

Effective Compensation and “Job” Negotiation (make thousands in minutes)

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May 11, 2022



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The Four-Step Salary Negotiation Method

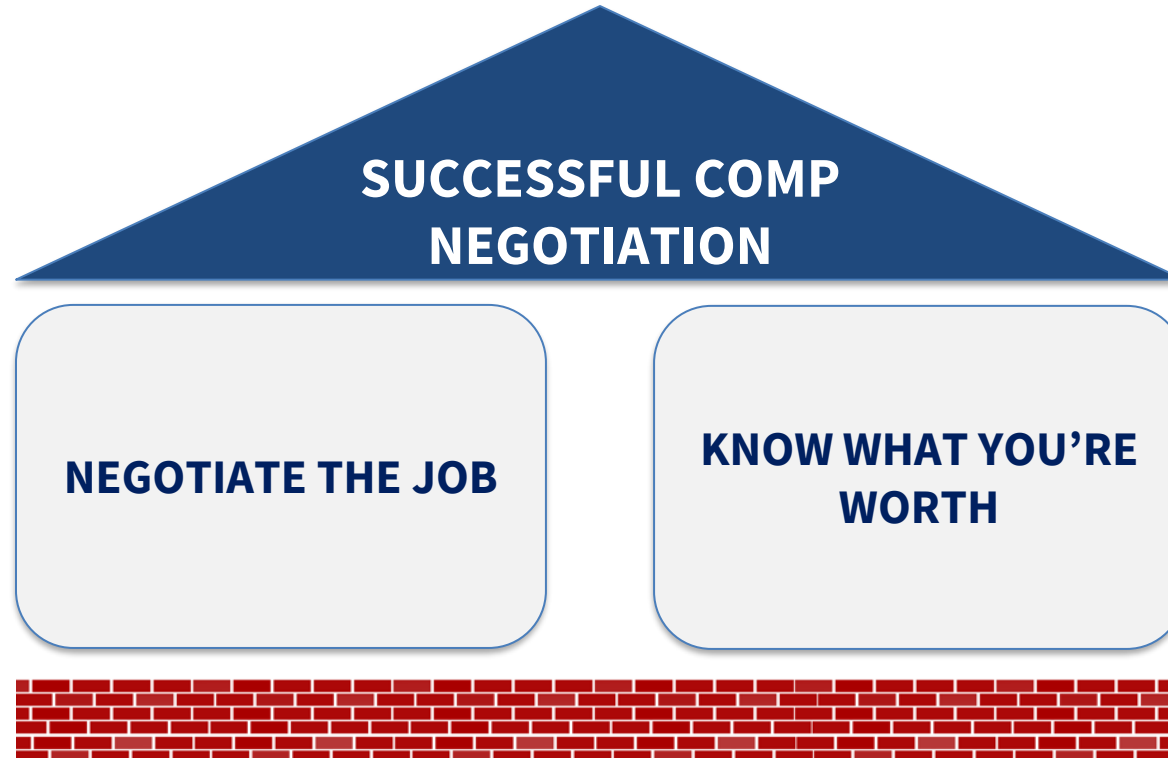
Effective negotiation starts from the first interview



#1: Create The Foundation



Create A Foundation For “More”



Negotiate The Job, NOT The Comp!

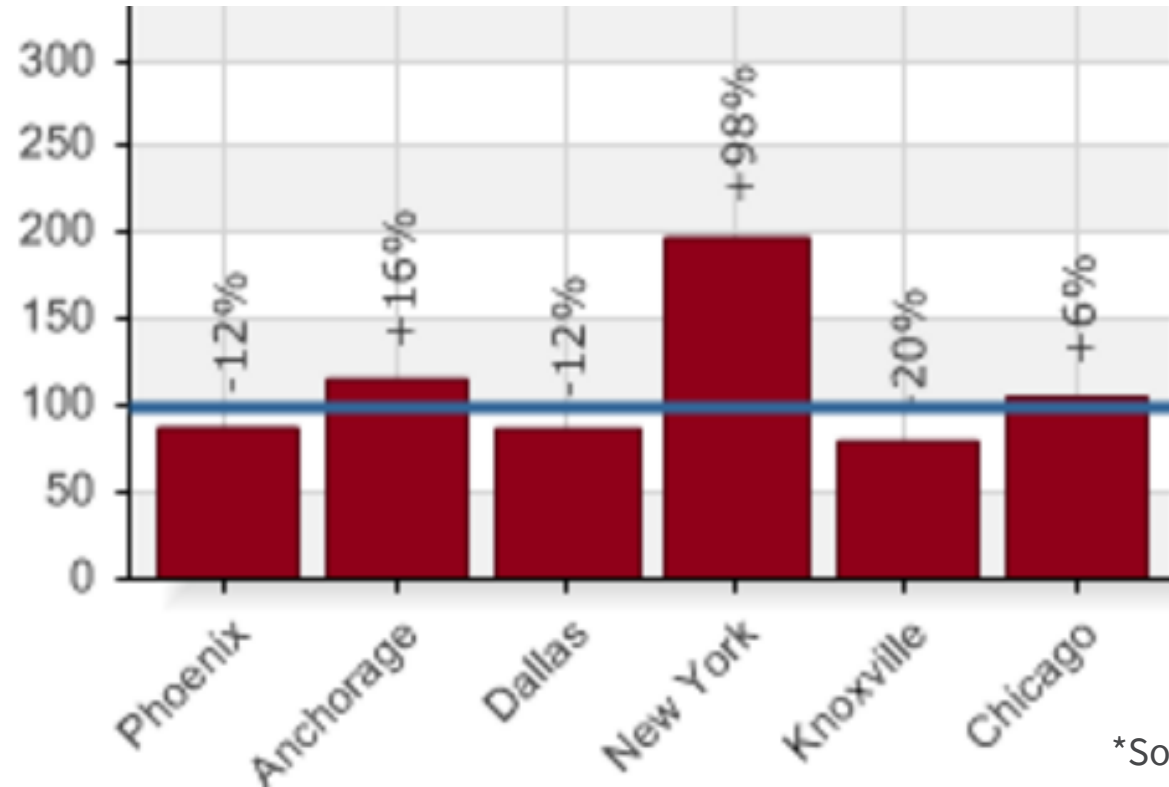
- Make the job description bigger (salary will follow)
- Make sure hiring manager agrees
- Highlight these areas in interview follow-ups



Know What You're Worth

If changing geographies, consider COST OF LIVING

Cost of Living in Miami vs. Other Cities



*Source: www.payscale.com

Know Your Worth – Do Research

- ✓ Search Firms
- ✓ Job Postings
- ✓ Network (including associations)
- ✓ Google e.g.
“Engineer salaries Portland”
- ✓ Salary Research Websites (see next slide)



Compensation Websites



LinkedIn



glassdoor[®]
an inside look at jobs & companies



SalaryExpert[®]



salary.com[®]



indeed[®]
one search. all jobs.



JobStar Central
Job Search Guide
from your local public library



PayScale









Compensation At Non-Profits



www.guidestar.org

- Perform a search by name of non-profit
- See IRS Form 990 for organization
- Form 990, Part V—List of Officers, Directors, Trustees and Key Employees

What Do You Really Make?

-  Base salary
-  Bonus
-  Profit Sharing
-  Deferred Comp.
-  Stock Options
-  Transportation comp.
-  Tuition, training
-  Other Perk's

#2: Outshine And Outlast The Competition

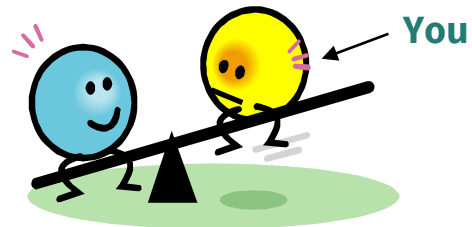


Question

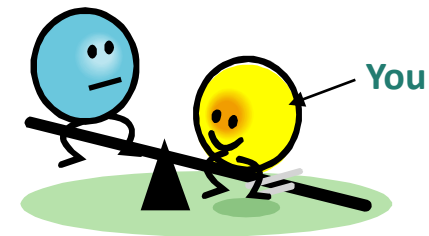
What do you tell the interviewer if she/he asks about salary?

Postpone Salary Discussion Until **AFTER** An Offer Is Made

Before the Offer



After the Offer



An Offer Gives You the Leverage

Avoid discussions about salary until you receive an offer

- It destroys your negotiating leverage
- You can't talk salary when you aren't clear what the job is yet
- Salary is only one piece of total compensation
- You might arbitrarily exclude yourself



For Salary Questions, Say in priority order:

1. Salary's not going to be an issue - I know we're both fair and we'll be able to work something out.
2. I'm looking to get paid the market rate for this role. I haven't completed my due diligence yet, but I'm assuming you have. What are you thinking about? *Then* We'll be able to work something out.

OR

There are so many aspects to compensation, for example base, bonus, 401K matching, amount of raises, frequency of raises, profit sharing... If you don't mind, I'd like to postpone this discussion until I understand thoroughly all aspects of both the job and compensation.

3. I'm looking for a (salary or total comp) range of <absolute bottom> to <way high>

Know where you stand

- Surface objections in the interview
- Learn when the decision is being made
- Follow-up “strategically”
 - Address concerns
 - Offer additional value/info



Towards the end of the interview, you **MUST** ask:

- Just so I'm clear on what you're looking for, how do I compare with the other candidates?
- How do you feel about moving my candidacy forward?



The sale begins after the customer tells you what their objections are.

#3: You've Gotten The Offer!

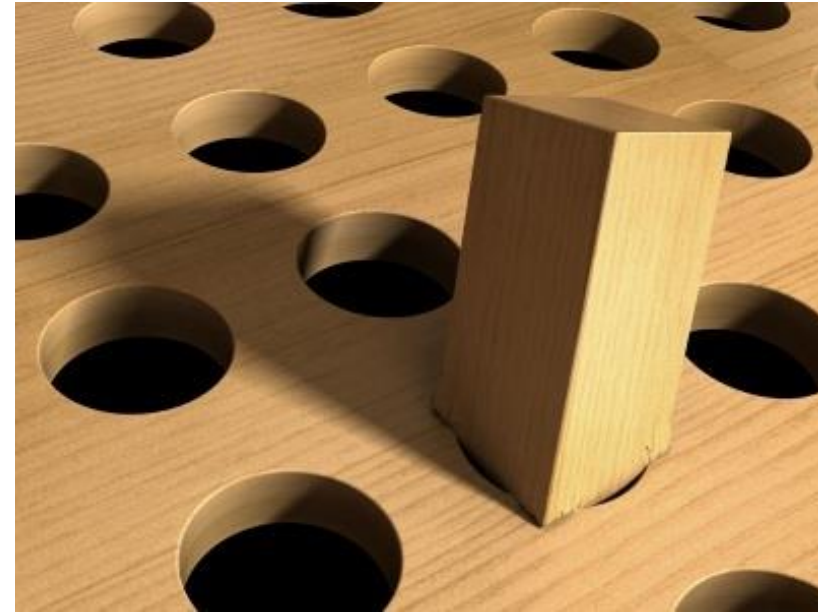




Never Negotiate On The Spot

Offer Is Way Out Of Line?

You will need an immediate response, e.g. *“That sounds like a different job...”*



Rule of Thumb: < 30% difference,
may be able to negotiate a solution

Assuming Less Than 30% Difference

You should respond (via phone or email) with:

1. Positive framing
2. Get information about compensation
3. Make an appointment to discuss in person with hiring manager

Step 1: Positive Framing

Before you start asking for more information, say/write:

- *“I appreciate your thinking of me for this role...”*
- *“I know I will enjoy working for you...”*
- *“...and I’ll be able to add the value you’re seeking...”*

Step 2: Get Information About Compensation

Say: *“That said, this is a big move for me so I would like to understand exactly what I’m accepting...”*

Then ask about ALL parts of compensation, e.g.:

- Base
- Bonus
- 401k matching
- Deferred comp/pension
- Benefits, including healthcare, paid leave, etc.
- Amount and frequency of raises
- Other comp, e.g. stock options, profit sharing
- etc.

Step 3: Make An Appointment To Discuss With Hiring Manager

- The hiring manager cares the most (not HR unless that's your boss!)
- Don't say "want to discuss salary," say "have some more questions about the role."
- In-person is better, because they see the effort, and there's better communication

High Offers

- Can you live up to the expectations of the job?
- Will they cut you first because their salary is too high?



#4: Negotiate the Offer



WHAT IS NEGOTIABLE?



Everything is Negotiable

Basic Compensation

- Base Salary
- Sign-on Bonus

Incentive Compensation

- Performance bonus (discretionary vs. set)
- Sales commission / incentive plans
- Stock options
- Matching investment programs
- Deferred Compensation
- Profit sharing
- Frequency of reviews/raises
- Amount of raises
- Benefits including vacation
- Transportation costs

Perquisites (Perk's)

- Expense accounts
- Company car
- Memberships
- First-class hotels or air travel
- Paid travel for spouse
- Private secretaries
- Employee discounts
- Financial-planning assistance
- CPA and Tax Assistance
- Tuition Assistance
- Continuing and Professional Education
- Conventions
- Furlough trips for Overseas Assignments

Relocation Expenses

- Moving
- Housing allowance
- Real estate brokerage fees, closing costs, bridge loan
- Home buying trips
- Lodging while between Homes
- Company purchase of your Home
- Discounted loans/mortgages
- Temporary Housing
- Outplacement Assistance for Spouse

Related to Severance

- Severance Pay and Outplacement
- Consulting Fees After Termination
- Insurance Benefits After Termination

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Signing Bonuses

- Last resort, since it's a one-time event
- Companies often use these to hold down costs



How Strong Is Your Position?

- How do you compare to your competitors?
- Can you be easily replaced?
- What are you worth in the market?
- Do you have alternatives?
- **Are you willing to walk away?**



Less Negotiating Flexibility

- ✗ Government Agencies
- ✗ Law Practices
- ✗ The Military
- ✗ Non-profit (some, but limited flexibility)
- ✗ Union-based positions



KEYS TO NEGOTIATION SUCCESS:

- **Framing**
- **Research**
- **Give The Nickels To Get The Dimes**



At The Meeting: Framing Is KEY

*It's never about "I want", it's about **WE***

- ✓ Say "What can **we** do to make this work"
- ✓ You're **on the same side**- how much you're looking forward to working with them
- ✓ Aim for a **win-win**

Keys To A Successful Negotiation



RESEARCH is your best friend – so it’s not about “I want” it’s about what’s fair



Share the research with them!

- “Here’s what Glassdoor says others get paid...”
- “My colleagues at your competitor make...”

Negotiation Strategy

GIVE



GET



1. Start with one or two easy items that you can give them or that you know they have to say “no” to
2. Rotate between easy and hard items
3. Salary may not be the first thing you bring up!
4. Vacation should be near the end
5. Severance is last

If They Ask You For A Number First...

- Name a high number; re-frames in your favor
- Give an exact number – not ‘around 150k’
but instead ‘\$154,000’
- Back it up with “evidence” of fairness

If The \$ You Ask For Is Higher Than What You Originally Said

- *“Now that I better understand the role and we both understand the value I bring to you, I believe this is what I’m worth.”*
- *“I’ve done some additional research, and have found that the market rate for this role and the value I bring are X; I’m looking for what’s fair, which to me is the market rate” <show them the research>*

Are You Set Up For Success?



*Ensure you
are BEFORE
you accept!*

Your Role



- Expectations (what are they?)
- Resources (staff, budget, access– any weak links?)
- Key Stakeholders (are they aligned with position?)

Personal Assessment (SWOT)



Strengths e.g. strategic, relationships

Weaknesses e.g. not technical

Opportunities e.g. break down silos

Threats e.g. will be relied on for technical programming

Organizational Strategy

Is the offering company a winner or might it hinder your career?



e.g. **THE 5C's**

Customers

Collaborators

Capabilities

Competitors

Conditions

Keep 6-10 Things In The Works

- Essential to keep moving towards alternatives, until you have agreed to an offer and it's in writing (e.g., email)
- Common trap: you place all your hopes on one offer!



Tweaks when asking for a raise

Time the ask correctly:

- When you just did something great
- When you've been there long enough (usually means at least six months)
- After you've hired people who make almost as much as you!
- When you know colleagues are being hired at higher salaries

Positive Framing for Hiring Manager:

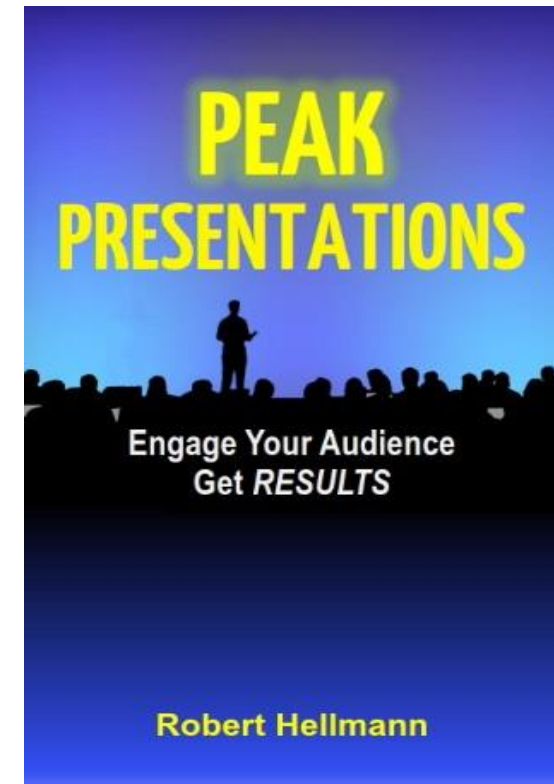
- I enjoy working for you, and appreciate your leadership
- It was so gratifying to have accomplished x and y, and I'm looking forward to getting z done.



Additional Resources: www.hellmannconsulting.com

To get the slides: bit.ly/swe51122

www.hellmannconsulting.com/book



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