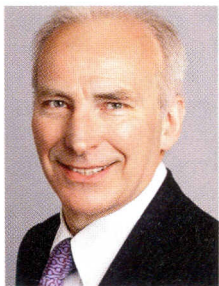


Haggie shows way to handle conflict



One day last month Haggie Financial, a City-based financial PR firm, sent out a release on behalf of its client Brit Insurance – probably best known outside its sector as sponsor of The Oval cricket ground – announcing it was exploring the possibility of a takeover bid for a rival called

Chaucer. About two minutes later, a second email arrived from Haggie, announcing that its client Chaucer had received an approach from Brit Insurance.

A little under a week later came a third email from Haggie, headed: 'Chaucer Insurance: cessation of offer discussions.' Four minutes later, as you might by now have guessed, came the final message from Haggie, announcing on behalf of Brit that the deal was off.

“ It was dealt with by having one principal on one side, and another on the other, with a Chinese wall between them ”

Nice work if you can get it. This is not the first time a PR firm has found itself on both sides of the fence in a takeover bid, but it remains unusual. Five years ago, the Spanish bank Santander took over Abbey and both sides were represented by Brunswick. It was then generally accepted that, as this was an agreed deal, Brunswick was sufficient to field two teams of similar quality that could, if necessary, be kept quite separate.

Haggie is much smaller than Brunswick, but it has created a good business for itself by specialising in and understanding insurance, which is a skill well beyond most PR firms and even financial journalists. But this expertise means it has come to represent a considerable slice of the sector. Being caught on both sides of the fence was always likely to happen. It was dealt with by having one principal on one side, and another on the other, with a Chinese wall between them.

This is the way the City always used to work – with people trusted not to abuse their positions – and it seems to have worked perfectly this time. Whether it would have continued to work had the battle become acrimonious, or if it had become a three-way contest with a counter bid from another Haggie client, we shall never know. But speculation aside, surely it is a sign of the maturity of the PR industry that it can handle such conflicts. Other professions – barristers and investment bankers – have done it for years, so why not this one?

Anthony Hilton is City commentator on the London Evening Standard