

July 18 2005



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NEWS

ANALYSIS The Agency Business: Making your case to keep the business of an acquired client

Written by **John N. Frank**
 Published on July 18 2005

Once the fear subsides, many steps can be taken to give firms a solid chance at maintaining the business of a client that's being acquired.

When John Howlett heard earlier this year that a major client was about to be taken over by LexisNexis, his thoughts turned to whether he'd be able to hold onto his client's business.

"Any time there's a change like that, it gives some pause," recalls Howlett, an SVP in Ruder Finn's Chicago office.

Others who have been through a major client takeover agree that such deals lead to uncertainty. But they contend it is possible to hold onto a client's business after a takeover if you can present a strong case to the new owner.

"You can't feel bad; you have to resell your firm," says Ron Dresner, president of Your PR Department in Farmington, CT.

That's exactly what Samantha Slaven, president of West Hollywood-based Samantha Slaven Publicity, did when client Zia Natural Skincare was taken over by a larger company earlier this year.

Slavin had worked for Zia since February 2004, handling media relations, celebrity product placements, and events for the San Francisco company.

After the sale was announced, Slavin put together a presentation for the new owner, Hain Celestial, detailing the advantages of keeping her on board for the Zia line. She talked about the beauty-editor contacts she had developed and proposed new projects she could undertake for the brand with a larger budget that Hain could provide.

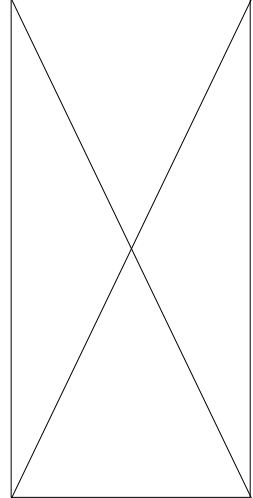
Her goal was to convince Hain "they would lose something in the transition" if the company dropped her firm and transferred Zia's work to its New York-based PR agency. Her pitch worked - Hain signed her to a six-month contract, replacing the month-to-month arrangement she had with Zia at the time it was sold.

Cathy Dunkin, president and CEO of The Standing Partnership in St. Louis, says convincing an acquirer that your agency has unique talents and connections can sometimes lead to more business with the surviving company. That's what happened for her in early 2001 when a major client, TWA, was taken over by American Airlines.

Dunkin's firm had done national and international PR projects for TWA, which was based in St. Louis and had a major operational hub there at the time of its takeover. American had no need for national and international PR help from Dunkin, but it did need to learn more about the St. Louis market.

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"The American people valued the regional perspective that we brought to the table," Dunkin recalls. "They had a very specific need and we had a history in St. Louis."

The agency discussed economic- development projects it had worked on in St. Louis and its ties to the local business community. That convinced American to keep the firm and give it more work.

Sometimes the best advocate for keeping an agency can be its contact at the acquired firm. That was the case for RF when its aforementioned major client, Interface Software, was taken over earlier this year by LexisNexis.

John Lipsey, now senior director for the renamed LexisNexis Interface Software, championed keeping the agency on. "What you need to do is build your business case," explains Lipsey. "Ultimately it's all about the dollars and cents."

Howlett and his staff didn't make a presentation to the new owner. Instead they funneled information about the work they'd done and the results they'd achieved for the Oak Brook, IL-based Interface to Lipsey, who made the case to keep the agency. He'd worked with RF since late 2001. "I had a lot of confidence in them," he says.

Dresner also turned to an internal champion at a client of his that was taken over this year. That contact was able to get him an audience with the new owner. "I would not have been talking with the president for 90 minutes if it were not for my contact," Dresner recalls.

Not every takeover ends in retaining a client, of course. When a deal costs your agency a client, the first place to look for new business to replace it is in the same industry or specialization - an area you should have expertise and contacts in from your previous client work.

"If your work was good enough, competitors will respect the work you have done," notes Dresner.

While you search for new business, also address staff morale issues over the client loss and keep focused on remaining clients to ensure your work on those accounts doesn't suffer.

Coping with a major client takeover

- Stress the expertise and industry knowledge you can offer the acquiring company
- Present a list of things you accomplished for the merged client
- Present five ideas for projects you could perform for the acquired brand under its new owner
- If you lose the business, target competitors as new business prospects
- Maintain staff morale and the level of work for other clients while you search for new business



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