

Background information for client interaction and panel discussion (Task 4-1)

Course Overview

Succeeding as a Business Advisor challenges EY TAS senior managers to think beyond the paradigm of a typical client engagement, to focus on developing strong client relationships that position one to become a trusted business advisor. Developing as a trusted business advisor will enable participants to play a strong role in driving the TAS Capital Agenda strategy and the TAS vision 2020 “Big Bets”. In particular, the business advisor skillset is critical to the success of the Transaction Strategy and Operations (TSO) big bet. TSO is a proactive and more strategic approach to our clients, connecting across TAS to bring insights and early discussions with a client on their critical capital issues and opportunities, in advance of a transaction or capital event.

During this course, participants explore the roles, challenges and opportunities of proactively bringing value to clients and client relationships; before, during and after engagements.

After the end of the course, participants will have the opportunity to engage more actively in holding strategic conversations with clients and applying the TSO approach to accounts.

Simulation technology is used to provide an immersion experience to develop business advisor skills in this learning.

About this course

This course is designed to help EY TAS senior managers grow from being strong technical experts to enhancing their skills as business advisors. The course begins with online pre-work, in which the participants are introduced to a case study of a client (UltraSys). The senior managers also explore their own perceptions of how well they apply business advisor skills. The classroom session begins with the participants working in teams to identify client issues, understand the Social Styles of the client’s executives, and plan an agenda to meet with an executive from the UltraSys M&A function. The participants have continued their due diligence to better understand UltraSys’s issues/opportunities, and they will soon be meeting with you during a meeting in which you will act as an UltraSys executive. Following the meeting, the entire class will regroup to meet with you and the other PPEDs who participated with other teams in the meeting for a panel session. During this session, you will have the opportunity to provide general feedback about the meeting you participated in, respond to questions posed by the facilitator and the participants, as well as share insights you have about building business advisor skills.

Thank you in advance for supporting Senior Manager, Succeeding as a Business Advisor.

Purpose of the activity

The purpose is to enable the senior managers to practice their client relationship skills through planning for and presenting a point of view while attending a short meeting with the client. During the interaction, the participants will have the opportunity to practice building a relationship and tailor their conversation to a client's Social Style, to consider the client issues along with the macro and micro environment impacting the client, and to keep the client's agenda at the forefront of the conversation. In your role as the client, you will put an appropriate amount of pressure on the participants to practice a "real-life" client meeting that challenges them to use their business advisor skills. Your feedback during the partner panel will assist in helping the participants hear your insights and experiences to further refine their understanding of what it takes to be a successful TAS business advisor.

Background for the activity

You will be acting as the client in a face-to-face meeting between an EY senior manager and a member of the UltraSys executive team. Your character is Avram Petrescu, who is the CFO at UltraSys Ltd. The senior manager from the EY TAS team is someone who has fairly recently joined the engagement team and whom you have not met before.

You have a strong past relationship with Roderick Bingham (the engagement partner), having worked with him for a few years now. Originally Roderick was planning to attend this meeting too, but an urgent scheduling conflict has interfered at the last minute, and he has asked you and the senior manager to meet without him. The reason for this decision is that you are very busy and it has been difficult for the EY team to get some time on your calendar. Roderick called you in advance to clear this decision with you and he plans to call you after the meeting to follow up with you. Note that this phone call is mentioned for storyline purposes only; other than completing a scoring rubric to assess the EY senior manager's performance during the meeting, your role as Avram Petrescu will end when the meeting is over.

About your character:

- ▶ **Your experience at UltraSys:** You have been the CFO of UltraSys Ltd. for the past seven years.
- ▶ **Your Social Style:** Analytical
- ▶ **You:**
 - Prefer everything to be in writing, and you like to receive a written summary of decisions and actions following meetings and calls (you prefer working with data to working with people)

- Possess a critical eye and will notice any error, no matter how small; you do not tolerate laziness, sloppiness, distraction or someone who is unprepared
- Make business decisions deliberately; when you find a process that works or a position that suits you, you continue to apply or follow it
- Are highly detail-oriented and assertive, extremely punctual and intolerant of tardiness; you have very high standards for yourself and others
- Are terse in conversation and each of your words carries weight; you tend to withhold information, especially about your personal life
- Are an avid reader, enjoying books on leadership, history, game theory and other nonfiction topics
- Enjoy and play competitive sports and are generally in good health
- Are conservative in terms of politics and lifestyle

Additional information provided to teams by the fictional partner (Roderick Bingham), only if they asked for it:

“Few people are aware that Nina Dumitru is Avram’s daughter, since Dumitru is her married name. I found this out by chance and not from Avram, since he is not one to share much about his personal life. This might affect his decision to divest Exhibitions, but if Avram balks at divesting Exhibitions, he will certainly not bring up this relationship (nor should you), so it makes sense to explore his reasons and present your supporting data. The Exhibitions divestment insight is certainly a valid one and, if you make a strong case for it, he will listen and likely at least consider it. That said, you may also want to be prepared to switch to a higher-level discussion about instead expanding and investing in Exhibitions or divesting a different division (Legal?), in case Avram is not receptive to the insight statement your team prepared.”

“In terms of Avram’s style, he is very competitive and he loves to win — as a young man, he played European football competitively in Romania and has mentioned he that might have played professionally if not for suffering a sports injury. Once I made the mistake of agreeing to a game of chess with him and he beat me handily; apparently at one point he cracked the top 100 Romanian players as ranked by FIDE, the global chess federation (I wish I had known before I agreed to play him!). He can seem terse, but we have a strong relationship with him. He has said more than once that he appreciates that we always come prepared to meet with him, often presenting either new information or synthesizing existing information in ways he had not considered.”

About UltraSys

Please refer to the documents below to learn more about this company and its business.

- Overview of UltraSys Ltd. (22 slides total; focus on Slides 3–16)
- UltraSys-relationship map (six slides total; focus on Slide 1)
- Recent Developments UltraSys Ltd. (three slides total)

Activity structure and timing:

| Description | Timing |
|---|-------------------|
| Facilitator gives instructions in main classroom and distributes paper assessments/rubrics to participants. | 5 minutes |
| Teams move to breakout rooms | 5 minutes |
| Team one prepares for the client meeting | brief |
| First team meets with the client | 15 minutes |
| Both teams and PPED complete paper rubrics on first meeting: <ul style="list-style-type: none"> ▶ HO 4.3: CFO client meeting self-assessment (completed by EY senior manager) ▶ HO 4.4: CFO client meeting observer assessment (completed by all observers) ▶ PPED SG 4.2: Senior manager meeting with UltraSys CFO scoring rubric (completed by PPED) | 5 minutes |
| Second team meets with the client | 15 minutes |
| Both teams and PPED complete paper rubrics on second meeting and team two prepares for the client meeting (See above for paper rubrics) | 5 minutes |
| Both teams use their computers and complete an online checklist | 10 minutes |
| Both teams meet with their PPED to debrief the client meetings and obtain feedback from the PPED | 20 minutes |
| Everyone moves back into the classroom | 10 minutes |
| Total | 90 minutes |

- ▶ Two teams will be paired for this activity, and you will meet with one member of the first team while the other participants from both teams observe. After the end of the first meeting, you will meet with one member of the second team, but the meeting topic will be the same.
- ▶ To prevent the second team from having an unfair advantage, you will have two different sets of information to prep from, one for each meeting (see a table of scenarios in this document. **You must choose a different scenario for each team (scenarios are listed later in this document).**
- ▶ **Each meeting will be 15 minutes long.** The senior manager has not been told the meeting duration, just that it will be a short meeting.
- ▶ **You are responsible to monitor the time.** At the start of the meeting state that you have only 15 minutes, and when time is up **announce** that you have another meeting you need to attend and apologize for cutting this meeting short. Allow the senior manager to summarize and close the meeting, but do not provide any prompting to do so.
- ▶ Everyone takes five minutes to complete the paper rubrics for the first team. During this time, team two can also prepare for their meeting.
- ▶ **Allow the teams to switch places and start the second meeting.**
- ▶ The second meeting should also last 15 minutes. After the 15 minutes, conclude your meeting with the senior manager of the second team.
- ▶ Explain that during the next 15 minutes, the teams will have three tasks:
 - Complete HO 4.3 which they may keep
 - Complete the HO 4.4 which, when completed, they give to the other team
 - Go online in their computers and complete the checklist
- ▶ While participants are completing their rubrics, you will need to assess each team's performance by completing a scoring rubric. The questions in the scoring rubric are provided in this document to help you prepare to complete the rubrics after each meeting. Before stepping into your breakout room, the facilitator will have given you two copies of the scoring rubric and will collect these from you after you are finished assessing the two teams. Your feedback will be used both for scoring and lesson debrief purposes.
- ▶ Allow 15 minutes for the teams and yourself to complete the scoring rubrics.
- ▶ When you have recorded your formal feedback by completing the rubrics, invite both teams to a 20-minute feedback discussion. During this discussion:

- First, invite the observers to share their feedback with their colleagues who played the senior manager role in the client meetings. Ask:
 - ▶ What did they do well?
 - ▶ What could they improve upon in order to develop their business advisor skills?
- Provide your own feedback to the teams, leveraging the scoring rubrics you completed for each team and ask the following questions:
 - ▶ In general, what did the EY senior managers do well?
 - ▶ What did not go well in each meeting?
 - ▶ Did the senior manager:
 - Attempt to build a relationship with you by being interested in you as a person, consider your Social Style and avoid using EY jargon during the meeting?
 - Focus on your business needs, such as by asking thoughtful questions, adapting to your agenda changes and focusing on exploring your issues instead of attempting to pitch or sell an EY solution?
 - Present a compelling insight that engaged your interest, and then back up the insight with relevant facts and personal experience?
 - Conclude the meeting by summarizing the conversation, confirming a value proposition and exploring next steps?
- ▶ After this 20-minute discussion you will return to the main room. The whole class will join together for a partner panel in which you will have the opportunity to provide general feedback to the teams as well as respond to questions posed by the facilitator and the teams. You will be asked to share your meeting feedback at the beginning of the partner panel activity. Your feedback should not name any particular person or team, but rather should be focused on key themes or patterns that are evident from your observations. Additionally, your insights should be relevant to the larger group.

In terms of their agenda and goals, the senior manager:

- ▶ Has prepared an insight statement and supporting information regarding divesting the Exhibitions division from UltraSys in order to raise capital for UltraSys. This is what the senior manager should be prepared to present and discuss with you during the meeting.
- ▶ Should attempt to build rapport with you in an effort to begin to build a trusted advisor relationship. He or she may fall back on technical expert habits and approaches, but should attempt to start to gain your trust.

- ▶ Should be interacting directly with you while his/or her colleagues are observing. Additionally, the second team should not be a part of the meeting, but also silently observing.

Your goal:

- ▶ Working within the context of your character's profile and position at UltraSys, **your goal is to realistically represent UltraSys's interests from the CFO's perspective.** Remember you are meeting the senior manager for the first time, but that you have an established and positive relationship with current and former members of the EY engagement team. There is nothing about the past or present engagement that would lead you to be anything other than pleasant and welcoming during this meeting.
- ▶ **Put yourself in the shoes of this client and, while you prepare for the meeting, consider the following:**
 - What could the senior manager say or do to build rapport with you? How can you encourage these behaviors with your responses?
 - What could the senior manager say or do that would damage his or her ability to build rapport with you? What reaction would be appropriate in these circumstances?
 - The senior manager should tailor their delivery to what they know about you and your Social Style. If you feel this is happening, how could you encourage it? If you feel it is not happening, how will you react?
 - The senior manager should also focus on issues that are important to you, not on overtly selling EY services. How will you respond if you feel the senior manager is ignoring your issues and interests or putting their EY interests first?
 - **For both scenarios (see below),** you should expect the senior manager to present an insight statement you find compelling, that is relevant to you and UltraSys, and that is based both on facts and the senior manager's professional experience. What can you ask or say to determine whether these expectations are being met?
 - **For scenario 2,** the senior manager may be surprised when you suggest a different solution to the problem of raising capital, but you should expect him or her to explore this suggestion with you. How will you react if the senior manager tries to steer the conversation back to their insight statement and away from what you would like to discuss?

Learning goals of this activity:

- ▶ The senior manager should begin to develop a rapport with you, and you should support these efforts, as they are also benefiting you.

- ▶ The senior manager should present and support their insight statement and be willing and able to explore your alternative suggestion, when raised.
- ▶ The meeting focus should be on you, UltraSys, UltraSys's issues, and your role and interest in these. You should encourage this focus and discourage focus on EY solutions and services. In this first meeting with you, the senior manager should not advance straight to selling, but should instead be exploring your concerns and goals for UltraSys.

Scenarios for the two meetings

The following tables provide the two scenarios that you will wish to consider during your meetings. Scenario 1 is the background information for the first meeting with the EY senior manager. Scenario 2 is different background information for your second meeting with an EY senior manager.

Scenario 1: Agree with the insight statement that supports divesting Exhibitions

| Insight statement: | Supporting facts: |
|--|---|
| <p>UltraSys has a window of opportunity to raise CU3 billion to CU4 billion by divesting Exhibitions within the next six months. Completing this acquisition on an accelerated timeline will allow UltraSys to take advantage of historically high valuation levels and to quickly redeploy the capital raised to fund much-needed geographic expansion. There are several actions related to segment carve-outs that we have completed for other clients, using our proprietary methodology, and these actions have directly led to increased valuations and quicker time to close.</p> | <ul style="list-style-type: none"> ▶ Exhibitions has a different business model from the other UltraSys segments; it does not appear to provide operating synergies across the corporation. ▶ It also has a different geographic footprint from the other operating segments, which does not allow for operating expense rationalization. ▶ Revenue volatility: <ul style="list-style-type: none"> – Dependency on global economic conditions – Irregular event schedules ▶ High-margin business will attract potential acquirers as well as activist investors. |

Scenario 2: Disagree with the insight statement that supports divesting Exhibitions and propose expanding Exhibitions by divesting the Legal division instead

The head of M&A for Exhibitions, Nina Dumitru, is your daughter (Petrescu was her maiden name and Dumitru is her married name). She has not been in this role for very long, but this close family tie may make divesting Exhibitions less appealing to you. This is not a fact you would probably bring up during the meeting (since you tend to avoid sharing personal information), but it could influence your decision. Teams had the option to request and receive more information about you from Roderick Bingham (the partner) and, if they did, they will have learned of this information.

| Insight statement: | Supporting facts: |
|---|---|
| <p>UltraSys has a window of opportunity to raise CU2 billion to CU3 billion by divesting Legal within the next six months. On an accelerated timeline, this would allow UltraSys to take advantage of historically high valuation levels and quickly redeploy the capital raised to fund the growth of Exhibitions. There are several actions related to segment carve-outs that we have completed for other clients, using our proprietary methodology. These actions have led directly to increased valuations and quicker time to close.</p> | <ul style="list-style-type: none"> ▶ Declining revenue for the past several years ▶ Lowest margin level of all segments (LFY EBIT margin of 12.4% vs. non-Legal aggregate EBIT margin of 30.0%) ▶ Management outlook is unfavorable ▶ Limited upside on further digitization of content ▶ Reallocation of capital to fund growth in Exhibitions <ul style="list-style-type: none"> – Fragmented market — ability to increase market share quickly – Opportunity to capture more of a lucrative North American market where Exhibitions is underrepresented (only 16% of Exhibitions revenue is generated from North American operations) – Opportunity to mitigate revenue volatility by expanding into (new) industries such as IT/technology – Stable and relatively high margins |

Scoring rubric questions for the PPED to answer following the two meetings

After you have finished both meetings with the two senior managers, you will complete a scoring rubric for each team. The questions on the scoring rubric are provided for you below so that you may prepare for this activity, but note that a facilitator will give you the scoring rubrics to complete prior to the meeting activity — you will not use the table below for this purpose. This rubric is part of the team scoring that is woven through the entire classroom experience. The teams will not see this feedback, and the feedback that will be entered into the system is a numeric representation of your answers below. For additional feedback, please see the prompts on the following page. You will have up to 20 minutes to complete both rubrics.

For each of the statements on the scoring rubrics facilitators will provide to you, select the response that best fits your impression of the senior manager’s meeting performance. Please complete all rows, and select only one response for each question. You will have the opportunity to provide additional feedback during the upcoming panel activity. After completing your preparation for the panel activity, please give your two completed rubrics to one of the facilitators so they can enter it into the technology for scoring purposes. Your help and accuracy in completing the rubric for the meeting with each team is greatly appreciated.

| | Strongly agree | Somewhat agree | Neither agree or disagree | Somewhat disagree | Strongly disagree |
|--|-----------------------|-----------------------|----------------------------------|--------------------------|--------------------------|
| In terms of meeting behaviors, the EY team member: | | | | | |
| 1. Matched his or her approach to your representation of the client’s social style | | | | | |
| 2. Used simple language without jargon or EY-specific terms | | | | | |
| 3. Asked thoughtful questions that demonstrated an adequate understanding of your business at UltraSys | | | | | |

| | Strongly agree | Somewhat agree | Neither agree or disagree | Somewhat disagree | Strongly disagree |
|---|-----------------------|-----------------------|----------------------------------|--------------------------|--------------------------|
| 4. Adapted and positively responded to any changes you, as the client, made to the agenda | | | | | |

In terms of the content discussed with you at the meeting, the EY team member:

| | | | | | |
|---|--|--|--|--|--|
| 5. Presented a compelling insight that engaged your interest as the client | | | | | |
| 6. Presented insights and facts that are relevant to you (as the client) and align with your issues | | | | | |
| 7. Based the insight on both factual material and his or her professional experience | | | | | |

| | Yes | No |
|---|------------|-----------|
| 8. Attempted to explicitly sell EY services | | |
| 9. Included high-impact and relevant content from sources other than those provided in the simulation. (e.g., EY thought leadership, recent news articles found online) | | |

| | Strongly agree | Somewhat agree | Neither agree or disagree | Somewhat disagree | Strongly disagree |
|--|-----------------------|-----------------------|----------------------------------|--------------------------|--------------------------|
| In terms of the way he or she concluded the meeting, the EY team member | | | | | |
| 10. Summarized and elegantly concluded the conversation | | | | | |
| 11. Confirmed the value proposition | | | | | |
| 12. Codeveloped next steps with you, the client | | | | | |

Panel discussion

The purpose of this activity is to provide an opportunity for you and your fellow PPEDs (who also played the UltraSys client) to share observations about your experience during the meeting activity with the entire class. During this panel activity, you and your fellow leaders who played Avram during the CFO meeting will participate as panel experts during a classroom discussion. Additionally, you will be prompted with a few specific questions from the facilitator about the meetings, as well as general questions about your insights about becoming successful in your role as a trusted business advisor. The participants will also be encouraged to also ask questions of you and the other panel experts. Be prepared to offer insights and experiences about working with your clients that demonstrate how building relationships and focusing on the clients' issues have helped grow your business. The panel activity will be 55 minutes long.

After the client meetings and in preparation for the panel activity, spend a few minutes considering the following questions. You may use the space below to make notes for yourself.

| Question to consider | Your insights and/or observations |
|--|-----------------------------------|
| Reflecting back on the meetings with the two teams and your debrief session afterward, what one or two thoughts would you wish to share with the whole class? | |
| During the client meeting, the senior manager presented an insight statement. Do you have a story to share about when and how your teams have used insight statements to successfully advance discussions with prospective or existing clients? | |
| Part of the client meeting challenge for participants was addressing Avram's Social Style. What suggestions do you have for being able to learn about and accommodate the Social Styles of your clients? | |
| One key to a successful client meeting is ensuring that our value proposition and next steps are aligned with the client's issues. What advice do you have to offer about | |

| | |
|--|--|
| value propositions from the perspective of being a business advisor? | |
| Thinking about the shift from relying exclusively on technical expertise to approaching the client as a business advisor, what tips do you have to help senior managers with this shift in skills? | |
| During your career, what have you experienced or observed that is a good example of how you (or someone else) have gone beyond providing only technical expertise to acting as a trusted business advisor? | |