

HIGH IMPACT FEE NEGOTIATION SKILLS PROGRAMME

Few learning and development areas have as much of a potential impact on firm profitability as do those relating to fees. Three closely related but distinct topics need to be fully understood in order to determine which support is best able to deliver the desired outcomes. They are:

- **Pricing**, i.e. how much to charge- this includes understanding:
 - the value delivered to clients and their business;
 - what clients value and what they don't;
 - competitor pricing and;
 - internal costs and precedents.
- **Structuring**, i.e. how to charge- which addresses issues such as:
 - relative preferences (e.g. hourly rate, fixed fees, etc.);
 - each side's interests and constraints, (e.g. risk/ reward sharing); and
 - market practice.
- **Fee Negotiation**, i.e. how to ask for and get the desired fees and structures- this covers:
 - understanding each sides' alternatives;
 - delivering credible opening demands;
 - responding to the other side's demands; and
 - trading mutual concessions to reach agreement

GARA Consulting is able to deliver highly effective support in relation to all three topics. The area of greatest challenge for professionals, in our experience, however is that of negotiation. Many, if not most professionals feel extremely uncomfortable negotiating with clients in the fear that their negotiations may endanger their long term relationships and the flow of future business.

GARA Consulting's High Impact Negotiation Skills Programme seeks to make professionals as comfortable negotiation with their clients as on their behalf. Our programme focuses on raising professionals' negotiation competencies and confidence to optimise their credibility when negotiating with clients.

We provide below a short summary of our approach to developing the appropriate skills and confidence for partners or senior executives:

1. The Negotiation Process- key issues

We see negotiation as a way of resolving disputes without unilateral imposition or the use of a third party within the context of a (potential) long term relationship. Consequently any solution such as a fee agreement has to be acceptable to both sides. Many untrained negotiators ignore this and spend most of their time and efforts arguing their case on the basis of facts (e.g. how long a job will take, acceptable rates, etc.) rather than the wants and needs of the different parties. This mode of negotiation is often the default mode of many professionals and all too often leads to unhelpful repetition of demands or positions ("...how often do we have to tell you that this is going to take at least x weeks?; ...let me remind you that").

We believe that a more effective approach involves recognising that concessions will be needed (from us or them or both) and accepting that the key to the process is the effective management of this flow of concessions, including discovering what potential concessions the other side might be willing to make.

A number of “negotiation skills” are needed to allow the negotiating partner(s) to manage the negotiation process effectively and deal with common negotiation gambits. They include:

- Defining a realistic target and walk away price
- Communicating a strong opening position effectively
- Eliciting information from the other side
- Generating additional value using creativity
- Pursuing an effective concession strategy
- Closing
- Performance review and re-enforcement

The High Impact Negotiation Programme develops these skills, building on existing personal preferences and styles to ensure that participants are able to apply the lessons taught as soon as possible.

2. Focus of the High Impact Negotiation Programme

For most professional fee negotiations the single most important moment is the first time either side puts a proposition on the table. In order to ensure that we are in the best possible position when the horse trading starts, (as it will), we must make sure that our opening position is credible and ambitious in content, that it addresses both sides’ key needs (not just ours) and is delivered in such a way that the other side recognises our level of commitment to achieving a settlement at or close to this level.

The High Impact Fee Negotiation Programme consequently focuses most of its efforts on the early and middle stages of a fee negotiation. The Programme delivers a methodology for creating and delivering a credible opening position and responding to the other side’s opener. It also looks at how to develop effective techniques for the concession trading process including using creative approaches, identifying key issues and formulating concession strategies. The programme furthermore provides an overview of individual personal styles and an analysis of some of the commonest “closing” techniques.

If required by our clients we also spend time on providing appropriate context for the pricing and structuring topics (in cooperation with a firm’s staff) such as guidelines on “best practice”. Furthermore we can look at frequently used negotiation tricks of the trade and on the management and structure of negotiating teams. The teaching method includes videoing of the participants carrying out simulated negotiations with feedback from the trainer and from other participants.

3. Key benefits of the High Impact Negotiation Programme

The programme distinguishes itself in that it addresses the two key development areas most relevant for the majority of partners or senior managers: negotiation competencies and self confidence. The course content delivers highly practical advice and simple to use tools enabling attendees to apply their new found knowledge immediately and in line with existing personal preferences. The course methodology, especially the emphasis on short cycle feedback, raises awareness of any weaknesses but, more importantly, raises attendees' self confidence as a result of the practice gained from the simulated negotiations and the very specific video feedback. Confidence is further boosted by participants' experience of immediate improvement during the course of the programme.

Firms that have used an earlier version of our high impact negotiation course have reported the following benefits:

- Stronger client relationships
- More effective partner co-operation
- Improved internal motivation; and most importantly
- Increased profitability

Key messages that partners have taken away from previous courses have included:

- A right to be ambitious
- Good negotiations will enhance rather than risk a client relationship
- There are alternatives to the hourly rate approach
- A little preparation can go a long way

4. Additional support services available

To sustain the benefits of the High Impact Negotiation Programme we also offer:

- Consultancy support for specific negotiations;
- Executive coaching for partners and business developers facing negotiation challenges; and
- Follow up Master Classes to deepen or reinforce skills in specific areas

Many of the principles outlined above are also relevant for negotiations in general. We also offer support in relation to general negotiation skills.

We always seek to work with and involve a client's existing support team in all of these areas as much as possible.

5. Track record

The team have delivered the fee negotiation programme to a number of law firms including two magic circle firms and a top 10 international law firm. One of the facilitators also has an extensive track record of delivering fee and general negotiation courses to a broad range of clients in many sectors including banking and private equity.

6. The team

John Morton

John Morton has a PhD in Chemistry. He lectured at Manchester University and was a Research Fellow at Imperial College of Science and Technology before joining the UK Civil Service, where he held senior posts in the Department of Trade and Industry and the Treasury.

After many years at the sharp end of negotiations within government, with the EU and with private sector corporations, John was seconded to the British Technology Group, a leading technology transfer organisation, to prepare it for privatisation. John managed the complex Management Buy-Out negotiations between the Government, the management team and a consortium of investors led by a major venture capital group. He was a main board Director of BTG, its US subsidiary and Rolls Royce Motors. He has delivered the Hartley- Brewer Advanced Negotiation Course over 300 times, to over 3,000 participants over the last 12 years

Ori Wiener

Ori Wiener has an MA in Biochemistry and an MBA. He is also a qualified executive coach. Ori started his career in investment banking where he worked in a number of countries including the UK, Germany, the U.S. and Mexico. Responsibilities included leading a sector team and managing relationships with some of the world's leading blue chip corporates and the German Federal Ministry of Finance. During this time he was extensively involved in the fee negotiations for a large number of assignments as well as in negotiations relating to the execution of a number of key assignments.

After 16 years of investment banking Ori became Global Head of Business Development for Linklaters and later Interim Director of Marketing, based in London and Frankfurt. One of the major areas he focused on during this time was strengthening the firm's fee negotiation capabilities and processes. This resulted in a series of measures that are estimated to have increased the firm's economic benefits on average by at least 10% where these measures were applied. Ori left Linklaters to set up Gara Consulting in 2009.

7. Costs of the programme

In line with the key messages of the High Impact Negotiation Programme we seek to:

- build mutually beneficial long term relationships based on value and service quality;
- charge according to the value we deliver to the individuals and the sponsoring firms; and
- be flexible and creative, to accommodate our clients' interests.

Further details are available on request.

High Impact Negotiation Programme: Course Contents

HIGH IMPACT NEGOTIATION PROGRAMME OPTIONS:	2 Day programme	1 Day programme
INTRODUCTION		
• The need for and benefits of good negotiations	•	•
• The potential financial impact of good/ poor negotiations*	•	•
• The difference between "Negotiation" and "Argument"	•	•
• Common negotiation styles: Argue or Trade	•	•
PLANNING TOOLS		
• Setting a Target: the benefits of ambition	•	•
• When should we walk away?	•	•
• The Opening Position: credible and ambitious.	•	•
• Concessions : Gives and gets	•	•
• Identifying additional potential negotiation parameters/ Issues	•	•
• Common legal fee structures: when to use them, what to watch out for*	•	
• Internal guidelines/ best practice *	•	•
• Formulating a Concession Strategy	•	•
STYLE AND BEHAVIOUR		
• Major Negotiating Styles	•	Limited
• Identifying and managing Style	•	
• DOs and DON'Ts of Behaviour (facilitating or impeding agreement)	•	
OPENING PHASE/ TACTICS		
• Opening Statements	•	•
• Interests and Positions: understanding the difference	•	Limited
• Managing the Information Flow - exploring interests	•	Limited
• Opening Positions: communicating yours/ responding to theirs	•	•
• The benefits of anchoring	•	Limited
• DOs and DON'Ts of opening phase	•	Limited
• Frequently used opening phase tactics and counter-measures	•	Limited
EXCHANGE PHASE/ TACTICS		
• Defining and narrowing the gap	•	•
• Concession Strategy: key rules	•	•
• Making progress without losing control	•	
• Frequently used exchange phase tactics and counter-measures	Option	
CLOSING PHASE/ TACTICS		

HIGH IMPACT NEGOTIATION PROGRAMME OPTIONS:	2 Day programme	1 Day programme
<ul style="list-style-type: none"> • When and how to close • How to deal with deadlocks • Frequently used closing tactics and counter-measures • Controlling the documentation 	•	Limited
REOPENING ISSUES/ DEALING WITH OVERRUNS		
<ul style="list-style-type: none"> • The key tasks • Frequently used reopening tactics and counter-measures 	•	
TEAM NEGOTIATIONS		
<ul style="list-style-type: none"> • The key tasks • Hidden meanings of speech and body language • Teamwork: balancing roles and tasks 	Option	
MEDIA		
<ul style="list-style-type: none"> • How to negotiate with no personal contact • When to use E-mail, Paper, phone or face-to-face? • Impact of different set-ups for meetings 	•	
POST NEGOTIATION REVIEW		
<ul style="list-style-type: none"> • Why and how to review performance 	•	
DEALING WITH PROCUREMENT PROCESSES		
<ul style="list-style-type: none"> • Common tactics 	Option	
NON PRICE TACTICS TO INCREASE REALISATION		
<ul style="list-style-type: none"> • Common tactics 	Option	
FOLLOW UP		
<ul style="list-style-type: none"> • Personal action plans: How to capitalize on strengths and limit impact of weaknesses • Use of colleagues and resources available* • Looking for opportunities to use negotiation skills and techniques 	•	Limited
NEGOTIATION SCENARIOS		
<ul style="list-style-type: none"> • Customisation of negotiation scenarios • 1:1 (depending on progress) • Team negotiation • Telephone/ not face to face 	Option 5-6 Option Option	Option 2-3 - Option

* with client input