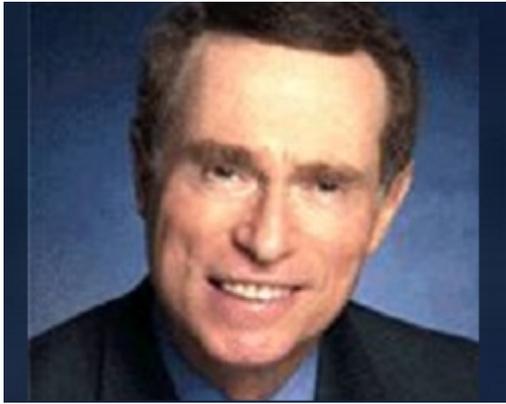


# How to Get the Best Out of An Attorney During the PR Agency Acquisition Process



*Art Stevens, Managing Partner, The Stevens Group*

The decision to sell or buy a public relations agency is significant. It carries with it an abundant opportunity for those savvier individuals and often unseen risks for the inexperienced.

With this in mind, the value of enlisting the support of the right attorney – someone who truly understands the public relations landscape inside and out – cannot be understated.

Unfortunately, some people assume that a “lawyer is a lawyer;” so, they believe any type of attorney will be able to deliver whatever legal services they need. While in theory, this is true (as a lawyer is licensed to practice law), the continually changing laws today are so vast that it is impossible for one attorney to offer legal services across every area of law effectively.

If you rush the M&A process or pick the family lawyer just because it’s easy, it will likely result in a failed attempt. I’ve experienced this all-too-common scenario – where an attorney representing a seller does not understand the various nuances of the PR agency space – too many times over the years.

## **Find Someone Who *Really* Knows How PR Agency Deals Are 'Done'**

Obviously, a lawyer that concentrates mostly on estate planning, property closings or other non-business-related areas is not an ideal fit for a PR agency CEO considering a sale.

The primary role of an attorney during the PR agency acquisition process is to advise the seller on any legal issues that may arise related to the deal's agreement as well as drafting associated language on the documents. Examples of such language might describe in specific details anything that pertains to the CEO and staff of the selling firm, such as the manner in which the selling agency's CEO can be terminated; the agreement reached on how long the selling agency's CEO will remain with the firm; the earnout; or, even employee benefits.

During the early stages of a PR agency acquisition, the buyer's attorney is commonly wrapped up in conducting due diligence and putting together initial drafts of the documents. Throughout the process, this paperwork is revised and negotiated to address any issues and reflect the developing deal between both parties. In the final stages, both parties' lawyers spend time finalizing documents, ensuring that everyone is satisfied and collecting signatures.

Keep in mind, you don't want a lawyer who might start changing the terms of a deal half-way through the process, but preferably one whose primary goal is to protect the rights of the selling agency's CEO and staff members.

**Here's my advice to anyone thinking of selling their PR agency – or is at least**

## **in the discussion phase:**

- **Engage an attorney who has considerable experience in the space.**

Don't be afraid to shop around and ask direct questions about a lawyer's experience in the PR industry. Get referrals from industry peers and pick someone who has specific expertise in M&A contracts, the PR space and its legal environment.

Otherwise, for example, the person you choose risks being taken advantage of by the buying agency's counsel. Even worse, an inexperienced lawyer might insist on provisions that have no bearing, or he or she could neglect critical elements that should be included in the deal.

Your M&A lawyer – especially one with an understanding of how various laws impact PR agencies – should be well-versed in finance and tax laws to ensure they structure deals correctly. You also need an attorney who understands that his or her role is not to change the terms of a proposed sales agreement, but to ensure the terms agreed upon are spelled out in appropriate legalese.

- **Get a firm estimate from any prospective attorney about the anticipated legal fees.**

Before you sign on the dotted line, you also need to make sure you are hiring an attorney that not only has experience but also works in a style that matches well with your personality. A seasoned M&A lawyer experienced in PR agency sales should be a good diplomat – not an impediment to the sales process – and will charge you fairly and reasonably.

Your attorney should be willing to take the time to educate you and your team about the legal environment of your PR agency if you aren't already familiar with the process. They should also be able to explain what the law says and tell you how it impacts the way you operate moving forward so that you

can detect potential issues well in advance.

To reinforce my earlier point about hiring someone with experience, it's also important to avoid anyone that you believe may raise issues during the negotiation process that aren't relevant or necessary, or who could argue every single point in a purchase agreement – it can eat up valuable time and be costly.

## Some Final Thoughts

The colossal decision to sell your PR firm cannot be one you make on the spur of the moment. You must consider all aspects carefully, and it's always strongly recommended to begin the process of ensuring your agency is ready to sell well in advance of your desired sale date.

Enlisting the help of the right attorney, ideally along with guidance from an experienced facilitator like The Stevens Group, can help make things go smoothly, protect the seller and the work with the buyer's attorney, and get things done collaboratively and the right way the first time around.

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