early. An FGC gives your small or mid-sized business access to that same level of strategic legal oversight—at a fraction of the cost.

What an FGC Does

- **Contract Review & Drafting:** Review vendor agreements, customer contracts, and employment documents before you sign
- **Strategic Counseling:** Attend key meetings, advise on business decisions with legal implications
- **Risk Assessment:** Identify potential legal landmines in your operations and help you avoid them
- **Dispute Prevention:** Address issues early before they escalate to expensive litigation
- **Regulatory Compliance:** Keep your business current with changing Illinois regulations
- **Vendor Management:** Coordinate with specialized attorneys when needed (tax, IP, litigation)

2. Signs Your Business Needs Ongoing Legal Support

Many business owners wait until they're facing a lawsuit or regulatory action before seeking legal help. By then, the damage is often done—and the costs have multiplied. Here are warning signs that your business would benefit from proactive legal guidance:

You're signing contracts you don't fully understand.

If you're agreeing to terms because "everyone signs these" or you "don't have time to read it all," you may be exposing your business to significant liability.

You've been burned before.

A past lawsuit, contract dispute, or regulatory issue is a clear signal that prevention is worth investing in.

Your business is growing.

Growth means more employees, more contracts, more risk. What worked when you had 5 employees may not protect you with 25.

You're considering major transactions.

Buying or selling a business, bringing on investors, or entering new markets requires strategic legal planning.

You spend time worrying about legal issues.

If legal concerns are keeping you up at night or distracting you from running your business, it's time for professional support.

You're in a regulated industry.

Healthcare, financial services, food & beverage, and construction all have ongoing compliance requirements.

You have key employees or partners.

Protecting trade secrets, ensuring proper employment agreements, and managing partner relationships all require ongoing attention.

3. Cost Comparison: FGC vs. Hourly vs. In-House

Understanding the true cost of legal services helps you make an informed decision. Here's how the three main approaches compare:

Option 1: Hourly Attorney (Reactive)

You call an attorney when problems arise and pay by the hour.

- Typical rates: \$300-\$600/hour in Chicago
- Average small business spends \$15,000-\$30,000/year on reactive legal
- Hidden cost: Problems that could have been prevented often cost 10x more to fix
- No strategic oversight or prevention focus

Option 2: Full-Time In-House Counsel

You hire a salaried attorney as an employee.

- Salary: \$150,000-\$250,000/year for experienced counsel
- Benefits, office space, support staff: Add 30-40%
- Total cost: \$200,000-\$350,000/year
- Makes sense only for companies with \$20M+ revenue
- Full-time attention, but may lack specialized expertise

Option 3: Fractional General Counsel

You retain an experienced attorney on a monthly basis for ongoing support.

- Typical cost: \$2,000-\$8,000/month depending on scope
- Annual investment: \$24,000-\$96,000
- Includes proactive prevention AND reactive support
- Access to attorney's full expertise and network
- Scales with your business needs

The Bottom Line: For most small and mid-sized businesses, Fractional GC delivers the best combination of cost-effectiveness and comprehensive protection.

4. 10 Questions to Ask Before Hiring a Fractional GC

Not all FGC arrangements are created equal. Ask these questions to ensure you're getting the right fit:

1. What industries do you specialize in?

Look for experience with businesses similar to yours. An FGC who understands your industry can spot issues others might miss.

2. How do you structure your fees?

Most FGCs offer monthly retainers. Understand what's included, what costs extra, and how overages are handled.

3. What's your response time?

When you have an urgent question, how quickly can you expect a callback? Same-day response should be standard.

4. Will I work directly with you or a team?

Understand who will handle your day-to-day matters. Consistency matters for effective counseling.

5. How do you handle specialized matters?

When you need expertise outside their area (tax, IP, litigation), how do they coordinate with specialists?

6. What's your approach to risk management?

Look for proactive attorneys who focus on prevention, not just firefighting.

7. How do you communicate?

Email, phone, in-person meetings? Ensure their style matches your preferences.

8. Can you provide references?

Speak with other business owners who use their services.

9. What happens if we have a dispute?

Understand the terms for ending the relationship if it's not working.

10. How do you stay current on Illinois law?

Laws change. Your FGC should demonstrate ongoing education and awareness.

5. Maximizing Value from Your FGC Relationship

An FGC relationship is a partnership. Here's how to get the most value:

Communicate Proactively

Don't wait until contracts are signed or problems have escalated. Loop your FGC in early on new ventures, hiring decisions, and business changes. A quick 10-minute call can prevent months of problems.

Share Your Business Goals

Your FGC can provide better counsel when they understand where your business is heading. Planning to expand? Considering a sale in 5 years? These goals affect legal strategy today.

Use the Retainer Hours

Many clients underutilize their retainer because they don't want to "bother" their attorney. That's what you're paying for! A good FGC wants to hear from you regularly.

Schedule Regular Check-Ins

Monthly or quarterly meetings help identify issues before they become urgent. Use this time for contract reviews, compliance updates, and strategic planning.

Build Internal Awareness

Make sure key employees know to involve your FGC in significant decisions. Your operations manager might sign a vendor contract without realizing the legal implications.

Document Everything

Keep your FGC informed about key business decisions, even after the fact. This creates a record and helps them spot patterns or potential issues.

6. Illinois & Cook County Considerations

Operating in Illinois—and particularly in Cook County—comes with specific legal requirements that an experienced local FGC should understand:

Employment Law

- Illinois Human Rights Act: Broader protections than federal law
- Chicago Fair Workweek Ordinance: Predictable scheduling requirements
- Chicago/Cook County Paid Sick Leave: Required minimums
- Illinois Wage Payment and Collection Act: Strict final paycheck rules
- Non-compete limitations: Illinois restricts enforcement for low-wage workers

Business Formation & Compliance

- Annual Report requirements with Illinois Secretary of State
- Chicago business license requirements vary by industry
- Cook County regulations may differ from collar counties
- Illinois franchise laws are among the strictest in the nation

Litigation Considerations

Cook County is known as a plaintiff-friendly jurisdiction. Contract disputes, employment claims, and business litigation can be expensive and unpredictable. Prevention through proper contracts and compliance is especially valuable here.

Real Estate

- Illinois requires attorney involvement in real estate transactions
- Chicago landlord-tenant laws are highly tenant-protective
- Commercial lease negotiations require careful attention to local customs

7. Case Study: From Litigation Crisis to Proactive Protection

The following case study is based on a composite of actual client experiences. Names and identifying details have been changed.

The Situation

Midwest Manufacturing, a family-owned business with 45 employees in suburban Chicago, had always used attorneys only when problems arose. When a key employee left to join a competitor—taking customer lists and proprietary pricing information—they found themselves in expensive litigation.

The lawsuit cost over \$180,000 in legal fees and took 18 months to resolve. Even worse, the outcome was uncertain because the company's employment agreements were outdated and their confidentiality protections were weak.

The Transition

After the litigation concluded, Midwest Manufacturing engaged Fractional General Counsel services. The first priority: ensure this never happened again.

- Updated all employment agreements with proper confidentiality and non-solicitation provisions
- Created an employee handbook compliant with current Illinois law
- Implemented an exit interview and offboarding process
- Reviewed all vendor and customer contracts for protective provisions
- Established quarterly legal health check meetings

The Results

- Prevented two potential disputes through early intervention
- Saved an estimated \$50,000 in avoided litigation costs
- Owners report sleeping better knowing their business is protected
- Annual legal spend decreased despite having MORE legal oversight

"We used to think of lawyers as an expense we tried to avoid. Now we see our FGC as an investment that pays for itself many times over." — Company Owner

8. Next Steps

If you're considering Fractional General Counsel services for your business, here's how to move forward:

Schedule a Consultation

We offer a complimentary initial consultation to understand your business and discuss whether FGC services are a good fit. There's no obligation and no high-pressure sales.

Gather Key Information

Before your consultation, consider: your current legal pain points, upcoming business changes or transactions, and any contracts or agreements you'd like reviewed.

Review Your Current Agreements

Bring copies of your key contracts (employment, vendor, customer, partnership) so we can provide meaningful initial feedback.

Think About Your Goals

Where do you want your business to be in 3-5 years? This helps us tailor our approach to support your long-term objectives.

Ready to Protect Your Business?

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Schedule your free consultation today.