

## "Keys To Better Dealmaking"



Carl J. Grassi | Tuesday, July 16, 2019

Dealmakers who use a transaction to reward their key players will earn strong loyalty from those members of their team. But it can be tricky to balance recognizing hard work and putting an unexpected burden on the buyer, warns deal attorney Carl Grassi.

“When you put those agreements in place, you need to have some flexibility when you're the seller so as to reward people, but not in any way limit or prevent a transaction from occurring because it might be too rich of a deal,” says Grassi, chairman of [McDonald Hopkins](#). “From a buyer's perspective, there may also be concern that if it's too much, they may lose some employees or have employees who are not as engaged.”

Grassi has extensive experience assisting clients in areas of complex M&A activity. He learns as much as he can not only about his client's intentions, but those of the party on the other side of the table, so he doesn't miss any critical details.

We caught up with him to talk about what are the key issues he thinks business owners need to factor into their approach to dealmaking.

### **You need strong counsel**

I had a client I had represented for a number of years who decided to sell their business and had rainmakers who were critical to that business's success. We put together a fairly novel deferred compensation agreement for the key rainmakers in the business. When they ultimately decided to sell, the

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buyer and the buyer's counsel wanted that deferred compensation arrangement to be terminated, and understandably so. They didn't want to carry that on. It didn't fit how they ran their business. But I knew enough about the business that we were selling on behalf of this client, as well as the nature of the buyer as well.

We really pressed them to understand why that arrangement with those key rainmakers would be important to the company's future. Initially they didn't see that opportunity. It was only after the individual who was going to run that group was brought over to run it and saw what they brought to the business that they said this is something that we want to keep because it's clearly going to be a retention vehicle to keep those rainmakers. And, in fact, it did. So the message there is that you can draft the greatest agreements, but you need counsel that understands both the company they're representing, as well as the company they're not representing, someone who can anticipate some of the issues that may come up as part of the transaction.

[\*\*\*Click here to read Carl's full article in Smart Business Dealmakers Cleveland.\*\*\*](#)

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**Carl J. Grassi**

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