

Negotiating Skills for Finance Professionals

three-day fast
paced course
for Banking,
Finance and
Insurance



- ▶ **Master the psychological aspects of effective deal making**
- ▶ **Learn how to set a positive tone for the face-to-face meeting**
- ▶ **Gain insights into influencing skills used by outstanding negotiators**

This fast moving programme gives participants insights into the deal making methods adopted by excellent negotiators



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Overview

Every year millions of dollars change hands on mergers, acquisitions, joint ventures, alliances, management buy outs, share issues and financial restructuring. The high stakes, extreme time pressure and psychological stress involved in these negotiations can and does cause mistakes to be made, as misunderstandings kill potential deals, deadlocks stifle opportunities and money is left on the table. Drawing on research from the fields of Social Psychology and Neuro Linguistic Programming (NLP) this highly practical and accessible three-day course will reveal the secrets of successful negotiation in financial markets.

Learning objectives

By attending this highly participative three-day course you will:

- ▷ Gain an insight into the key psychological principles involved in achieving win/win negotiations
- ▷ Discover a simple yet powerful seven-step method for planning a negotiation
- ▷ Acquire a 'toolbox' of tried and tested skills for breaking deadlocks
- ▷ Understand the 'dirty tricks' used by unscrupulous negotiators and how to deal with them
- ▷ Master an elegant four stage process for running a deal making session



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Who should attend?

- **Senior investment bankers, project financiers and syndicators**
 - ▷ **Senior traders and sales directors/managers**
 - ▷ **Main board directors**
 - ▷ **Heads of business divisions in any industry**
 - ▷ **Senior business development executives**
 - ▷ **M&A and strategic planning executives**
 - ▷ **Lawyers, corporate financiers and other professionals advising on major deals**



Values and integrity in a negotiation

Understanding how the parties behaviour and actions during a deal is driven by their underlying patterns of motivation. Being aware of our own core values and having a sense of the other sides' mindset is crucial to interpreting what is happening during the deal and to presenting a sincere and professional 'face' to our negotiation partner.

- ▷ The hierarchy of negotiation
- ▷ The 'zero sum' fallacy
- ▷ Values alignment, self confidence and psychological congruence
- ▷ Ten fundamental principles of effective negotiation

▶ **Pairs exercise: values alignment exercise**



Persuasion strategies

'Social compliance' is the ability to get our negotiation partner to agree to a proposal as a result of the way that it is presented or explained rather than on the basis of the content alone. Here we review the results of over thirty years of research into the art of persuasion and present a set of tools designed to influence the other side into saying 'yes' to our requests. These tools will later be applied to the planning and the face-to-face meeting process.

The power of friendship

People do things for people they like and who they believe are 'on their side'. By acting in a cooperative manner we can persuade people to make far more concessions and to be much more open to ideas that would otherwise be the case. Here we look at specific tools for generating this sense of trust and friendship.

- ▷ The three components of liking
- ▷ Interests versus positions to develop a win/win approach
- ▷ Hierarchy of ideas to generate understanding and cooperation
- ▷ Reading body language to assesses the other party's reactions
- ▷ Mirroring values (the power of empathy)
- ▷ Summarising to create rapport
- ▷ Bonding through 'small talk'

▶ **Pairs exercise: practising question skills to develop a hierarchy of ideas**



The reciprocity principle

There is a strong inbuilt desire in human beings to repay a debt. This 'debt' can take the form of matching a concession that we make or reciprocating a 'favour' that we do for the other party.

- ▷ Valuing trades and the position perception model
- ▷ Formulating trades using conditional language
- ▷ The persuasion pattern
- ▷ Tag questions
- ▷ Advance and retreat proposals
- ▷ The power of 'because'

▶ **Pairs exercise: *formulating and presenting possible trades***



Scarcity

People are more anxious to have things that they think are rare or are in short supply; as opposed to those things they think are plentiful and easy to come by. This means that by focusing our negotiation partner on (i) what they might lose if they don't do a deal with us and/or (ii) what is unique about what we can offer our chances of doing a deal greatly increases.

- ▷ Negative consequences pattern
- ▷ Contrastive analysis
- ▷ Unique sales propositions

▶ **Pairs exercise: *developing negative consequences patterns***



The power of expertise

This set of tools is concerned with demonstrating our technical authority and expertise in a particular area. This works because people are naturally inclined to believe what an expert tells them. The key is to establish us as a credible and trustworthy source of information in the eyes of our negotiation partner. This also involves developing the ability to clearly say 'no' to suggestions that we don't like while using our expertise to make alternative proposals.

- ▷ The BMC self-introduction template
- ▷ The refusal pattern
- ▷ Trust builder technique

▶ **Pairs exercise: *conducting self-introduction and refusal pattern drills***



Commitment and Consistency

People like to act in a way that is logically consistent with their previously stated arguments and commitments. By encouraging people to take small steps in a particular direction we can lead them to agree to proposals that match those public commitments.

- ▷ Behaviour labelling
- ▷ Directional language
- ▷ Written records

▶ **Pairs exercise: gaining commitment with behaviour labelling**

**Social proof**

Our negotiation partner will feel inclined to accept our suggestions if they feel that our solutions are tried and tested. The more that we can demonstrate that an option or proposal is something that many people have adopted (or would like to adopt if they could) then the greater the likelihood of them buying into it.

- ▷ BMC case study method
- ▷ 4 F's objection handling method

▶ **Pairs exercise: practising the 4 F's objection handling method**



The Seven Step negotiation planning process

Successful deal making involves thinking through all the key issues before we get to the negotiation table. Forewarned is forearmed and proper planning and preparation in advance of the face-to-face meeting can make sure that we are ready, willing and able to handle each topic as it comes up for discussion. Here we adopt a simple yet powerful process for capturing the principal aspects of the planning; from goal setting through to identifying when we would walk away from the table.

- ▷ Setting clear outcomes
- ▷ Putting yourself in the other person's shoes
- ▷ The power of synergy
- ▷ Being in charge of your language and where it takes you both in planning and the actual negotiation session
- ▷ Batna's and their role in understanding who has the most power
- ▷ Identifying the settlement range

▶ **Case Study I: *planning a fee negotiation between an***

investment banker and a client



Developing a team approach and agreeing the meeting format

Being aware of how to start the negotiation before arriving at the actual meeting.

- ▷ The three key team roles and how to assign them
- ▷ Developing credibility
- ▷ Setting the tone in advance of the meeting (understanding the power of suggestion)
- ▷ Getting the agenda approved
- ▷ Introducing our team to the other side

▶ **Case Study I: *getting the agenda approved and setting the tone***

for a fee negotiation



Running the face-to-face meeting

Using the information developed in the planning phase and the key persuasion strategies to manage the face-to-face session in a way that maintains momentum and control.

- ▷ Understanding the issues
- ▷ Making proposals
- ▷ Receiving proposals
- ▷ When and how to close
- ▷ Capturing the details of the deal and keeping control of the paperwork

▶ **Case Study 1: conducting a fee negotiation between an**

investment banker and a client



Case study 2

Putting it all together

Planning and running a meeting to deal with a negotiation concerning an acquisition.



Handling 'tricks and gambits'

Understanding some of the more common 'dirty tricks' that are used by unscrupulous negotiators. Assessing how the persuasion strategies can be used to defend against manipulation.

- ▷ The psychology of tricks and ploys
- ▷ Common gambits explained
- ▷ Counter measures

▶ **Group exercise: sharing scenarios and discussing solutions**



Spotting the 'deal killers'

Realising the mistakes and behaviours that can destroy a deal and having a sense of how to avoid them.

- ▷ The five 'classic' errors
- ▷ Spotting the warning signs
- ▷ Corrective action

▶ **Case Study: finding the deal killer and advising on the remedy**



Breaking deadlocks

What to do if meeting pace becomes slow or grinds to a halt over a particular issue or concern.

- ▷ Two ways to gain more time for thought and reflection
- ▷ Three ways to change their mind
- ▷ Two ways to alter the nature of the negotiation

▶ **Pairs exercise: discussing how to apply the tools to**

'real life' investment banking issues



Case study 3

Developing a deeper understanding of the process

Planning and running a negotiation to do a deal on a rights issue.





The BMC programme philosophy

Customisation

All our programmes are run on an in-house basis and we conduct interviews and facilitate focus groups to gather information with which to write bespoke exercises and case studies that precisely reflect the culture and work environment of the participants.

Feedback

The basis of the feedback is peer review based upon assessment using a BMC assessment checklist. Completing the BMC assessment checklists is not only valuable to the people involved in a given case study, it also helps those completing them to gain an in-depth understanding of the building blocks that make up an excellent negotiation meeting.

Course structure

There is an option of following the workshop with a three month long Action Learning project to link the lessons from the training back into the workplace. If this option is selected there is a closure workshop at the end of the project phase where delegates present how they have applied the techniques learned on the course into their daily work routines.

Contact

Further information is available by contacting Boulden Management Consultants at:

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