

Negotiating in Financial Relationships

Overview



By intertwining selling and negotiating, successful relationship managers are able to help both their clients and their employers achieve more satisfactory outcomes, more frequently.

PROGRAM PURPOSES

Increase Client Satisfaction, Boost Bank Profitability, and Avoid Profit-Killing Negotiation Traps

When asked, most sales professionals will say that negotiating is one of the most difficult aspects of their jobs. Most bankers tend to focus more on “doing the deal” than on winning the whole relationship or boosting profits. Lack of confidence in expressing personal and bank value and lack of information, planning, and strategy undermine the potential for a profitable solution where value is harvested for both parties.

Negotiating in Financial Relationships combines workshop training with field application learning activities to help relationship managers and product specialists:

- More successfully negotiate product pricing and fees as well as loan collateral, covenants, and credit terms.
- Improve the level of value they provide to every client and be rewarded for that with larger and more profitable financial relationships.

Upon completion of the program, participants will be able to:

- Link and differentiate selling and negotiating.
- Recognize negotiation traps that drive down relationship profitability or product prices.
- Position and enhance the bank’s value.
- Define negotiation variables and priorities.
- Anticipate and plan likely negotiation positions, tactics, and options.
- Understand and work with different conflict management styles.
- Manage the negotiation conversation, including hardball tactics.

Learning Activities – Pre-Work, Classroom, Field Sales Meetings

PRE-WORK

The pre-course work is driven by participants gathering data for case discussion, and gaining insight into their personal negotiation styles. Each participant is given the Negotiation Style Assessment. The results and their interpretation are used in classroom discussion. Each participant also meets with their manager and completes the Negotiation Interview Guide.

Clarity Advantage Corporation is a sales acceleration consulting firm. We help companies accelerate sales by focusing value propositions, improving sales processes, and boosting sales manager effectiveness.

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ONE-DAY CLASSROOM

The one-day workshop features an engaging mix of learner activities including classroom discussions, role plays, and case study group exercises.

Workshop segments include:

- **Test Assumptions.** Participants draw out the three principles of negotiation: (1) focus on interests, not positions; (2) invent options for mutual gain; and (3) insist on objective criteria. In pairs, participants role play a negotiation. Group discussion following the role play focuses on the importance of good preparation and planning for win/win negotiations, objectives and fallback, and perception of value and common ground.
- **Prep and Planning.** Participants are divided into two groups (bankers and clients). Each group is given a brief for which they are asked to establish objectives and a best alternative to a negotiated agreement (BATNA). The facilitator audits the groups to ensure participants receive feedback on the appropriateness of the objectives and BATNAs.
- **Calculating Value and Cost of Concessions.** Participants examine the Negotiation Planning Tool and talk through its parts and applicability to planning a negotiation. Participants then engage in an exercise on calculating value. Large group discussion follows the group work.
- **Power and Bargaining.** Referring to their “Calculating Value” cases, participants in groups of three pick a side, select their issue for opening, decide on their opening offer, and select another issue they might link to the opening issues and plan a concession strategy for it.
- **Case Study.** Working in teams, participants prepare and plan for a case study negotiation. They review areas of common ground and levels based on relative value, identify opening points, plan a concession strategy for what they think will be the major difficult issues, and identify what they need to make sure they persuade the other party and plan how to do it.
- **Conduct the Negotiation.** In teams of four, participants put their negotiation plans into action. In large group format, the teams share and compare results and discuss factors leading to those results.
- **Negotiations Clinic.** The focus of the clinic is on having a structured approach for future negotiations. Working in small groups of three to five, participants take turns sharing client situations and discussing alternatives in planning. Each participant selects a case to present to the large group and collaborates with peers to identify issues, ranges, and sources of power.
- **Action Plan.** Participants are presented with “ten key steps for effective negotiation strategies and tactics.” They review and identify the key learning points they gained from the workshop and commit to participating in a negotiation with their mentor.