

Negotiating & Evaluating Job Offers

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Agenda

- Negotiation hurdles
- Components of a job offer
- Principles of negotiation
- Preparing to negotiate
- Receiving & evaluating offers
- Communication tips
- Techniques & scripts
- MIDS salary data

Negotiation Hurdles

Did you know?

49%

***Do not negotiate
job offers***

Men are more likely than women
to negotiate

People 35 or older are more likely
than people aged 18-34 to
negotiate

Source: [CareerBuilder survey](#)

Why don't people negotiate?

- Fear of rejection or losing the offer
- Lack of negotiation skills
- Discomfort with negotiation
- Lack of self-confidence
- Don't want to appear greedy

76%

*regret not negotiating
a job offer*

[Salary.com survey](#)

Employers say...

- 73% - not offended when people negotiate
- 84% - always expect job applicants to negotiate
- 87% - never rescinded an offer following negotiations
- 0% - demoted or fired an employee for asking for a raise

[Salary Negotiation: Separating Fact from Fiction](#) (Salary.com)

Components of a Job Offer

Wages

- Base salary
- Signing bonus
- Annual/
performance
bonus
- Raises

Benefits

- Stock/equity
- 401(k)
- Insurance
- Paid time off
- Commuter
reimbursement
- Tuition
reimbursement

Perks

- Gym memberships
- Training/
conferences
- Flexible schedule
- Free meals/
snacks/drinks
- Tech gadgets
- Lounge/nap room
- Discount programs

Principles of Negotiation

**Relationships
&
Reputations**

Win - Win

A negotiation is a collaboration...

not a confrontation

**Info
gathering
&
Problem
solving**

**YOU
set the
tone**

**Be
prepared**

Be likable and logical

**YOU
have
power**

Government jobs

**Fellowships
Internships**

Negotiation is expected

(unless clearly stated otherwise)

**Some companies
just don't
negotiate!**

Do not apologize.

Do not apologize.

Do not apologize.

How did you determine the salary?

Where does the salary fall within the range for the role company-wide?

You do not have to negotiate...

(but you should still ask a few questions)

How is performance evaluated & rewarded?

What are the opportunities for advancement?

Preparing for Negotiation

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graph LR; A[Financial needs] --> B[Market research]; B --> C[Minimum salary & range]; C --> D[Non-wage negotiables]; D --> E[Prepare a script];
```

Financial needs

Market research

Minimum salary & range

Non-wage negotiables

Prepare a script

Financial Needs

- Rent/mortgage
- Food/utilities
- Relocation costs
- Lifestyle
- Savings
- Debt
- Financial goals

Market Research

- Glassdoor
- Salary.com
- Payscale.com
- Indeed.com/salary
- AngelList
- Industry surveys
- I School Career Outcomes data
- Network

Non-wage Negotiables

- Flex schedule
- Time off
- Telecommuting
- Training
- Conferences
- Professional Association memberships

Ask yourself....

What do I need out of the offer?

What are my deal-breakers?

What makes me excited about the possibility of working for the organization?

At what point would I walk away?

What options do I have besides this opportunity?

Receiving & Evaluating Offers

Receiving an offer

Be appreciative,
enthusiastic,
positive

Get it in writing

Set a date to
respond

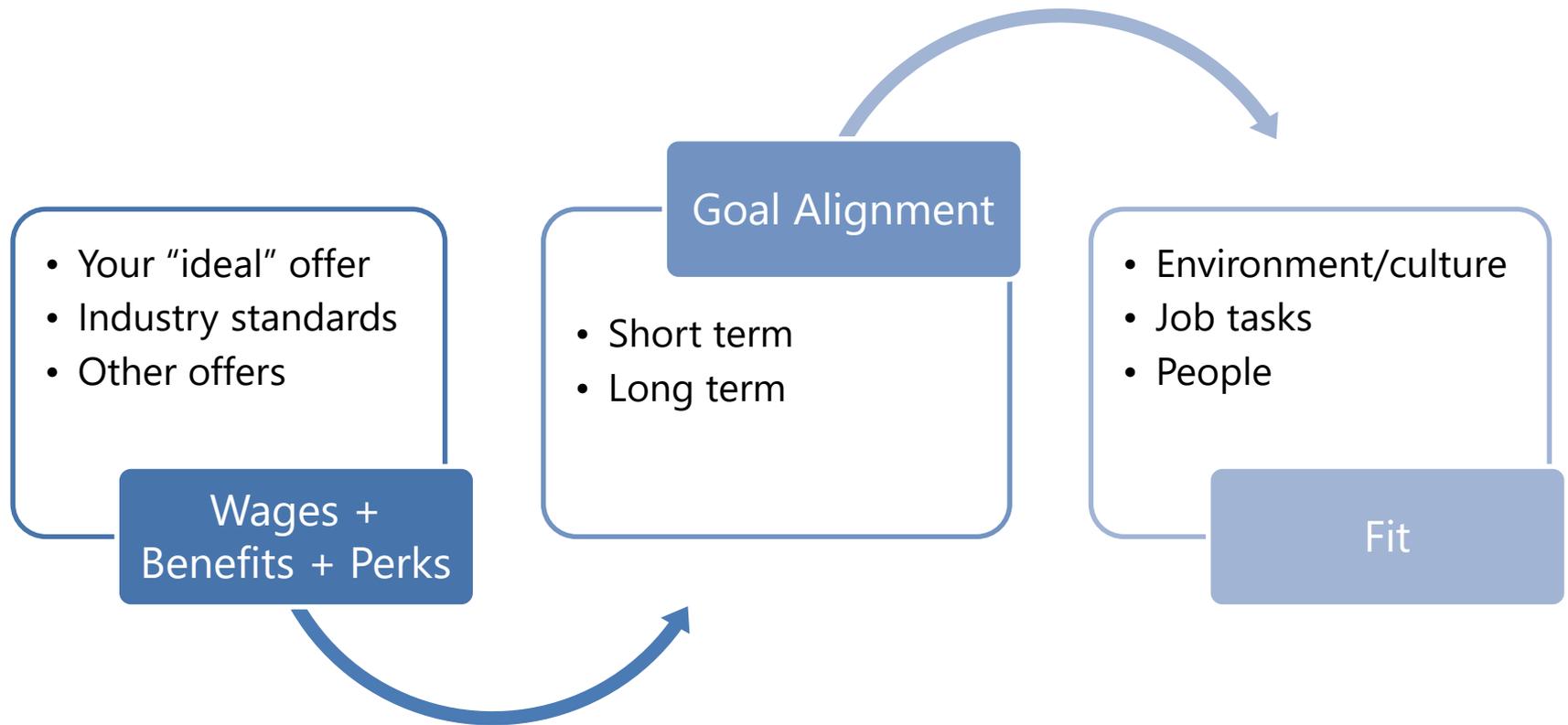
Is the offer much lower than expected?

Before negotiating...

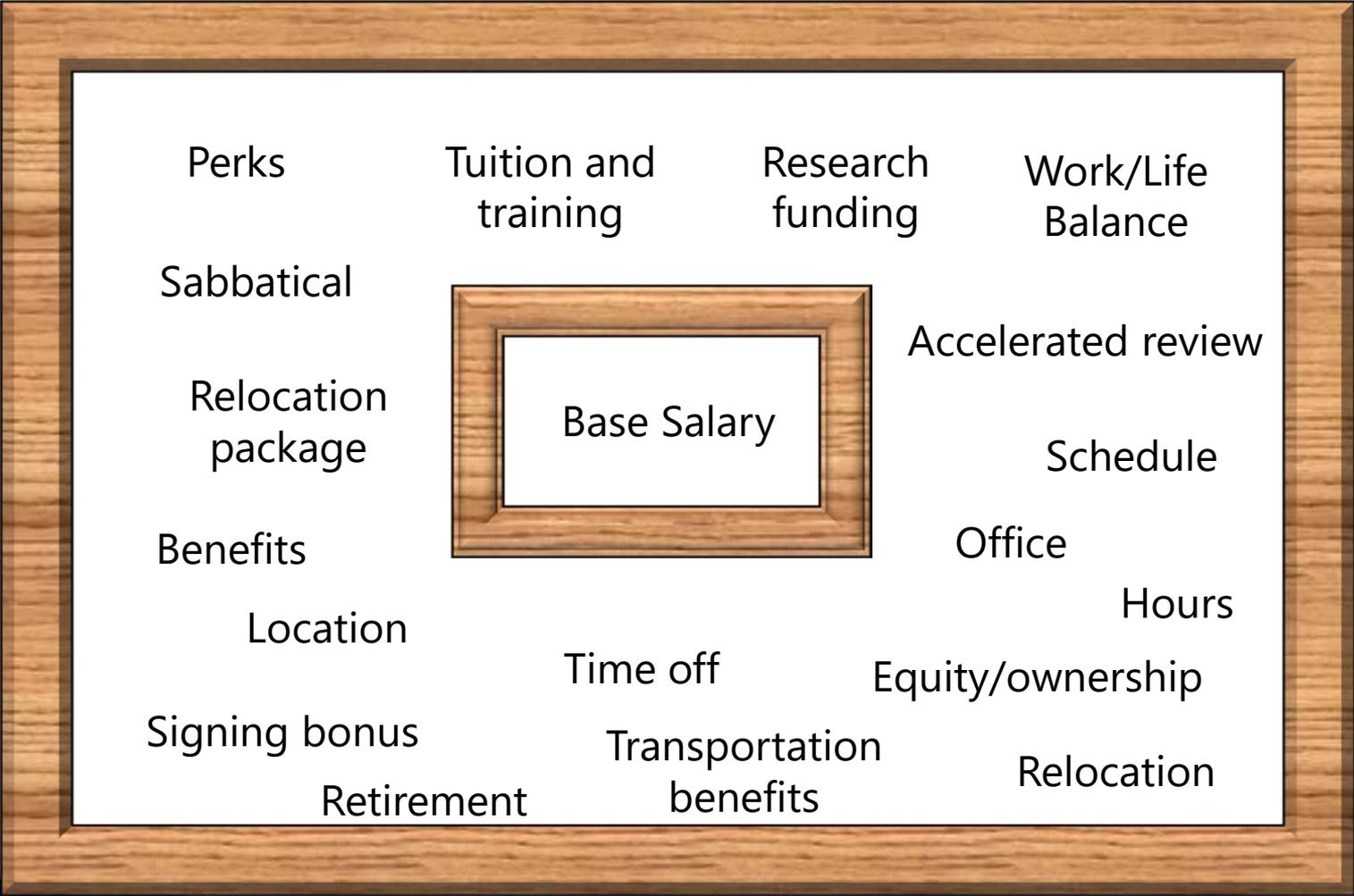
"The salary you are offering is quite a bit lower than I expected.

Can you tell me how you arrived at that figure?"

How do you decide?



The big picture



Startups: Equity Offers

What is your risk tolerance?

What stage is the startup in?

What are the terms/restrictions of the equity offer?

What % of co. equity is being offered? Future fundraising?

What is current valuation of the company?

Do you believe in the company's future?

Can you live comfortably on the salary being offered?

Consult with a financial advisor!

Q: Should I strive to have another offer before negotiating?

A: Not necessarily!

Communication Tips, Techniques & Scripts

Tips

Negotiate in person or via phone

Ask open-ended questions

Be solution-oriented, interested, and positive

Tips

Silence is your
friend

Ask questions

Make reasonable
requests

What are your salary expectations?

This approach is appropriate only in the early stages of the interview process

- **Technique #1: Delay**

- *“Before discussing a salary range, it would be very helpful to know more about the responsibilities so I can get a sense of what you need and then do a bit more research. Can we discuss this after I have interviewed?”*
- *“At this early stage, I would prefer if we focus on determining if I am the best candidate for the job. I am confident we will agree on salary once we determine I am the right fit.”*

What are your salary expectations?

- **Technique #2: Deflect**

- *“I expect to be paid a fair market rate based on my experience and the nature of the role. Can you tell me what your hiring range is for the position?”*

- **Technique #3: Direct Answer**

- *“Based on my research, I believe a salary in the range of \$xx-yy is fair for someone with my skills and experience. I am always open to negotiation, pending the details of the offer as a whole.”*

What is your current salary?

- **Current/previous salaries may be irrelevant**

- *“My previous position was different in that ... [explain how] therefore, my salary in that position is not relevant to this new role.”*
- *“While completing my graduate degree, I have gained new skills which will add considerable value to this new role, so my previous salary is no longer applicable.”*

What if...

- **The offer is low?**

- *“I am very excited to receive your offer and am looking forward to joining the team. I was expecting a bit more in the base compensation, based on my experience and the industry standard. What flexibility is there in your offer?”*
- *“I appreciate the offer, but in my research I found that a base salary for someone with my background and skills would be a bit higher. I was thinking something like [specific number].”*

What if...

- **You get pushback?**

- *“I understand where you are coming from, and I just want to reiterate that I do think I add high value to the team and that this would be a great fit. I think my skills are more in the range of [state a range].”*

- **The salary is non-negotiable?**

- *“I understand if the base compensation is fixed; what possibilities exist for negotiation in the rest of the package?”*

- **You have multiple things to negotiate?**

- Negotiate the entire package, but be clear of the relative importance of each item

What if...

- **They won't budge?**
 - Ask questions to understand their side
 - After the conversation goes “back and forth” a few times, accept that it is non-negotiable; if you continue, you risk harming the relationship
 - Decide if you are willing to walk away
- **They ask if you have other offers?**
 - Be truthful about existing or expected offers - you don't need to specify exact details, but you can discuss general comparability of offers

MIDS Salary Data

Median Annual Salary (2016-2017, US) - \$120k

Range \$50k-\$245k

Median Annual Bonus (2016-2017, US) - \$14k

Median Annual Salary (all grads, Bay Area) - \$130k

Range \$76k-\$240k

Final thought....

It's not just about getting the most money possible...

Successful salary negotiation means that both parties feel they have made the best deal.

Resources

- [I School Negotiation Worksheet](#)
- [15 Rules for Negotiating a Job Offer](#)
- [Why Women Don't Negotiate Their Job Offers](#)
- [The Exact Words to Use When Negotiating Salary](#)
- [How to Negotiate Your Next Salary](#)
- [The Essentials of Job Negotiations: Proven strategies for getting what you want](#)
- [Asking for a Raise Actually Works Most of the Time](#)
- [PayScale's Salary Negotiation Guide](#)
- [Women Don't Ask](#)
- [The 14 Crucial Questions About Stock Options](#)
- [Understanding Equity Compensation and What it Means for Startup Employees](#)

Questions?

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Career Advising:

MIDS: <http://www.ischool.berkeley.edu/careers/mids/advising>

Webinar recording & PPT slides:

<http://www.ischool.berkeley.edu/careers/mids/events/>