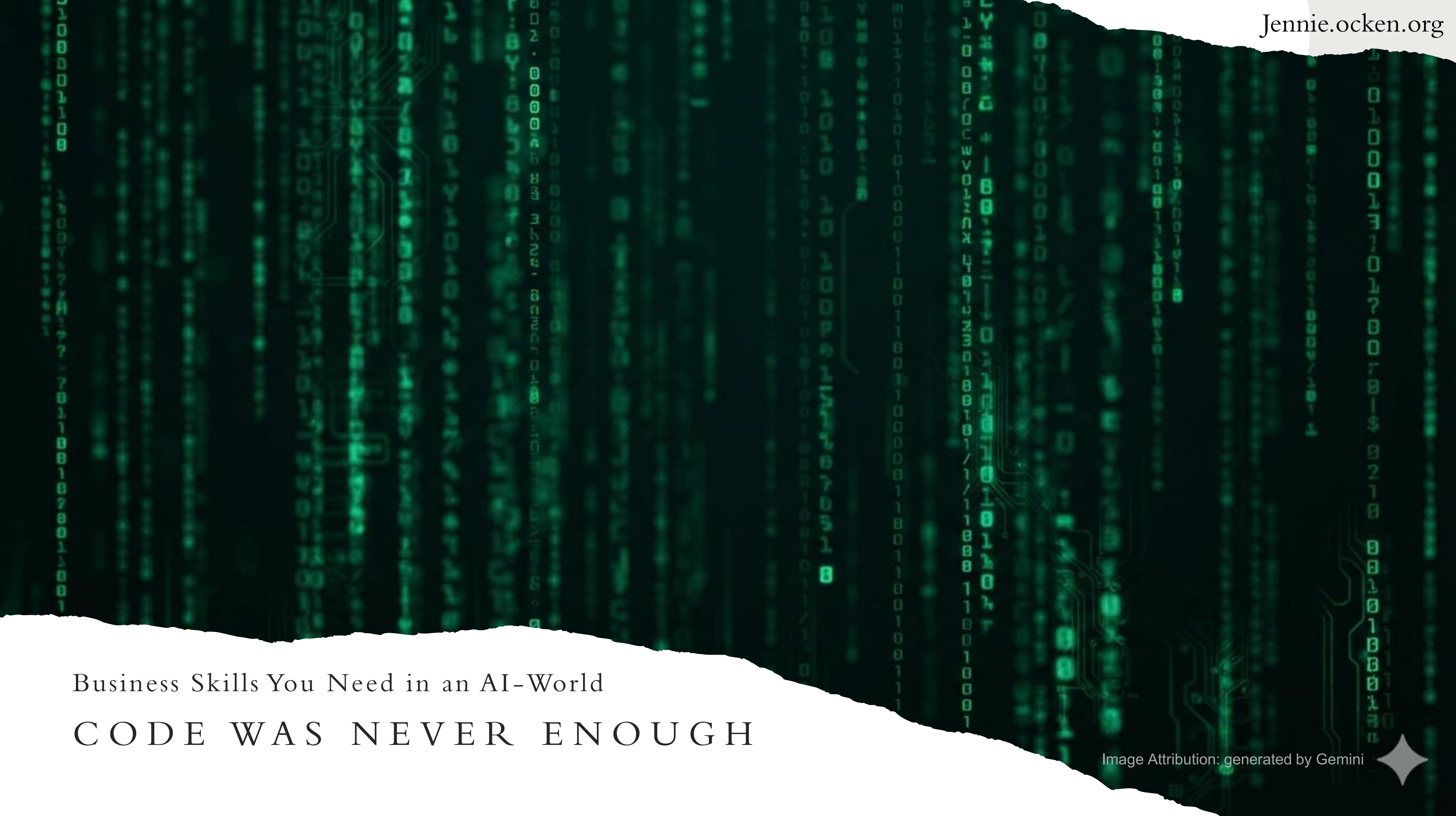


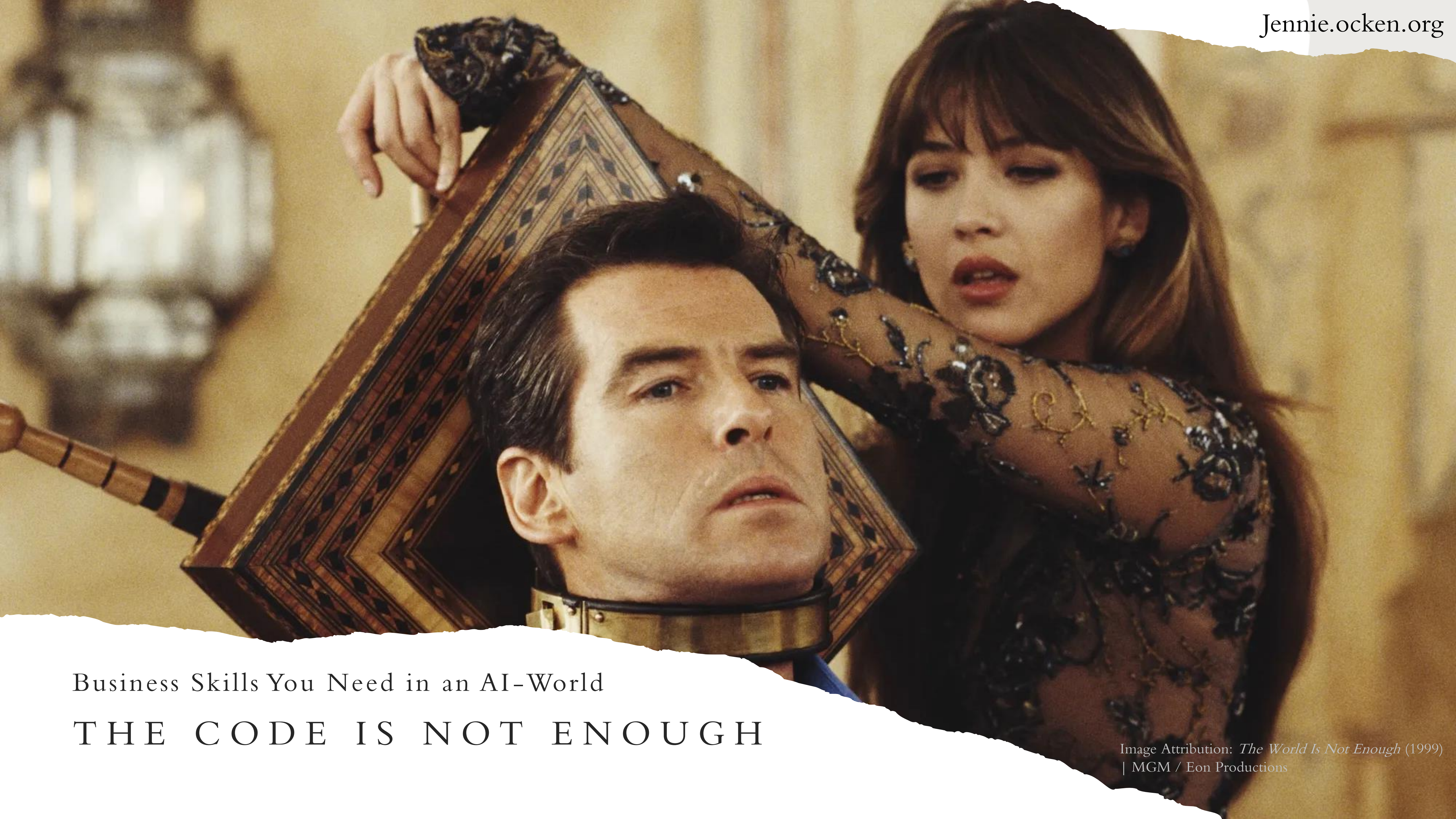
Business Skills You Need in an AI-World

CODE WAS NEVER ENOUGH

Image Attribution: generated by Gemini

ICE BREAKER

- Name
- Position
- Something fun about you
  - One unexpected fun fact
  - What makes you feel curiosity
  - What you most want to learn from this workshop



Business Skills You Need in an AI-World

THE CODE IS NOT ENOUGH

Image Attribution: *The World Is Not Enough* (1999) | MGM / Eon Productions

LIFE FINDS A WAY

- Different Roles
  Sales/Marketing <-> Engineering department head
  Single team embed <-> Head of Product
- Different Team Management
  Individual Contributor <-> Hiring Manager
  Small team (1 DR) <-> Department Head (21 DRs, two levels)
- Different sizes of company
  30 <-> 94,000 (~800 in IT)
- Different Business Pressures
  SaaS product <-> Internal business applications
  Direct sales of development time <-> Development to create services efficiency
- Different business structures
  VC funded startup <-> Privately owned <-> Publicly traded
- Different technical challenges
  Mainframe forklift <-> Startup “greenfield”
  Monolith <-> Microservices
- 15+ years in Product Management

Image Attribution: ***Jurassic Park*** (1993) | Universal Pictures

AGENDA

- Corporate Strategy
- Problem Identification and Interviews
- Breakout: Problem identification
- Intermission
- Negotiation and Motivations
- Breakout: relationship-based negotiation practice
- Business finance

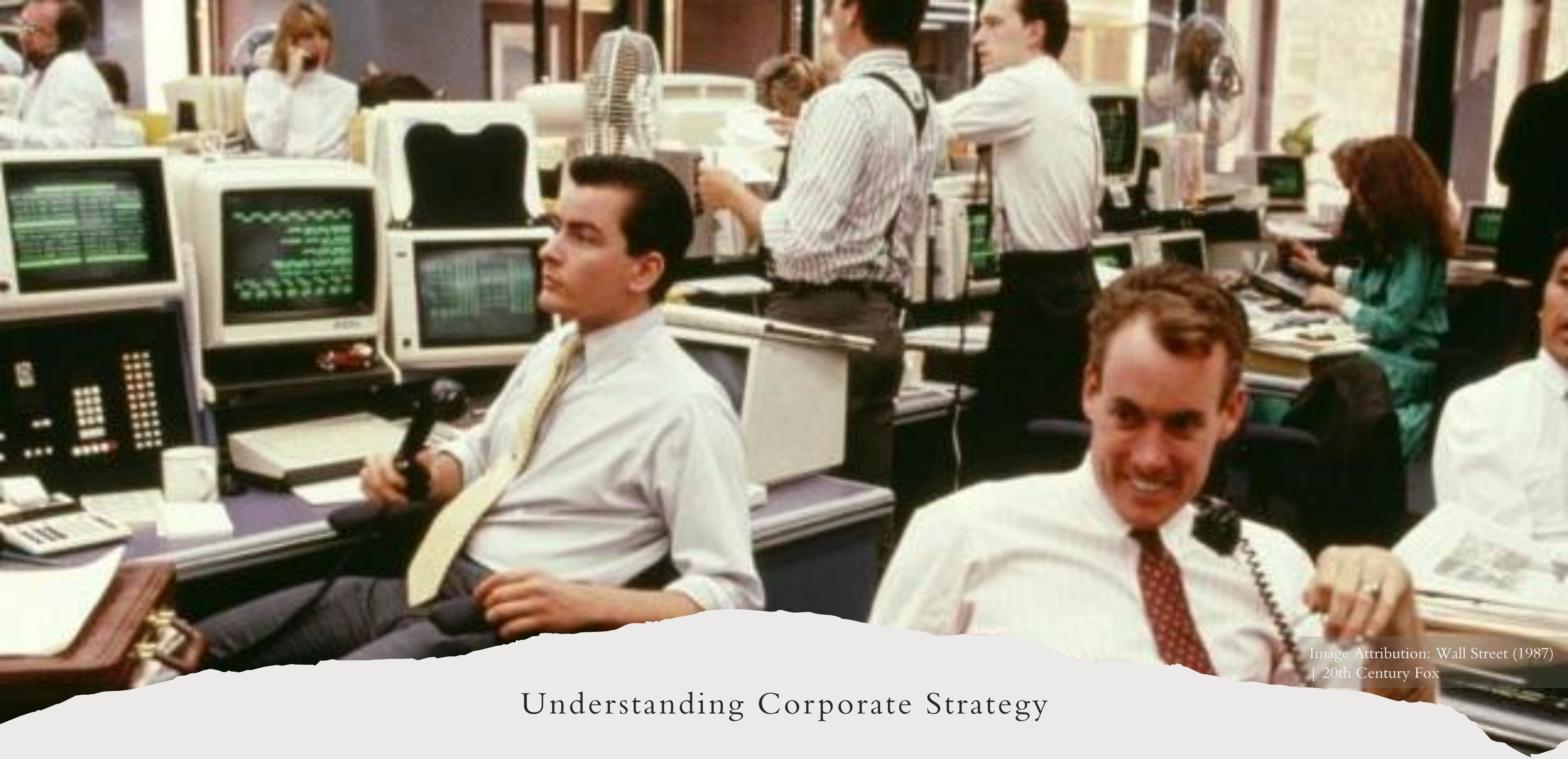


Image Attribution: Wall Street (1987) | 20th Century Fox

Understanding Corporate Strategy

THE POINT IS, LADIES AND GENTLEMAN, THAT GREED, FOR LACK OF A BETTER WORD, IS GOOD.

Image Attribution: Wall Street (1987) | 20th Century Fox

A CORPORATION IS A MACHINE TO MAKE MONEY

But For Whom?

- Owners / Shareholders
- Make the balance sheet look good for an event:
  - Sale
  - IPO
  - Founder exit
  - Move to PE
  - Return to public
- Bonuses

HOW DO COMPANY'S MAKE MONEY?

Create Money	Protect Money	Save Money
New Customers New Markets	Customer retention Competitive landscape	Efficiency Reduction of headcount

BUSINESS STRATEGY EXAMPLES

LET'S WALK THROUGH A STRATEGIC PLAN

https://antaresvisiongroup.com/wp-content/uploads/2024/01/AVGROUP_25_27_BUSINESS_PLAN_PRESENTATION_DEF.pdf

Create

Protect

Save

PART ONE: CURRENT STATE

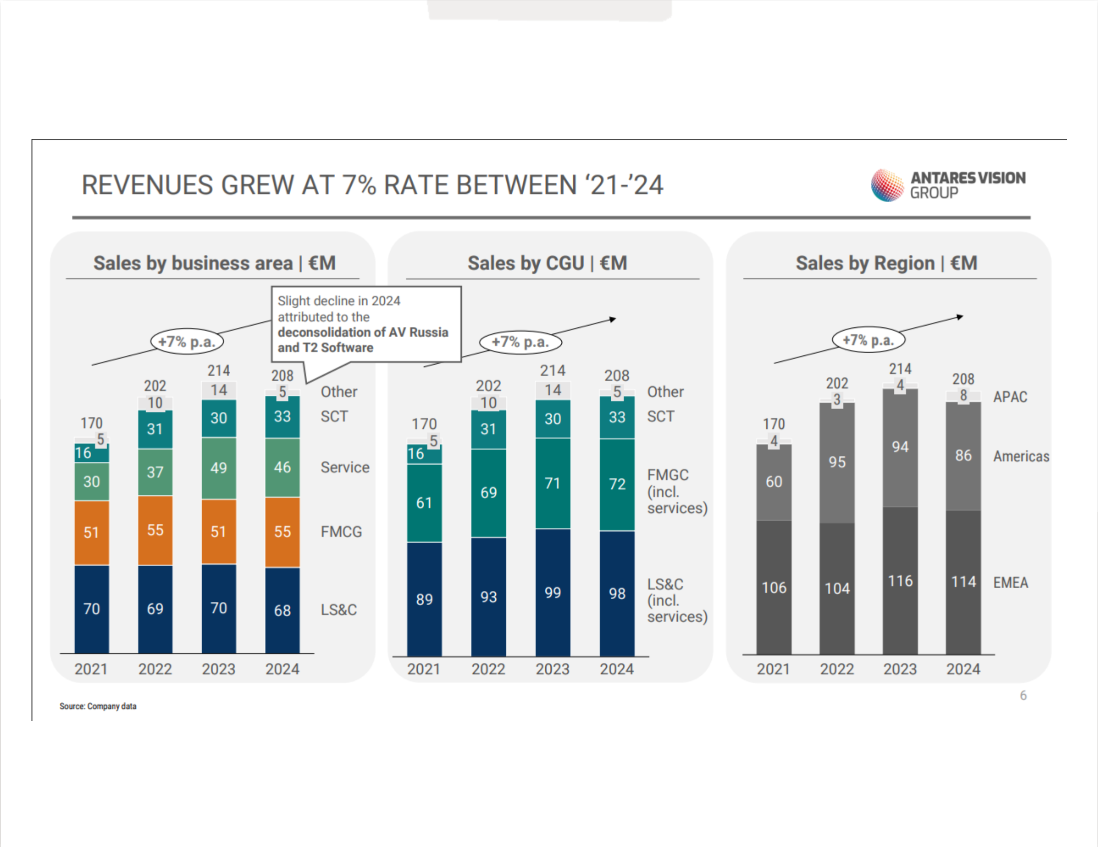
GROWTH, PROFITABILITY, AND ESG COMMITMENT

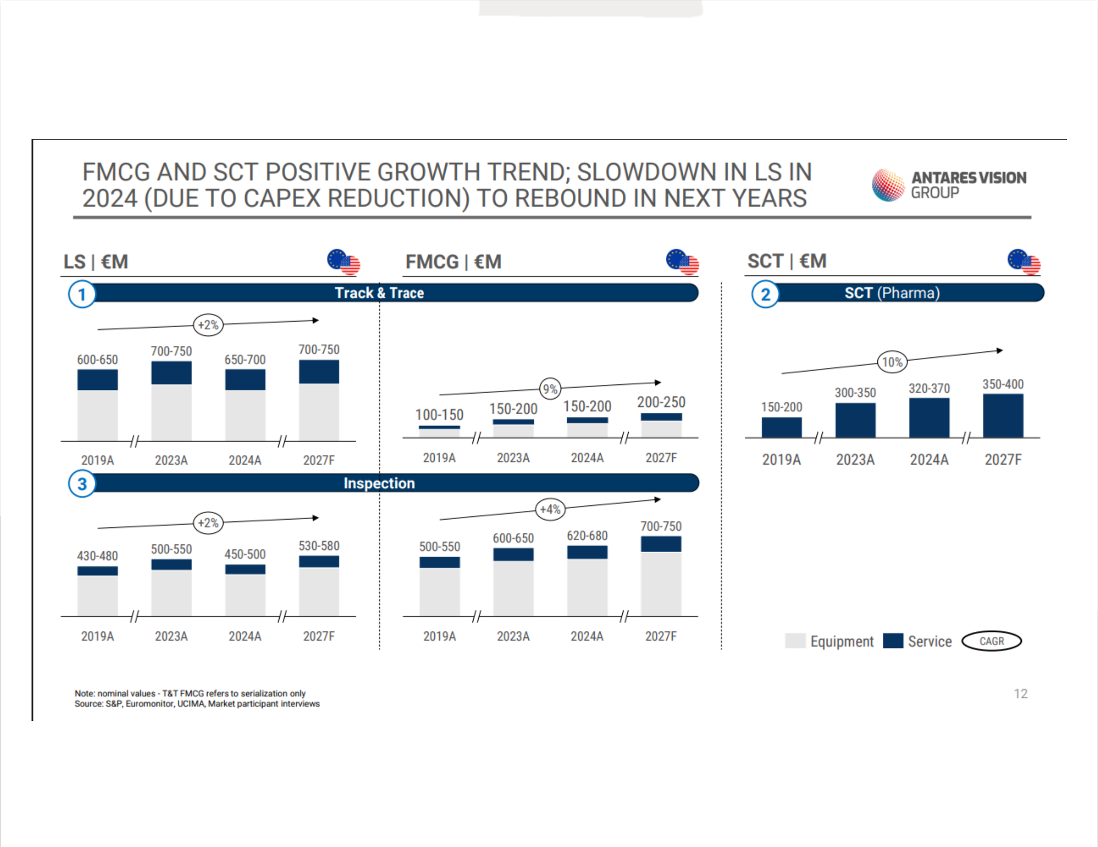
ANTARES VISION GROUP

After a year of **strong management focus on efficiency and cash generation** — which enabled the achievement of a **2024 EBITDA Margin of 15.3%** (+9 p.p. vs. 2023) and a **NFP** of €83.7M (Net Debt/EBITDA 2.6 vs. 7.8 at FY 23) — AV Group's top management has defined a **strategic plan through 2027,** setting financial and operational targets:

- **Revenue Growth:** the aim is to register a higher growth compared to the reference markets, supported by a Commercial Excellence program — including the appointment of a CRO, strengthening of the commercial organization in focus areas, mapping of client spending, and best practice adoption by subsidiaries — alongside specific initiatives for each business area;
- **Profitability & Efficiency:** the Group is targeting a further increase in EBITDA margin by 2027, driven by pricing optimization, operational improvements, procurement excellence and efficiency gains from scale;
- **Financial Strength:** the Company intends to maintain the disciplined working capital and cash management achieved in 2024, ensuring a continuous deleverage;
- **ESG Strategy:** in line with the industrial plan, the Group has developed an ESG strategy based on a double materiality matrix, with clearly defined targets and actionable initiatives.

The 2025–2027 Strategic Plan is based on the current perimeter and **does not include new initiatives, inorganic growth and L5 business opportunities.**





PART 2: FINANCIALS

Create

Protect

Save

PART 3: STRATEGIC PLAN

LEVERAGING ON A STRONG COMPETITIVE POSITIONING

ANTARES VISION GROUP

Deep relationship with customers	Rapidly growing installed base	Customer proximity and worldwide capabilities	End-to-end solutions for digital supply chain	Strong focus on value added services
Long-term **customer relationships** built on comprehensive service offerings and customized solutions	Rapidly **growing installed base**, with significant service penetration and **further opportunity for L1-L4 cross-selling**	Provider of **customized & flexible solutions** and on the ground **360° service & support**	Comprehensive **portfolio of software and end-to-end technological solutions** for the digital supply chain	Complete **lifecycle support** through proactive **service solutions** that safeguard **performance, compliance, and operational continuity**
2,500+	**~ 3,000**	**100+**	**~16%**	**~22%**
Blue-chip customers since foundation	*T&T installed lines as at FY 2024*	*Countries served*	*SCT revenues on total in 2024*	*Services revenues on total in 2024*

Source: Company data

Create
Protect
Save

PART 3: STRATEGIC PLAN

AV GROUP WILL FOLLOW 3 STRATEGIC PILLARS TO ACHIEVE ITS AMBITIONS IN 2027

ANTARES VISION GROUP

2025-2027 STRATEGIC PLAN AMBITIONS

1 Accelerate growth through commercial excellence

- Strengthen market leadership in core segments
- Capitalize on emerging market opportunities
- Accelerate growth through identified key strategic levers
- Optimize pricing strategies to safeguard product value

2 Drive cost efficient discipline

- Drive cost efficiency through strategic optimization initiatives (Procurement excellence, Operational improvement and Operative scale)

3 Maintain strategic cash management

- Maintain working capital and cash management efficiency
- Disciplined capex management and investment

Source: Company data

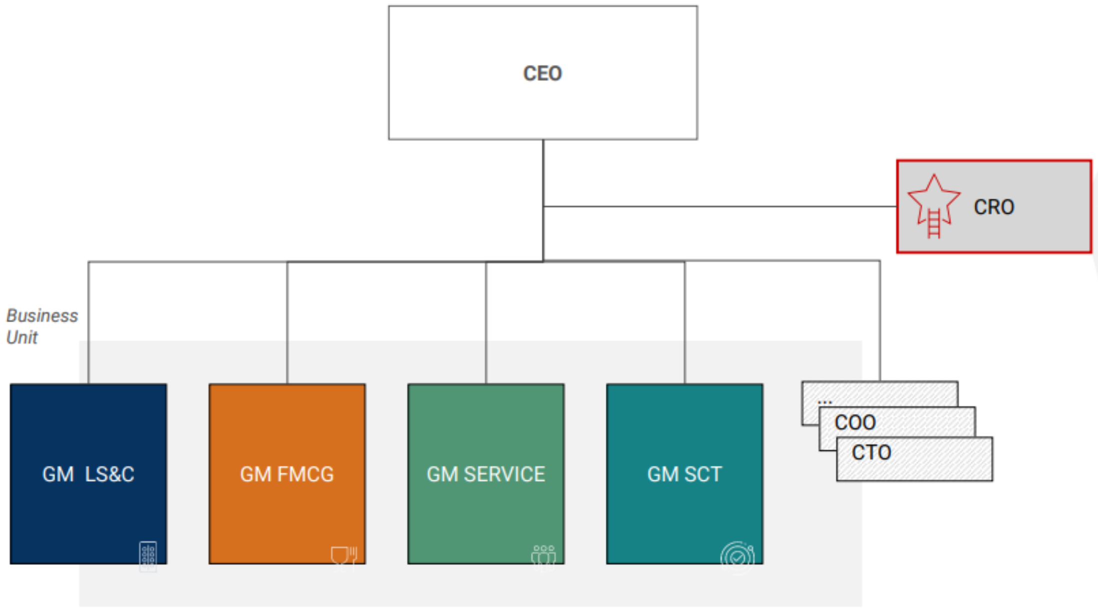
PART 3: STRATEGIC PLAN

1 | ACCELERATE GROWTH THROUGH COMMERCIAL EXCELLENCE

ANTARES VISION GROUP

6 KEY INITIATIVES TO SUSTAIN '25-'27 AV GROUP REVENUES GROWTH

FOCUS ON NEW CRO ROLE



CRO role description

Responsibilities

- **Maximizing revenue overseeing** and **optimizing** all **revenue-generating activities**, with full visibility on **sales**, **pricing**, **marketing**, and **customer support**
- Ensure **application** of **best practices** across all **subsidiaries**

Key levers

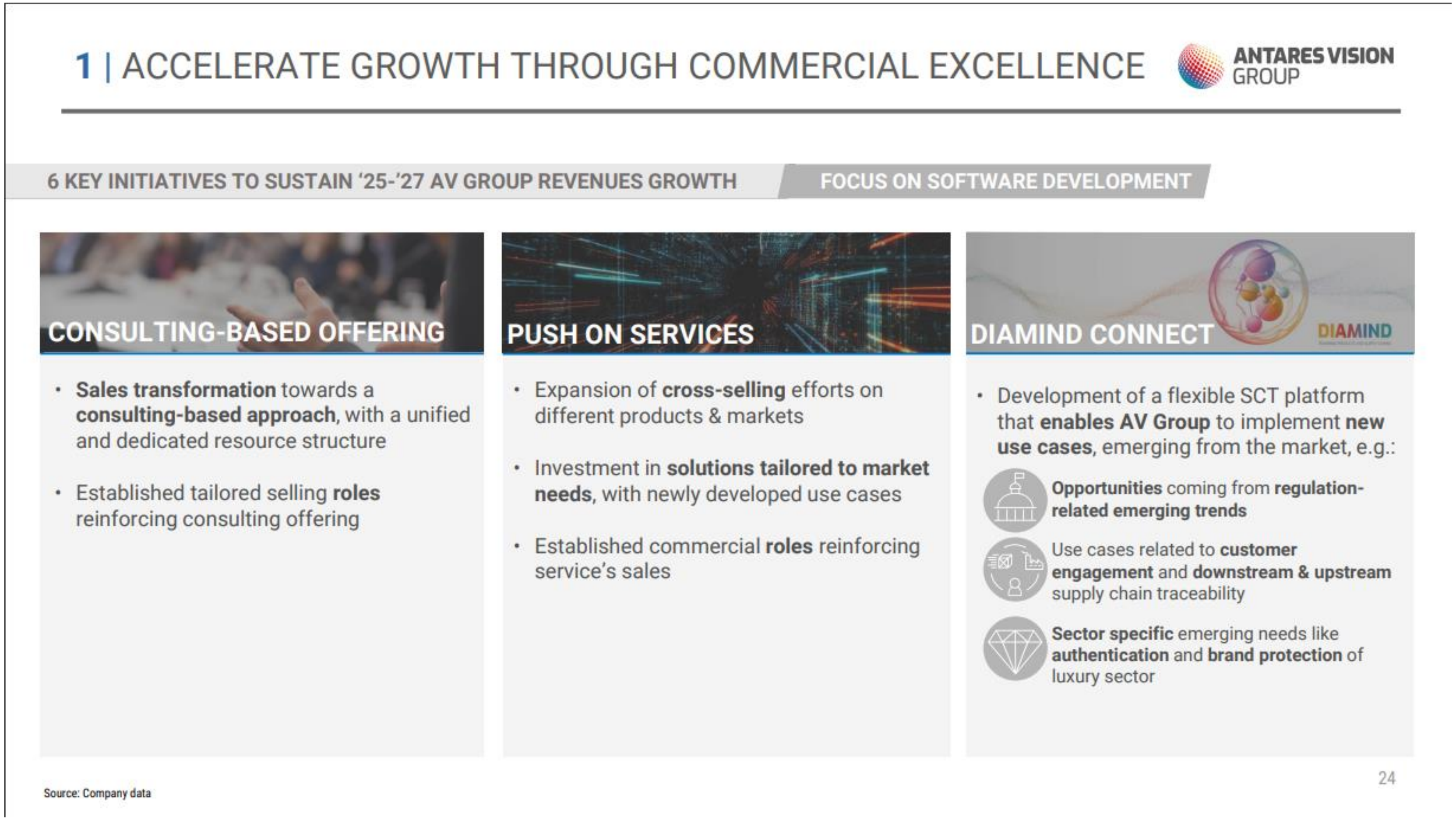
- Definition of **product profitability** target
- Setting up KPIs to improve **sale's strategy** and **account planning**
- High visibility of regional markets to coordinate a common **commercial strategy**

Source: Company data

Create

Protect

PART 3: STRATEGIC PLAN



1 | ACCELERATE GROWTH THROUGH COMMERCIAL EXCELLENCE

ANTARES VISION GROUP

6 KEY INITIATIVES TO SUSTAIN '25-'27 AV GROUP REVENUES GROWTH — **FOCUS ON SOFTWARE DEVELOPMENT**

CONSULTING-BASED OFFERING

- **Sales transformation** towards a **consulting-based approach**, with a unified and dedicated resource structure
- Established tailored selling **roles** reinforcing consulting offering

PUSH ON SERVICES

- Expansion of **cross-selling** efforts on different products & markets
- Investment in **solutions tailored to market needs**, with newly developed use cases
- Established commercial **roles** reinforcing service's sales

DIAMIND CONNECT

DIAMIND

- Development of a flexible SCT platform that enables **AV Group** to implement **new use cases**, emerging from the market, e.g.:
  - **Opportunities** coming from **regulation-related emerging trends**
  - Use cases related to **customer engagement** and **downstream & upstream** supply chain traceability
  - **Sector specific** emerging needs like **authentication** and **brand protection** of luxury sector

Source: Company data

PART 3: STRATEGIC PLAN

2-3 | DRIVE COST EFFICIENT DISCIPLINE AND MAINTAIN STRATEGIC CASH MANAGEMENT

ANTARES VISION GROUP

INITIATIVES ENHANCING THE GROUP PROFITABILITY AND AIMED AT REACHING OPERATING CASH FLOW TARGET IN '27

	Optimization lever	Key activities
2 DRIVE COST EFFICIENT DISCIPLINE	Operation improvements	• Development of **projects** for **IM and T&T standardization** with the effect of delivery optimization and direct cost reduction • Enhancement of efficiency, based on optimization of **Indian organization in SCT**
	Procurement excellence	• **Continue** implementation of procurement excellence **program** aimed at **reducing COGS** – **T&T and inspection machine in LS business area** – **Inspection system in FMGC business area** • **Launch new** procurement excellence program on **IS food**
	Operative Scale	• **Obtain scale efficiency** in direct costs and G&A **thanks to top-line growth** • **Scale deals** to **improve cost position**, drive near-term earnings growth and generate cash flows
3 MAINTAIN STRATEGIC CASH MANAGEMENT	Maintain working capital efficiency	• Efficiency level reached in terms of **working capital** management to **remain stable despite the expected growth** (**~23%** working capital level)
	Disciplined capex management and investment	• **Targeted CAPEX Allocation,** investing strategically in R&D, manufacturing facilities, ESG, and IT, with a target CAPEX of €15-16M in 2027

Source: Company data

PART 4: FINANCIAL TARGETS

GROUP FINANCIAL TARGETS 2025 - 2027

ANTARES VISION GROUP

	2024	2025	2027
Revenues	€207.5M	7 – 9% CAGR	
Adj. EBITDA	€31.7M	18 – 21% CAGR	
Adj. EBITDA Margin	15.3%	16 – 18%	20 – 21%
Net Debt / EBITDA	2.6x	2.2x – 2.0x	<1x
Capex	€15.4M	€14 – 15M	€15 – 16M

Source: Company data

Compound Annual Growth Rate

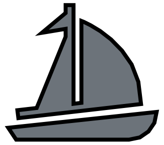
Compound Annual Growth Rate

- 5%-12% is strong and sustainable
- 15%-30% impressive high-speed expansion
- 30%+ startup land, not sustainable

WHAT HAVE WE LEARNED?

- This is a company with a strong existing customer base
- Their explicit growth goals were all from existing customers/markets
- They are hiring a CRO to "create money" for their growth plan, so expect some instability/goal changes in 6ish months
- Their software development goals weren't about releasing functionality to customers which means they are primarily software as supporting services-based organization
- Their most concrete goals were around efficiency but were about discipline not cuts

- **They are stable company that is mostly focused on protecting existing customers not planning major changes or events with a potential wild card of a new CRO**



WHAT HAVE WE GAINED?

- Organizational Context
- Strategic Motivations

Image Attribution: Wall Street (1987) | 20th Century Fox

Questions?

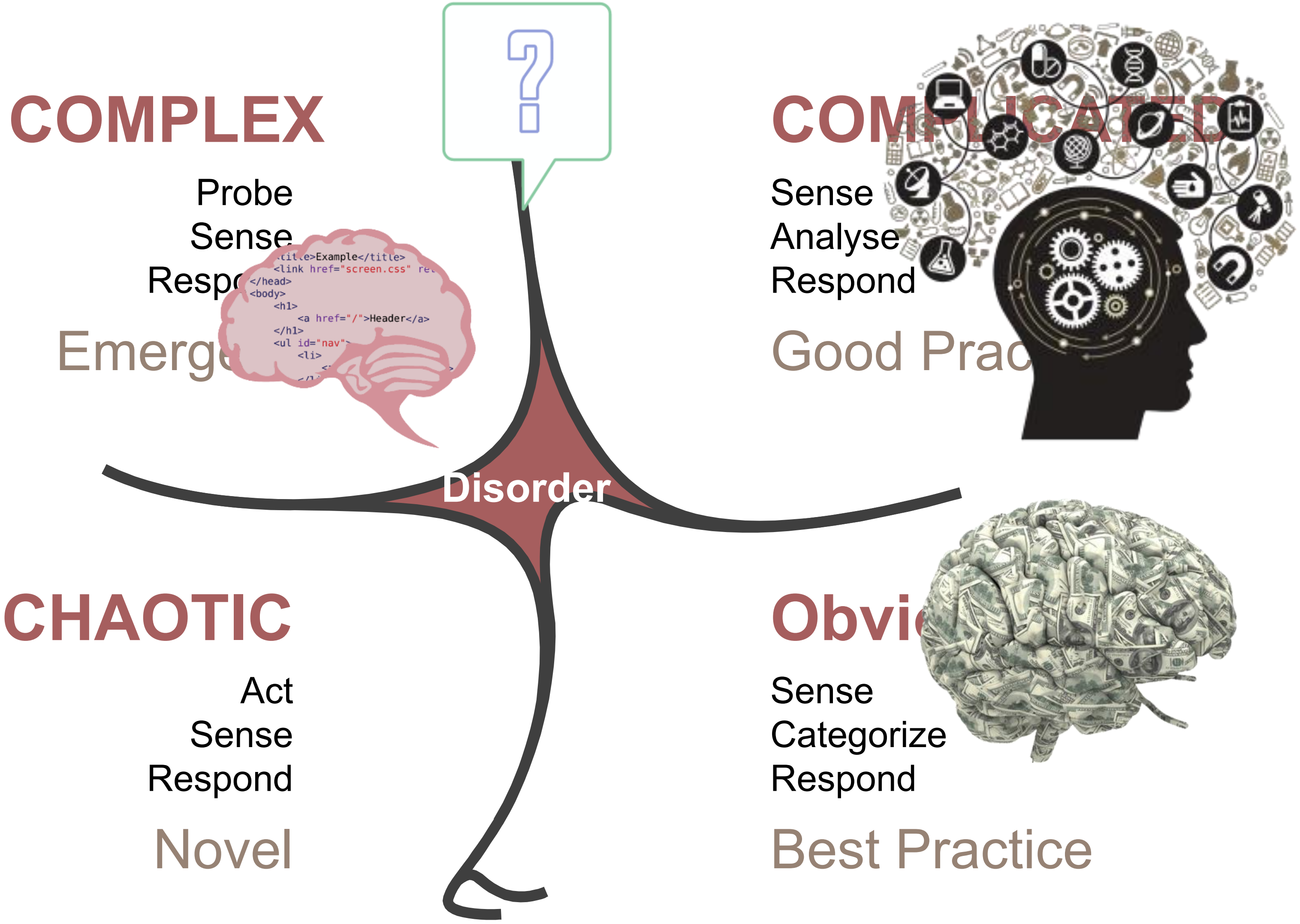
THE MOST VALUABLE COMMODITY I KNOW OF IS INFORMATION

Image Attribution: *Office Space* (1999) | 20th Century Fox

Problem Identification

THE HUMAN BEINGS WILL NEVER SEE THE SOFTWARE

CYNEFIN


COMPLEX
Probe
Sense
Respo
Emerg
COMPLICATED
Sense
Analyse
Respond
Good Prac
Disorder
CHAOTIC
Act
Sense
Respond
Novel
Obvi
Sense
Categorize
Respond
Best Practice

WHY DO PROBLEM STATEMENTS MATTER

- Moves you out of debating the costs of a particular technical solution
- Centers the conversation on something that can be provably resolved
- Organizes the process of discovery
- Creates clarity for what we are trying to accomplish
- Opens up possibilities for new ideas and directions
- Lowers the barrier to entry for folks who want to understand why we are building x feature
- Creates focus and a guiding light

MAKE THIS SIMPLE FOR ME

NOT A PROBLEM STATEMENT

- My microwave broke I need to buy a new microwave
- Can you tell me where the nearest gas station is?
- I need to decide if I'm going to stay at my job or pursue my masters.
- I want this field to only allow numbers but right now it allows characters

PROBLEM STATEMENT

- I no longer have a quick way to heat food
- I have 2 kids who desperately need a bathroom
- I don't know what to do with my near future.
- I have a downstream system that rejects my import files because they don't allow characters in that field and my staff always miss keys the information

PROBLEMS/HYPOTHESES ARE CIRCULAR

PROBLEM STATEMENT	HYPOTHESIS STATEMENT
As a *type of user*	We believe that *proposed solution*
I want to *complete a job*	For *type of user*
But *limitation I am facing*	Will achieve *benefit*
Because *description of the system impeding the user*	We will know we are successful when *outcome*
Which makes me feel *emotion*	

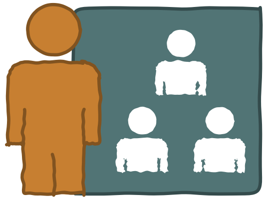
HOW DO I FIND PROBLEMS

1. **Determine who they are**
   - Interaction personas
2. **Ask questions**
   - Problem and Solution Techniques
3. **Map the answers**
   - Is it a real problem? Is it worth solving?

BUILDING MARKET SEGMENTS
WHO ARE THEY?

Geographic

- Country
- City
- Area
- Distance from a certain location
- Time zone
- Language
- Population Density
- Climate



Demographic

- Age
- Gender
- Race
- Ethnicity
- Religion
- Education
- Occupation
- Income
- Martial Status
- Family Size and Structure
- Life Stage
- Social Status

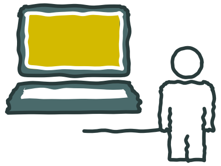
Psychographic

- Activity, Interest, Opinion (AIO)
- Attitudes
- Values
- Goals
- Needs
- Concerns
- Lifestyle
- Personality
- Gain and Pains

Behavorial

- Benefits Sought
- Intent
- Actions
- Occasion
- Purchasing Habits
- Usage Rates
- Buyer Stage
- Life Cycle Stage
- Engagement
- Loyalty

BUILDING INTERACTION TYPES
HOW DO THEY WORK WITH US?

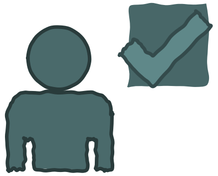


User

- Interacts directly with the software
- Looking for increased efficiency in their assigned tasks
- Gains and Pains are software or process interactions

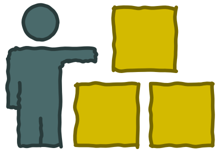
Customer

- Makes purchasing decision
- Looking to reduce costs or increase value for the organization (B2B) or themselves (B2C)
- Gains and Pains are budget



Decision Maker

- Owns process flows and decides what problems users are solving with software
- Looking for organizational efficiency
- Gains and Pains are process flows and business needs



Stakeholders

- Has non-binding opinions on process, purchasing, and other decisions
- Looking for high level alignment
- Gains and Pains are structural

BUILDING INTERACTION PERSONAS

	Behavorial	Psychographic	Demographic	Geographic
User	Cindy as a Support Specialist wants to setup a new store			
Customer			Jennifer is a Midwestern, 25-40, married, 2 children	
Decision Maker		Ben believes that customers are motivated by sales promotions		
Stakeholders				The Marketing Managers are all located in New York

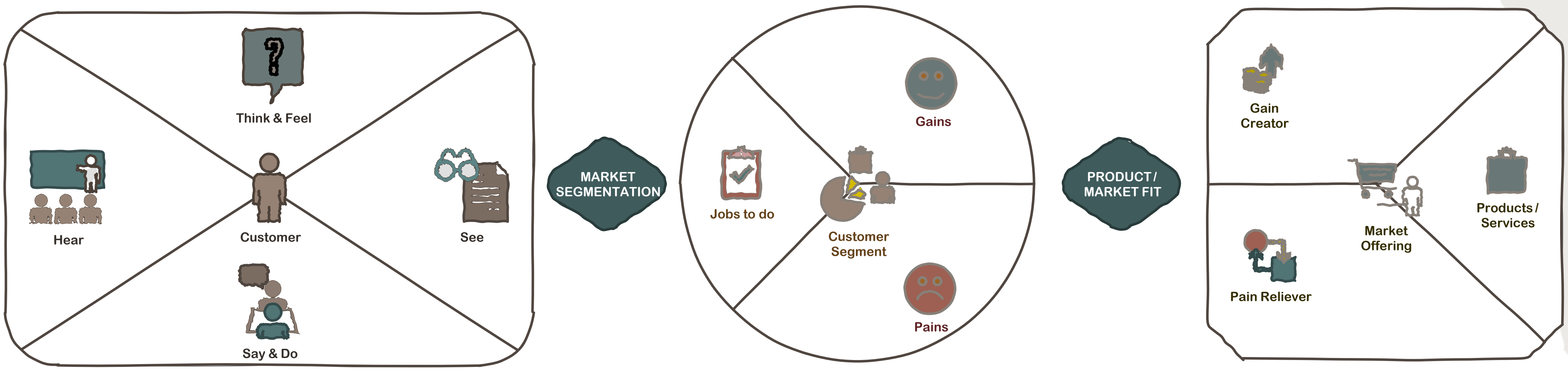
WHAT WOULD YOU SAY YOU DO HERE

- Trying to figure out who, what, why and how
  - **Who**: Our ideal customer persona
  - **What**: The features and services that make up that offering
  - **Why**: Our unique differentiators and offerings
  - **How**: The technical implementation of a product feature
- By finding specific, repeatable user actions to understand expected, measurable customer behavior
- So we can identify a "good" problem is where a customer is willing to "hire" you(r software/company) to solve it
- And then solve it

- The only way to understand users is to talk to them

Image Attribution: ***Office Space*** (1999) | 20th Century Fox

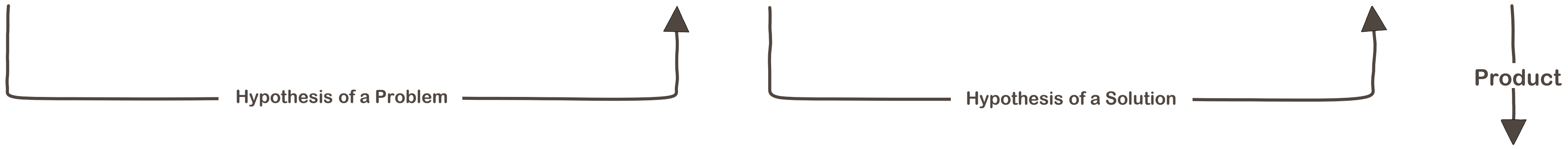
Who they are / Customer Empathy Map — What they need / Customer Profile — What we have / Value Map



Techniques
Empathy interview with question map or 5 whys approach, Problem (or explorative) interviews, AEIOU observations, Customer Journey Mapping

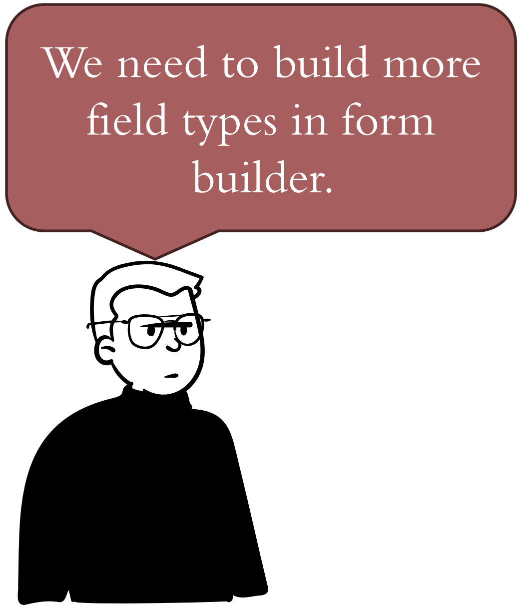
Techniques
Customer Journey Mapping, User profiles, Personas, Trend analysis, Context mapping, Test and learning cards, hypothesis testing

Techniques
Structured usability test with a paper prototype, Solution interview, Emotional response cards, Testing prototypes or service blueprint



LANDSCAPE OF PRODUCT MANAGEMENT

TOOL: PUSH DEEPER – THE FIVE WHYS



- Customers haven't adopted the new form builder

Why?

- They are building forms but not publishing them

Why?

- They aren't confident how to get form responses

Why?

- The form responses page is hidden until a form is published

Why?

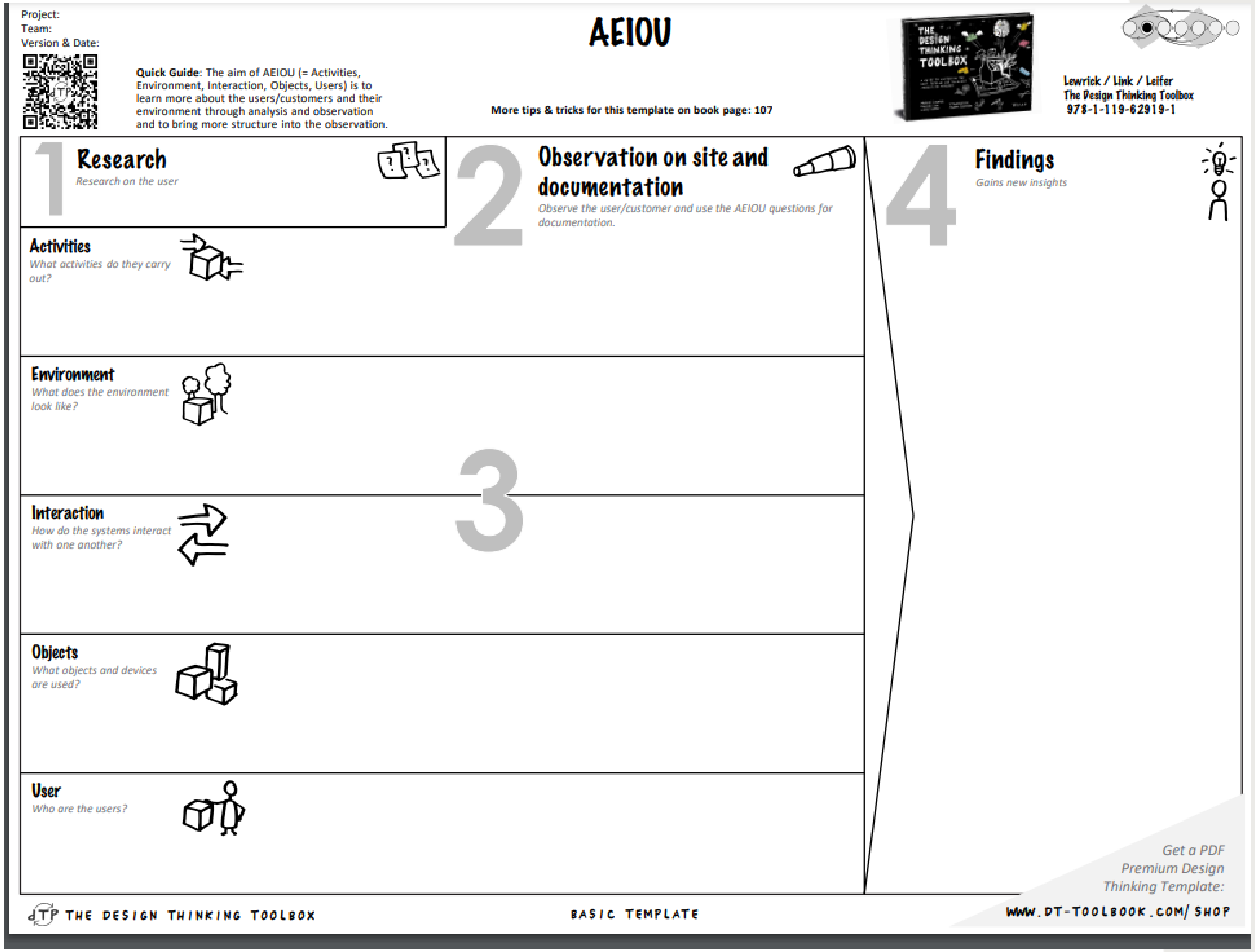
- To prevent user confusion on a page with an empty state

Why?

Process

1. Define the problem clearly
2. Ask why the problem happened
3. Ask why again for each answer (or why isn't it good or why wasn't that enough)
4. Identify a cause you can control
5. Assign corrective and preventive action

TOOL: AEIOU



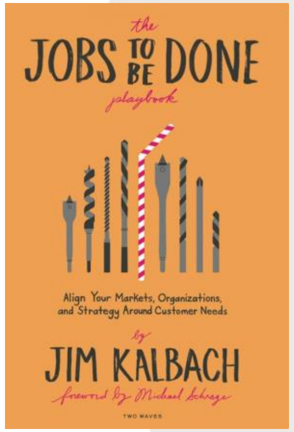
https://en.dt-toolbook.com/aeiou-en >

TOOL: CUSTOMER JOURNEY MAPPING

Phase of journey	Registration	Onboarding	First session
Actions What does the customer do?	Connect their Google account Chose a plan Confirm free trial	Goes through the training Clicks on help icon Adds a profile picture Clicks on Learn more Leaves feedback for the training	Open document Edit & invite Apply templates
Touchpoint What part of the service do they interact with?	Free trial landing page Email free templates	Training interface Account settings Templates browser Help Center materials	New document Sharing settings Templates browser
Customer Thought What is the customer thinking?	I can use free templates This is easy, I can sign up with my google account Get I don't need to provide credit card details to get a free trial	Why are there so many Pop-ups? Where do I start? Educational materials are easy to follow Why is the training so long I love all the template examples that I can browse	Creating a document is really simple Adding a team member is very simple There are many templates to chose from
Customer Feeling What is the customer feeling?			
Process ownership Who is in the lead on this?			
Opportunities	Suggest trying an additional product Give the user extra credits to spend on premium templates	Make the training shorter Suggest templates straight away Review the popups Introduce NPS for Help Center	First document award /"Congrats" popup Give extra points for adding teammates

Miro template >

TOOL: CONTEXT MAPPING / JTBD



- People "hire" a product to do a job (solve a problem) for them
- Jobs incorporate functional, social and emotional forces (circumstances) that drive people towards and way from a decision

  "Help me stop this leak in my house"

  - Functional: Turning off water to troubleshoot, water bill
  - Social: Wasting a shared resource, want to be a good citizen
  - Emotional: embarrassed we are wasting water & money, frustration
- We hire different jobs based on changing circumstances
  - Big leak -> many smaller leaks -> leak in kitchen that requires tearing up the floor
- Jobs is about uncovering a story and discovering underlying circumstances common across a specific group of individuals

https://www.christenseninstitute.org/theory/jobs-to-be-done/

TOOL: JTBD

Identify a Trigger:	Look for a specific event, pain point, or circumstance that forces a person to seek a change (aaaahem one might call this a problem)
Focus on Progress:	Define what "better life" the user is trying to achieve while keeping your solutions out of the definition
Uncover Previous Hires:	Determine what imperfect workarounds or competing products they fire in order to get the work done

INTERVIEWS FOR HYPOTHESIS TESTING

PROBLEM INTERVIEW

- Open ended questions
- Specific descriptions of when they encountered the problem
- Express empathy but not resolution
- Explore the area around the stated problem

SOLUTION INTERVIEW

- Starts with agreement on the problem statement
- Offers solutions
- Explains trade offs
- Tests for market agreement on price and value compared to other alternatives

INTERVIEWS FOR HYPOTHESIS TESTING

PROBLEM INTERVIEW

- Welcome
  - Introduction
  - Set the Stage
  - Psychological Priming
- About Them
  - Demographics
  - Goals
- Tell me about the last time (repeat)
  - Open ended questions
  - Why was that painful?

SOLUTION INTERVIEW

- Verify problem
- Summarize marketing message
- Describe solution(s)
- Describe limitations
- Get them to make tradeoffs
- Describe sales model and pricing (or cost)
- Numerical rating

INTERVIEWS

IS IT WORTH FIXING?

- How are they solving it now?
- Can you solve it better?
- Are they willing to pay something for that better?
- Is how much they are willing to pay worth us fixing it?

We will return to financials

FRIDAY,
SEPTEMBER 11,
3:30-4:30 IN 2206

Bookend your KCDC with Jennie!

TELL ME YOUR TROUBLES

Product Discovery from Troubleshooting to Product-Market Fit

Jennie.ocken.org

Image Attribution: Roszie via Pixabay

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Questions

PC LOAD LETTER? WHAT THE **** DOES THAT MEAN?!

Image Attribution: ***The Truman Show*** (1998) | Paramount Pictures

Breakout

WE ACCEPT THE REALITY OF THE WORLD WITH WHICH WE'RE PRESENTED

BREAKOUT SESSION 1

PROBLEM STATEMENT

As a *type of user*

I want to *complete a job*

But *limitation I am facing*

Because *description of the system impeding the user*

Which makes me feel *emotion*

ASSIGNMENT

- Write a problem statement
- Share it with your neighbor
- Get feedback
- Hear their problem statement
- Give feedback

Image Attribution: ***Monty Python and the Holy Grail*** (1975) | Columbia Pictures

Image Attribution: ***Men in Black*** (1997) | Columbia Pictures

Motivations

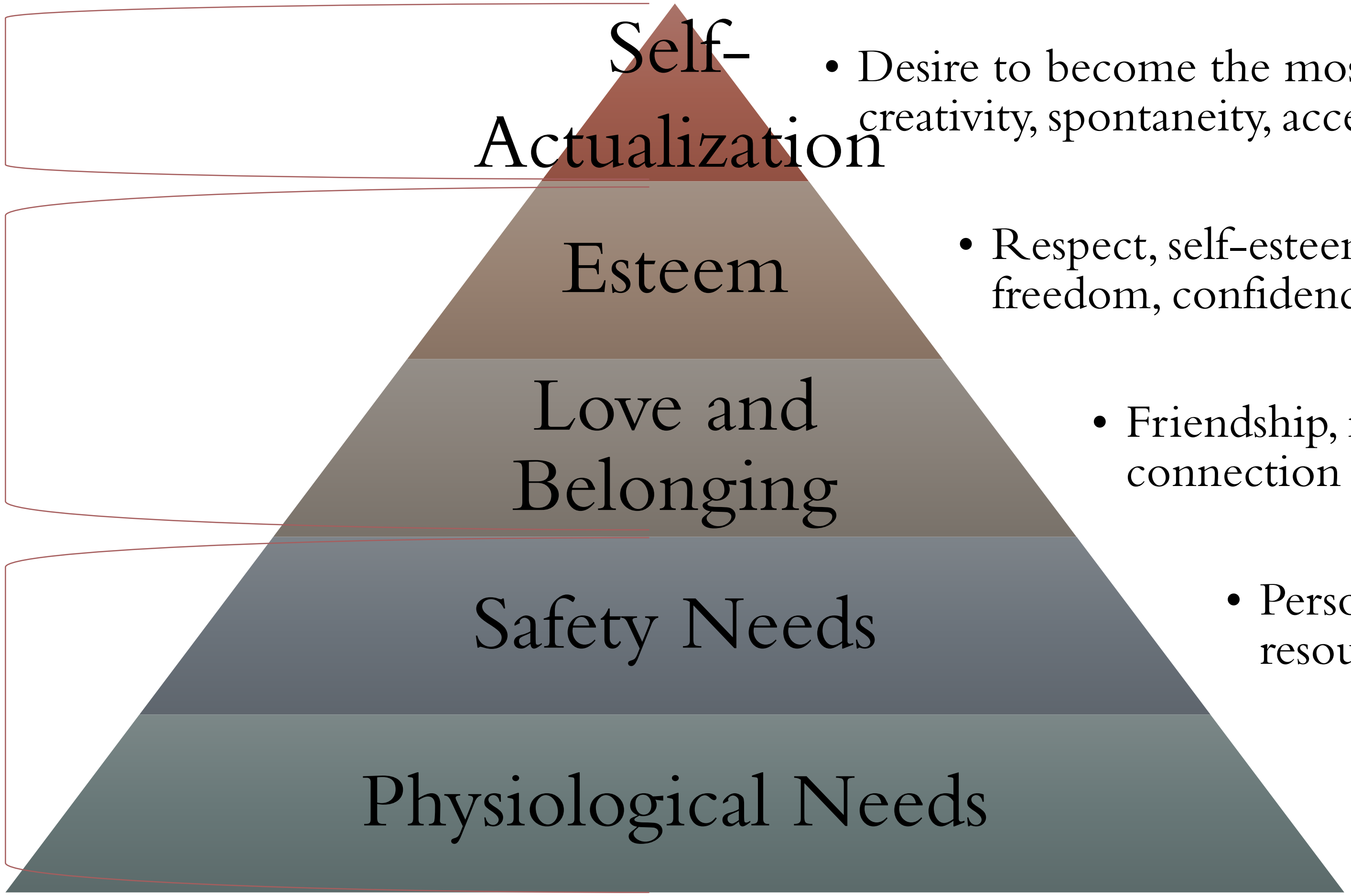
A PERSON IS SMART. PEOPLE ARE DUMB, PANICKY, DANGEROUS ANIMALS AND YOU KNOW IT.

MASLOW'S HIERARCHY OF NEEDS

Self-fulfillment Needs

Psychological Needs

Basic Needs



- Desire to become the most one can be, morality, creativity, spontaneity, acceptance, purpose, meaning
- Respect, self-esteem, status, recognition, strength, freedom, confidence, achievement, respect
- Friendship, intimacy, family, sense of connection
- Personal security, employment, resources, health, property
- Air, water, food, clothing, shelter, sleep, reproduction

"A Theory of Human Motivation" (1943)

HERZBERG'S TWO-FACTOR THEORY

Improving hygiene factors decreases job dissatisfaction

Hygiene Factors

- Relationship with peers
- Company policies
- Working conditions
- Salary
- Status
- Security

Motivating Factors

- Achievement
- Recognition
- Meaningful work
- Challenging work
- Job advancement opportunities
- Growth opportunities

Improving motivating factors increases job satisfaction

The Motivation to Work (1959)

MCCLELLAND'S MOTIVATION THEORY OF NEEDS

Achievement: Strives for personal success

- Sets challenging goals
- Take risks – must win at any cost
- Seek feedback – wants credit

Power: Holds authority over others

- Enjoys leading – wants control
- Prefer competition
- Wants recognition – exaggerates own position and resources

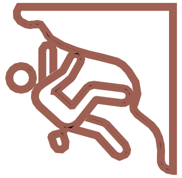
Affiliation: Prefers collaborating

- Desires inclusion – demands blind loyalty and harmony
- Avoids conflict – doesn't tolerate disagreement
- Develops relationships

All motivations are present in but one will dominate

The Achieving Society (1961)

VROOM'S EXPECTANCY THEORY

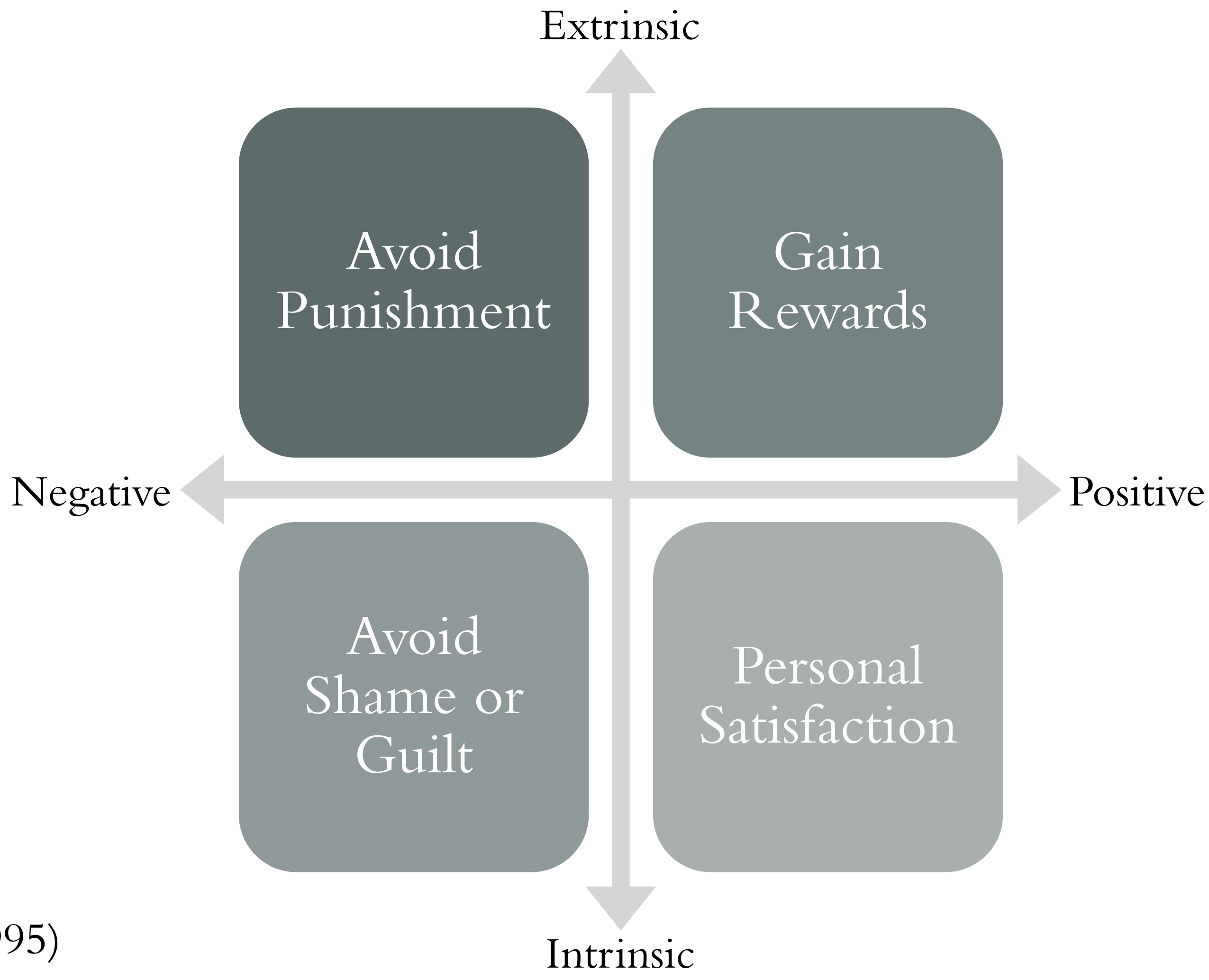


Motivation = **Expectancy** x **Instrumentality** x **Valence**

Expectancy	Instrumentality	Valence
Can I actually do this?	Will it yield a result?	Do I care about the reward?

<u>Work and Motivation</u> (1964)

DECI & FLASTE'S SELF-DETERMINATION THEORY

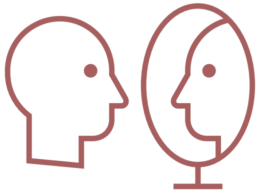


Why We Do What We Do (1995)

DANIEL PINK'S THREE ELEMENTS OF MOTIVATION (DRIVE)

Autonomy:
The feeling of being in control and working in a way that feels natural.
Desire to direct our own lives.
Ownership of the task: what, when, who with, and how
Choice + Accountability

Mastery:
The feeling of competence and continuous improvement.
Desire to get better at something that matters. Expertise and deep understand of concepts and skills.
Engagement + Flow



Purpose:
The knowledge that the work matters.
Desire to serve something bigger than ourselves. Knowing why, the rational behind the task.
Why + Goals

Drive (2009)

Quantifiable	Relational	Intrinsic	
Money	Position	Purpose	Comes from above
Task Completion	People	Puzzles	Comes from the team
Fairness	Recognition	Learning	Comes from self

Jennie's Motivations Talk (2024)


Image Attribution: ***Men in Black*** (1997) | Columbia Pictures

WHY DOES IT MATTER TO YOU ANYWAY? IN A FEW HOURS, NONE OF YOU WILL BE ALIVE TO CARE.

- Different people are motivated by different things
- Knowing why someone is doing something allows you to get behind their actions
- People’s motivations that may be hidden
- Those hidden motivations will drive what the actual problems are and how to negotiate with them

Image Attribution: ***Men in Black*** (1997) | Columbia Pictures

Questions

NOW, COMFORT IS A STATE OF MIND. IT'S WHAT YOU MAKE OF IT. ... GO BACK TO YOUR HOMES, HUG YOUR KIDS, AND STOP LOOKING AT THE SKY.

Image Attribution: *Glengarry Glen Ross* (1992) | New Line Cinema

Negotiation Strategies

COFFEE'S FOR CLOSERS

TYPES OF NEGOTIATIONS

SALES/PRICE BASED

- Vendor Management, Salary/Package for a New Job
- Frequent but bad tactics: High/Low, Split the Difference, Artificial Urgency
- Clearly a two-party negotiation with each side "at the table" with a defined stance, need, and priorities

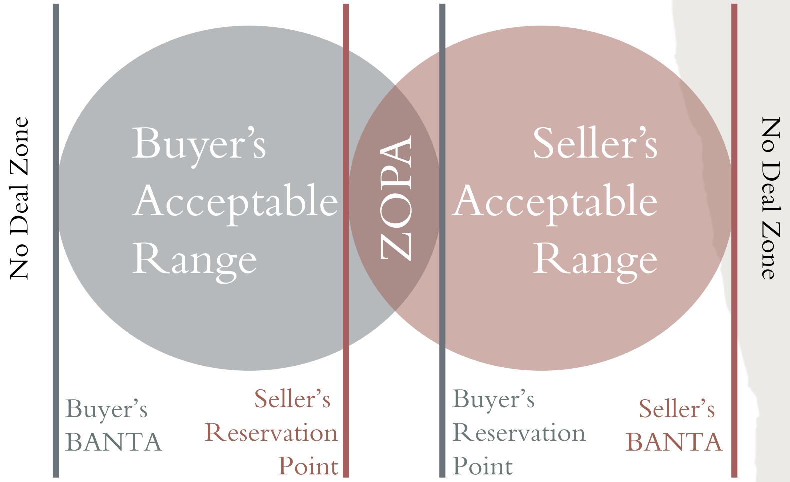
PROBLEM-SOLVING BASED

- Prioritization, Troubleshooting a Bug, Stakeholder Management
- Frequent but bad tactics: Put it in the backlog to rot (avoidance), HiPPOs, Artificial Urgency
- Often invisible, everyday interactions that can use negotiation skills suitably to improve outcomes for everyone

THE SEVEN LEVELS OF AUTHORITY

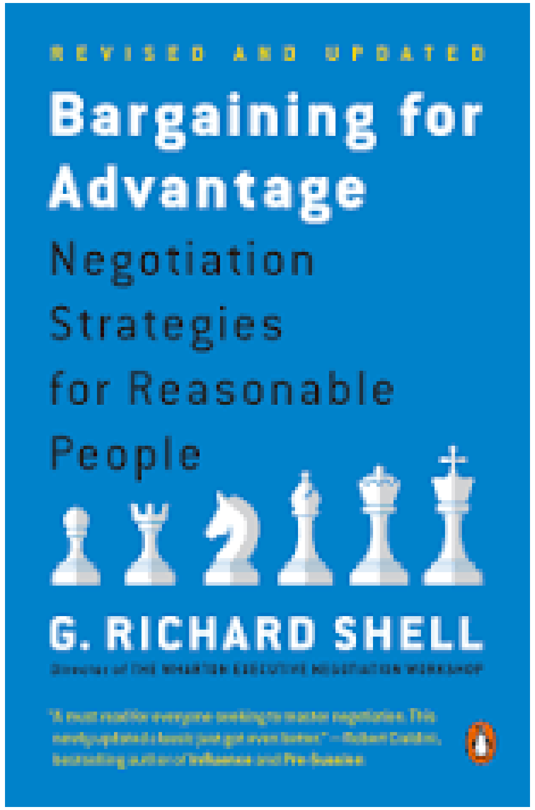
Tell:	Make the decision as the manager	Talk After	I Decide
Sell:	Convince people about the decision after made by manager		
Consult:	Get input from team before decision made by manager	Talk First	
Agree:	Make decision together with the team		We Decide
Advise:	Get input from manager before decision made by team		You Decide
Inquire:	Ask feedback from manager after decision made by team	Talk After	
Delegate:	Decision made by team with no influence by manager		

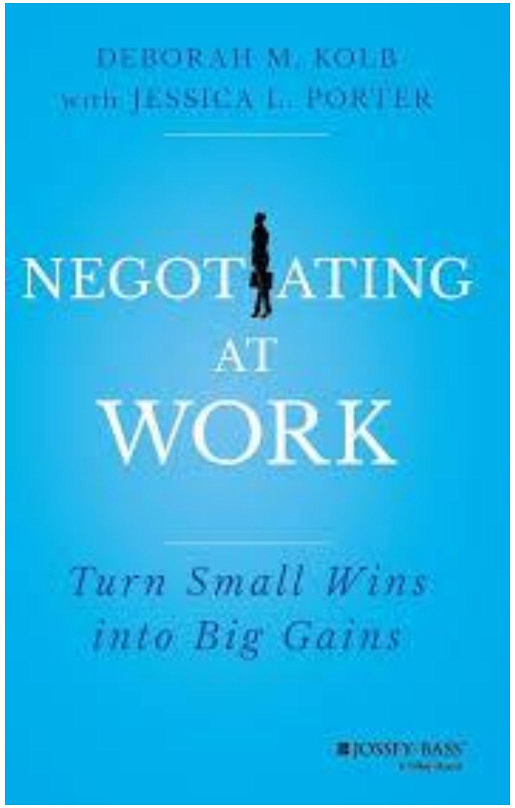
KEY TERMS

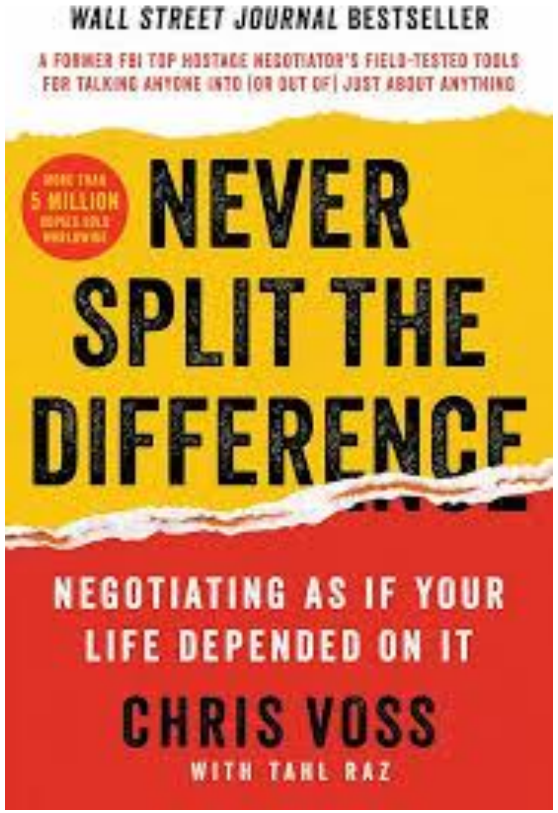


- BANTA (Best Alternative to a Negotiated Agreement): best alternative if you fail to reach an agreement
- ZOPA (Zone of Possible Agreement): Range in which the two sides terms overlap
- Reservation Point: The highest point a side will go
- Leverage: Power or advantage one side has to influences the other side's terms
- Anchoring: The first figure or position introduce which influences how subsequent discussions are framed
- Non-Monetary Terms: Components of the negotiation other than money such as flexibility, confidentiality, timelines, exclusivity, training

OUR GUIDES


REVISED AND UPDATED
Bargaining for Advantage
Negotiation Strategies for Reasonable People
G. RICHARD SHELL


DEBORAH M. KOLB
with JESSICA L. PORTER
NEGOTIATING AT WORK
Turn Small Wins into Big Gains
JOSSEY-BASS


WALL STREET JOURNAL BESTSELLER
A FORMER FBI TOP HOSTAGE NEGOTIATOR'S FIELD-TESTED TOOLS FOR TALKING ANYONE INTO (OR OUT OF) JUST ABOUT ANYTHING
5 MILLION
NEVER SPLIT THE DIFFERENCE
NEGOTIATING AS IF YOUR LIFE DEPENDED ON IT
CHRIS VOSS
WITH TAHL RAZ

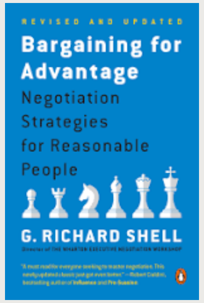
STEP 1: PREPARATION

6 FOUNDATIONS

- Know yourself
- Know your goals
- Recognize norms and standards
- Build and exploit relationships
- Be aware of the other party's objectives
- Gain an advantage through leverage

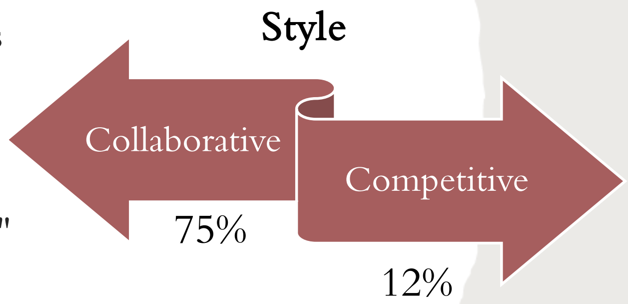
RECOGNIZING AND CREATING OPPORTUNITIES

- "n" Negotiations: small everyday interactions that we can have a structured conversation about
- Identify the unnegotiable: everyday obstacles that are usually accepted as standard policy
- Turn "asks" (yes or no) into negotiations (collaborative problem-solving sessions) that tie your needs to organizational value
- Gather data early such as performance metrics, market data, and internal precedents



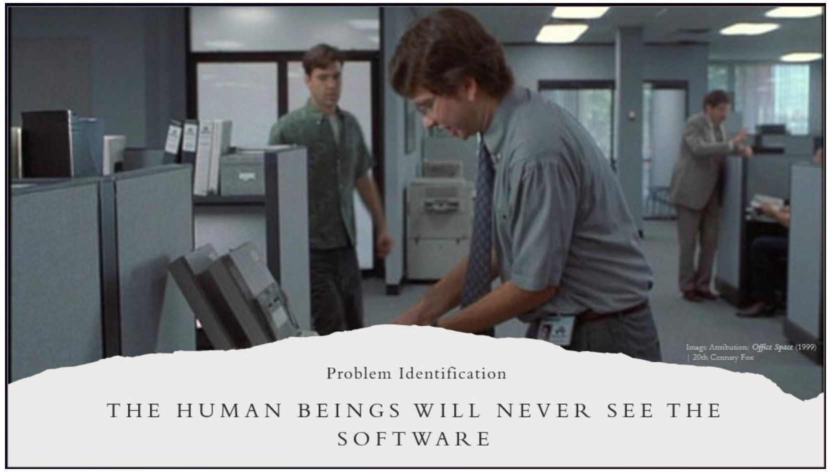
NEGOTIATOR KNOW THYSELF

- **Collaborators (Problem Solvers):** Maximizing joint gains and expanding the pie.
  Strengths: uncovering underlying interests, brainstorming creative solutions, and building deep, long-term relationships.
  Weaknesses: overcomplicate simple deals and can waste excessive time trying to satisfy everyone
- **Competitors (Hard Bargainers):** Winning, claiming value, and controlling the process
  Strengths: framing issues favorably, demanding concessions, and maximizing short-term transactional value.
  Weaknesses: damage relationships, overlook win-win opportunities, and generate unnecessary conflict
- **Accommodators (Relationship Builders):** Maintaining harmony and preserving the relationship
  Strengths: building rapport, rendering excellent customer service, and smoothing over tense conflicts
  Weaknesses: exploitation by competitive negotiators; make early, unnecessary concessions
- **Compromisers (Split-the-Difference Negotiators):** Speed, fairness, and efficiency
  Strengths: closing deals quickly by using simple, seemingly fair formulas like "meeting in the middle"
  Weaknesses: rush to settle, which frequently leaves substantial value on the table for both sides
- **Avoiders (Conflict Minimizers):** Safety, deferral, and avoiding interpersonal friction
  Strengths: reliable at managing bureaucratic rules, dodging emotional traps, and filtering out high-pressure tactics.
  Weaknesses: miss opportunities by walking away too early or delaying important decisions

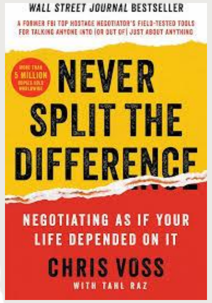


NEGOTIATOR KNOW YOUR OPPOSITE

- What is the ZOPA?
- What do you suspect is their goal? BANTA?
- What leverage do they have?
- What is their perception of you?
- What is bringing them to this conversation? What are they motivated by?
- What non-monetary (or non-timeline) objectives can you agree on?



STEP 2: INFORMATION EXCHANGE



- **Mirror Words Selectively:** Slow down the conversation, repeat their words back to them, allow for silence, change the tone of your voice
- **Practice Tactical Empathy:** "It sounds like you are afraid of" … "it looks like you're concerned about"

Make them feel safe enough to reveal themselves

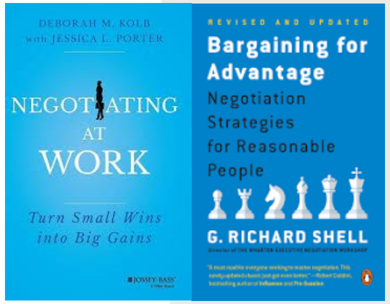
- **Get to "No":** Pushing for yes makes people defensive but saying no makes them feel in control
- **Trigger "That's Right":** The moment you've convinced someone that you understand them is the moment a breakthrough can happen
- **Create the Illusion of Control:** Don't try to force your opponent to admit you are right. Ask questions that begin with "How" or "What" to use their mental energy.

Manage the conversation

- **Bargain Hard:** Identify your counterpart's negotiation style
- **Guarantee Execution:** Identify the motivations of the players behind the table and spot liars. Test your counterpart's yes by getting them to affirm agreement at least three times
- **Find Black Swans:** Uncover "unknown unknowns" to understand the other side's position and worldview

Empathy

STEP 3: EXPLICIT BARGAINING



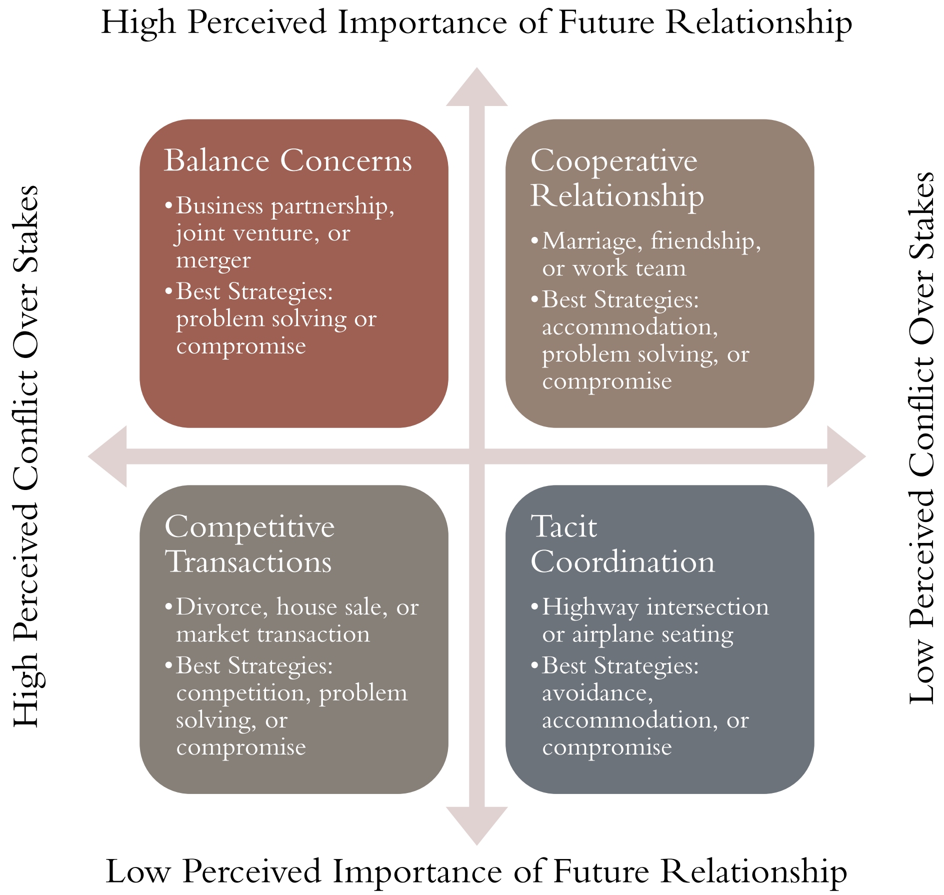
- Managing Power Dynamics & Reluctant Partners

  Frame discussions around mutual benefits to engage stakeholders

  Level the playing field through strategic positioning to counter positional power

  Neutralize feedback by anticipating resistance and preparing counterarguments that focus on collective team success

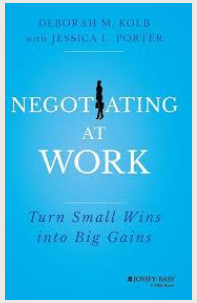
  Propose low-risk, time-bound trials or pilots to break the deadlock by lowering their perceived risk



STEP 4: COMMITMENT

- Close with clear, written and specific terms
- Leave with the opportunity to check-in and keep building the relationship
- Make sure you have met both the explicit conditions and the hidden motivations

INTERSECTIONS OF NEGOTIATION, CONFLICT, AND GENDER



- The Social Cost of Advocacy -> Relational Framing

  Women negotiating aggressively are often labeled as "difficult"

  Women are more successful when they couple self-advocacy with organizational care e.g., better serving the team, clients, or company goals

- "Invisible Work" Trap

  Women disproportionately inherit the "office housework": taking notes, organizing events, onboarding, resolving team conflicts (and invisible work like bug fixes and knowing systematic problems)

  This work is rarely tied to promotions or raises

  Systematically negotiate out of this work or have it codified into your performance metrics

- Cumulative Effect of Small Wines

  Structural biases make major, sweeping changes difficult to achieve

  Focus on "small wins" that incrementally achieve long-term goals

Image Attribution: ***Glengarry Glen Ross*** (1992) | New Line Cinema

WHAT YOU DID YESTERDAY IS HISTORY. WHAT YOU DO TOMORROW IS A MYSTERY. WHAT DOES IT MATTER WHAT HAPPENED? IT'S OVER. IT'S GONE. ARE YOU GOING TO LIVE YOUR LIFE IN A REARVIEW MIRROR ?

- Everything is a negotiation
- Prep is 90% of the negotiation
- Empathy is foundational: you can’t put out a position without guessing the other side’s position, motivations, and zone
- Most negotiations are not about money (alone) they are also about non-monetary terms and the side’s motivations
- All negotiations are grounded in long-term relationships (you will see this person again)

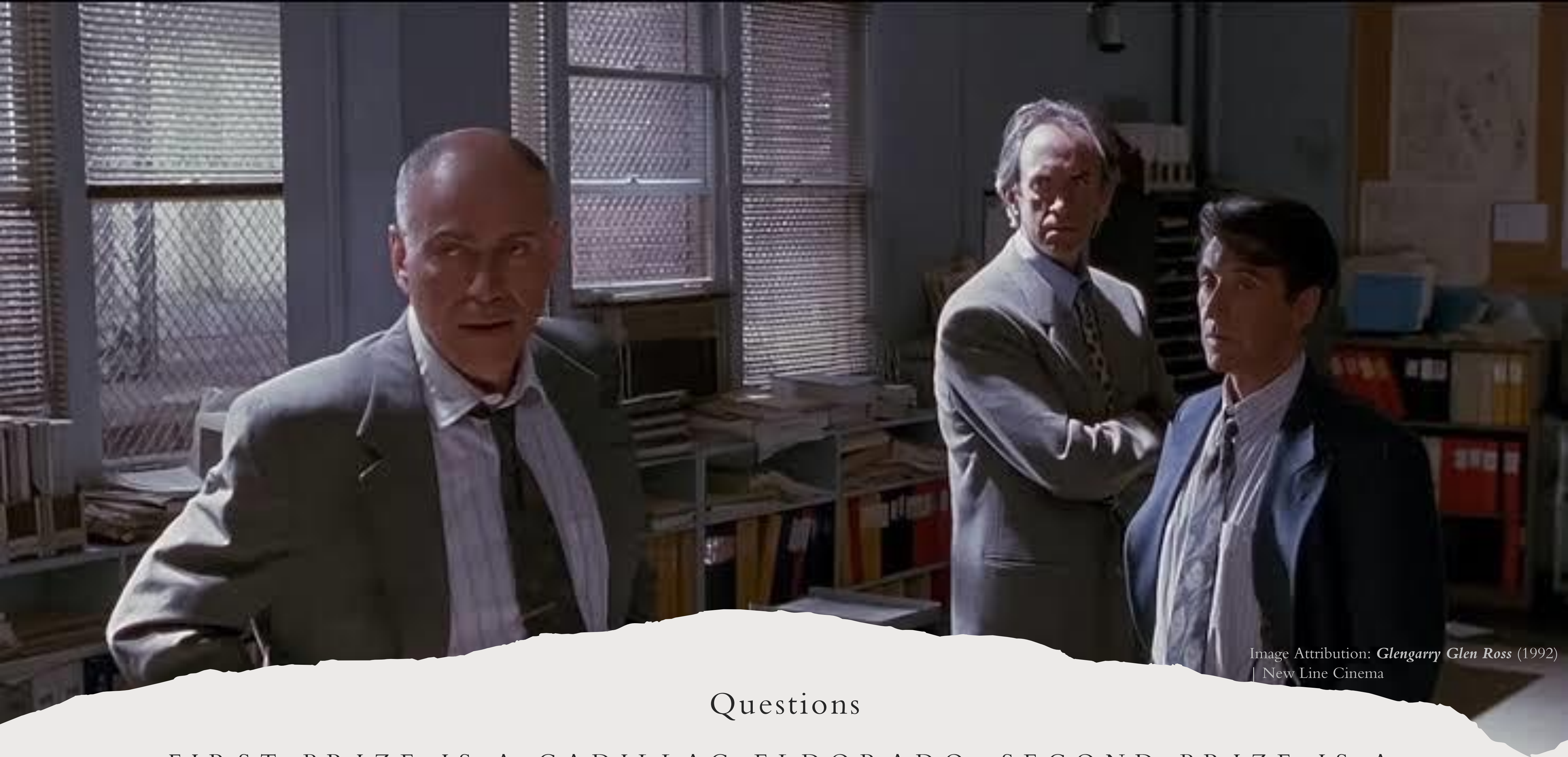


Image Attribution: ***Glengarry Glen Ross*** (1992) | New Line Cinema

Questions

FIRST PRIZE IS A CADILLAC ELDORADO. SECOND PRIZE IS A SET OF STEAK KNIVES. THIRD PRIZE IS YOU'RE FIRED.

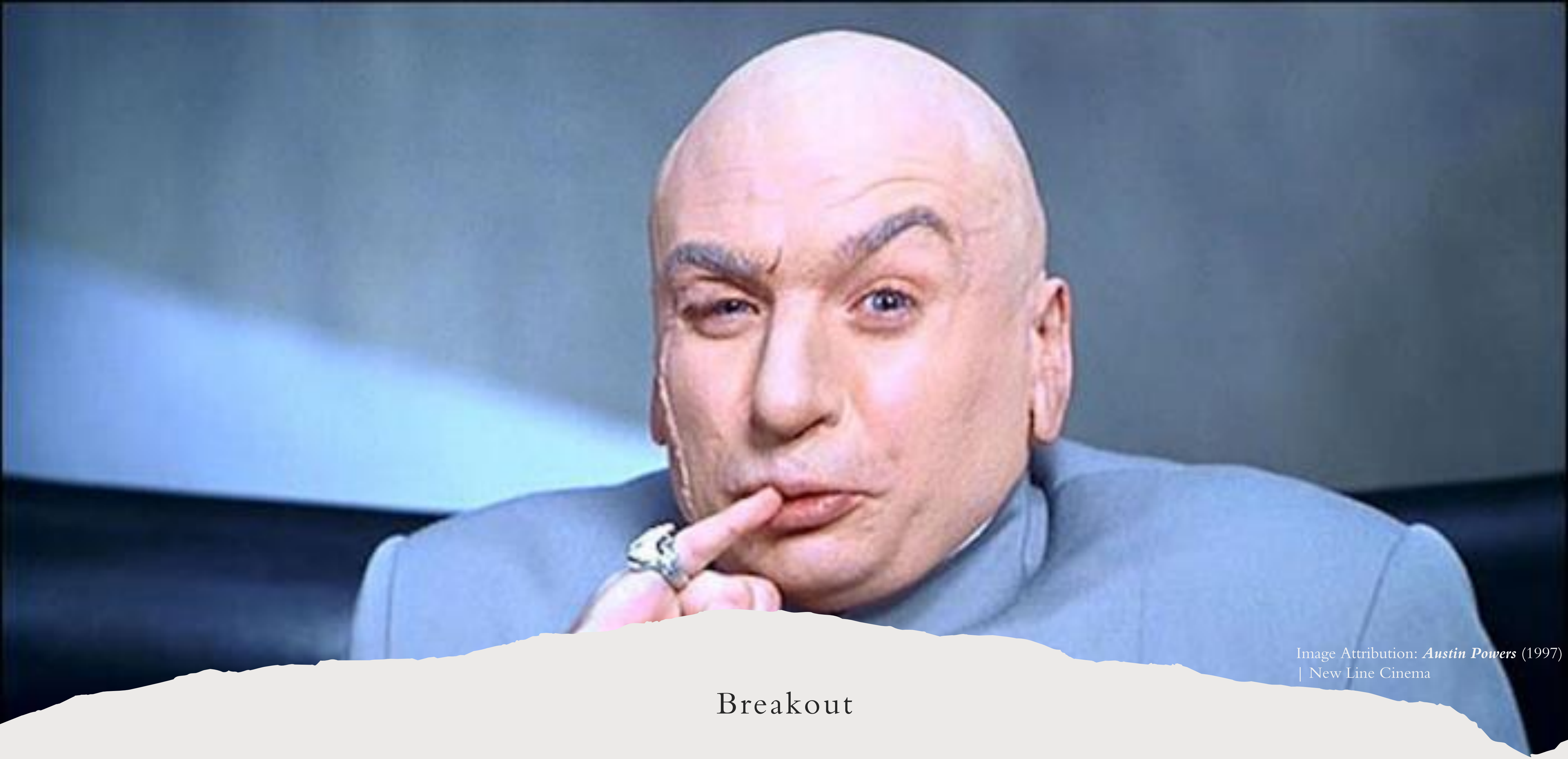


Image Attribution: ***Austin Powers*** (1997) | New Line Cinema

Breakout

ONE MILLION DOLLARS!

BREAKOUT SESSION 2

- Take your problem statement
- Think about the people involved: customers, stakeholders, other members of your team, the terrible product manager, your boss, their boss, the dog
- For each one figure out what is motivating them to make *this* the problem we need to solve *right now* over anything else
- Determine your acceptable range of solutions and BANTA
- For each person determine their range and BANTA
- Find your ZOPA of solutions
- Share with your neighbor and get feedback
- Hear your neighbor's and give feedback

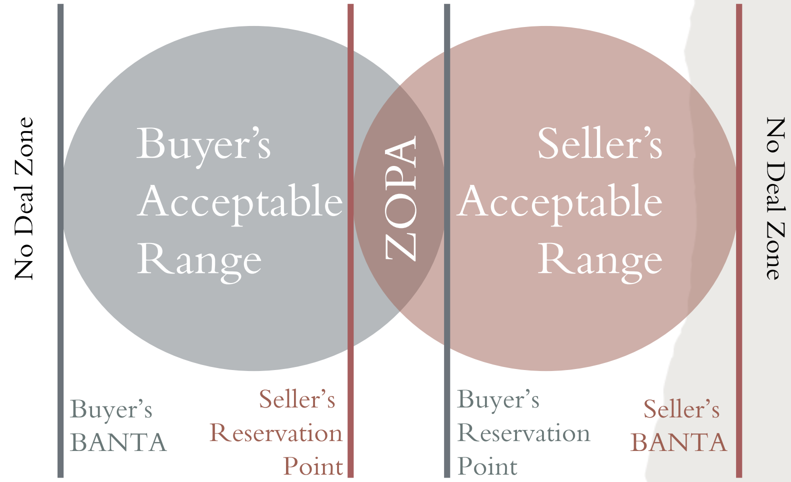


Image Attribution: ***Jerry Maguire***(1996) | TriStar Pictures

Business finance for developers

SHOW ME THE MONEY

QUESTIONS

- How are companies funded?
- How are companies are valued?
- **How do companies make money?**
- **How do we tell if a company is profitable?**
- How do I read all these documents associated with the company?
- What do these financial words mean?

TRUFFLES -> HOBBYIST

- Expenses

  Materials

    Direct: chocolate, sugar, milk

    Indirect: wrappers, boxes

  Labor

    My time making truffles

- Income

  Price per truffe

- Profit – How much am I making on each truffle?

  Income for the batch – expenses for the batch / # of truffles = profit per truffle

TRUFFLES -> WEEKEND WARRIOR

EFFICIENT PRODUCTION

- Expenses
  - Materials
  - Labor
  - Capital Investment
    - Chocolate pot (to temper)
    - Thermometers
    - Molds
- Income
- Profit
  - Income - Expenses (direct+ amortized capital investment) / # of truffles sold = profit per truffle

FARMER'S MARKET

- Expenses
  - Materials
  - Labor
  - Capital Investment
    - Table
    - Tent
  - Marketing expenses
    - Renting stall space
    - Business cards and graphics
- Income
- Profit
  - Income (from event) – Expenses (direct + amortized capital + event fees) / # truffles sold at event

TRUFFLES -> EXPANSION

STORE FRONT

- Expenses
  - Materials
    - Inventory and waste
  - Labor
    - Salary
  - Capital Investment
  - Marketing
  - Rent
    - Bank loan
- Income

ONLINE STORE

- Expenses
  - Materials
    - Inventory and waste
  - Labor
    - Salary
  - Capital Investment
  - Marketing
    - Web design firm (one time)
    - Hosting (monthly)
- Income

TRUFFLES
-> WORLD DOMINATION

- Expenses
  - Capital Investment
    - Servers
  - Marketing
    - www.trufflecoin.com
- Income
  - Billable hours??
  - Software licensing
- Profit????

Image Attribution: ***Serial Experimentations Lain*** (1998) | Triangle Staff

QUESTIONS

- **How are companies funded?**
- **How are companies are valued?**
- ~~How do companies make money?~~
- ~~How do we tell if a company is profitable?~~
- How do I read all these documents associated with the company?
- What do these financial words mean?

Image Attribution: ***Jerry Maguire***(1996)
| TriStar Pictures

YOU HAD ME AT PROFITABLE

- Costing
- Pricing
- Funding
- Valuation

BUSINESS DECISIONS: COSTING

Selling My Time Directly

- “Billable” Hours – cost of goods sold
- “Billable” Hours – opportunity cost
- “Cost plus” – what are materials in software?

Selling a Good My Time Goes Into

- Licensing – how many more seats
- Freemium and Product Lead Growth – stepping up engagement
- Internal Services – making other people more efficent

BUSINESS DECISIONS: PRICING

Revenue	Loss Leader	Trouble	Debt Paydown
Value	Value	Price	Cost
Price	Cost	Value	
Cost	Price	Cost	Value

FUNDING

WHY ARE THEY GIVING ME MONEY

- Bootstrapping
- Reinvesting profits

It's my money (or my family's)

- Bank Loan

Interest on the loan (and recourse against default)

- Venture Capital

  Angel -> Seed -> Series
- Stocks and Bonds

Equity in the company (potential future earnings)

VALUATION

WHAT IS THIS ALL WORTH, ANYWAY?

- Asset Approach

  Book value – Adjusted net assets, replacement, cost to build

  Liquidation Value – value if sold immediately

- Income Approach

  Capitalization of Earnings (CapE) – historical earnings

  Discounted cash flow (DCF) – estimated future earnings

- Market Approach

  Market cap(itilaztion)

  Earnings per share (EPS)

  Merger and Acquisition potential

Private company valuation may be negotiated not calculated

QUESTIONS

- ~~How are companies funded?~~
- ~~How are companies are valued?~~
- ~~How do companies make money?~~
- ~~How do we tell if a company is profitable?~~
- How do I read all these documents associated with the company?
- What do these financial words mean?

FINANCIAL STATEMENTS

BALANCE SHEET

- Balance of assets, liabilities and shareholder equity at a **point in time**
- Assets:
  - Cash
  - Accounts receivable
  - Inventory
  - Prepad expenses
  - Property, plat and equipment (PPE)
  - Investments
  - Trademarks, patents, goodwill, and other intangible assets
- Liabilities:
  - Accounts payable
  - Wages payable
  - Notes payable
  - Dividends payable
  - Long-term debt
- Shareholder equity: assets – liabilities (e.g. what the shareholders own if everything was liquidated) also known as retained earnings

(millions of dollars)	Note Reference Number	December 31, 2023	December 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents		31,539	29,640
Cash and cash equivalents – restricted		29	25
Notes and accounts receivable – net	6	38,015	41,749
Inventories			
Crude oil, products and merchandise	3	20,528	20,434
Materials and supplies		4,592	4,001
Other current assets		1,906	1,782
Total current assets		**96,609**	**97,631**
Investments, advances and long-term receivables	8	47,630	49,793
Property, plant and equipment, at cost, less accumulated depreciation and depletion	9	214,940	204,692
Other assets, including intangibles – net		17,138	16,951
Total Assets		**376,317**	**369,067**
LIABILITIES			
Current liabilities			
Notes and loans payable	6	4,090	634
Accounts payable and accrued liabilities	6	58,037	63,197
Income taxes payable		3,189	5,214
Total current liabilities		**65,316**	**69,045**
Long-term debt	14	37,483	40,559
Postretirement benefits reserves	17	10,496	10,045
Deferred income tax liabilities	19	24,452	22,874
Long-term obligations to equity companies		1,804	2,338
Other long-term obligations		24,228	21,733
Total Liabilities		**163,779**	**166,594**
Commitments and contingencies	16		
EQUITY			
Common stock without par value			
(9,000 million shares authorized, 8,019 million shares issued)		17,781	15,752
Earnings reinvested		453,927	432,860

FINANCIAL STATEMENTS
PROFIT & LOSS

- Performance of revenue, expenses, and profit **during a period**. Convey details of profitability and financial results. Can also do comparisons across periods.
- Revenue
  - Operating Revenue
  - Non-operating revenue
  - Other Income
- Expenses
  - Cost of Goods Sold (COGS)
  - Selling, general and administrative expenses (SG&A)
  - Depreciation or amortization
  - Research and Development (R&D)

(millions of dollars)	Note Reference Number	2023	2022	2021
Revenues and other income				
Sales and other operating revenue	18	334,697	398,675	276,692
Income from equity affiliates	7	6,385	11,463	6,657
Other income		3,500	3,542	2,291
Total revenues and other income		**344,582**	**413,680**	**285,640**
Costs and other deductions				
Crude oil and product purchases		193,029	228,959	155,164
Production and manufacturing expenses		36,885	42,609	36,035
Selling, general and administrative expenses		9,919	10,095	9,574
Depreciation and depletion (includes impairments)	2, 9	20,641	24,040	20,607
Exploration expenses, including dry holes		751	1,025	1,054
Non-service pension and postretirement benefit expense	17	714	482	786
Interest expense		849	798	947
Other taxes and duties	19	29,011	27,919	30,239
Total costs and other deductions		**291,799**	**335,927**	**254,406**
Income (loss) before income taxes		**52,783**	**77,753**	**31,234**
Income tax expense (benefit)	19	15,429	20,176	7,636
Net income (loss) including noncontrolling interests		**37,354**	**57,577**	**23,598**
Net income (loss) attributable to noncontrolling interests		1,344	1,837	558

FINANCIAL STATEMENTS

CASH FLOW STATEMENT

- How cash is earned and spent /how operations are running, where money is coming from, and it is being spent – e.g. is the company on solid financial footing?
- Operating Activities
  - Cash accounts receivable
  - Depreciation
  - Inventory
  - Accounts payable
- Investing Activities
  - Purchase or sale of assets
  - Loans made to vendors or received from customers
  - Payments related to a merger or acquisition
  - Purchased of fixed assets (PPE)
- Financing Activities
  - Debt issuance
  - Equity issuance
  - Stock repurchases
  - Loans
  - Dividends paid
  - Debt repayments

(millions of dollars)	Note Reference Number	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss) including noncontrolling interests		37,354	57,577	23,598
Adjustments for noncash transactions				
Depreciation and depletion (includes impairments)	2, 9	20,641	24,040	20,607
Deferred income tax charges/(credits)	19	634	3,758	303
Postretirement benefits expense in excess of/(less than) net payments		90	(2,981)	754
Other long-term obligation provisions in excess of/(less than) payments		(1,501)	(1,932)	50
Dividends received greater than/(less than) equity in current earnings of equity companies		509	(2,446)	(668)
Changes in operational working capital, excluding cash and debt				
Notes and accounts receivable *reduction/(increase)*		4,370	(11,019)	(12,098)
Inventories *reduction/(increase)*		(3,472)	(6,947)	(489)
Other current assets *reduction/(increase)*		(426)	(688)	(71)
Accounts and other payables *increase/(reduction)*		(4,727)	18,460	16,820
Net (gain)/loss on asset sales	5	(513)	(1,034)	(1,207)
All other items - net		2,410	9	530
Net cash provided by operating activities		**55,369**	**76,797**	**48,129**
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment		(21,919)	(18,407)	(12,076)
Proceeds from asset sales and returns of investments		4,078	5,247	3,176
Additional investments and advances		(2,995)	(3,090)	(2,817)
Other investing activities including collection of advances		1,562	1,508	1,482
Net cash used in investing activities		**(19,274)**	**(14,742)**	**(10,235)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Additions to long-term debt [(1)]		939	637	46
Reductions in long-term debt		(15)	(5)	(8)
Additions to short-term debt		—	198	12,687
Reductions in short-term debt		(879)	(8,075)	(29,396)
Additions/(reductions) in debt with three months or less maturity		(284)	25	(2,983)
Contingent consideration payments		(68)	(58)	(30)
Cash dividends to ExxonMobil shareholders		(14,941)	(14,939)	(14,924)
Cash dividends to noncontrolling interests		(531)	(267)	(224)

THE HUMAN HEAD WEIGHS 8 POUNDS – THESE TERMS ARE $10 WORDS

- COGS, AGP, OpEx, OI
- Market Capitalization
- Earnings Per Share
- Depreciation/Amortization

PROFIT AND LOSS STATEMENT (P&L)

Revenue	1,000,000	
COGS	325,000	
Gross Profit	675,000	67.5%
Operating Expenses (OpEx)		
Salaries	200,000	
Marketing	14,000	
Rent	1,000	
Operating Income	460,000	46%
Non-operating expenses	500	
EBITDA	459,500	45.95%
Taxes and Interest	1500	
Net Income	458,000	45.8%

Cost of Goods Sold (e.g. what the company sells)

Margin (AGP)

Us (the people in this room)

OI

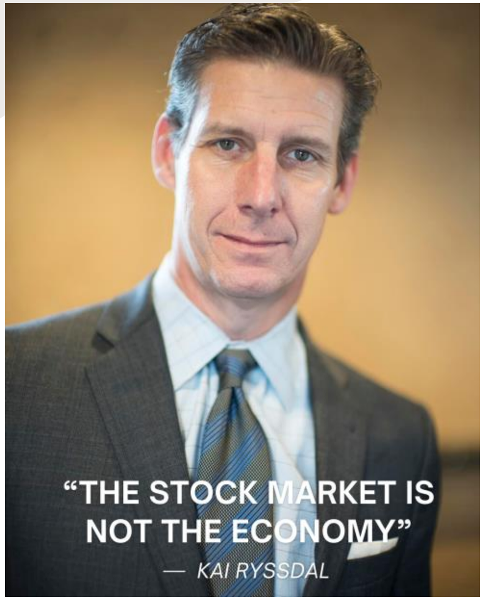
MARKET CAPITALIZATION

- Helps derive the value of a company and compare it to others but stock prices are highly subjective
- Generally, bigger market cap = less trading risk

- Going public: issuing stock to have a liquidation event (exit) for equity owners

- A company can issue stock at any time, but it will dilute the value of the stock
- Shareholders own stock and the majority owners hire the board who hires the CEO

- How much a bank is willing to loan to me



EARNINGS PER SHARE

- Measure of company's profitability / corporate value.
- Inventors will pay more fore a company's shares if they think the company has higher profits relative to its share price
- Use to calculate price to earning (P/E) ratio which gives you the value of the stock based on what the market is willing pay for each dollar of earnings

$$\text{Earnings per share formula} = \frac{\text{Net income} - \text{Dividend payments}}{\text{Weighted average shares outstanding}}$$

DEPRECIATION / AMORTIZATION

- Spreading the cost of an asset over its useful life (e.g. chocolate temper machine)
- Spread the cost in the liabilities for the balance sheet
- Use as a tax deduction to reduce the tax liability of the business
- Amortization: gradually write off over time (allocate/spread cost)

  intangible asset such as patents, trademarks, franchise agreements, copyrights, cost of issuing bonds, organizational costs

  No salvage value
- Depreciation: diminish value over time (reduce value)

  Fixed asset such as buildings, equipment, office furniture, vehicles, and machinery

  Original cost – salvage value = depreciable amount

Image Attribution: ***Jerry Maguire***(1996) | TriStar Pictures

Questions?

HELP ME… HELP YOU

Image Attribution: ***Frozen II*** (2019) | Walt Disney Studios Motion Pictures

THANK YOU

I won't look too far ahead
It's too much for me to take
But break it down to this next breath, this next step
This next choice is one that I can make

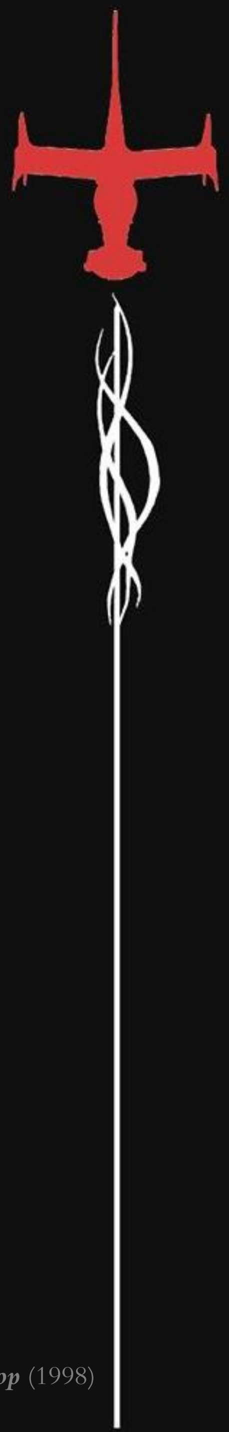


Image Attribution: ***Cowboy Bebop*** (1998) | Sunrise

SEE YA SPACE COWGIRL

- The Matrix (1999)
- The World Is Not Enough (1999)
- Jurassic Park (1993)
- Wall Street (1987)
- Office Space (1999)
- The Truman Show (1998)
- Monty Python and the Holy Grail (1975)
- Men in Black (1997)
- Glengarry Glen Ross (1992)
- Austin Powers: International Man of Mystery (1997)
- Jerry Maguire (1996)
- Serial Experiments Lain (1998)
- Frozen II (2019)
- Cowboy Bebop (1998)