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Offer Negotiation Tips and Best Practices

The Maroon Advantage

TOOLKIT
Offer Negotiation Tips and Best Practices

Educating yourself so you know your value in the job market is crucial. In this section we'll cover negotiation techniques for salary, and other tangibles that have worth in the career world. The goal is to help you understand and identify what you want and need when offered a position and provide you with a solid technique so you can ask for it.

Being Well Prepared with Industry Salary Data so You Know Your Value in the Market

Taking control of your job search before your job offer and conducting smart research that takes into account more than just financial considerations can definitely impact your career happiness. Almost everything is negotiable from performance reviews to vacation time, flexible scheduling, and of course, salary. The bonus is on you to negotiate for what will make you most happy on the job but first you need to know the basics.

As a strong negotiator, you must gather information, plan your approach, consider different alternatives, communicate clearly and specifically, and make decisions to reach your goal. You must understand your strengths and resources and be able to respond to the needs of your employer.

There are factors that will affect your power in the negotiation process. For example, in a tough economy, salary may not be as negotiable as a flexible schedule or vacation time, so you must do your research and have multiple options to negotiate.

Business Climate Factors
- Overall state of the economy and the industry in which you compete
- Overall unemployment rate and the general employment picture
- Demand for industry - and profession-specific knowledge and skills

Company Factors
- Profitability
- Position in the business cycle (startup, growing, stable, turnaround)

Hiring Manager Factors
- Urgency of the company’s need to fill the position
- Decision-making authority
- Staffing budget
Candidate Factors

- Other opportunities in addition to the job offer
- Technical expertise, unique knowledge/skill set, experience, education
- Resources (financial depth, networks, client base, etc.)
- Level of competition/availability of other candidates
- Career risk of the job offer

Many large organizations post their benefit packages and salary ranges online. You can also get salary data from online resources like the Salary Calculator. Salaries for the same position in the same organization can differ based on geographic region and cost of living, so it’s imperative to do research in advance.

You should go into your interview with a researched salary range for the position but typically salary is not discussed until an offer is extended. Get as much information as you can up front and using both the company’s published and unwritten signals - map your skills against what the company values so you are ready to negotiate when the time comes.

Understanding Negotiation Techniques So you Can Be in Control during the Salary Discussion

Timing is very important. The best time to negotiate is after a serious job offer has been made and before you have accepted it. Once you have reviewed the written offer, you can express interest and enthusiasm but ask for time to consider the offer. You should never accept a job offer on the spot and should always take time to digest the details and strategize for your negotiation. Resist making an impulsive decision - if they really want you, they will give you time to consider the offer. Remember, a job offer is not official when just extended verbally – you must get your offer in writing!

Any salary gain you make in the negotiation process at the start adds up. Raises are often a percentage of your salary, in which case a higher initial salary will mean larger and larger raises down the line. You deserve to negotiate and employers expect you to so understand that negotiation is a normal part of getting a new job. You must be your own best self advocate!

Be prepared with a justification for everything you negotiate to strengthen your position. Counter negotiations are an expected part of many negotiations, so be sure to remain flexible. Different companies can give negotiations more or less latitude. Smaller organizations may be more flexible than large, bureaucratic companies. Unionized companies usually have very little room for individual negotiations.

Negotiations are not about forceful tactics or win/lose scenarios. It is a two-way process where you and your prospective employer are each trying to get something you need. You are both designing the terms of a transaction so each of you will receive the maximum benefit from the final agreement. Remember, a good hiring manager will always try and get the best candidate for the least amount of money – that makes good
business sense, so don’t take it personally. It’s your responsibility to illustrate why your education, skills, and experiences are valuable to your prospective employer.

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It’s best to write down your negotiation requests and present them face-to-face, or by phone to your hiring manager in a scheduled meeting. Your terms could be accepted immediately, denied, or countered. If your terms are accepted then be sure to ask for a new written offer that illustrates the negotiated items. If a

Recognizing Other Negotiable Factors and How to Ask for Them

Negotiable things include: salary, start date, work schedule, moving expenses, early performance review (for an early bonus or secured employment), paid time off, bonuses, flex time, geographic location (e.g., the Chicago office rather than New York), stock options, use of a company car, and training or education assistance. Health plans and retirement plans are not negotiable. Employers arrange these for the entire company and generally cannot make any individual changes or exceptions.

Be realistic and positive. Asking for more money or a flexible start date is fine, but asking for unreasonable things in an unprofessional way makes a bad impression.

Explain your reasoning. Don’t ask for more compensation without proper justification. If your research shows average salary for similar entry-level employees to be higher than what you are offered or if you feel you have something unique and concrete (like technical certification or years of experience), say so with confidence. When negotiating, be sure to supply your prospective employer with a written version of your request in addition to the conversation.

Express your appreciation for the offer and behave diplomatically. Even if you do not succeed in getting better compensation, you can leave a positive impression on your future employer and that is priceless. You must know what your bottom line is because you don’t want to lose the offer but you also don’t want to sell yourself short.

Use the Job Offer Matrix on the next page as a decision-making tool when comparing multiple job offers. You may find it helpful to prioritize the importance of the items listed before you begin the employer comparisons. Keep in mind all of these factors may not be applicable but it will help you to begin thinking about your personal job values and what is negotiable in some organizations.
Use the matrix below as a decision-making tool when comparing multiple job offers. You may find it helpful to prioritize the importance of the items listed before you begin the employer comparisons. Keep in mind all of these factors may not be applicable but it will help you to begin thinking about your personal job values.

### Job Offer Comparison

In the “My Needs” column, weigh the criteria on a scale from 1 to 10 (1 = least important, 10 = most important) to determine your value for each factor. Next, on a scale from 1 to 10, weigh how well each company satisfies each of the criteria. Finally, total the columns. The higher the score, the closer the company comes to matching your needs.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>My Needs</th>
<th>Employer A</th>
<th>Employer B</th>
<th>Employer C</th>
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</thead>
<tbody>
<tr>
<td>Career &amp; Professional Factors</td>
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<td>Accountability/Adequacy of Staff</td>
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<td>Title – Job Level</td>
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<td>Promotion/Personal Growth Potential</td>
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<td>Decision Making Authority</td>
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<td>Type of Work/Use of Talents &amp; Skills</td>
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<td>Billable Hours</td>
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<td>Firm/Organization Factors</td>
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<td>Size of Firm/Organization</td>
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<td>Company/Industry History</td>
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<td>People Who Work There</td>
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<td>Characteristics/Values</td>
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<td>Management Style</td>
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<td>Other</td>
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<td>Personal Factors</td>
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<td>Compensation Base</td>
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<td>Bonus</td>
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<td>Benefits (Pension, Insurance, Vacation)</td>
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<td>Perks</td>
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<td>Geographic Location</td>
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<td>Travel Requirements</td>
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<td>Commuting Requirements</td>
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<td>Special Expenses (Relocation, Commuting)</td>
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<td>Work/Life Balance</td>
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<td><strong>Total Scores</strong></td>
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Compensation and Benefits

Here is a list of possible elements included in an employer’s overall salary and benefits packages. Consider these items when evaluating job offers. Mark A, B, or C next to relevant items to indicate your priorities. Note that many of these elements may not be applicable to entry-level positions, or to your industry.

(A = highest, C = lowest)

**COMPENSATION**
Base Salary
Bonus Incentive
Bonus Money in lieu of benefits

**BENEFITS**
**Insurance Programs**
Medical
Dental
Vision
Life
Long-Term Disability

**Financial Programs** Stock Options
Company Paid Pension
Immediate Vesting of Pension
Matching Investment/Profit Sharing
Long-Term Disability Thrift Plan
Other

**Educational Programs**
Tuition Reimbursement
Leadership/Management Development
Education/Training Expenses
Professional Association Membership
Subscriptions
Personal Days
Vacation
Holidays

**PERKS**
Expense Account
Company Car
Commuting Allowance
Parking Reimbursement
Free Lunches

**RELOCATION EXPENSES**
House Hunting Trips
Apartment/House Location Assistance
Moving Costs (Direct or Percentage)
Travel Costs
Temporary Housing
Getting Settled Expenses
Higher Cost of Living Subsidy

**EMPLOYEE SERVICES**
Employee Assistance Program
Annual Physical Exam
Discount on Purchases
Computer Equipment

**STATUS & LIFESTYLE PERKS**
Country Club
Health Club
Airline VIP
Frequent Flyer
Use of Company Apartment
Premium Hotel Accommodations
Executive Dining Room
Spouse’s Travel Expenses
Company Tickets to Sporting Events
Sabbatical, Military, Maternity, etc. Leave (p
Larger, Better Office
Private Secretary
Reserved Parking

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Using your negotiation skills for a job offer can also illustrate your competency for the job in question so it behooves you to negotiate unless you have been made the perfect offer. Offers that match all your values are rare so remember that you deserve to negotiate and employers expect you to do so. Understand that negotiation is a normal part of getting a new job and you must be your own best self advocate!

**Books and Online Resources**

These are some of our favorite books and online resources about negotiation best practices.

- Women Don’t Ask: Negotiation and the Gender Divide by Linda Babcock and Sara Lashever
- 101 Salary Secrets: How to Negotiate Like a Pro by Daniel Porot
- Salary Negotiation Tips For Professionals: Compensation That Reflects Your Value, by Ronald and Caryl Krannich
- Dynamite Salary Negotiations: Know What You’re Worth and Get It! by Ronald and Caryl Krannich
- Negotiate Your Job Offer: A Step-by-Step Guide to a Win-Win Situation, by Mary Manz Simon