

# Selling Your PR Firm

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Here are 10 mistakes a seller should avoid at a first meeting with a buyer.

1. Don't be late for the meeting. Allow time for bad traffic, subway/bus snafus and office building security clearance.
2. Don't say you're "considering" selling your firm but haven't made up your mind. If you do, expect to be shown the door. In other words, don't play kick the tires with buyers.
3. Be prepared to answer a buyer's inevitable question: "Why do you think your firm would be a good fit for ours?" (This may be the most important question buyers ask sellers in the first meeting).
4. When asked why you want to sell your firm, don't tell the buyer your reason for selling is to get out of the business as soon as possible and go sailing around the world. With rare exceptions, buyers want CEOs of seller firms to stick around and stay fully engaged in the management of their business for at least the typical 3 or four-year earn out period.
5. Don't wait to pull together necessary financial documents. If the first meeting goes well with the buyer, the buyer will definitely want to see a seller's P&L's for minimum 3 years, along with balance sheet and projections for the coming year among other information. If you're serious about selling, have your accountant pull this information together for you ahead of time. (NOTE: Don't send a prospective buyer confidential information about your firm until the buyer has signed an NDA. Have your M&A advisor prepare one for you in advance).
6. Don't expect buyers to offer you a valuation for your firm that corresponds to a valuation you might have gotten from a

firm that sells PR agency valuation services. It rarely works that way. Buyers most often have their own method for determining the value of your agency and it may not be consistent with the way PR agency valuation consultants go about doing it.

**7.** Don't tell a buyer prospect you, or your M&A advisor, are shopping your firm around. Buyers want to believe they are special and that the seller has a preference to join their firm.

**8.** Be prepared to brief the buyer prospect thoroughly about your firm. Invite questions. But don't rattle on and on about how great you and your firm are. Focus equal time on learning as much as you can about the buyer's firm. And where you see real synergies, don't be shy about pointing them out.

**9.** Don't try to traverse the M&A landscape without professional counsel. Seek recommendations from industry reference sources and friends in the business and then select an experienced PR agency M&A professional with whom you have good rapport and chemistry.

**10.** Don't behave like a homebuyer and automatically reject the first offer that comes along simply because it's the first offer you've seen. The PR agency world is rife with buyers. By all means, wait for an offer that both you and your M&A advisor believe is in your best interest. But be open to the possibility that the right offer could be the first one.