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LIMITED



**De2Risk<sup>©</sup>**

**Are you buying or selling a  
Professional Services firm?**

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## Are you buying or selling a Professional Services firm?

Who is taking on the risk arising from claims relating to work undertaken by that practice prior to the sale?

Are you happy that you have properly assessed and quantified the risk?

Was this due to:

1. Historic issues caused by poor performance of an individual or team?
2. Historic issues within a specific practice area (for example tax schemes)?
3. Current issues causing claims and notifications to insurers?

How is the purchaser going to ensure that new work is carried out in a suitably risk averse manner and that appropriate warranties and indemnities are in place to reflect the practice risks? How can the purchaser protect against potential claims and get maximum value from the transaction?

How can the seller enhance the sale price by establishing that risks have been considered and minimized prior to sale, and that the value of claims arising from work carried out prior to sale has been properly considered and mitigated?

Have you analysed:

- The firm's processes, systems and risk management in relation to professional negligence claims?
- Any high risk or problem areas?
- The value of potential claims arising out of those problem areas?
- The root causes of claims and near misses?

## A failure to do so could prove expensive!

The De2Risk© service is provided by independent solicitors qualified in risk management and experienced in professional indemnity claims.

The De2Risk© service carries out due diligence on the target practice in relation to the risk of professional negligence claims, the potential value of such claims, and of risk areas within its processes and systems, and recommends changes to be adopted.

The service can analyse the whole practice, or just a specific area of concern. For example, a firm with a history of tax scheme work, could have just that area reviewed. The scope of review is agreed in advance (so that in areas deemed less risky, only random files are reviewed, whereas in higher risk areas, a greater percentage are reviewed).

The De2Risk© service reviews processes from a risk perspective, identifies relevant files for review and then applies a legal analysis to those files.

A calculation is then performed to provide an overall assessment of likely risk, to enable those acting on a transaction to make an informed decision.

For purchasers, advice on improvements to processes and systems can be provided, to minimise ongoing risk and aid integration of the practice.

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To find out more about the De2Risk© service, our fees and our onboarding process, please contact Karen at [karen@kareneckstein.co.uk](mailto:karen@kareneckstein.co.uk) or 07973627039.

