

Don't Let Your Lawyer Get in the Way in Small Acquisitions

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As a private business owner, you should follow these simple rules to make sure that your lawyer, in his or her zealotry to represent you, doesn't torpedo or unduly delay a small acquisition that you want to consummate quickly and efficiently:

1. Take the lead on negotiating the business terms for the deal, and tell your lawyer that you will be negotiating the business terms, but that you will not finalize and memorialize the terms until you show them to her for her comment.
2. Tell your lawyer that the purchase agreement should not be more than 35 pages long (shorter if possible) and that it should be a fair agreement, not totally one-sided in favor of the buyer. Emphasize that you would like her to keep all other documents fair and as short as possible.
3. Discuss with your lawyer early on, before she delivers a draft asset purchase agreement to the sellers, which deal points contained in the draft are important to achieve and which deal points you can probably give in on and still do the deal. Have the lawyer concentrate on getting the "must have" points.
4. In a nice way let her know that she should put her ego aside for this deal. She should not enter into a game of one-upsmanship with the lawyer for the seller, vigorously contesting every point. Make sure your lawyer maintains a friendly cooperative attitude and atmosphere.
5. Remind your lawyer that, in all likelihood (as in many small deals) you will have to be dealing with the seller in transitioning the business before and after the closing and that it is not in your best interest as a buyer to create ill will between you and the seller.
6. Suggest that your lawyer respond as quickly as possible in dealing with the seller's attorney.
7. Work with your lawyer to continually update her on what issues are important and which are not so important.
8. Do not skimp on due diligence, but allocate your resources so that you are concentrating your efforts, your lawyer's efforts and your accountant's efforts on detecting and minimizing those risks that are most common and that can result in the most severe losses.

Following the above steps can have an additional benefit—it may reduce your legal fees for the deal.