

NEGOTIATING AN OFFER: WHAT ARE THE KEY QUESTIONS ABOUT SPECIFIC TERMS AND BENEFITS?

For months a finalist has been interviewing for a new job. One of the last steps is negotiating the offer. Getting that right and using the negotiating process to cement a good relationship is the goal. A key point, I believe, is starting that process early. Here is a 4-part series that finalists think ends at part 3 with the offer letter. But there is one more essential step to take.

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WHEN SHOULD THAT DISCUSSION BEGIN? WHAT STYLE OF NEGOTIATING WORKS BEST FOR YOU? HOW CAN YOU MAKE THE NEGOTIATING PROCESS A WIN-WIN RATHER THAN A CONFRONTATION?

Negotiating an offer begins early in the interviewing process when a candidate is first asked for salary information. That is when (as I have written extensively in a **5-part compensation series**) an approximate total compensation figure should be provided.

In addition, another important aspect to preparing for an offer is a summary in writing during the interviewing process about the job itself to be sent to the hiring manager or the HR representative. This occurs once you have reviewed the description and conducted detailed discussions about the role. This note will be useful in negotiating terms of the offer and for purposes noted below.

The confirmation takes the form of either a thank you note describing your understanding of the job itself as a result of the discussion. Or, it can be in the form of a series of questions or statements, once you have read the job description, re: your understanding of the position. This written discussion is extremely helpful to the hiring team to ensure there is agreement about the position. It also establishes the specifics of the job you are being offered.

Should there be a need to terminate your employment due to no fault of your own, this note will aid in establishing the basis for a payout. Usually, the offer letter does not go into much detail about the job you are accepting and it takes a clear description about the job in the thank you notes or memos to fill in that gap.

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WHEN IS THE RIGHT TIME TO PROVIDE DETAILS ABOUT YOUR COMPENSATION PICTURE, BREAKING DOWN ALL THE ELEMENTS THAT GO INTO YOUR CURRENT PACKAGE?

When you have reached a point where you are told you are a finalist for the position (most likely one of three candidates) AND you are seriously interested in the position, is when you present a comprehensive written memo outlining all the components of your earnings program.

In the series about compensation, I provide a detailed check list about the items to consider when evaluating both the cash value of your earnings and the non-cash benefits that are important to you. While you do not need to list all of the items, it is essential that you decide which to include when you provide a written list of your compensation and benefits. It is also important to include a cover note indicating which benefits are most important to you, which is a starting point for negotiating terms.

In addition, having evaluated the risk factors involved in accepting the offer, you do want to feel that the compensation offered is sufficiently attractive to accept the challenges and the risks involved.

If a relocation is involved, a full report about the housing you are in is essential along with any homework you have done about the region you are going to move to. Not only are you looking at selling where you are now, you are evaluating what it will cost to buy into the new market. If there is a significant difference, and housing costs in the new location are higher, then that must be factored into the equation. Mention that when you provide the needed information in writing.

I would stress the importance of providing critical information in writing, in addition to any discussions with company representatives.

What is essential in the negotiation process is to make the discussion about the facts of the situation—not turn the conversation into a discussion about what is fair or what you deserve.

I would also advise that, once you have provided a detailed rundown about your compensation and what special considerations are important to you, e.g. family-centric medical plan, childcare benefits, flextime, working remotely, that you request a rundown of the benefits offered to you by the company. By being so careful about discussing your current situation, you are setting an expectation that the hiring organization will do likewise. It also establishes where there is room to be flexible if some of the new company benefits are very generous and important to you and your family.

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TIMING: HOW DO YOU ARRANGE SUFFICIENT TIME TO START A NEW JOB?

You should consider the date you would like to begin once you know you are a finalist. Your new employer may be eager to have you join. However, pointing out what benefits you are eligible to receive and when you receive them where you are now employed, may simplify discussions. Your new employer may not want the burden of making you “whole” if you leave before you collect those awards.

This is also when to discuss a firm starting date should you be offered the position. Sign on bonuses are an important tool for easing the transition from your current benefit plan to the new one. Your new employer will most likely suggest you join the company no later than 4-weeks from the date the offer is accepted.

Well before an organization prepares an offer letter, all the details of the offer and company benefits should be spelled out and agreed to verbally. It may become clear that there is a need to adjust terms. In that case there is sufficient time to do that without delaying an offer. If there are intermediaries to help, such as recruiters or HR Managers, these conversations can be matter of fact. The company can explain what is possible and what simply cannot be changed. If the compensation package offered is below what you are seeking, further discussions most often can resolve the differences by finding creative solutions using a variety of benefits.

When professionally carried out, the negotiations (through mutual listening and respecting the concerns of both you and the hiring organization) are very positive. It becomes an exercise in relationship-building. The “no surprise” offer letter should be a confirmation of an effective process—and not a starting point for negotiation.

Compensation negotiation is an area where there appear to be differences in the way professional men and women approach the topic. Many women I know find negotiating an offer to be difficult and tend to want to have a representative handle the process for them. Men seem to be much more willing to talk face to face with the manager extending the offer. Statistics confirm that negotiated terms lead to higher compensation for men.

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THE SEVERANCE AGREEMENT: THIS IS WHERE, IF DUE TO COMPANY RELATED ISSUES THAT THE INCUMBENT HAS NO CONTROL OVER, AND ASSUMING THE INCUBENT IS PERFORMING IN A SATISFACTORY MANNER—THAT THE COMPANY WILL OFFER COMPENSATION FOR DAMAGES.

Again, putting your severance request in writing is essential as well as providing factors that come into play when you look for a new position. Here is where you need to look at all the issues involved.

- How long will you need to search for another comparable position?
- How long will all the benefits be available to you and your family, e.g. medical, vesting all the stock options, salary continuance, company contributions to retirement programs, relocation allowance/benefit (if you moved for the job, for example, and it was eliminated within 2 years.)
- If you are taking advantage of educational benefits, how many semesters will be paid by the company?

While the hiring organization will want to discuss the offer to join, the company will rarely want to be tied to a promise of offering you all the benefits you may find necessary if you are to assume the risk of making a change. Instead they may offer a combination of cash settlement and continuation of benefits. In any case, knowing there is a plan in place if you do leave, through no fault of your own, should give you a sense of security. If there is a need to negotiate the severance terms, if for example, your job is eliminated, retaining a lawyer may be the most effective approach. Having a record of the discussion about the job and a copy of the description will almost certainly strengthen and increase the amount of the settlement.

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