

Negotiating Your Compensation

The Rules of the Game

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**Take Charge of Your Career,
Create the Work You Love, and
Earn What You Deserve!**

Begin Your “Negotiation” During the Networking/Interviewing (Build Your Value)

- Try to enter the process via networking or an executive recruiter, rather than via an online job application
- Impress the interviewer with your preparation
- Articulate your value; don’t be “shy” or modest
- Identify the company’s issues through research and discussion
- Tie your strengths and experiences directly to the company’s needs and problems
- Use your relevant “Accomplishment Stories”

The stronger you come out of the interview, the stronger your negotiating position will be.

You Got The Offer!

Congratulations - But You're Not Done

Real Objective:
Right Job - Right Compensation - Right Reasons

“Fit”

A Small Word of Major Importance!

- Compensation
- Location
- Industry
- Product or Service
- Headquarters or Remote
- Size or Revenues
- Respect or Prestige
- Pace
- Formal or Informal
- People and Relationships
- Physical Environment
- Culture
- Values and Mission
- Reputation and Image

Know your priorities!

Professionals Negotiate Professionally

- You are expected to negotiate
- Establishes credibility
- Demonstrates essential business skills (negotiating/bargaining)
- Conveys professionalism
- Sets the right precedent

Yes, you must negotiate!

Misconceptions about Negotiating Self-Limiting Fears

- Being too pushy or demanding
- Seeming ungrateful for the job offer
- Being tagged as a “high-maintenance prima donna” (not a team player)
- Making future raises/promotions more difficult to obtain
- Starting-off the work relationship on a bad note
- Fear of losing the offer/desperation/might not get another chance

Negotiating is Serious Business...

But it is Also a Game

21 Rules of the Game

(To Be Used With the Employer, Not a Recruiter)

1. Do extensive salary research, preparation and practice beforehand
2. Defer salary discussions until an offer seems imminent
3. Discuss salary only with the ultimate decisionmaker
4. Get the employer to state a salary figure or range first
5. Wait until an offer is extended to you before negotiating
6. Discuss salary only after you have fully described your relevant accomplishments
7. Know your strategy before attending the negotiation meeting
8. Always negotiate the offer, no matter how good it seems initially

Rules of the Game (con't.)

9. Finalize the salary first, before negotiating other items such as benefits
10. Never misrepresent your former salary
11. Don't confuse salary with the full compensation package
12. Avoid tying your potential salary to your old salary
13. Use silence as one of your most powerful negotiating tools
14. "Fit" is more important than financial compensation
15. Leverage one offer against other offers if possible
16. Be patient and disciplined throughout the process

Rules of the Game (con't.)

17. You don't get what you deserve, you get what you negotiate
18. Never accept or reject an offer on the spot – do a thorough analysis
19. You can only win at negotiation if you're "willing to walk away"
20. Be sure the compensation package you finally accept is a "win-win"
21. Maintain a positive, upbeat attitude and enjoy the "game!"

Learn the rules – Practice - Win the game!

Simple Formula for Success:

$$P + P = P$$

Preparation + **P**ractice =
Power

“What Compensation Do You Require?”

How to Respond - Even Before the Offer

- “I think salary is a very important topic, and I would be more than happy to discuss it once a mutual interest has been established.” (*Get back to discussing your accomplishments*)
- “Your company has a very good reputation, and I’m sure the compensation package will be fair enough to keep me motivated and productive.” (*By the way, what is the salary range for this position?*)
- “Based on my accomplishments and contributions, I would like to be paid at the same level as other employees of my caliber.” (*What is the salary range for a person of my caliber?*)

“What Compensation Do You Require?”

How to Respond - Even Before the Offer (con't.)

- “Regarding compensation, I am flexible and willing to negotiate once we have developed a mutual interest.” *(Get back to discussing your accomplishments)*
- “If we decide that I am the right person for this job, I am sure we will be able to come to an agreement on compensation.” *(Get back to discussing your accomplishments)*
- “At this time, I am most interested in determining if I am the right person for this job. If there’s a fit, I’m sure salary won’t be an issue.” *(Get back to discussing your accomplishments)*
- “Are you making me an offer? (If so, what salary range did you have in mind?)” *Only use this response later in the process.*

Know Your Numbers in Advance

Need

- \$120,000 Base
- 3 Weeks Vacation
- Benefits in 3 Months
- Management Role
- Transportation
- Decent Workspace
- Severance Pay
- Etc.

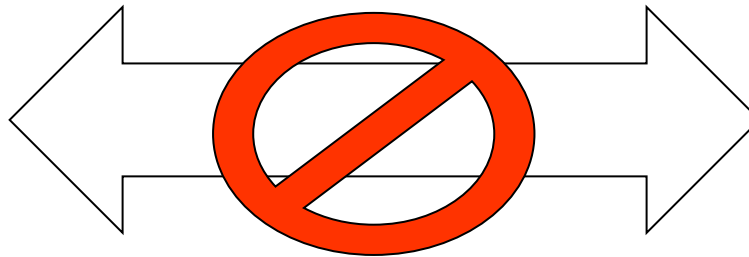
Want

- \$160,000 Base
- 5 Weeks Vacation
- Benefits Now
- VP Title
- Company Car
- Private Office
- Outplacement
- Etc.

Know what you're willing to trade, and what you're not!
Make your own list.

NO Connection!!

**Old
Salary**



**New
Salary**

Everything is Negotiable

(But always finalize the SALARY first!)

- ✓ Expense Accounts
- ✓ Memberships and Dues
- ✓ Training Allowances
- ✓ Profit Sharing
- ✓ Outplacement Assistance
- ✓ Job Responsibilities
- ✓ Consultant vs. Employee Status
- ✓ Commission Rates
- ✓ Flex-Time
- ✓ Stock Options
- ✓ Job-Sharing
- ✓ Insurance (life, medical, dental, disability)
- ✓ Company-Sponsored Child Care
- ✓ Company Car or Auto Allowance
- ✓ Non-Compete Agreements
- ✓ Tele-Commuting
- ✓ Vacation Time
- ✓ Computer Equipment
- ✓ Tuition Reimbursement
- ✓ Retirement Plans
- ✓ Legal, Tax, or Financial Assistance
- ✓ Free Lunches (meals)
- ✓ Office Location
- ✓ Relocation Assistance (home purchase or sale, etc.)
- ✓ Accelerated Reviews
- ✓ Severance Settlement Package
- ✓ Work Space
- ✓ Job Title
- ✓ Discount on Purchases
- ✓ Bonuses (sign-on and performance)

First Round Negotiations: When You've Been Selected

Two Vital Questions to Ask Before Negotiating Salary

- **Question 1:** Why did you select me, specifically?
- **Question 2:** What is your company's compensation philosophy?

First Round Negotiations: AFTER the Offer

- **Maintain a “poker-face.” Write down all the details.**
 - (Break eye contact – act disappointed and perplexed).
- **Remain silent until the interviewer responds. Listen, and then say....**
 - “Based on the level of contribution I offer and the commitment that I am prepared to make...” (OR)
 - “In view of the accomplishments that I have shared and my 15 years of related experience...” – **pause** –
 - “I really believe that your offer is on the conservative side.” (OR)
 - “Frankly, your offer is not at all what I was expecting.”
 - (Add a percentage (perhaps 15-20%), or state a higher dollar figure – whichever seems appropriate. Then wait.)
 - Never accept or reject an offer on the spot – ask for 24 hours to 1 week (depending on the situation) to consider it.

Real Value of an Offer

• Base Salary	\$120,000	
• Health Plan	\$17,500	} 35%
• Vacation	?	
• Retirement Plan	?	
• Training & Development	?	
• Auto Allowance	?	
• Bonus	\$25,000	
• Commission	(15%)	
• Etc.	?	
TOTAL COMP	\$175,000 (at least)	

Get the whole story before
you judge the compensation!

Second Round Negotiations

Go back to the Hiring Manager (not Human Resources) and say:

- “This is a great opportunity and I am excited about working with you (or) joining you company.”
 - “I am inclined to accept your offer; however there are 3 (or more) items I want to discuss (negotiate) with you.”
 - “If we can reach agreement on these items, I will be prepared to accept your offer today.”
- **NOTE: Conduct this negotiation “in person” if possible. Don’t make this commitment unless you’re serious and ready to follow-through.**

Choosing Between Multiple Offers

CRITERIA	Rank from 1 (low) to 10 (high)		
	Offer	Offer	Offer
	#1	#2	#3
Career/Professional Factors			
Job responsibilities			
Satisfaction			
Opportunity to do work in which I am skilled			
Title			
Professional growth			
Expand my skills			
Greater challenge			
Be promoted			
Other ...			

Choosing Between Multiple Offers (con't.)

CRITERIA	Rank from 1 (low) to 10 (high)		
	Offer	Offer	Offer
	#1	#2	#3
Personal Factors			
Base salary			
Bonus/profit-sharing/stock options, etc.			
Perks (car, memberships, etc.)			
Geographic location			
Amount of travel			
Commuting requirements			
Special expenses (commuting fares, taxes, relocation, etc.)			
Other			

Choosing Between Multiple Offers (con't.)

CRITERIA	Rank from 1 (low) to 10 (high)		
	Offer	Offer	Offer
	#1	#2	#3
Company Factors			
Size of company			
Adequacy and support of staff			
Company / industry history and reputation			
Other			

Finally ... Attitude and Assumptions

80% of the Outcome of Your
Salary Negotiations
will be Determined by Your
Attitude and Assumptions!

THANK YOU!

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