# Design Professionals Roundtable Recap: The Design Professional's Guide to Buying and Selling a Practice: Avoiding Common Mistakes

March 26, 2025

On March 25, 2025, MG+M The Law Firm hosted a roundtable, “The Design Professional's Guide to Buying and Selling a Practice: Avoiding Common Mistakes.” Led by Partners Benjamin LaFrombois and Carlos K. Poza, the session offered key insights into navigating mergers and acquisitions (M&A) in the design industry.

The webinar covered key strategies for navigating M&A transactions, focusing on avoiding common pitfalls, understanding the roles of key parties and ensuring effective communication for a seamless process. Attendees took away essential insights on critical M&A factors including:

**Early Preparation is Key—Especially for Sellers**

+ Sellers who prepare early by gathering financials, assessing valuation and setting clear goals have stronger negotiation power and smoother transactions.
+ Waiting too long can lead to pricing discrepancies, delays or deal failure.

**Due Diligence and Risk Management: Identifying Red Flags Early**

+ Buyers scrutinize financials, legal risks and corporate records, so sellers should conduct their own due diligence to avoid surprises.
+ A quality of earnings (QoE) analysis helps sellers understand how buyers will view their business.
+ Addressing issues early prevents last-minute renegotiations or deal collapse.

**M&A Structure and Timeline: Choosing the Right Path**

+ Two common transaction paths:
+ Path 1 (Structured Approach): LOI—Purchase Agreement—Due Diligence —Closing (more certainty but takes longer).
+ Path 2 (Faster, Riskier Approach): LOI—Due Diligence—Closing (quicker, but higher uncertainty).
+ The right approach impacts deal security, legal risk and costs.

**Working Capital Considerations: Avoiding Post-Close Cash Flow Issues**

+ Working capital (WC) keeps business operations running post-transaction.
+ Buyers expect WC (Accounts Receivable & Accounts Payable) to be included to prevent cash flow disruptions.
+ Poor WC planning can lead to disputes or financial strain after closing.

**Post-Closing Integration: The Often-Overlooked Phase**

+ Closing is just the beginning—proper integration determines long-term success.
+ Key post-closing tasks:
+ Assigning or transferring client contracts
+ Managing employee retention and cultural alignment
+ Ensuring legal and financial compliance
+ Without a solid integration plan, even well-structured deals can fail.

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MG+M's Design Professionals team understands the unique legal and business challenges facing design professionals and provides strategic counsel to support their long-term success. Successfully navigating M&A transactions requires careful planning, clear communication and proactive risk management. From early preparation and due diligence to structuring the deal, managing working capital, and ensuring a smooth transition, each step helps mitigate risks, maximize value, and create lasting stability.

Stay tuned for upcoming roundtables and resources as we continue to bring you meaningful insights throughout 2025.



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