

Negotiating your MBA job offers

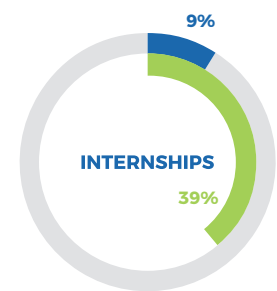
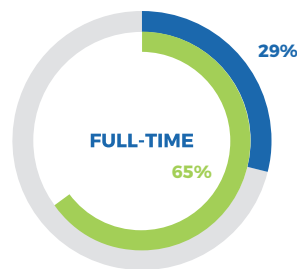
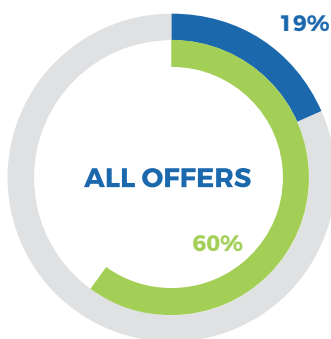
Overview

In 2016, **TransparentMBA** has collected over 250,000 career data points from verified MBAs from hundreds of universities, representing over 3,000 employers.

If you've signed up, you've probably noticed that we've begun collecting data MBA offer negotiation. Since launching this functionality, hundreds of students have reported successfully negotiating their offers, to the tune of over \$1.6 million in increased compensation. That's an average of around \$11,000 per offer.

In fact, 19% of MBAs attempted to negotiate their offers but the numbers skewed much more heavily towards full-time offers (29% of offers negotiated vs. just 9% of internship offers).

So, what kinds of companies leave room for negotiation? And how should you, as an MBA student, go about negotiating your offers? We put together this guide to get you started.



	All Offers	Full-Time Offers	Internship Offers
● PERCENTAGE NEGOTIATED	19%	29%	9%
● PERCENTAGE SUCCESSFUL	60%	65%	39%

\$1.6M in increased salaries from negotiation in 2016

\$11,000 average salary increase from successful negotiations

Function Analysis

As you might predict, the more established MBA careers like Investment Banking, Brand Management, and Consulting all report extremely low propensity to successfully negotiate.

Many of these companies hire droves of MBAs every year and leverage their scale to develop standardized offer packages, effective on-campus recruiting, and huge candidate pipelines.

Increasingly popular job functions like Product Management and Data Science — once considered out of the mainstream of MBA careers — show high likelihood of negotiation. The higher degree of technical skill required, coupled with the smaller average company size of employers hiring for these functions, give candidates more leverage when discussing offer packages.

But, there are certainly some more “prototypical” MBA functions like Business Development, Marketing (General), and Venture Capital that show high negotiation likelihood — why? Many MBA employers in this space are smaller, with less rigid compensation guidelines. Business Development is the most common MBA job associated with startup companies — many of which don’t even have HR departments. Venture Capital is by nature a more fragmented industry, with even the top firms hiring few MBAs per year. In general, we see a clear relationship between small- or medium-size firms and successful offer negotiation.

Job Function	% of Negotiated Offers	% of Total Offers	Negotiation Likelihood (Average=100)
Investment Banking	1.6%	9.2%	17
Investment Management	2.1%	4.1%	51
Marketing — Brand Management	2.6%	4.8%	54
Consulting	19.2%	26.4%	73
General Management	4.1%	4.7%	88
Private Equity	2.6%	2.2%	116
Operations	6.2%	5.2%	120
Project Management	1.6%	1.2%	125
Corporate Strategy — Strategic Planning	9.8%	7.9%	125
Corporate Finance	9.3%	7.2%	129
Product Management	9.8%	7.3%	134
Sales	2.6%	1.7%	149
Business Development	6.7%	4.5%	151
Marketing — General	10.4%	6.6%	157
Analytics — Data Science	3.1%	1.4%	228
Venture Capital	3.6%	1.4%	266

Industry Analysis

By industry, the results vary considerably, but at least one trend is clear: tech offers are more negotiable. Software, Ecommerce, and Hardware jobs all significantly over-index in likelihood of negotiation. But that begs the question: are these the tech behemoths (Google, Amazon, Oracle) or startup tech firms looking to hire MBA talent they desperately need for expansion?

The answer? Well, it's about 50/50 — many large tech companies do indeed make the list, while others are classified by offerees as startups. So, if you're considering various tech offers, you might want to consider negotiating! Which brings us to perhaps the most-often-asked question we've received since starting **TransparentMBA**...

How much should I expect to make if I want to recruit for a startup? See the next page for some answers.

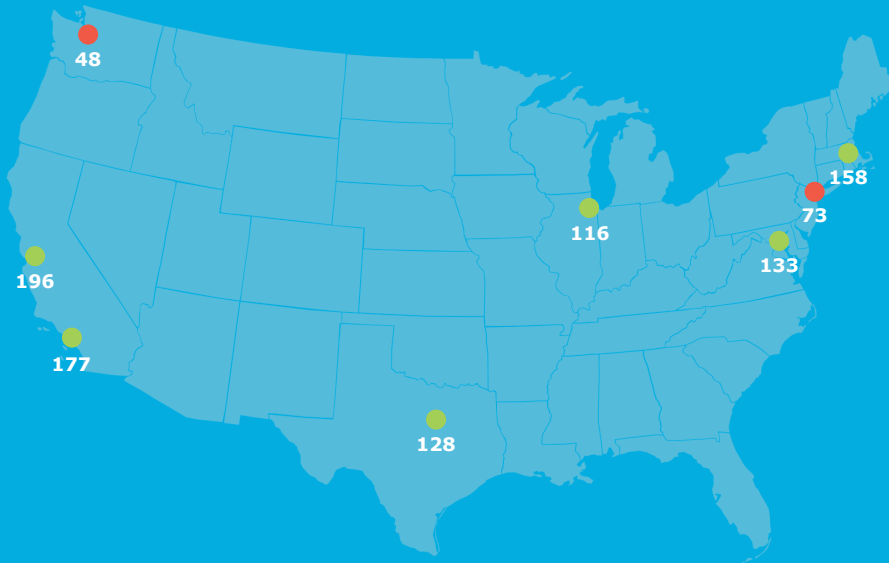
Job Industry	% of Negotiated Offers	% of Total Offers	Negotiation Likelihood (Average=100)
Food—Beverage—Tobacco	0.5%	1.8%	29
Energy—Petroleum	0.5%	1.6%	32
Aerospace—Aviation	0.5%	1.2%	45
Chemicals-Plastics	0.5%	0.9%	57
Consumer Products	3.1%	5.5%	57
Consulting	14.5%	25.2%	58
Retail	2.6%	3.8%	67
Arts—Media—Entertainment	1.0%	1.4%	74
Manufacturing	2.1%	2.2%	93
Education	0.5%	0.5%	96
Real Estate	1.0%	1.0%	100
Diversified Financial Services	3.1%	2.9%	107
Technology—Hardware	5.2%	4.1%	128
Ecommerce and Internet	7.8%	5.5%	142
Telecommunications	1.0%	0.6%	167
Insurance	2.6%	1.4%	179
Healthcare Services	3.6%	1.9%	187
Healthcare Products—Medical Devices	4.1%	2.2%	189
Technology—Software	24.4%	12.1%	202
Pharmaceutical Products	4.7%	2.2%	217
Automotive—Transportation Equipment	2.6%	1.0%	250
Recreation—Leisure—Sports	0.5%	0.1%	417
Food Service—Lodging	2.1%	0.5%	455

Where in the world?

Further confirming our evidence that tech firms are more willing to negotiate, San Francisco topped the list of US cities, with roles in the Bay Area 96% more likely to be negotiated. The only other startling statistic is New York — offers from the Big Apple are 27% less likely to be negotiated. Diving further into this data confirms that these trends are mostly due to more rigid compensation packages in finance.

Negotiation Index by City

150 Index = 50% more likely. 50 Index = 50% less likely.



City	Index
San Francisco	196
New York	73
Chicago	116
Boston	158
Washington DC	133
Los Angeles	177
Seattle	48
Dallas	128
All Other	145

Index calculated from % of negotiated offers in that city vs. % of all offers in that city.

4/10



Over 40% of startup offers are successfully negotiated.

Startup Negotiation

In the best of times, startup recruiting is frustrating and opaque. After all, these companies typically don't have bandwidth or personnel for large dedicated campus recruiting departments. But the lack of data is staggering, and the variation within the data no less mind-boggling.

Our data shows that over 40% of all startup offers are successfully negotiated. That means that despite making up just 3% of all offers, you have a high likelihood of negotiation if you're heading the startup route.

Most negotiation happens with later-stage companies (Series B and beyond), but every funding stage shows a high likelihood of successful bargaining. Even more importantly, the average salary increase from negotiations with startups rang in at over \$12,000 per offer - more than the overall average of \$11,000.

Should I negotiate my offer? How?

1 Go for the offer first

This may seem obvious, but it's hard to do in practice. Even if it's not your first choice for an MBA internship or post-MBA job, go for the offer. First, make it mentally binary: either I get this job offer, or I don't. Worry about the other stuff later (location, salary, responsibilities, which team) when you have more leverage.

2 Let them know you want them

Think about it from the recruiter's perspective: they are often judged (or even compensated) on yield. As an MBA, your leverage proportionately decreases with perception of your attainability as a candidate. Don't give them a reason to give you a preemptive "no" if they think you're likely to walk anyway.

3 Leverage other offers

Leveraging other offers can be a powerful tool, but must be used delicately. It's important to think of how your desired firm perceives the offer you're using as leverage. Is it a competitor? In the same industry? Is it from a firm perceived as more or less prestigious?

4 Be relatable

Companies don't negotiate, human beings do. So it's important to be relatable when working through the negotiation process. For example, if the job requires moving to San Francisco from Chicago, that's a cost of living difference of an incredible 50% for a salary of \$100K. As employees we often assume that HR departments understand this and factor cost-of-living into offers, but some may not. Especially with companies not hiring many MBAs (think startups, NGOs, etc.), it often helps to paint them a relatable picture of your post-MBA financial situation: paying off student loans, relocation expenses, and other burdens.

5 Pick the right communication strategy

One thing MBAs tend to undervalue — especially those of us weaned in the digital age — is the importance of in-person or phone conversation versus email. Negotiating an offer over email gives you zero control over the situation, and frankly, can signal a lack of authenticity or interest. Additionally, think about with whom you should be negotiating. Is the HR contact merely a gatekeeper to get you in the funnel, or in charge of the compensation package as well? Rule of thumb: talk to the person who wants you most. In small companies, it's often the hiring manager or even CEO, needing to fill a hole on the team.

6 Do your research

Here's where we come in. **TransparentMBA** offers MBA-specific compensation data to empower and inform you before reaching the negotiation table. Some might perceive top-tier MBA students as "having it easy", since so many companies are looking to hire the high caliber of talent. However, we also deal with our own job search woes: tactics like exploding offers and sliding-scale bonuses force us into choices quickly, often before we can gather the required information. Leverage our free data to pull median salaries for your function, industry, and even company. If your prospective employer isn't listed, use our company dashboard to research analogs to make your case.

7 Think outside the box

Finally, think outside the salary box. While your first post-MBA salary is king (and should be, since future raises will be no doubt based on it), it's not the only thing. Think about onetime bonuses to adjust for cost-of-living, relocation, or time spent selling a house or condo. Especially in smaller companies, negotiate your stock or option grant (eShares recently wrote an excellent piece on this topic). Or, propose an additional performance bonus based on an agreed-upon goal. This tactic can work for business development, marketing, or sales hires especially in early-stage firms because the company's only on the hook if you perform. Plus, it shows confidence on your part.

Want more insights like this?

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- Build your custom user dashboard
- See where your offers stack up
- Plan your negotiation strategy

Question, feedback, ideas? We love it.

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