

The Art of Negotiating the Job Offer

Lisa Holmstrom

Former People Manager, Genentech, San Francisco, CA

lisa.holmstrom@aol.com

What is Negotiable in a Job Offer?

Everything!!!

What is Negotiable?

1. Salary (Always finalize this one first!)
2. Job Title
3. Job Responsibilities
4. Health Insurance (Life, Medical, Dental, Disability) Ask what the co-payment will be and what types of insurance plans are offered (HMO, PPO, etc).
5. Vacation Time (Ask how vacation accrues, when you will be eligible, can you combine vacation with business trips and is it “use it or lose it”)

What is Negotiable?

6. Office or Cubicle Location
7. Retirement Plans
8. Parking
9. Relocation Assistance
10. Training Allowances
11. Work Space (I.E. Standing Cubicle, Orthopedic Chair Etc.)
12. Bonuses (Sign-On and Performance)
13. Commission Rates

What is Negotiable Cont.

14. Expense Accounts
15. Memberships and Dues
16. Accelerate Reviews
17. Stock Options
18. Profit Sharing
19. Company Car or Auto Allowance
20. Home Purchase or Mortgage Assistance
21. Tuition Reimbursement
22. Non-Compete Agreements
23. Outplacement Assistance
24. Consultant vs. Employee Status
25. Flex-Time and Comp-Time
26. Commuting

What is Negotiable Cont.

27. Job-Sharing
28. Free Lunches (Meals)
29. Company-Sponsored Child Care
30. Severance Settlement Package
31. Legal, Tax or Financial Assistance
32. Discount on Purchases
33. Computer Equipment, Laptop, Mi-Fi card, Cell Phone, etc.
34. On-premises Health Club or Local Health Club Membership
35. 401K Match
36. And Whatever else is important to YOU!

What to Say After the Offer is Presented

- **Begin by stating your interest in the position and how well your skills match the qualifications of the position.**

“Start the conversation on a positive note. For example: “I am excited to receive this job offer and I am very interested in this position. I am confident that my communication and my laboratory skills will allow me to make a positive contribution to this University.”

How to Evaluate a Job Offer

1. Salary (Includes, Signing Bonuses, Relocation, Incentive Based compensation, Profit Sharing, Stock Options)
2. Benefits
3. **ALWAYS** get everything in writing
4. Remember that it is often better to accept a higher offer in lieu of bonuses. Your raise will be based on your salary not your bonus.

How to Handle the Salary Discussion

This occurs in one of 3 ways:

1. State an acceptable salary range (Ex. I would anticipate making between \$60,000 and \$75,000 per year).
2. State that you would like to be compensated based on your experience and what great things you can contribute to the demands of the job.
3. Ask the employer what an acceptable salary range is for that position.

The Top Four Things to Know About Salary Negotiation

1. The first salary offer the employer makes is usually the lowest.
2. The employer isn't fully expecting the candidate to negotiate the offer.
3. 80% of the outcome of your negotiation will be determined by your attitude and assumptions about this subject.
4. Anyone can learn to negotiate effectively!



Most employers have room for negotiation before finalizing their offer of employment.

10 Questions to Ask When Negotiating Salary

1. “Thanks – Is this a firm job offer?”
2. “Is this Negotiable?”
3. “Is this Base Only?”
4. “When would you like an answer?”
5. “Will I get an offer in writing?”
6. “Will there be a sign-on bonus?”
7. “What is the start date?”
8. “May I have a Job Description?”
9. “How and when will I be evaluated, and will there be an increase on the basis of that evaluation?”
10. “Regarding benefits, please provide the details – when do they start?”

Job Offer Etiquette

1. Thank the employer for the offer, even if it is horrible.
2. Negotiate a time frame for deciding. When you get the offer, don't be so star struck by its shininess that you accept immediately or start the negotiation process right away.
3. Buy time. Say something like "I appreciate your offer, I'm very exciting about starting. I need to discuss this with my family. Can I get back to you tomorrow....or by...?"
4. Do not be worried about the job offer after asking for time to decide. Once they make the offer, you are in the drivers seat (to an extent). Remember, they want you. This buys you a little time to create a strategy for negotiating.

Get Everything in Writing

1. You cannot evaluate an offer if you do not have the offer in writing:

- Often offers are accepted with a verbal understanding and that verbal understanding is not binding, therefore without written proof you cannot verify the specifics of a job offer.

-Misinformation can be clarified in writing: For example, the employer states that you will receive a 10% bonus. You should ask how the bonus is calculated (on your net or gross salary?) Has the employer put in your offer letter?

The Process of Negotiating a Job Offer

Build your case for desiring to negotiate the offer/ Some scenarios for building for case may be:

1. Based on your research of the cost of living and and or the market value for your skills set that you found there is a need for more compensation.
2. Based on other job offers that you received you learned that your market value is higher than what you have been offered by the organization.
3. Based on the shortage of individuals in your chosen field you have found that you are worth more than what the organization has offered you.
4. Based on your current situation you find that you need to negotiate your start date and or benefits.

The Process of Negotiating a Job Offer Cont.

When asked, state an acceptable salary range.

1. Be very careful not to provide an exact figure.
2. State a salary range in which an employer can work in.
3. For example, “I would be interested in an offer between \$49,000 and \$55,000

The Process of Negotiating a Job Offer Cont.

Work on creative solutions if necessary

1. Be prepared to be involved in creating the solution.
2. The organization may ask you to provide options for them to consider when negotiating the job offer.
3. Consider all angles including benefits, perks, signing bonuses, relocation expenses, etc.
4. For example: “I would consider accepting a lower salary if the organization could provide relocation expenses and tuition reimbursement.”



Declining a Job Offer

1. Despite what your family members say, turning down an unsatisfactory job offer might be the most responsible job offer you can make.
2. In fact, it could pave the way for a better offer from the employer.
3. It is a bad idea to burn a bridge with any company, a respectful phone call or letter can help keep the door open in the future.
4. The offer's salary and hours might have been ridiculous. There is no need to mention these factors when you decline it.
5. Your goal is to leave a glowingly positive impression. Especially, since you never know who your interviewers friends at other companies might be.

Declining a Job Offer Cont.

6. Keep your refusal quick, sweet and to-the-point.
7. Emphasize that you have carefully considered the offer.
8. You regret that it doesn't seem like a good fit.
9. You appreciate the employer's consideration.
10. There is no need to go into more detail than that.
11. The **MOST IMPORTANT** rule, if you are declining an offer you've just received is to respond as soon as you've made your decision.

Top 10 Negotiating Mistakes

1. Settling/Not Negotiating.
2. Revealing how much you would be willing to accept.
3. Focusing on need, greed rather than value.
4. Weak research or negotiation preparation.
5. Making a salary pitch too early.

Top Ten Negotiating Mistakes Cont.

6. Accepting the offer too quickly.
7. Declining the job offer too quickly.
8. Asking for too many changes in the counter offer.
9. Taking salary negotiations too personally.
10. Not asking for final offer in writing.

Why Job Offer Negotiations Go Wrong?

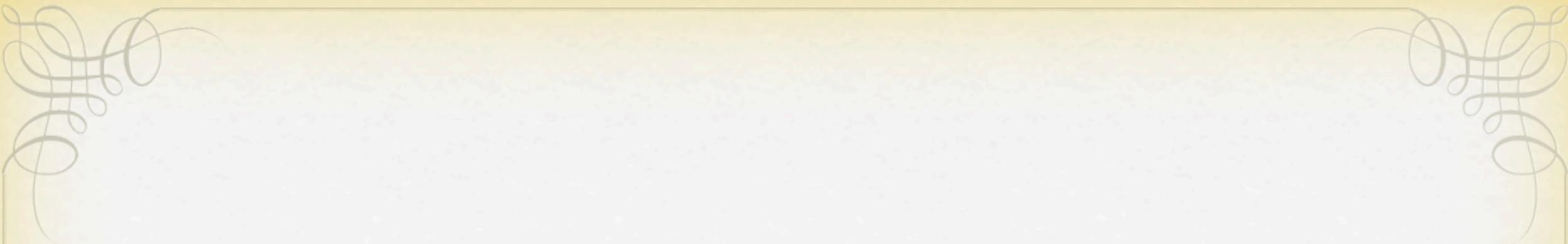
1. Find out what is feasible first?
2. Don't listen to your parents.
3. Check your ego at the door. There isn't the time for ego. Know what your bottom line is, how in demand you are and act accordingly.
4. Candidates need to gauge chemistry and tone. Ask if there is room for flexibility and be prepared to provide a valid argument for the bump in pay.
5. It is not always about the money. Recent data reveals that new hires are more interested in whether the potential employer can offer mentoring, on-the-job training than perks like free food and games.

Points to Remember

1. Seek to create a win-win situation.
2. Never fabricate information
3. Stop interviewing once you accept an offer
4. Know when to stop negotiating
5. Understand your needs and the needs of the organization
6. Write a letter of acceptance to formally accept the offer.

Appendix

- www.salary.com - lists salaries for various occupations by region
- www.homefair.com - includes a cost of living calculator and information on relocating to a new geographic area.



- Base Salary		\$50,000
- Health Plan	}	
- Vacation		(35%)
- Retirement Plan		\$17,500
- Training & Development		
- Auto Allowance		
- Bonus	}	(15%)
- Commission		\$7,500
- Etc.		

TOTAL COMP

\$75,000

Should You Negotiate Your Job Offer?

