

SEVEN STEPS TOWARD BETTER NEGOTIATION

BY ALAN L. SKLOVER

With all that's at stake in salary negotiations, you may wonder whether you should hire an attorney to lobby on your behalf.

Most job seekers go it alone, since involving a lawyer is costly and may turn off employers. "Tone is everything, and if you inform the company that you're bringing a lawyer to the negotiating table, the [employer's] approach will visibly harden," says Donald H. Noble, president of Noble & Associates, an executive-search firm in New York City.



Besides, you can ensure professional-strength results on your own by taking the following seven steps when attempting to negotiate a compensation package:

1. PREPARE WHAT YOU'LL SAY BEFOREHAND.

When you haven't thoroughly prepared for salary discussions, you can't negotiate, you can only react.

"It's important that you prepare not only the content of your negotiation request, but also practice your presentation aloud," says Leslie B. Prager, a senior partner at The Prager-Bernstein Group, a New York career-counseling and outplacement firm. This way, you're sure to present your case confidently, she says.

Start by making a list of what you hope to gain from the negotiating process. Rather than limit yourself to financial matters, shoot for three types of benefits: rewards, such as a salary increase, bonus, pension or vacation package; risk-limiters, such as a hefty severance package or a time frame in which you can expect a promotion or performance review; and responsibilities, which give you more authority.

To avoid overlooking critical negotiating points, have an expert review your goals list, says Marc Nichols, president of a New York executive-search firm that bears his name. "Since almost no one's great at negotiating for themselves, whenever possible use trusted [professionals who have] the skill and influence to champion your goals." He adds that specialized headhunters and



compensation consultants are the best sources of information on how much your skills are worth elsewhere.

2. SEIZE CONTROL OF THE NEGOTIATING PROCESS.

A New York bond trader provided her human resources and unit supervisors with a goal list, including broader job duties and a more flexible work schedule. She also asked for a modest salary instead of the purely performance-based pay she was used to. This put higher-ups in the position of reacting to her, rather than vice versa, and she received her requests.

Likewise, a 48-year-old New Jersey real-estate executive was able to create his own position as chief financial officer at his new employer, a real-estate firm just four years old. A gambler at heart, he'd been seeking a leadership position at an entrepreneurial company where he'd have more authority and stock options, benefits that weren't available in his old job as a vice president with a large real-estate company. Listing his goals prompted him to request a severance package and an employment contract this time around. The new company was happy to oblige, since his compensation is tied to performance.

You can get the negotiating ball rolling in your favor by writing a brief letter or memo to your employer — or target company once you've received a job offer — before discussing compensation. In it, outline your key accomplishments and emphasize your past and potential contributions to the company, not what you need or want. That way, you're shaping a perception of your value. This is the time to advertise.

3. SET YOUR PRICE.

The prime asset of any business is a productive work force. And the fact that an employer is willing to negotiate proves it values you.

However, you should expect employers to try to purchase your talent and experience at a discount. That's what employment and compensation negotiations are: a simple "buy-and-sell" matter. And as the seller, you must set an asking price going in.

It's wise to view your time, expertise and experience as expensive commodities so that you set a fair price. To reinforce this thinking, some executives even carry hundred-dollar bills in their wallets during interviews to help them feel valuable and confident.

4. KEEP IT BUSINESS, NEVER PERSONAL.

Even if you admire the person you're negotiating with, remember that it's a business transaction, not a personal exchange.

Separate the salary and employment issues you're discussing from how you feel about your boss or a hiring manager. Remember that the outcome of your discussion will affect your family's well-being. Some executives put a family picture in their shirt or suit pocket and touch it



occasionally during meetings as a reminder to stay on track, no matter how persuasive the employer is.

5. USE POSITIVE LANGUAGE.

Never say “never” or “no” to an employer’s offer. If the company is resisting your requests, use neutral-sounding words to describe your position by saying that you find the offer “disappointing,” “unfortunate,” “surprising” or “unacceptable.”

You also might try asking an employer to reconsider its offer, or ask for additional time to consider the terms to keep the door open to favorable changes. The point is to avoid words that make you sound angry or unwilling to negotiate further. The process should continue until you arrive at a satisfactory agreement, unless you blow it prematurely.

6. CONSIDER PERFORMANCE-BASED COMPENSATION.

Requests for greater responsibility are almost always granted, since few people ask for this benefit. And in most cases, increased responsibilities eventually lead to an increase in pay.

When employers say they can’t afford your salary, try suggesting performance-based pay. Many candidates overlook this obvious strategy for winning over cost-conscious employers.

“Strict budget constraints often place limits on base salaries, even at higher levels,” says Henry Zonas, founder of Zonas & Associates, a New York City-based recruitment firm. “This makes negotiating a performance-based arrangement even more important. We suggest them often.”

Consider that the real-estate executive’s new employer was happy to agree to his salary requirements on the condition that the company’s earnings justified it. And since the bond trader was used to performance-based pay, she negotiated a modest salary, with bonuses tied to her performance and the company’s. (Top performers usually benefit from this strategy.)

7. GET WRITTEN CONFIRMATION.

Clear confirmation is a crucial element of negotiations that candidates usually forget. But getting something in writing provides closure and prevents any misunderstandings between you and an employer.

Take charge of this process by writing a letter spelling out the details of the deal you’ve agreed to while they’re fresh in your mind. For example, yours might read something like this:

“Dear Bob, I look forward to our working together. For the sake of clarity, I set down the points of the agreement we reached yesterday. If I’m incorrect on any aspect, please let me know. If I don’t hear from you, I’ll assume we’re in agreement. Sincerely, Jeff.”



By a legal doctrine known as “estoppel,” your letter becomes the equivalent of a contract without invoking the expense or potentially adversarial tone of a lawyer. More important, it prevents misunderstandings that might result from poor memories, changed circumstances or, at times, bad faith on the part of an employer.

The real-estate executive and the bond trader prepared short, clear and friendly confirmation letters — his was signed by the employer, hers wasn’t. But both find comfort in keeping copies on file.