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NEGOTIATION STRATEGIES FOR MAXIMIZING RELATIONSHIP VALUE IN CORPORATE BANKING

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Abstract

The rapid evolution of corporate banking in Indonesia has heightened competition among financial institutions, where interest-rate negotiations remain the most visible yet least sustainable differentiator. Relationship Managers (RMs) often continue to rely on rate-based concessions to secure deals despite having instututional efforts to standardize pricing. This approach has resulted in short-term profitability at the expense of long-term relationship value, client stickiness, and cross-product synergy. As a result, it is necessary to investigate how negotiation in corporate banking can transform from transactional rate bargaining into strategic relationship management. The purpose of this research is to analyze and formulate a comprehensive negotiation framework that allows RMs to optimize relationship value creation using structured decision tools and cross-functional collaboration. This study aims to answer four core research questions: how multi-criteria decision-making frameworks such as SMART can guide negotiation evaluation; what alternative strategies can be developed based on empirical insights from RMs and Product Partners; how RMs can leverage negotiation concepts such as BATNA (Best Alternative to a Negotiated Agreement) and ZOPA (Zone of Possible Agreement) to strengthen their position while maintaining long-term partnerships; and how preparation and knowledge sharing can enhance performance in complex multi-entity negotiations. The research assumes that successful negotiation in banking requires balancing three dimensions, value creation, institutional learning, and client trust, under competitive and regulatory constraints. A qualitative exploratory method was adopted. Data were collected through semi-structured interviews with four Relationship Managers and three Product Partners representing Cash Management, Treasury, and Trade functions within Bank of Tiongkok Corporation Indonesia (BTCI). Thematic analysis and coding matrices were used to identify converging and diverging negotiation patterns across roles.

Keywords: ***Corporate Banking, Knowledge Management, Strategic Negotiation Framework***

INTRODUCTION

Sustainable value creation from client relationship is one of the task corporate relationship managers (RMs) face in the banking environment that is competitive and margin-focused. Total relationship value including loan pricing, fee-based income, cross-selling opportunities, and long-term client loyalty is increasingly becoming banks' focus while still having interest rate discussions as a key aspect of a lending discussion. One of the most crucial skills needed by RMs is strategic negotiation for financial institution to optimize return. However, Indonesia's corporate banking negotiations still revolve around interest reduction, leading to narrow margin and higher credit risk. A value-driven approach, incorporating product synergies, cross-entitiy srvices, and risk management is now crucial in the context.

This research examines how RMs can optimize relationship value, taking into account not just interest rate reductions but also a wide range of strategic factors. An effective negotiation framework is more important than ever as corporate banks face a fierce competition in fintechs and regulatory pressures. Using the researcher's experience managing large groups in corporate banking, the research aims to give corporate bankers a decision-making toolkit so negotiations can be more strategic and comprehensive, guaranteeing both profit and long-term relationship. Corporate bankers face the challenge of generating long-term value as lending discussions remain focused on interest rates. However, pricing is no longer the sole evaluation metric. Banks now prioritize total relationship value, including fee income, cross-selling,

and client retention. To achieve greater returns, RMs must master strategic negotiations. The current reliance on rate concessions leads to underpriced risk and narrow margins, a particularly risky practice with complex conglomerates that expect bundled pricing despite varying entity risks. This necessitates a shift to value-driven negotiations that offer cross-entity service alignment and product synergy. Negotiations are strategic decisions requiring RMs to balance multiple factors: trade-offs between profit and longevity, client demands, and bank constraints. Success depends on applying models that consider the broader relationship context, bank leverage, and institutional limits like credit appetite and ESG integration. This is especially critical amid rising competition from fintechs, ESG pressures, and tighter capital regulations like Basel III. Banks must provide frameworks to guide RMs beyond mere rate concessions.

This complexity intensifies when RMs negotiate with large, multi-entity conglomerates, a common scenario in Indonesia. Dealing with numerous subsidiaries, each with different financial conditions and decision-makers, requires sophisticated strategies. This research, informed by firsthand experience managing such corporate groups, seeks to analyze and optimize negotiation strategies. The objective is to provide a practical toolkit for corporate bankers to negotiate holistically, securing both immediate deal outcomes and sustainable long-term relationship value. Bank of Tiongkok Corporation Indonesia (BTCI) is a major financial institution and a key subsidiary of the BTC Group, providing a wide range of banking services to individuals, corporations, and institutions. This study focuses specifically on its Corporate and Institutional Banking (CIB) unit, which delivers specialized financial services to large national, multinational corporate clients, and institutional investors. The CIB unit is central to offering comprehensive solutions, including corporate lending, trade finance, treasury management, and advisory services, helping businesses navigate complex financial landscapes.

The author of this study works within the Group Corporate Department, a division of the CIB unit that manages corporate and institutional clients. This division focuses on building long-term client relationships by offering tailored services that go beyond traditional banking products. These specialized services include structured trade finance, project financing, and financial strategy optimization, supported by advisory services to help clients develop competitive growth strategies. Ultimately, BTCI's CIB unit is dedicated to forging lasting partnerships with its clients by leveraging a combination of global network strength and local expertise. Its core mission is to enhance business operations, optimize cash flow, and mitigate risks through a blend of sophisticated financial solutions and personalized service. By emphasizing strong, long-term relationships, the unit aims to ensure its corporate clients achieve not only their immediate financial objectives but also secure sustainable, long-term market success.

To ensure client satisfaction and sustainable profitability, Relationship Managers (RMs) must evolve beyond traditional, price-focused negotiation. The current environment of narrow margins, regulatory pressure, and demand for customized solutions makes this conventional approach insufficient. While large corporate clients expect competitive rates, they also require complex, value-added services like ESG funding and cash management. The persistent focus on price hinders a bank's ability to diversify revenue and establish itself as a strategic partner. This challenge is magnified when dealing with conglomerates comprising multiple entities with varying risk and financial profiles. RMs struggle to balance relationship profitability with group exposure limits and risk policies across these different entities, all while aligning diverse internal and external stakeholders. A key issue is that RMs often lack the tools for value-based negotiation, preventing proper assessment of fee income, ESG alignment, or structuring options. This often forces them to fall back on conceding on price to close deals quickly, which jeopardizes long-term relationships and diminishes the bank's strategic value. The core challenge, therefore, is empowering RMs to negotiate for the total value of the client relationship, not just the cost of a loan. This thesis aims to address this by exploring how structured negotiation strategies like BATNA and ZOPA can be adapted for corporate banking. These tools can equip RMs to negotiate more strategically, helping to preserve margins, improve deal quality, and secure long-term client retention.

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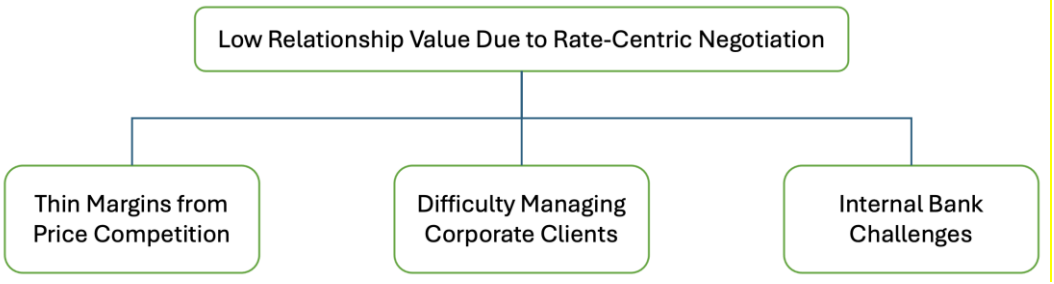

Figure 1. Business Issue Map

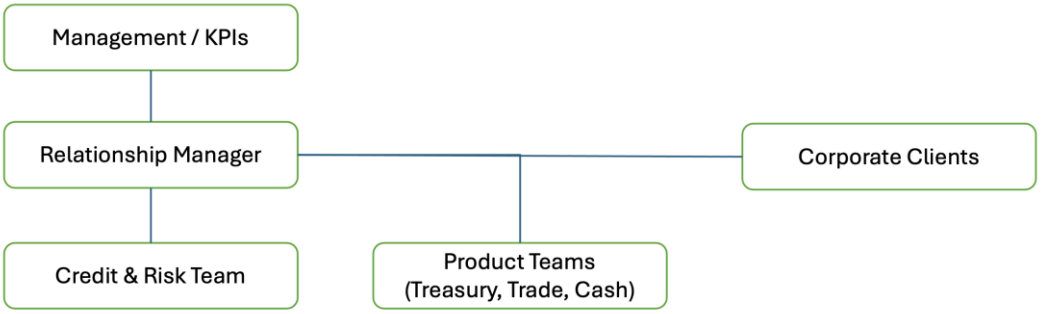

Figure 2. Stakeholder Tension Chart

This research is guided by four core questions aimed at enhancing negotiation practices in corporate banking. It seeks to understand how to structure and evaluate the negotiation process using multi-criteria frameworks like SMART to identify optimal strategies. Furthermore, it will explore what alternative strategies can be developed from the practical insights of Relationship Managers (RMs) and other stakeholders. A key focus is on how RMs can leverage tools like BATNA to strengthen their position and secure favorable terms without damaging long-term client partnerships. The corresponding objectives of this study are to analyze how the SMART framework can guide RMs in evaluating negotiation strategies and to design new strategies based on qualitative insights from interviews. It also aims to evaluate the benefits and limitations of using BATNA in navigating the trade-offs between profitability, risk, and relationship sustainability. Finally, the research will propose concrete enhancements to current strategies by assessing how BATNA, ZOPA, and lessons from past experiences can improve preparation and decision-making for better outcomes.

The scope of this research is specifically defined around the application of BATNA and ZOPA in corporate banking negotiations. It focuses on RMs who handle complex, multi-entity corporate clients and the strategic shift from price-based bargaining to holistic, value-driven negotiations. The study is concentrated on the negotiation process up to the point of a final decision, emphasizing this strategic transformation. Several limitations bound this study. Its focus is exclusively on corporate banking within the Indonesian market, and the findings may not be directly applicable to other financial sectors, geographical regions, or client types like SMEs. Furthermore, the research is confined to the unique complexities of negotiating with multi-entity conglomerates. Methodologically, as a qualitative study relying on interviews and case studies, it may not capture all quantitative aspects of negotiation, and the application of analytical frameworks like game theory is limited by the availability of real-world banking data.

LITERATURE REVIEW

1. Theoretical Foundation

Corporate banking negotiation is a multidimensional process that extends beyond mere price discussions, rooted in key concepts of Relationship Management (RM) and total relationship value. RM involves maintaining and optimizing long-term client relationships by balancing profitability, risk, and satisfaction, while total relationship value encompasses all benefits from a client, including interest income,

fees, and cross-selling potential. The theoretical foundation for this is Strategic Decision-Making Theory, which explains how managers evaluate alternatives and optimize outcomes across multiple objectives (Bloisi et al., 2012). Frameworks like Multi-Criteria Decision Analysis (MCDA) and SMART provide the tools for RMs to systematically weigh the trade-offs between these competing priorities in complex scenarios (Saaty, 1980 : Ward & Hutton, 1994).

Further grounding this study is negotiation theory, which elucidates the cognitive and strategic dimensions of RM-client interactions. The concept of principled negotiation, as introduced by Fisher et al. (2011), is particularly relevant, emphasizing separating people from the problem, focusing on interests, and inventing options for mutual gain. The practical relevance of these theories is supported by empirical evidence; for instance, RMs who employ structured approaches achieve higher profitability and client retention (Lewicki et al., 2016). Similarly, understanding dependence asymmetry helps institutions develop strategies that align incentives across complex client groups (Gulati & Sytch, 2007), while MCDA has been shown to reduce bias and clarify trade-offs, thereby improving negotiation quality (Ward & Hutton, 1994).

The integration of these structured decision-making frameworks and strategic negotiation theories lays a strong foundation for developing practical tools for RMs in Indonesian corporate banking. These theoretical constructs help in identifying key negotiation criteria, assessing critical trade-offs, and formulating solutions that align client expectations with bank objectives. The proposed conceptual framework of this study is built upon this integrated foundation, seeking to combine structural decision-making methods with strategic negotiation approaches. This synthesis is expected to significantly improve negotiation outcomes and enhance long-term value creation for both banks and their clients.

2. Strategic Decision-Making in Corporate Banking

Strategic decision making is fundamental in corporate banking. It is a process in which RMs evaluate alternatives, weigh trade-offs, and choose the best strategies in optimizing client relationships and bank profitability (Andersen & Nielsen, 2018). The process is complex as it involves managing multiple stakeholders, heterogenous client entities, and regulatory constraints. Multi-criteria decision-making framework, such as Simple Multi-Attribute Rating Technique (SMART), provide structured methods to quantify qualitative judgments and compare alternative strategies systematically (Kuo et al., 2019 : Ward & Hutton, 1994).

3. Relationship Management and Negotiation

Balancing client stisfaction with bank objectives, managing lending outcomes and relationship sustainability are corporate RMs duties (Nguyen et al., 2020). Beyond pricing, relationship value cosist of incorporating fee-based income, cross-selling potential, risk alignment, and client loyalty. In this case, effective decision-making framework help guide RMs to consider conflicting interest within conglomerates, identifying strategies that is aligned with stakeholders' diverse expectations while still maintaining bank profitability (Hall et al., 2017).

4. Decision-Making Under Multi-Criteria Contexts

Several criterias are often considered simultaneously in corporate banking negotiations. It involves credit risk, expected revenue, client strategic importance, and operational constraints. RMs can utilize SMART approach in assigning criteria relative weights, ranking options for negotiatoins, and selecting the best strategy to maximize relationship value (Kuo et al., 2019). These tools allow RM to formally evaluate trade-offsm reduce reliance on intuition, and support rational decision-making processes (Ward & Hutton, 1994).

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5. Conceptual Framework

The conceptual framework in this study is based on the intersection of negotiation theory, relationship management, and corporate banking practices. Corporate banking negotiations traditionally revolves around price-related aspects, particularly interest rate margins. The approach is in line with Walton & McKersie (1965) transactional view in their work on distributive bargaining. Parties focus on value division rather than creation, causing competitive pressures and commiditization, reducing differentiation opportunities among financial institutions However, Banks are shifting to a relationship mar keting perspective, making them more focused on long-term value creation than short-term gains. Relationship marketing fosters lasting partnership based on trust, cooperation, and mutual benefit rather than just transaction (Gronroos, 1994). Commitment-Trust Theory popularized by Morgan & Hunt (1994) successful business relationship depends on how the parties involved build mutual trust and commitment, also aligning with a value-driven model.

However, there has been a gradual shift in the banking industry towards a relationship marketing perspective, emphasizing the creation of long-term value rather than short-term gains. Relationship marketing is not just about transactions. It fosters lasting partnership based on trust, cooperation, and mutual benefit (Gronroos, 1994). Morgan & Hunt (1994) in their Commitment-Trust Theory stated that successful business relationships are dependent on how the parties build mutual trust and commitment. This also aligns with a value-driven negotiation model. In the shift toward relationship marketing, RMs act as the anchor, bridging the gap between bank's goals and client's demands (Crosby et al., 1990). They are expected to discuss pricing, as well as identifying client needs, designing financial solutions, and provide cross-selling opportunities so they can support value co-creation process (Vargo & Lusch, 2004). By doing so, both bank and its client benefit from engaging deeper. The shift in negotiations from price-focused to value-driven desires an outcome of improved negotiation strateiesy. It should reflect a trend in financial service industry, where banks differentiate themselves not just buy pricing but also by their ability to embed themselves to client's value chains (Storbacka, 2019).

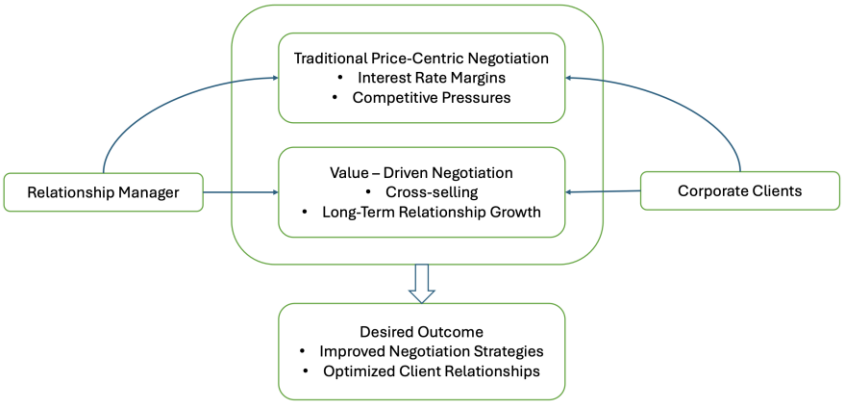

Figure 3. Conceptual Framework

METHOD

This chapter explains the methodology used to examine corporate banking negotiation processes, focusing on possible optimization of decision-making and sustainable value creation by Relationship Managers (RMs). The methodology outlines the research design, data sources, sampling, data collection techniques, and data analysis methods. The study emphasizes understanding the negotiation process, designing alternative strategies, and identifying ways to improve current negotiation practices.

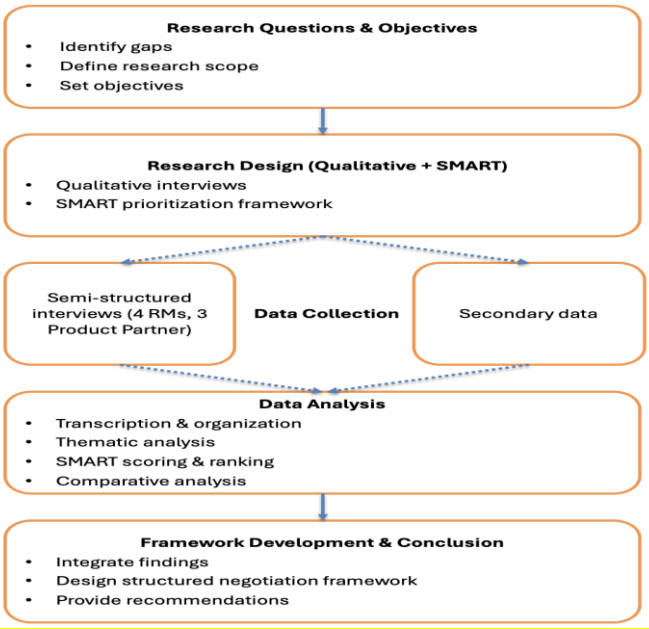

Figure 4. Research Design

The data collection for this study focuses on key stakeholders in corporate banking negotiations within BTCI's CIB Unit. The primary participants are approximately four Relationship Managers (RMs) who directly handle complex, multi-entity corporate clients, selected for their firsthand experience. To gain diverse perspectives, other stakeholders like senior managers may also be purposively selected for interviews. The primary data is gathered through semi-structured interviews with RMs, which are designed to explore existing negotiation practices, challenges, and the trade-offs between client satisfaction, profitability, and risk. This qualitative approach is supplemented with secondary data from BTCI's internal reports on client portfolios and negotiation outcomes, as well as relevant journal articles and industry publications, ensuring a comprehensive view that combines individual insights with institutional context (Bell et al., 2022).

The data analysis follows a systematic, multi-stage process to interpret the information from interviews and secondary sources. Initially, interviews are transcribed and organized thematically, while secondary data is categorized to support the primary findings. A qualitative thematic analysis is then conducted to identify recurring patterns and key themes, such as negotiation criteria, decision-making processes, and stakeholder alignment, focusing on consensus and critical pain points in current practices (Braun & Clarke, 2006). To add a structured, quantitative dimension, the SMART (Simple Multi-Attribute Rating Technique) approach is applied to prioritize negotiation strategies by scoring, weighting, and ranking criteria based on their importance, feasibility, and impact, as supported by decision-analysis literature(Ward & Hutton, 1994).

The final stages of analysis involve a comparative evaluation and synthesis to develop a practical framework. Insights from the interviews are compared against existing negotiation practices to identify gaps and opportunities for improvement. The findings from the thematic analysis and the SMART prioritization are then integrated to formulate a structured negotiation framework. This final output is designed to guide RMs in making more strategic, value-driven decisions when managing complex corporate client relationships, ultimately aiming to enhance negotiation outcomes.

RESULTS AND DISCUSSION

This chapter details the findings of a qualitative research study designed to investigate corporate banking negotiations that extend beyond a sole focus on interest rates. To fully capture the negotiation environment at BTCI, the study gathered perspectives from two key participant groups: four client-facing Relationship Managers (RMs), who are responsible for relationship profitability and direct negotiation execution, and three Product Partners from Cash Management, Treasury, and Trade divisions, who provide expertise on product design and non-rate value creation. The inclusion of these two distinct professional

viewpoints was essential for developing an integrated understanding of corporate client negotiation practices. This approach allowed the research to construct a comprehensive picture of how value is built, flexibility is managed, and cross-functional collaboration is achieved during the negotiation process.

1. Data Analysis

The analysis sub-chapter here has the goal of identifying negotiation strategies other than interest rate adjustment and acting as a basis of generarting alternative approach so total relationship values can be enhanced, aligning with bank's goal of profitability, and strengthening client stickiness. A thematic analysis is used to transcribe and analyze interview data. Response coding and clustering was done into categories aligned with the study's conceptual framework. It focuses on BATNA, ZOPA, Relationship Value, and Two coding matrices were developed, one for RMs and one for Product Partners. The coding matrices used for RMs focuses on client behavior in negotiation and relationship dynamics while the product partners' emphasizes on product proposition, income metrics, and flexibility boundaries.

Table 1. Relationship Manaager Response

Question	Peter	Eddie	Julia	Frida	Emerging Theme
Q1. Non-pricing factors in negotiation	Focus on total relationship return; accepts short-term loss to gain cross-entity opportunities.	Focus on terms & conditions alignment between bank and client.	Considers risk, return, and cross-selling opportunities (fees, M&A, DSRA).	Considers product penetration, ESG angle, and risk balance.	**Value Beyond Pricing**
Q2. Interest rate reliance and pressures	High rate sensitivity, but differentiates through capabilities and execution.	Frequent rate pressure driven by KPIs and client expectations.	Strives to maintain minimum margin despite client pressure.	Notes macroeconomic and internal KPI influence; rate wars common.	**Rate-Centric Pressure**
Q3. Managing trade-offs in conglomerates	Uses internal subsidy logic; balances group profit via entity trade-offs.	Willing to sacrifice interest rate for long-term relationship.	Relies on account planning to justify trade-offs.	Emphasizes relationship value and long-term cross-entity benefit.	**Strategic Trade-Offs and Internal Subsidy**
Q4. Non-price concessions by competitors	Competitor threat = speed and credit flexibility.	Competitor advantage = flexible policy and faster execution.	Emphasizes stickiness and relationship continuity.	Highlights unique product capability competitors might offer.	**Non-Price Differentiation**
Q5. Internal walkaway/BATNA logic	Policy-based walkaway but compensates with fee-based products (FX, advisory).	Internal policy & KPI define walkaway; dual lens: commercial vs. non-commercial.	Credit rating threshold (BB–); may mitigate via cash management insight.	Focus on product differentiation and policy compliance.	**Policy-Based BATNA**
Q6. Non-price factors expanding ZOPA	Digital trade, partnership, certainty of delivery.	Unique capability or product others can't match.	Favorable terms & conditions; flexibility for clients.	Service quality and responsiveness.	**Expanding ZOPA via Capability & Service**

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Q7. Criteria for maximizing relationship value	Credit risk, profitability, and strategic alignment.	Potential return, policy alignment, revenue opportunity.	Credit quality, profitability, and strategic importance.	Credit risk, strategic importance, profitability.	**SMART Decision Logic**
Q8. Product partner contributions	Timeliness and information sharing strengthen leverage.	Strong product knowledge & client insight reduce pricing war.	Stickiness & ongoing engagement from product partners.	Service and responsiveness as top differentiators.	**Cross-Functional Collaboration**

Table 2. Product Partner Response

Question	Cash (Edwin)	Treasury (Yoshi)	Trade (David)	Emerging Theme
Q1. Value proposition beyond pricing	Emphasizes digital automation, operational efficiency, and implementation excellence with strong after-sales service.	Provides market analytics, timing advisory, and strategic execution support.	Focuses on client-specific solutions, competitive differentiation, and leveraging weaknesses of other banks.	**Value Differentiation Through Service and Advisory** – Product teams emphasize efficiency, insight, and service quality as primary sources of value beyond interest rates.
Q2. Metrics for high-value clients	Prioritizes NII and NFI contribution; open to pricing flexibility if income justified.	Measures success via transaction volume and hedging exposure (Value Added per transaction).	Uses RORWA and complexity-based fee metrics (Structured vs Core Trade Solutions).	**Revenue Contribution and Risk-Based Flexibility** – Divisions use financial contribution and risk-adjusted metrics to define valuable relationships.
Q3. Source of client stickiness	System integration and customized solutions create high switching barriers.	Access to market networks and large open position limits make clients dependent.	Structured solutions (SCF, Receivables Finance) create long-term dependency.	**Stickiness Through Complexity and Capability** – Complexity and integration yield client loyalty and reduce rate sensitivity.
Q4. Cross-selling challenges	RMs lack product confidence or technical understanding.	RMs often lack detailed product knowledge and client-need alignment.	Improved via RM scorecards but still requires relationship coaching.	**Cross-Selling Capability Gap** – Product success depends on RM product literacy and aligned incentives.

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Q5. Success metrics for division	Division success = high deposit balances, transaction volume, and fee income.	Success = winning mandates and generating VA (Value Added) profits.	Success = strong RORWA impact, sizeable deal volumes, and social/impact value stories.	**Performance Linked to Division Income & Impact** – Each product defines mandate success by both revenue and qualitative client outcomes.
Q6. Articulating long-term value	Complex, customized systems increase stickiness and reduce sensitivity.	Goal is to remain the "go-to bank" through service consistency.	Ecosystem advantage — trade connects client's suppliers/customers, making exit difficult.	**Long-Term Value via Embedded Ecosystems** – Client integration across value chains enhances retention and partnership depth.
Q7. Successful non-rate levers	Process automation and international network coordination.	Advisory and market guidance lead to deals despite weaker pricing.	Structured Trade (SCF, Receivables Finance) wins through customization, simplicity, and documentation speed.	**Non-Price Levers: Customization, Advisory, and Network Advantage** – Competitive edge achieved through tailored solutions and execution agility.

2. Thematic Analysis

The interview thematic analysis summary highlights four dominant emerging thems. Each theme is a core aspect in negotiation dynamics in the context of corporate banking that exist beyond interest-rate discussions. Together, it they reflect the shifting paradigm of negotiation from price-led to value-driven. Collaboration, knowledge integration, and long-term client stickiness act as the competitive advantage primary source.

Table 3. Thematic Analysis Results

Theme	Description	Evidence From Interviews	Interpretation
1. Beyond Pricing Logic: Shifting from Rate-Centric to Value-Based Negotiation	RMs and Product Partners emphasize that negotiation success depends on demonstrating value through solutions, capability, and execution excellence rather than pure rate cuts.	"Clients value our ability to execute and provide customized solutions more than just pricing" – *Peter (RM)* "We focus on efficiency, automation, and implementation support" – *Edwin (Cash Management)*	Indicates a strategic shift toward capability-based competition and solution selling as differentiators in corporate banking.
2. Client Stickiness and Relationship Capital	Long-term client loyalty stems from service reliability, system integration, and ecosystem linkages rather than interest rates.	"Responsiveness and trust keep clients coming back" – *Frida (RM)* "Integration creates switching barriers" – *David (Trade)*	Client retention is sustained through relationship embeddedness, not transactional pricing; highlights the value of service quality and ecosystem depth.
3. Risk–Return Alignment and Strategic Trade-Offs	RMs balance short-term profitability with long-term group relationships, while Product Partners focus on risk-adjusted returns (RORWA, NFI).	"We sacrifice margin today to gain group business tomorrow" – *Julia (RM)* "Structured trade yields better RORWA than loans" – *David (Trade)*	Negotiation decisions are guided by portfolio-level optimization and return on relationship rather than single-deal returns.
4. Cross-Functional Coordination and Knowledge Integration	Limited RM product knowledge and weak collaboration with Product Partners hinder integrated value propositions.	"RMs hesitate to offer complex products" – *Yoshi (Treasury)* "Better joint planning improves negotiation leverage" – *Edwin (Cash Management)*	Calls for stronger internal collaboration, shared expertise, and knowledge management to enhance negotiation capability.

SMART framework was used to prioritize themes identified through qualitative so that each negotiation factor now has established relative significance. By doing so, the solution, particularly the Strategic Negotiation Framework and Relationship Value Scorecard were grounded in an objective priority rather than subjective interpretation.

3. Cross Comperative Analysis

A comparative analysis was conducted between the responses of Relationship Managers (RMs) and Product Partners to identify both shared and conflicting viewpoints, providing a deeper insight into corporate banking negotiation dynamics. This comparison highlighted two distinct perspectives on the same negotiation environment: one from the client-facing side and the other from product specialization. The analysis revealed significant points of convergence between the two groups. They shared a strong consensus that effective negotiation today depends more on creating multidimensional value than on

adjusting interest rates. Specifically, both sides rejected a purely rate-centric approach, emphasizing that sustainable deals are built on non-price factors like superior service and product capability. They also agreed that long-term trust and operational reliability are key differentiators, and that successful outcomes require aligning client needs with the bank's internal policies on risk and profitability. Despite these agreements, notable divergences were apparent. The primary difference lies in focus and incentives; RMs are driven by overall portfolio profitability and long-term client relationships, while Product Partners prioritize specific product metrics, which can create tension in joint deals. A significant knowledge and communication gap also exists, with Product Partners noting RMs' lack of deep product understanding, and RMs feeling that partners are not involved early enough in deal structuring. Furthermore, their perception of value creation timing differs, with RMs focused on long-term client development and Product Partners assessing success based on short-term financial performance. These divergences reveal a critical need for a more integrated operational model. To bridge these gaps, a framework that enables both units to co-develop client strategies is essential. This would require mechanisms for shared data, early engagement in the negotiation process, and unified value metrics that align the incentives of both RMs and Product Partners towards common goals.

4. Analytical Output

The cross-case comparison results in uncovered patterns that are organized into eight main analytical points of how RMs and Product Partners collaborate at BTCI. These points showed that those units often agree on relationship value, client stickiness, cross-seling. However, they also have a different view in flexibility, profitability, and client focus. Each point bridge the gap between interview findings and theories about negotiation, knowledge-sharing, and relationship value. They show how client strategy, risk, and product innovation are deeply linkedin corporate banking. The Simple Multi-Attribute Rating Technique (SMART) was used to weigh the importance of each point. This method prioritize which negotiation factors matters most based on their impact on relationship value, profitability, and strategy. These scores provided a data-driven link from the previous analysis to business solution.

Based on the SMART analysis, Relationship Value Creation emerges as the most critical factor in corporate banking negotiations, carrying the highest weight of 30%. This indicates that the long-term strength of the partnership, built on trust and client loyalty, is deemed more important than immediate financial gains. Its top score of 5 confirms that it is not just a priority in theory but is also highly achievable and impactful, directly guiding managers to focus on strategies that enhance client stickiness beyond just price discussions. The overall evaluation reveals a balanced strategic framework where profitability and risk management, with combined weights of 45%, remain vital for ensuring sustainable and compliant returns. However, the high cumulative score of 4.4 out of 5 demonstrates that a successful negotiation strategy is not dominated by a single factor. Instead, it requires a synergistic approach that prioritizes long-term relationship value while diligently managing financial returns, credit risk, and strategic alignment, with service quality acting as a key differentiator to secure a competitive edge.

5. Business Solution

Based on the analysis of negotiation practices, this study identifies a critical gap between the short-term use of pricing tactics and the strategic goal of value-driven negotiations with large conglomerates. To bridge this divide, a comprehensive business solution is proposed, structured around three integrated pillars designed to enhance negotiation effectiveness, relationship profitability, and internal collaboration. These pillars are derived from a SMART analysis and consist of a Strategic Negotiation Framework to embed a multi-dimensional logic, a Relationship Value Scorecard to quantify non-price factors, and a Cross-Functional Knowledge Hub to institutionalize collaborative practices. The cornerstone of this solution is the Strategic Negotiation Framework (SNF), which is designed to systematically replace BTCI's price-focused model with a value-based approach. This framework operationalizes "Beyond Pricing Logic" by mandating structured preparation, internal alignment, and post-deal learning for every negotiation. Grounded in the 3D Negotiation Theory (Lax & Sebenius, 2006), the SNF asserts that success is not merely a function of table tactics but is equally dependent on the careful design of the deal and the setup of the

negotiation process itself. Consequently, it requires Relationship Managers and Product Partners to collaboratively construct agreements that optimally balance price, risk, and long-term relationship value.

Strategic Negotiation Framework

Based on the analysis, it is evident that effective negotiation at BTCI requires a multi-dimensional approach that moves beyond mere table tactics. The common barriers identified, such as poor product knowledge and an overemphasis on interest rates, reveal that focusing solely on the first dimension (Tactics) is insufficient for creating sustainable value. True success is hampered when the substance of the deal and the environment in which it is negotiated are not strategically managed. Therefore, a strategic shift is necessary, integrating all three dimensions. While improving interpersonal coordination is important, the greatest gains will come from proactively designing deals that bundle products to create joint value (Deal Design) and, crucially, from shaping the negotiation scope and securing internal alignment long before formal talks begin (Setup). By mastering this holistic 3D framework, BTCI can transition from reactive price discussions to proactive, value-creating partnerships.

RMs using Strategic Negotiation Framework below can execute deals and build relationships. Product partners also provide technical expertise which create consistent process for preparing, collaborating, and reviewing negotiations. The framework ensures every client interaction pays off in the long-run value creation. Based on the framework, it is clear that successful negotiation is a structured process that begins long before and continues after the actual discussion with the client. The initial Preparation and Setup phase is critical for building a unified internal position and a strong BATNA, ensuring the bank does not enter negotiations from a position of weakness. This foundational work then enables the Deal Design phase, where multi-dimensional offers are constructed to expand the ZOPA and shift the client's focus away from price alone. The subsequent phases ensure that the prepared strategy is effectively implemented and refined for the future. During Negotiation Execution, the use of data-driven proposals helps maintain pricing discipline and secure client agreement. Finally, the Post-Negotiation Review closes the loop by institutionalizing the lessons learned, transforming individual deal experiences into a reusable organizational asset. This cyclical process ensures continuous improvement and a more strategic, value-focused approach to all client negotiations.

Relationship Value Scorecard

The Relationship Value Scorecard is a tool that works with SNF. Its job is to measures and monitor whether the negotiation outcomes are actually contributing to long-term client value. It turns qualitative relationship management to quantifiable data. The scorecard is based on Kaplan and Norton's Balanced Scorecard (1992), a well-known model to track strategic performance. The scorecard adapted the original focus of four perspective of financial, customer, internal process, and learning and growth to fit corporate banking. In the adapted model sustainable success depends on balancing profitability and relational capital.

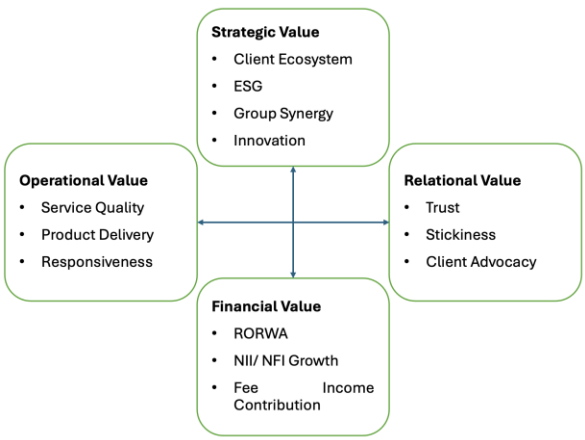

Figure 5. Four Quadrant Relationship Value Scorecard

At BTCI, RVS paint a complete picture of performance. It judges not only profit but also scores on client satisfaction, strategic goals, and how well was the execution. This way, RMs and Product Partners are recognized for building lasting relationship rather than just a simple sale.

Table 4. Relationship Value Scorecard Framework

Perspective	Key Metrics / Indicators	Illustrative Data Source	Intended Outcome
Financial Value	RORWA, NII/NFI growth, cost of funds efficiency, wallet share	Loan and income dashboards, performance MIS	Optimize total relationship profitability and capital utilization
Relational Value	Client stickiness, satisfaction score, cross-sell ratio	Client feedback, RM reviews, CRM data	Strengthen long-term trust and client loyalty
Strategic Value	Multi-entity penetration, ESG alignment, ecosystem collaboration	Account planning reports, ESG trackers	Reinforce BTCI's position as the preferred group-wide banking partner
Operational Value	Service quality, response time, implementation success, internal collaboration	CRM service metrics, AAR reports	Improve delivery consistency and coordination across functions

Cross-Functional Knowledge Hub

Cross-Functional Knowledge Hub is the third part of the business solution, designed to make collaboration between RMs and Product Partners a culture. While SNF provides the procedure for negotiationas and RVs tracks success, CKFH ensures that team's collective knowledge and best practices are continously shared and improved upon across BTCI Corporate Banking. The interviews uncovered a clear problem: while RMs and Product Partners acknowledge how it is important to collaborate, a lack of a structured way to share knowledge leads to wasted efforts and mixed message for clients. CKFH solves this by creating central platform, both digital and behavioral, to create, store, and share knowledge based on Nonaka and Takeuchi's SECI mode of knowledge conversion (socialization, externalization, combination, internalization)

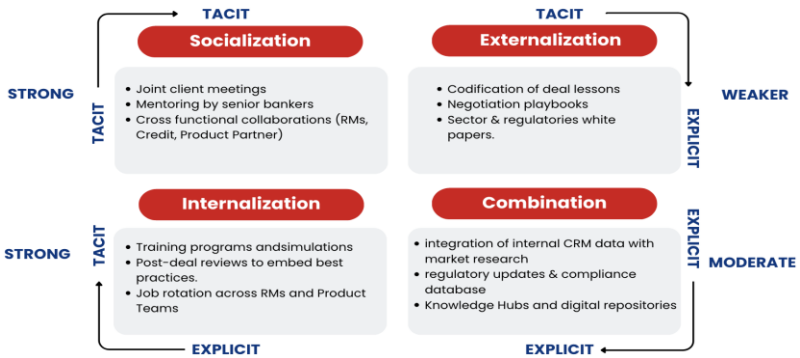

Figure 6. SECI in Corporate Banking

In practical terms, the CFKH transforms tacit insights from negotiation experiences into explicit knowledge assets, templates, case notes, and best-practice guides, that can be reused by other teams. This reduces negotiation asymmetry, accelerates deal preparation, and improves cross-product coordination. The implementation of the Cross-Functional Knowledge Hub (CFKH) is structured through a detailed, multi-phase roadmap designed to fully integrate it into BTCI's operational fabric. This plan outlines specific steps, assigns ownership, and establishes a timeline to bring the hub to life, ensuring it becomes a central part of the bank's workflow rather than a standalone initiative. The rollout begins with a foundational Design and Alignment phase to establish governance and technical setup within the first three months. This is followed by a Pilot and Rollout phase targeting specific client segments to test and refine the system. The subsequent Institutionalization phase embeds the hub into performance metrics and regular business routines, ensuring sustained use. Finally, the Continuous Enhancement phase focuses on leveraging advanced analytics to measure impact and perpetually refine the system based on its effect on client profitability and deal success.

Table 5. Implementation Roadmap

Phase	Project Plan	Months												
		1	2	3	4	5	6	7	8	9	10	11	12	12+
Phase 1	Design and Alignment													
Phase 2	Pilot and Rollout													
Phase 3	Institutionalization													
Phase 4	Continuous Enhancement													

The Cross-Functional Knowledge Hub (CFKH) serves as BTCI's shared guidebook, institutionalizing learning to create a competitive advantage by transforming individual experience into collective organizational knowledge. This system connects teams and processes, leading to improved negotiation preparedness, faster cross-product deal design, and a enhanced client perception of BTCI as a unified partner. Ultimately, the CFKH elevates the entire bank's capability by fostering a cultural transformation from siloed operations toward sustainable, shared value creation in every client relationship.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the analysis conducted, this study concludes that negotiation in corporate banking is a complex process that extends far beyond mere interest-rate competition. Both Relationship Managers and Product Partners agree that true, sustainable value is cultivated not through lowering prices, but through enhancing relationship efficiency and profitability. The findings indicate that client loyalty and long-term value are primarily driven by successful cross-selling initiatives, the delivery of high-quality service, and effective digital enablement, moving the focus from transactional costs to holistic partnership benefits. The research further demonstrates that employing structured decision-making frameworks significantly enhances the quality and consistency of negotiations. Evidence from the analysis shows that using multi-criteria tools allows RMs to assess trade-offs between profitability, risk, and client importance more objectively. This systematic approach ensures that their decisions are consistently aligned with the bank's overarching financial goals and internal policies, leading to more disciplined and strategic outcomes.

Moreover, the application of established negotiation concepts like BATNA (Best Alternative to a Negotiated Agreement) and ZOPA (Zone of Possible Agreement) strengthens negotiation discipline and resilience. The study found that when RMs operate with clear, policy-backed boundaries, they are better equipped to protect the bank's profitability without damaging client relationships. By defining these parameters in advance within the Strategic Negotiation Framework, RMs are empowered to know when to walk away and how to create more room for mutually beneficial agreements. A critical enabler of value identified in this study is cross-functional collaboration. Insights from interviews revealed that the most successful negotiation outcomes are achieved when RMs work in deep partnership with specialists from treasury, trade, and cash management teams. The proposed Cross-Functional Knowledge Hub (CFKH) is designed to make this collaboration a standard practice, thereby ensuring that client strategy is seamlessly

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connected with product innovation and sound credit governance. Finally, the study concludes that institutional learning is key to transforming negotiation from an individual skill into a core organizational capability. By implementing mechanisms like the Relationship Value Scorecard (RVS) and the CFKH, the continuous feedback from every negotiation can be captured and standardized. This process makes learning measurable and transferable across teams, ultimately elevating the entire bank's negotiation prowess and ensuring that strategic value creation becomes a sustained, company-wide competitive advantage.

Recommendation

Based on the findings of this research, it is recommended that BTCI formally institutionalize the Strategic Negotiation Framework across its corporate banking operations. Standardizing this approach will ensure that every negotiation systematically integrates critical phases of setup, deal structuring, and execution. Embedding SMART logic into this framework will empower Relationship Managers to make more objective decisions, establish clear BATNAs and ZOPAs from the outset, and develop proposals that effectively balance the bank's risk appetite with the imperative of sustaining valuable client relationships. To complement this structured process, the implementation of the Relationship Value Scorecard is advised to serve as a comprehensive performance compass. Moving beyond traditional profit metrics, this scorecard should evaluate the total value of a client relationship by incorporating indicators of client loyalty, service quality, and strategic importance. Integrating these RVS metrics into RM dashboards and key performance indicators will incentivize behaviors and decisions that prioritize sustainable, long-term value creation over short-term pricing concessions.

Furthermore, the establishment of a Cross-Functional Knowledge Hub is critical for fostering continuous organizational learning. This digital platform would bridge the gap between RMs and Product Partners by archiving negotiation cases, lessons learned, and best practices. By facilitating activities such as "Negotiation Review Forums" and leveraging integrated CRM analytics, the hub would create a powerful institutional memory, ultimately transforming expert negotiation from an individual skill into a standardized organizational capability. The conceptual frameworks developed in this study—the Strategic Negotiation Framework, the Relationship Value Scorecard, and the Cross-Functional Knowledge Hub—also hold significant potential for application beyond the banking sector. Any B2B industry where multi-stakeholder coordination and long-term client relationship management are crucial, such as healthcare, energy, logistics, and telecommunications, can adapt these tools to enhance their own negotiation strategies and partnership outcomes. In conclusion, this research provides a practical blueprint for translating negotiation science into actionable strategy for banks and other complex organizations. The synergistic combination of structured decision tools, relationship value metrics, and mechanisms for shared learning charts a clear path toward forging more valuable and resilient partnerships, fundamentally shifting the focus from transactional price bargaining to strategic value co-creation.

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