

## McCombs Career Webinar



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# Win-Win Negotiations



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# Agenda

- How much are you worth?
- Asking for a raise
- Handling compensation questions on an interview
- Negotiating a job offer
- Q&A

"The meek shall inherit the earth, but not its mineral rights"
-J. Paul Getty



#### **Poll Question**

- In your current (or most recent job), do you think you are:
  - Underpaid
  - Fairly paid
  - Well paid



# How much are you worth?

- It depends: Supply vs. Demand
- It changes all the time
- Geography
- You are "worth" whatever a particular employer is willing to pay at a particular moment in time.
- Employer salary bands
- How much are certain work features worth to you?
  - Personal fulfillment
  - Location
  - Flexible hours/less pressure



### Sources of compensation information

- Jobs for which you have interviewed
- www.salary.com
- Recruiters
- Networking
- Job postings
- Friends who work in HR
- Your employer's salary band information



#### How to ask for a raise

#### Adapted from: The Five O'Clock Club (www.fiveoclockclub.com)

- Step 1: Prepare your list of accomplishments
  - List results that impacted the Company's bottom line
  - Show where you exceeded the goals for your position
  - Include examples of going the extra mile/being a team player/being indispensible
- Step 2: Request a formal meeting with your boss
  - Timing plan ahead according to pay planning cycles at your Company
  - Start with: I love working here and want to stay as long as possible. The only problem is . . . "
  - Present your list of accomplishments to your boss; email the list



# Asking for a raise cont'd

- Step 3: Prepare yourself for rejection
  - After your boss says NO, ask what you should be doing to get a raise
  - Tell your boss you will circle back in a few weeks.
- Step 4: Ask your boss for another meeting
  - "I want to work here as long as possible, and be treated fairly".
  - Provide plan/update on your raise-getting activities
- Step 5: If you don't get a satisfactory response, look for a new job



#### Tips when asking for a raise

- No whining
- It's not personal remain objective
- Don't argue
- Don't give too many reasons; don't give any personal reasons
- Keep it simple
- Make your employer believe they could lose you



#### Interviews: compensation queries

- DO provide income history when asked
- Don't give a numeric answer when asked how much you are seeking; instead:
  - I would need to know more about the position and how your compensation packages are structured (i.e. – mix of base, bonus, equity, etc.) before I could answer that
  - If this is the right job for me and for XYZ, I'm sure we can make it work.
  - There will of course be many factors in my decision, not just compensation. I want to be paid fairly for the job.
  - I'm looking for a market-driven package



#### Compensation Queries, cont'd

- If you were under-paid previously:
  - I am aware that my compensation is (was) under-market; I'm looking for a package that reflects the current market
- If you were well paid previously:
  - My compensation was unusually high during the "boom" years; I don't expect to replicate that in my next job
  - I've been fortunate income-wise so I can afford to focus on taking a job that is more fulfilling with less concern for compensation
  - I appreciate that compensation in the public sector/NFP will be very different than my corporate job



#### Poll question

Did you negotiate (i.e. – ask for more) when you took your current or most recent job?

If yes, did you get more money?



#### Negotiating an Offer

- Avoid negotiations until you are the last candidate standing
- Don't accept the job until you have negotiated all terms and concluded your due diligence
- Get all information: base, bonus, equity, future raises, benefits
- Get full information on bonuses:
  - What are they based on (individual, department, company performance)
  - Realistic expectation of payout/payout history
- Ask for everything at once
  - Is there flexibility on the base/bonus/equity?
  - I was hoping for \_\_\_\_\_
  - Is there any possibility we could get to \_\_\_\_\_?
  - See next two slides for things you might want to ask for



#### Low Power (in a negotiation)

#### Characteristics

- Lower levels in the organization
- Many positions like this
- Many qualified candidates
- Not mission-critical role
- Highly desirable company/position/boss
- Good location
- You are not a perfect fit for job
- You really need the job

#### **Strategies**

- Market-driven compensation
- Be kept "whole" from last job
- Non-monetary perks
- Performance-based rewards
- Accelerated performance review
- Go for non-monetary things: growth, development, time off, job content, telecommuting, etc.



#### High power (in a negotiation)

#### Characteristics

- Senior level
- Mission-critical role
- Few candidates/ unique qualifications
- Undesirable location
- Co./boss has poor reputation
- You are currently employed and it's going pretty well
- Unemployed/several offers
- They think you are the perfect candidate

#### **Strategies**

- Seek the most the employer will bear for YOU right now
- Influence the job description
- Ask for sign-on bonus
- Seek severance protection (income continuation)
- Seek big upside bonus/equity for achieving goals/objectives.
  - Have a qualified attorney review all documents
  - Change of control protection



#### **Negotiating Tips**

- Negotiate as if you might turn down the job, even if you won't
- Be careful pitting one offer against the other
- Beware of jobs you take just for the money (the best career opportunity may not pay the best in the short run)
- Negotiate for yourself the same way you would negotiate a deal onthe-job:
  - Be firm, friendly, professional and win-win
  - Discuss your expected earnings as a function of the value you will bring to their bottom line



### **Thank You!**

The recording of today's presentation, along with the PowerPoint slides, will be available on our Career Programming Web page by next week:

http://www.mccombs.utexas.edu/alumni/careers/programming/

 See <u>www.careersinmotionllc.com</u> for more information on Laura Hill and Careers in Motion LLC.