



DAVISCONNECTS

Design your future.

NEGOTIATING GUIDE

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Colby

YOUR OFFER EVALUATION & NEGOTIATION

Introduction

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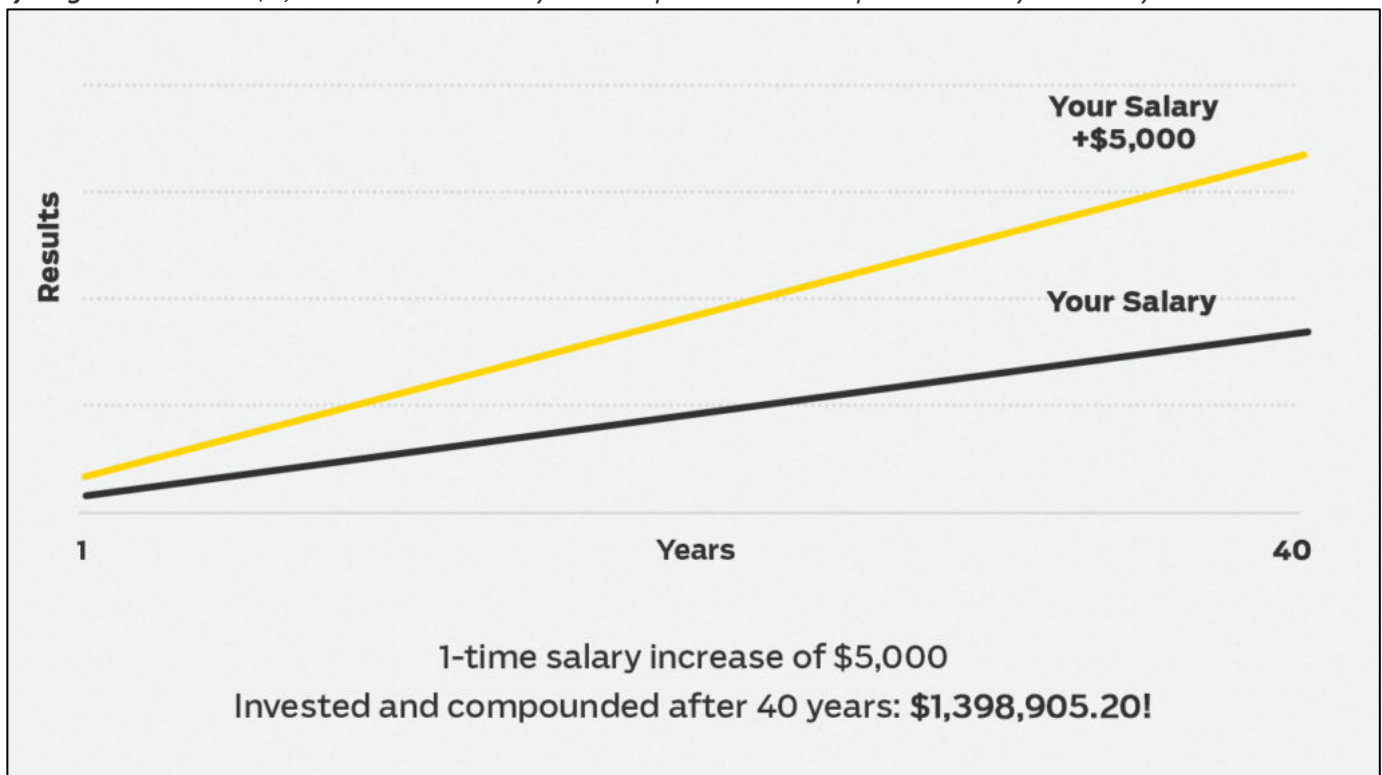
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INTRODUCTION

This Negotiation Guide is designed to help finalize your employment offer, providing guidance on whether to actively negotiate or simply clarify some finer points of your offer. It also provides a framework with specific suggestions, if needed, on how to negotiate the offer and improve your current situation.

Why Negotiate? Just a \$5,000 increase in salary can compound and add up substantially over the years.



Source: <https://www.iwillteachyoutoberich.com/blog/salary-negotiation/>

SECTION 1: SUMMARY

This brief summary lists key things to consider, with more in-depth information provided in subsequent sections.

1) Enthusiastically Receive the Offer

Most offers are first delivered verbally, but don't negotiate when you initially receive it. Focus on listening, convey your excitement for the opportunity, ask for the offer in writing, and request time to reflect on the full package before sharing your perspective or giving any decision.

2) Reflect and Evaluate

The decision to negotiate is important and strategic. First, clarify the finer points of the offer, such as start date, work location, etc. If your offer is from a firm that hires groups of students, the base salary and sign-on is probably standardized, but other offer components like relocation expenses and some benefits might be negotiable.

3) Evaluate the Entire Offer – What Are Your Priorities?

Define your priorities, assess all elements, devise questions, identify research resources, prep for thoughtful discussion.

- Base salary
- Signing bonus
- Relocation package
- Company bonus
- Commissions
- Salary review at 6, 9 or 12 months
- Spouse / Partner job assistance
- Profit sharing
- Matching funds
- Holidays
- Vacation
- Health Insurance
- Expense account
- Temporary housing
- Parking
- Phone allowance
- Maternity leave
- Child care
- Well care benefits
- Life insurance

4) Do Your Salary Research

Know your competitive market value. Be familiar with current salary ranges for graduating students using some of the resources listed below, and talk to a DavisConnects Advisor to understand employer compensation approaches. Prepare for intelligent, well-informed salary discussions and be sure your requested salary range is within the market norms.

Salary Information Resources

www.glassdoor.com

Salary.com

Chronicle Data

HomeFair.com

Going Global

NACE College & Employer Salary Survey

CareerBliss.com

5) Engage in a Thoughtful Discussion:

All negotiation communications should be live via phone, Skype/Zoom, or in person. Do not negotiate via email, despite its seeming convenience, to avoid negotiation requests being misunderstood and potentially putting your offer in jeopardy. Email to request a time for discussing your offer live, but do not provide any specifics until you talk.

Identify the appropriate person with whom to have the discussion – Human Resources typically handles questions around salary and benefits, while your Hiring Manager is the best person to discuss responsibilities. Every situation is unique, so we highly encourage you to assess the best approach and consider meeting with a DavisConnects Advisor.

SECTION 2: CLARIFICATION OR NEGOTIATION?

After receiving an offer, every student should consider negotiating to increase his or her compensation offer, because failure to negotiate or negotiating incorrectly may result in lower compensation for your hard work and potential contribution. However, don't feel you **have** to negotiate -- ask yourself, "Do I need to negotiate?" and if so, "What is really negotiable?" Negotiating is not always easy -- it must be thoroughly thought through and practiced to be done effectively.

Get the Offer Details: Be sure you have the offer details clearly spelled out and if not, clarify all the specifics, such as salary, relocation, start date, work location, benefits, and other elements that contribute to an optimal employment situation.

Is It a Standard Offer? Many companies source talent through a formal recruiting program, hiring interns and graduates yearly in "classes." These firms make offers that are both highly competitive and standardized, with everyone essentially receiving the same, or very similar, package. Because these are often the most desirable employers, attracting numerous student applicants, they are not as willing to negotiate compensation, but other offer elements may still be negotiable.

- **Yes, it is the company's standard offer.** Once you understand the offer specifics, identifying any opportunity to refine offer elements beyond just salary. Note that differences between your offer and what you've heard from a friend or peer may be inaccurate, or there may be a difference between their skill set and yours in the employer's eyes.
- **No, the offer doesn't appear to be standard.** Determine if the offer is consistent for this industry, geography, role and specific firm. More reputable firms may offer lower salaries because working at the firm has stronger market value. Cost of living differs by location, which also affects salary ranges. If the offer is really different than expected and not in line with other offers, determine what is missing and focus on what additions it requires.

Negotiate or Not? Assess the value and likelihood of success of negotiating an improved offer. If an increase is substantial and reasonably possible, by all means negotiate. If success is unlikely, you can try once without being overly aggressive and persistent if they say "no". If the offer is clearly not negotiable, remember that employment

performance often outweighs starting salary in maximizing future earnings, so it might be better to avoid negotiating fruitlessly by starting on the right foot and avoid seeming like a difficult employee.

Because employers that hire “classes” of students are often less flexible about negotiating base salary and sign-on bonuses, you need a compelling case and should still have low expectations. Items typically more negotiable for these employers are relocation expenses, some benefits, performance bonuses, and office location. If you decide to negotiate, do it professionally, factually, and unemotionally.

SECTION 3: NEGOTIATION PREPARATION

Below is a framework for negotiating, including research, preparation, how to react to situations you encounter, potential responses to common questions, and suggested language for articulating concerns.

Avoid Negotiating Too Early in the Process

Refrain from negotiating during the interview process, which is the time to sell yourself and ultimately earn a strong offer. The ideal time for salary discussion is deep into the interviewing process, when both parties know the interest in one another is strong. Avoid being the first to give a definite salary figure, and if possible, find out the employer’s salary range in advance so you are prepared if you can’t avoid the discussion.

Your objective may be to delay the compensation discussion, but the employer’s goal may be the opposite. How do you respond if the employer tries to either get salary intelligence from you or negotiate early in the interview process?

Below are responses to potentially deflect common compensation questions asked early in the process:

- **Option #1 - Delaying Tactic:** "I applied for this position because I am very interested in the job and your company, and I know I can make an immediate impact once on the job, but I’d like to table salary discussions until we fully discuss your needs and we are both sure I’m right for the job."
- **Option #2 - Deflect:** "I am seeking a position that compensates at a fair market level. Based on what you’ve shared with me the role seems consistent with that, so I don't foresee a problem."

Receiving the Offer

Offers are usually extended verbally by the hiring manager, the HR professional, or a recruiter. When receiving an offer, focus on fully understanding the specifics, asking any questions, and do not start negotiating yet.

1. **Avoid negotiating** at the time the offer is presented.
2. **Express excitement** about the opportunity.
3. **Repeat the offer** to clarify all offer elements: sign-on, relocation, benefits, performance and salary review schedule, future promotion opportunities, expected salary increases, title progression in first 3-5 years, etc.
4. **Request offer details in writing** so you can review thoroughly.
5. **Ask for time** to analyze and consider the full package before sharing your perspective.
6. **Carefully review any Noncompete, Non Solicitation, or Nondisclosure Agreements** and review considerations cited by the [National Association of Colleges and Employers on restrictive covenants](#) before signing anything.

Assessing the Offer

The ideal time to negotiate terms is after you have time to consider the offer and before you accept the position. Utilize **Worksheet 1 - Budget Preparation** and **Worksheet 2 - Offer Evaluation** to assess required earnings and evaluate offers.

Consider all facets of a job offer to decide if it is right for you, not just salary or organizational prestige. Ask yourself how this position fits into your goals, your work style, and your work-life balance.

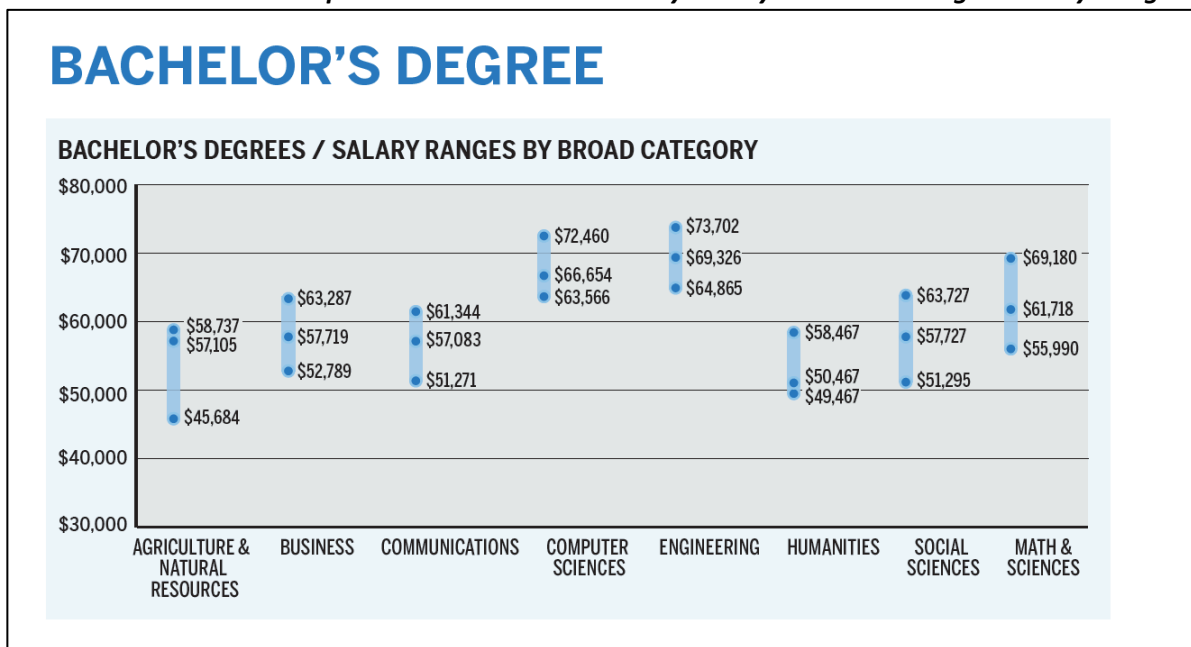
- **The Financials:** Salary, signing bonus, relocation package, vacation, savings/retirement plan, health/dental/vision benefits, tuition reimbursement, pre-tax benefits (childcare, health, commuting), and cost of living.
- **The Organization:** Values & mission, financial stability, reputation, organization size, location, commuting options.
- **The Work Environment:** Work hours, supervisor & colleagues, work culture, training, advancement opportunities.

Do your homework and know your competitive market value by identifying compensation for the same role in similar organizations, using resources like the following:

- www.glassdoor.com – salary range search for numerous employers and positions
- Salary.com – compensation data for a range of employers and roles

- [Going Global](#) - 16 million job and internship listings in 196 countries with H1B visa search resource
- [HomeFair.com](#) – relocation guide with salary calculator.
- [CareerBliss.com](#) – millions of salaries for all types of industries and jobs.
- [Chronicle Data](#) – staff, faculty and adjunct salary data at thousands of colleges.
- [NACE \(National Association of Colleges & Employers\) Salary Survey](#) – regularly updated college grad salary survey

Example: NACE Winter 2020 Salary Survey: Bachelor's Degree Salary Ranges



Evaluate the **ENTIRE** offer, not just the salary, because the value of benefits packages can vary considerably.

• Base Salary	• Well care benefits (i.e. annual physical, gym)
• Relocation package	• Maternity leave
• Sign-on bonus	• Life insurance
• Individual performance bonus	• Child care
• Company performance bonus	• Financial planning assistance
• Vacation (# of weeks)	• Sabbatical leave
• Holidays	• Phone allowance
• Personal time	• Parking
• Commissions	• Flexible hours
• Salary review - 3,6,9, or 12 months	• Educational tuition refunds
• Profit sharing	• International students sponsorship details and plans
• Stock options	• Expense account
• Matching funds	• Work-at-home days
• Stock purchase incentives	• Comp time for late hours/weekend work
• Payroll deduction - 401k	• Club memberships
• Keogh plan/other tax deferred pension plan	• Office (size, location, window)
• Cost of living increases	• Pre-retirement planning
• Pension plans	• Business travel insurance
• Matching investment programs	• Professional certifications(exams, training, etc.)
• Health insurance	• Legal assistance
• Prescription drug plan	• CPA or tax assistance
• Travel requirement (% time traveling)	• Transportation, commuting costs
• Disability insurance	• Severance package (perhaps only for startups' execs)

Prepare for negotiating by developing your:

- **Bottom line** salary, benefits, etc., and know your BATNA (Best alternative to a negotiated agreement) to help you weigh alternatives; be prepared to walk away if necessary, which may be your best option with no agreement.
- **Salary range** should be derived from a combination of market salaries, your individual value, and upside to progress with a company. A reasonable negotiating goal, if employer flexibility exists, may be 5% to 15% above the initial offer.
- **Elevator pitch** to explain why you're worth your range, focusing on your value from the company's perspective.
- **Negotiating options**, items, and approach, including creative ways to turn an unacceptable offer into acceptable.
- **Response to anticipated objections** the employer might raise, so you can justify your value and cost effectiveness.

SECTION 4: NEGOTIATION TECHNIQUES & RESPONSES

Negotiating a salary package confirms to the employer that the decision to hire you was the right choice.

Negotiation Techniques

Be prepared to make intelligent, well-informed salary statements and be sure your requested salary range is within the market value for your profession, specific to the geographic area.

- **Negotiate verbally/ in person**, typically most effective, and decide **with whom** (HR or the hiring manager).
- **Demonstrate enthusiasm** for the job and joining the organization.
- **Keep it a friendly conversation** and sound like you are already part of the team. Avoid ultimatums.
- **Focus on how you can benefit the employer**, not your personal needs.
- **Negotiate the base salary first**, and save the most difficult issues for last.
- **Cite another offer** if there's a substantial gap, but reinforce that the negotiating firm is your first employment choice.
- **Prepare to accept the job if your terms are met** - it is unethical to negotiate if you have no intention of accepting.

Responding to Offer

Late in the interview process, employers more commonly probe on compensation expectations, perhaps clearly laying out their salary offer or floating offer ranges to get a sense of what you are expecting. How you should respond varies depending upon how well the range meets your expectations and matches historical student employment offers.

- **Scenario #1 - Salary range acceptable:** "I appreciate the confidence you have making this offer to me, and I am eager to bring my talents and skills to work for your organization. Those figures are within my expected starting range, depending on the entire salary and benefits package."
- **Scenario #2 - Salary range only acceptable at the top of the range:** "Thanks so much for asking me to be a part of your team. I know my unique mix of skills and abilities will be a great benefit to the organization. Based upon my research and what I've been discussing with other companies that are currently interested, I would have to say that only the upper end of that range would be acceptable."
- **Scenario #3 - Salary range unacceptable:** "Thank you so much for the offer. I want to bring my skills and talents to your organization. The other companies I am currently speaking with, however, are considering me at a salary somewhat higher than that range. Of course, money is only one element, and I will be evaluating each overall package in total."
- **Scenario #4 - Interviewer probes for salary expectations:** "I am very enthusiastic about the position, and am seeking an offer consistent with what college students are offered for similar positions and organizations. My research shows a range from \$x to \$y." **OR** "I am very interested in obtaining a formal offer to consider. Most important is the opportunity to work for you and your company. I am confident your offer will be competitive."

Discuss Salary First, Then Bonuses & Special Terms

1. **Settle the base salary** issue before any other negotiation, since all future bonuses and raises are based on that. *"I really had in mind more than that, but I'm really excited by this opportunity. What can we do?"*
2. **Next, discuss a signing or relocation bonus** (ideally an unrestricted allowance), which varies from year to year, between zero, \$2,000, and \$15,000. Only new hires from school get signing bonuses, and not all firms offer them. *"I'll have to relocate to Dallas." (These are real expenses you are paying, so this is a legitimate ask.)*
3. **Negotiate equity participation or stock options**, which many people don't understand. Stock options depend on a

fixed strike price and have value only if the stock goes up. Grants have vesting schedules you need to understand.
“What types of equity participation or stock options do you typically give to new employees?”

4. **Try negotiating the annual management bonus**, although this is not common for the first-job level, but it can't hurt to bring it up. It's valuable to understand standard management bonuses and if they are paid every year.

“Can you ensure I am eligible for the annual management bonus?”

5. **Lastly, negotiate special terms**, like start dates, vacation time, 90 days rent-free in a corporate apartment, etc.

“My sister is getting married in September” or “I need to take time off” are examples.

Decision Notification: After you make your decision, notify the employer by telephone and follow up with an acceptance or withdrawal letter.

- **Acceptance & Commitment:** When you accept an offer, you have a professional obligation to join that employer. Reneging on an offer (i.e., accepting an offer, then changing your mind and rejecting it) is extremely unprofessional, which can damage your professional reputation, the reputation of alumni employed by that organization, and the reputation of Colby.
- **Declining an Offer:** If they refuse to negotiate and you believe the offer is not a fair student offer, and there is no one else at the firm you can appeal to, you are going to have to accept or decline based on what is on the table right then. You should never feel obligated to accept a job, and you have no moral obligation to accept, no matter how much work you have put them through.

FINAL THOUGHTS

As you consider your negotiation strategy, review these quotes about negotiation:

- *“Never let us negotiate out of fear. But let us never fear to negotiate.”*
- *“Never allow a person to tell you no who doesn't have the power to say yes.”*
- *“The most difficult thing in any negotiation, almost, is making sure you strip it of the emotion and deal with the facts.”*
- *“S/he who has learned to disagree without being disagreeable has discovered the most valuable secret of a diplomat.”*
- *“The worst thing you can say is ‘I want \$X for this job,’ leaving no opening for negotiation by the other side. Better language is ‘I hope to earn between \$X and \$Y.’ That gives the other party more flexibility.”*
- *“Never forget the power of silence, that massively disconcerting pause which goes on and on and may last induce an opponent to babble and backtrack nervously.”*

Worksheet 1



Make a Budget

Use this worksheet to see how much money you spend each month. Then, use this month's information to help you plan future months' budgets.

Some bills are monthly and some come less often. If you have an expense that does not occur every month, put it in the "Other expenses this month" category.

MONTH _____ **YEAR** _____

My income this month

Income	Monthlytotal
Paychecks (salary after taxes, benefits, and check cashing fees)	\$
Other income (after taxes) for example: interest income	\$
Total monthly income	\$ 0.00

Income

My expenses this month

	Expenses	Monthlytotal
HOUSING	Rent or mortgage	\$
	Renter's insurance or homeowner's insurance	\$
	Utilities (like electricity and gas)	\$
	Internet, cable, and phones	\$
	Other housing expenses (like property taxes)	\$
FOOD	Groceries and household supplies	\$
	Meals out	\$
	Other food expenses	\$
TRANSPORTATIO	Public transportation andtaxis	\$
	Gas for car	\$
	Parking and tolls	\$
	Car maintenance (like oil changes)	\$
	Car insurance	\$
	Car loan	\$
	Other transportation expenses	\$

Make a Budget

HEALTH
PERSONAL AND FAMILY
FINANCE
OTHER

Expenses	Monthlytotal
Medicine	\$
Health insurance	\$
Otherhealthexpenses(like doctors' appointments and eyeglasses)	\$
Child care	\$
Child support	\$
Money given or sent to family	\$
Clothing and shoes	\$
Laundry	\$
Donations	\$
Entertainment (like movies and amusement parks)	\$
Other personal or family expenses (like beauty care)	\$
Fees for cashier's checks and money transfers	\$
Prepaid cards and phone cards	\$
Bank or credit card fees	\$
Other fees	\$
School costs (like supplies, tuition, student loans)	\$
Other payments (like credit cards and savings)	\$
Other expenses this month	\$
Total monthly expenses	\$ 0.00

Expenses

$$\boxed{\$ \quad 0.00} - \boxed{\$ \quad 0.00} = \boxed{\$ \quad 0.00}$$

Income
Expenses

Maybe your income is more than your expenses. You have money left to save or spend.

Maybe your expenses are more than your income. Look at your budget to find expenses to cut.

Worksheet 2 (See Excel File under Handshake Resources)

OFFER EVALUATION MATRIX													
	A	B	C	D	E	F	G	H	I	J	K	L	M
1	OFFER EVALUATION MATRIX												
2				Organization A			Organization B						
3	SALARY & BENEFITS	%		Grade	Weight		Grade	Weight					
4	Base salary vs. cost of living	70%		8	5.6		8	5.6					
5	401k	5%		8	0.4		7	0.4					
6	Tuition reimbursement	10%		10	1.0		5	0.5					
7	H1B visa sponsorship	2%		10	0.2		10	0.2					
8	Relocation package	5%		10	0.5		5	0.3					
9	Annual/retention bonus	3%		8	0.2		5	0.2					
10	Medical coverage	5%		7	0.4		9	0.5					
11	Average salary & benefits	100%			8.3			7.5					
12													
13	WORK CULTURE	%		Grade	Weight		Grade	Weight					
14	Work environment	8%		6	0.5		8	0.6					
15	Autonomy	8%		8	0.6		9	0.7					
16	Innovation and creativity	8%		9	0.7		9	0.7					
17	Trust	8%		6	0.5		8	0.6					
18	Teamwork	8%		8	0.6		8	0.6					
19	Honesty	10%		7	0.7		9	0.9					
20	Respect	9%		7	0.6		9	0.8					
21	Organizational structure	8%		9	0.7		10	0.8					
22	Recognition of success	8%		7	0.6		7	0.6					
23	Flexibility	8%		7	0.6		9	0.7					
24	Clear goals	8%		6	0.5		9	0.7					
25	Leadership	9%		6	0.5		7	0.6					
26	Average work culture	100%			7.2			8.5					
27													
28	PROFESSIONAL/PERSONAL DEVELOPMENT	%		Grade	Weight		Grade	Weight					
29	Continuous learning	5%		7	0.4		9	0.5					
30	Does the role offer new challenges?	8%		9	0.7		9	0.7					
31	Capacity of developing new people skills	5%		8	0.4		9	0.5					
32	Do they see my MBA as a benefit to the company?	6%		7	0.4		7	0.4					
33	Capacity of developing new leadership skills	6%		9	0.5		8	0.5					
34	Takes me to a higher level of responsibilities?	6%		9	0.5		8	0.5					
35	Does this industry fit in my career plan?	7%		9	0.6		9	0.6					
36	Will I be satisfied having this company on my resume?	7%		7	0.5		8	0.6					
37	Direct reports?	6%		9	0.5		5	0.3					
38	Does the role position me well for future positions?	6%		9	0.5		9	0.5					
39	Does the position specialize me or diversify me?	6%		9	0.5		9	0.5					
40	Does the role report to a high or mid-level position?	6%		9	0.5		8	0.5					
41	Will I use my language and multicultural skills?	8%		5	0.4		10	0.8					
42	Job security	4%		7	0.3		8	0.3					
43	Company reputation	4%		6	0.2		8	0.3					
44	Will I have fun?	10%		6	0.6		8	0.8					
45	Average professional/personal development	100%			7.8			8.3					
46													
47	FAMILY & SPOUSE	%		Grade	Weight		Grade	Weight					
48	Opens new work opportunities for my spouse	15%		5	0.8		9	1.4					
49	Work-life balance	15%		6	0.9		8	1.2					
50	Religious life	14%		6	0.8		8	1.1					
51	Close to friends and family	7%		5	0.4		8	0.6					
52	Access to cultural & recreational activities	13%		6	0.8		9	1.2					
53	Access to educational institution	13%		7	0.9		9	1.2					
54	Access to health care services	13%		7	0.9		9	1.2					
55	Good location for children	10%		8	0.8		7	0.7					
56	Average family & spouse aspects	100%			6.2			8.4					
57													
58	LOCATION	%		Grade	Weight		Grade	Weight					
59	Weather	15%		7	1.1		7	1.1					
60	Chances to move to another company	15%		5	0.8		10	1.5					
61	Near major city	15%		6	0.9		10	1.5					
62	Near major airport	15%		6	0.9		10	1.5					
63	Cost of living	20%		8	1.6		7	1.4					
64	Housing cost	20%		8	1.6		6	1.2					
65	Average location	100%			6.8			8.2					
66													
67	Overall average				7.25			8.18					
68													
69	Type of criteria	%											
70	Salary & Benefits	20%											
71	Work Culture	20%											
72	Professional/ Personal Development	20%											
73	Family & Spouse	20%											
74	Location	20%											
75	<i>Total (must equal 100%)</i>	100%											
76	Weighted Overall (by type of criteria)				7.25			8.18					
77													

Adjust the weights to represent your values and priorities

Assign %Importance vs other types of criteria. Total MUST = 100%