



## HOW CAN YOU LOOK AFTER DANIELLA?

Daniella's growing start-up had reached a stage where hiring an experienced senior sales manager was the next step. It was a big financial commitment for the business, so they wanted to find the right person for the role. They recruited Chester, who had the right credentials, and both agreed to a detailed performance plan to track his progress and ensure the role was delivering a return on investment.

After several months, Chester was failing to meet the agreed targets. Despite performance reviews and revised objectives, results did not improve. Shortly after the final review meeting, Chester called in sick with anxiety and stress and submitted a doctor's note.

Facing pressure to maintain sales momentum, Daniella felt they had little option than to terminate Chester's employment and recruit a replacement. Although the dismissal was based on ongoing performance issues, they were so concerned about the impact on the business that they did not follow a formal disciplinary process.

Chester later claimed unfair dismissal, and the case proceeded to an employment tribunal. The tribunal ruled in his favour, concluding that proper procedures had not been followed. Chester was awarded over £10,500 in compensation.

The outcome placed significant strain on Daniella's business, as the compensation and legal costs consumed almost all the company's available capital.



# PROTECTING BUSINESS OWNERS LIKE DANIELLA

If Daniella had access to our Enterprise Legal Club, they would have benefited from both insurance protection to cover legal costs and specialist advice to strengthen the company's employment procedures — potentially preventing the tribunal claim altogether.



With changes to employment legislation and a rise in tribunal claims, the risk to employers continues to grow. The average cost of defending an unfair dismissal case now starts at around £7,500, even for a straightforward claim. Employers of all shapes and sizes must be prepared, protected, and fully informed.

Upcoming changes mean that, for some unfair dismissal claims, employees will be able to take legal action from their first day of employment, rather than after two years of service. Other reforms, including broader dismissal categories and statutory probationary periods, will further increase the risks and demands on businesses.

For business owners like Daniella, having robust employment procedures and legal support in place is essential. A dedicated commercial legal protection policy can safeguard the business against the financial and operational impact of employment disputes.

Addept Insurance's Enterprise Legal Club provides micro, small and medium-sized businesses with access to legal protection insurance and specialist commercial and employment law advice across a wide range of issues.

- + Legal and professional fees and expenses covered to agreed limits for a broad range of commercial, employment and commercial matters.
- + Available as an add-on to an existing commercial or tradesperson policy.
- + A Free Legal Helpline and Commercial Legal Advice Helpline providing advice on business and employment legal matters.
- + Access to an extensive business document library with a range of templates and pro-forma documents available.