

National Distilleries Corp.: An M&A Negotiation Role Play - General Instructions



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**** Presentation Outline ****

- * Issues, negotiation process, and parties objectives**
- * Define interests, resistance points, and alternatives**
- * Assess constituencies and social context of negotiations**
- * Protocol for the negotiation**
- * Methods to prevent potential negotiation impasses**
- * Methods to manage potential impasses**
- * Conclusion**

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KEY STEP IN THE PLANNING PROCESS

GOALS



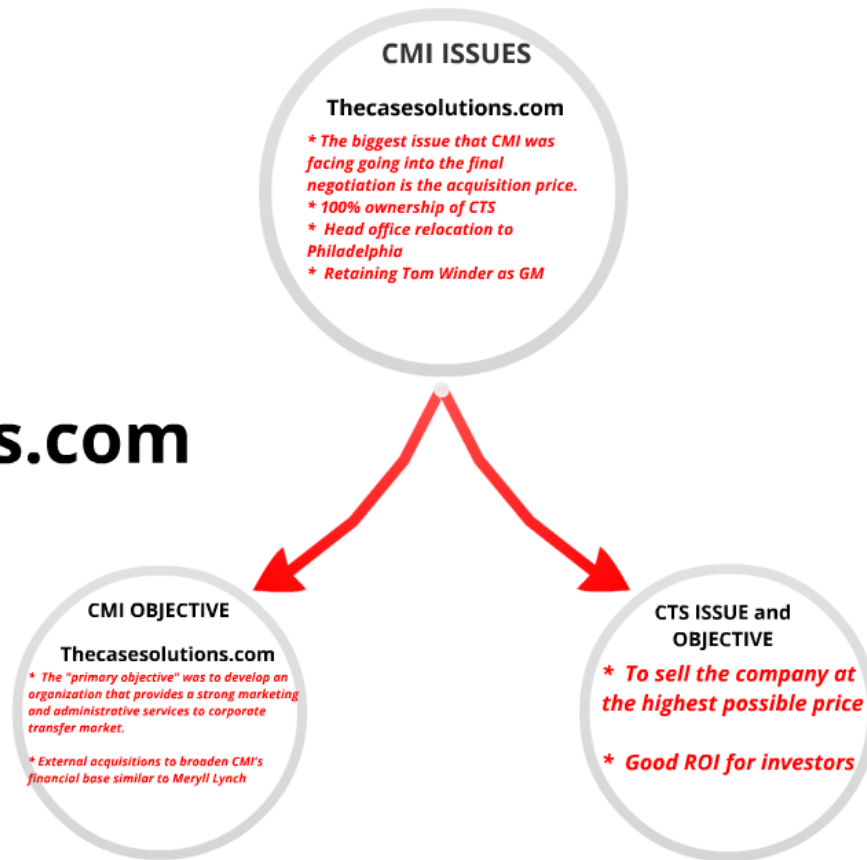
STRATEGY



PLANNING

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Issues and Parties Objectives



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CMI ISSUES

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- * The biggest issue that CMI was facing going into the final negotiation is the acquisition price.*
- * 100% ownership of CTS*
- * Head office relocation to Philadelphia*
- * Retaining Tom Winder as GM*

FLOW OF NEGOTIATION: STAGES & PHASES

- Beginning or Initiation Phase**
- Middle Phase (Bargaining or Problem Solving)**
- Closing or Resolution Phase**

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7 KEY STEPS TO AN IDEAL NEGOTIATION PROCESS:

- * Preparation**
- * Relationship building**
- * Information gathering**
- * Information using**
- * Bidding**
- * Closing the deal**
- * Implementing agreement**



CMI OBJECTIVE

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- * The "primary objective" was to develop an organization that provides a strong marketing and administrative services to corporate transfer market.*
- * External acquisitions to broaden CMI's financial base similar to Meryll Lynch*