

FEARLESS SALARY NEGOTIATION



**A STEP-BY-STEP GUIDE
TO GETTING PAID
WHAT YOU'RE WORTH**

JOSH DOODY

Fearless Salary Negotiation

A step-by-step guide to getting
paid what you're worth

This is a sample chapter from *Fearless Salary Negotiation*—an **Amazon
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SAMPLE



How to negotiate your new salary

You've aced your interview and the company is about to make you an offer. This is when many people will breathe a sigh of relief and begin to celebrate, assuming the hard work is over. Maybe you're just happy to be leaving your old job, or excited to have a chance to work at a new company.

Don't relax yet! This is an opportunity to make the most of this transition and maximize your salary.

The theory behind my strategy

There are two factors that cause most people to leave money on the table when they negotiate their new salary—lack of information, and reticence to negotiate with a potential employer or manager. This chapter addresses both of these issues.

Reducing information asymmetry

From the moment you start the negotiation, there's a maximum salary the company can or will pay you for your skillset and experience in their

industry. Your goal is to get as close to that maximum salary as possible. First, you'll do research to understand your market value and consider the minimum salary you require to accept the job. Then you'll negotiate to maximize your salary.

Squashing that reticence

Here's the headline: You should absolutely negotiate your salary!

Most people don't get many job offers, and they see them as special snowflakes that come along only a few times in a lifetime. This reverence for new jobs spills over into the negotiation process, so they treat negotiations very gingerly, afraid to jeopardize them.

From the recruiter's perspective, your job offer is not a special snowflake. The job you're applying for is probably one of many that particular recruiter is trying to fill, and one of many more that particular company is trying to fill—it's no big deal to them. Most recruiters make job offers *all the time*, and they tend to see everything as numbers—the candidate has an applicant ID, the job requisition has a number, the paygrade for the job is just a range of numbers. If they can get a good candidate at a good salary, that's a good day for them.

It's not just numbers to you because the outcome of this negotiation will affect your life. The numbers have real meaning to you, so you have *far* more skin in the game than the recruiter. But you're leaving money on the

table—possibly the equivalent of multiple paychecks per year—if you simply accept the company’s first offer and it’s in your best interest to negotiate.

I’m going to show you how to approach this negotiation like the recruiter or hiring manager you’re negotiating with. Don’t be tentative or hesitant. Don’t be afraid of offending anyone. Be your own advocate. Fight for as much money as you can get because this is your final chance to maximize your pay *before* you’re in the door, confined by the rules for raises and promotions inside the company.

Focus on base salary

We will focus almost exclusively on base salary because your initial base salary has a big impact on your future earning potential. It is the one number that will directly affect every paycheck you get.

Recruiters and hiring managers like to present an offer in terms of “your total compensation package” or “total comp” because that number is usually quite a bit bigger than the base salary. It often includes target bonuses, stock options, etc. I recommend ignoring target bonuses or stock options when you negotiate your salary because the real value of those things is often unknowable. You could hit that bonus, but maybe you won’t. Maybe the company will go public, and maybe it won’t. Those things are often based on factors totally out of your control that may not come to fruition for many years (if at all), so you can’t count on them.

Your base salary is more dependable. And your *initial* base salary affects your salary every year going forward, so that's where you should focus during the negotiation.

In some jobs commission comes into play, but I won't address that directly. Commission is different, and the amount of commission available to a worker varies by industry and job. So I think it's best to just treat commission like a second component of salary and negotiate them together.

The general phases of salary negotiation with a new company

Just like the interview process, the salary negotiation process generally looks very similar across companies.

Here's what the process usually looks like:

1. Preparation
2. Post-interview follow-up
3. Initial offer
4. Your counter
5. Preparing for the final discussion
6. Final discussion

The preparation phase is a solo phase where you will do some research, consider what you want to get from the negotiation, and think about your

approach to it. The other four phases may be a series of conversations spread over a number of days, or they could all happen during a single conversation. That's why the preparation phase is so important.

A quick note: I'll be using "counter" as shorthand for "counteroffer" throughout this chapter because it's just easier to use and say "counter". Plus, trust me, you would eventually get really tired of reading "counteroffer" over and over.

1. Preparation

You have two main objectives before you begin negotiating:

1. Understand why you are a valuable candidate for this job
2. Determine the minimum salary you require to do this job

1. Why are you a valuable candidate for this job?

This is extremely subjective, but you've spent enough time researching and discussing this particular job that you should be able to identify what your most valuable attributes are as they relate to the job and the company. Think about them and then write them down.

Start by thinking about what needs this company hopes to meet by filling this particular job. Identifying their needs is key because you can tailor your own pitch to specifically address those needs. The research you did in the

preparation phase of your interview process will come in handy as you prepare to negotiate your new salary.

Here are some needs the company may be trying to satisfy:

- They are growing and need help
- They need a specific skillset that they are currently lacking in
- They need more bandwidth—more hands to help distribute the work
- They recently lost expertise or had a position vacated that they need filled to continue operations

Once you have identified the company's needs, you should think about your particular positive attributes that could help address those needs.

Each person and each job is unique, but here are some things you might write down:

- **Applicable experience**—maybe you have prior work experience that will make it easy for you to contribute quickly, with little training or ramp-up time.
- **Availability**—if you can start immediately and contribute quickly, this may help the company if they're in a pinch and need someone now.
- **Coachable and trainable**—if you pick things up quickly, it may help the company to know that you can contribute soon after you start.

Finally, put these together so you can relate your positive attributes to specific needs the company has. Here are a couple examples of some attribute-for-need combinations:

- “You’re building a team of salespeople and solution architects to grow into the medical manufacturing vertical, and I have five years of sales experience in that vertical. I can help you grow more efficiently and focus on the right things from the beginning.”
- “You’re transitioning your application to an Ember front-end, and I’ve been using Ember for client projects for two years. I can save your team a lot of time because I can come in and start writing code right away.”

Notice that a lot of *urgency* is built into these attribute-for-need combinations. This is because most companies see recruiting and hiring as a big expense. A large portion of that expense is new-hire training and onboarding—it takes a lot of time and money to train new people to become productive. You’re letting them know that you’re valuable because you have this particular skillset *and* you can contribute right away and minimize the onboarding and training expenses required for you to be productive.

We’ll come back to this information throughout the negotiation and leverage it whenever there’s an opportunity to bolster your case.

2. What is the minimum salary you require to do this job?

You've probably heard that the key to negotiating is being willing to walk away. Your minimum salary requirement is how you pre-decide when you're willing to walk away from this salary negotiation. This is also the single most important number you'll use when negotiating your salary, and it's your minimum metric for measuring success.

Here are several things you should consider as you determine the absolute minimum salary you'll accept to do this job:

- Your current salary
- Your market value for this job
- The amount you think you can get
- What people in your target job at your target company are currently making
- How badly do they need you? (0–10)
- How badly do you need this job? (0–10)
- When is your next merit increase at your current job?
- When is your next bonus at your current job?

The nice thing about this list is that there's value in just thinking about each item. I recommend that you write down your responses, but if you're not up for that, you should at least take a little time to think about each item. Something may occur to you that will help you find some little bit of leverage you may have otherwise missed.

Let's take each of these items one by one to understand its significance and how it helps you determine your minimum acceptable salary.

Your current salary

Chances are your goal is to increase your salary by taking a new job, so this is your starting point. Plus, it's what you'll ultimately measure your results against when your negotiation is finished.

As I mentioned in “How to ace your next interview”, you should *not* share this with the company! This number is for your eyes only!

Your market value for this job

Estimating the market range and your market value for the job you're pursuing is very important. This is your first step in determining the minimum salary you'll accept for this job. Before you can set that minimum salary threshold, you need to understand what your skillset and experience are worth in your particular industry and for this particular job.

This is important for *all* salary negotiations, including raises, so I wrote an entire chapter on the topic of estimating your market value. If you have not already read it, I strongly recommend you save your spot in this chapter and read the chapter on “How to estimate your market value” before you continue.

The amount you think you can get

This is a ballpark number that you'll keep private. It's one metric for measuring your success in this negotiation. It represents what you think you'll get without using what you learn in this chapter. Think of it like this: This ballpark figure is what you'd answer if someone surprised you right after you sent your first application to the company by asking, "If they offered this job to you right now, what do you think they'd pay you?"

My goal in this chapter is to help you exceed this number.

What people in your target job at your target company are currently making

This step is similar to some of the steps in "How to estimate your market value", but it's slightly different. Rather than trying to learn about salaries in your own company or elsewhere in the industry, you're specifically focused on people doing your target job at your target company.

There are a couple ways you could find this out. If you know a manager at this company, they may be able to give you a sense of what your target job pays there.

If you know someone doing your target job at this company, talk to them and see if they can give you a sense what the job pays. You may not want to come right out and ask what they're making, but you can ask a hypothetical question like, "If someone were hired at your company today to do a job similar to yours, what sort of salary do you think they would make?"

It also helps if you can get a sense of how well the person does the job, and how long they've been doing it so that you know how you stack up against them. Then you can get a sense of how your salary might compare to theirs if you were to do the same job they do.

CAUTION: If you are able to find this information, you will *not* explicitly mention it during your negotiation! Pretend you have top-secret intel on the company, and that you're using that intel to your advantage.

How badly do they need you? (0–10)

During your interviews, you may have gotten a sense of how badly they need you or someone else to fill this particular role. This is extremely subjective, but it helps to have a good idea of how badly they need you.

0 means they don't need you at all. Maybe they're interviewing you as a favor to someone who works at the company, and the job wasn't even open.

10 means they're desperate to fill the position as soon as possible and you're the perfect candidate. Maybe they called and said, "Are you available? Frank just left without giving notice and we have to get someone as soon as possible. You're perfect for this role, so we called you first."

Here are some things you can consider to get a sense of how badly they need you: Did they call you, or did you call them? Have they mentioned anything about someone else recently leaving this job? Have they been

trying to fill the job for a while? Are they filling one position in this job, or are they filling several positions in this job?

If you find that this number is close to 10, you'll want to tactfully emphasize this during your negotiation.

How badly do you need this job? (0–10)

This one is less subjective.

0 means you could take it or leave it. Maybe you are interviewing as a favor to someone.

10 means you're unemployed, your savings is depleted, and you need a job immediately or you won't make the rent this month. Or maybe you just really, really want this particular job.

If your number is close to 0, you'll want to tactfully emphasize this during your negotiation.

When is your next merit increase at your current job?

This one is pretty straightforward. The point matters to you because you'll want to account for it when considering the minimum salary you need to entice you to take this job. If you're due for a 3% merit raise next month, your minimum acceptable salary might be slightly higher when you account for your pending raise.

When is your next bonus at your current job?

Many companies give semi-annual or even quarterly bonuses, so this is a separate issue from your next merit increase. You may want to account for this when determining your minimum acceptable salary, and it could also come in handy in the final stages of your negotiation when you consider non-salary benefits. For example, you may use your upcoming bonus as justification for requesting a signing bonus:

“I’m due for a bonus next month, and my on-target bonus this quarter is \$2,000. It’s really going to sting to miss out on that. Can we talk about a signing bonus to help offset that loss?”

A few more things to consider before setting your minimum acceptable salary

In addition to all the things we discussed above, there are a few more things you might consider when deciding the minimum salary you will accept to do this job:

- **How do you feel about your target company?** The better you feel about the company, its culture, your potential coworkers, etc., the more this might push your minimum acceptable salary to a lower number.
- **How do you feel about your target job?** The more excited you are for this particular job and the opportunities it affords you

personally and professionally, the more this might push your minimum acceptable salary to a lower number.

- **Are there perks that make this particular opportunity more attractive?** For example, maybe it would reduce your commute by 30 minutes a day, or you would get to work with technology that you're more comfortable with. The more appealing the perks, the more this might push your minimum salary to a lower number.

Picking a number: The absolute minimum salary you will accept before walking away from the opportunity

It is important that you determine your minimum acceptable salary now, when you are objective and clear-headed, as opposed to waiting until you're in the midst of a negotiation when things can get fuzzy. Deciding now may keep you from making a spur-of-the-moment decision (accepting less pay than you require) if you get involved in a stressful negotiation. More importantly, making this decision in advance gives you some leverage in your negotiation—if the recruiter or hiring manager senses that you're serious about walking away, they will be more careful to make you an offer in your acceptable range (even if they don't know exactly what that is).

This is an extremely subjective personal decision. You're really trying to answer the following question: "What is the minimum salary I need to leave my current situation and take this job?" You're hoping to make *more* than

this number, but you would be happy making this salary, and you will not accept the job for a base salary less than this number.

Now is the time to decide: **What is the minimum salary you will accept to do this job?**

Think about this long and hard because it really matters. When you set this number, you should stick to it unless you discover significant new information that forces you to change it.

Got your number? Then you're ready to negotiate your new salary.

2. Post-interview follow-up

Once you've finished interviewing, you'll usually hear from the recruiter or hiring manager, asking if you're free to chat about your interview process and next steps. This will usually be a pretty short conversation—10 minutes or so. They just want to make sure you're still interested in the position, and they're almost always going to take one last shot at getting you to disclose your desired salary.

This is your final opportunity *before they make you an offer* to make the case that you should get as much money as possible. Odds are the company has a *range* of salaries in mind that they may offer you, but they haven't yet decided on the specific salary they will offer. By making a good case for yourself in the post-interview follow-up, you may be able to push their offer to the higher end of the range they have in mind.

You have two objectives for your post-interview follow-up call:

1. Don't give the first number in your salary negotiation.
2. Make your final case that you will be a valuable asset to the company and that they should make as strong an offer as possible.

1. Don't give the first number

The recruiter's last attempt to elicit your desired salary will probably sound like this:

"Okay, I just need to talk to Finance and your hiring manager to see whether we're ready to move forward with an offer. What sort of salary did you have in mind for this job? I just want to have something to run by Finance. And do you have any questions for me before we move forward?"

If you read the chapter on "How to ace your next interview", you may recognize the second part of "the dreaded salary question" in the recruiter's dialogue above.

Here's the dreaded salary question again, to refresh your memory:

"So where are you right now in terms of salary, and what are you looking for if you make this move?"

Maybe you got away without naming a disclosing salary the first time, but now you feel more pressure to play ball because you're so close to an offer. Don't give in! Instead, give an answer something like this:

"You know, I really don't have a specific number in mind right now. I've learned a lot through the interview process, and I look forward to hearing what you suggest so I can consider it. As I mentioned earlier in this process, I want this move to be a big step forward for me in terms of both responsibility and compensation..."

2. Making your final case

Notice that I ended the answer with an ellipsis this time? That's because the next thing you'll say is:

"...because I know I can immediately contribute to help you address [this need] with [this positive attribute], and [this other need] with [this other positive attribute]."

Turn the dreaded salary question redux into an opportunity to make a case for yourself just before the recruiter goes to Finance to determine the salary they'll offer you. This is why you spent time doing research and thinking about the company's needs during the preparation phase of your interview process (see "How to ace your next interview" for more on this) and again during your preparation for this negotiation. Now you can identify specific attribute-for-need combinations to describe how you will address specific needs and add value to the company.

The recruiter may cover other things too, but it's a successful call for you as long as you meet your two objectives. The call will usually end with the recruiter saying they just need to reach out to Finance and your hiring manager to see if the company will move forward with an offer, and they'll let you know when they're ready to move forward.

The next thing you hear from them will likely be your initial offer.

3. Initial offer

The initial offer may arrive in a few forms, ranging from informal to formal. Many companies prefer to make the initial offer verbally. The recruiter or the hiring manager will reach out and ask if you have some time to chat, then set up a call where they'll deliver the offer at a high level: base salary, bonus structure, any stock options, and maybe a possible start date. Sometimes the initial offer will come in an email.

Regardless of how they deliver the initial offer, you should answer something like this:

"Thank you so much for the offer. I would like to take a day or two to think it over before I respond."

That's the straightforward version, but you can beef it up with something like, "...I just want to run it by my spouse to make sure we're on the same page," or "...I just need to talk it over with my family before I respond."

In general, the more time you have to think it over and determine your counter, the better. Shoot for a day or two, and it may help if you can stretch it over a weekend.

You may also want to ask some questions about the offer, but keep in mind that you are not negotiating yet. You might ask about start date, or ask for clarification on benefits, or confirm how many vacation days you would get, but you're not countering or accepting yet. Not even if you really like the offer! Okay?

4. Your counter

They've finally made you an offer, and *they* threw out the first number because you didn't give in to the dreaded salary question. Now what? You need to determine your counter.

This is an important step because you will almost certainly be leaving money on the table if you don't counter. It's very unlikely that the company offered you the maximum amount they're willing to pay because they usually leave some room to negotiate in case you do counter.

I've made this strategy as straightforward as possible so that it is easy to follow, even when you're under pressure.

“But what if I really like the offer?”

You could just accept it, but I don't recommend that because if they immediately made you an offer you really like, there's a pretty good chance you underestimated your market value in the preparation phase of this process. You should re-evaluate your answers to the questions in the preparation section of this chapter, focusing on your market value, how badly they need you, and how badly you need this job.

In fact, now is a good time to go back and look at those answers to refresh your memory before we jump into the numbers. Go ahead, take a few minutes to review your answers in the preparation section, then come back here and we'll figure out your counter.

Ready?

Determining your aggression factor

Before we can calculate your counter, we need to determine how aggressive you can be.

Remember those two “0–10” questions we looked at during the preparation phase? We're finally going to use them!

We're going to do some very light math here. Here's the formula for your aggression factor:

$$\begin{aligned} & [\text{How badly they need you}] - [\text{How badly you need this job}] \\ & = \text{Your aggression factor} \end{aligned}$$

Here's a quick example: Let's say you are pretty sure the company needs you to do this job pretty badly, but you don't need this particular job too badly. "How badly they need you" would be about an 8, and "How badly you need this job" would be about a 3. That means the formula would be $8 - 3 = 5$. In this situation, your aggression factor is 5.

If your aggression factor works out to be less than zero, just set it to 0. That means your aggression factor should always be a number between 0 and 10.

Pretty easy! Make sure you keep this number handy because we'll come back to it in a little bit.

Okay, now we're ready to determine your counter.

Determining your counter

By waiting for them to make the first offer, you learned more about the range of salaries they're willing to pay and gave yourself an opportunity to formulate a counter based on their offer so that you can get as close as possible to the *maximum* they're willing to pay.

So how do you determine your counter? There are two scenarios we need to address. The most common scenario is when they offer at least your

minimum acceptable salary. The other scenario is when they offer less than your minimum acceptable salary.

Let's start with the more common scenario.

1. When they offer at least your minimum acceptable salary

Most of the time, they'll offer something at or above your minimum acceptable salary. This makes sense because your minimum acceptable salary is a conservative number you chose that represents the minimum it would take to get you in the job, whereas their offer is designed to be high enough to entice you to take the job while leaving them some wiggle room to negotiate if you counter.

Since you've already got your minimum acceptable salary locked up, you can turn your focus to maximizing your salary before your tenure at the company begins. The first step to maximizing your salary is to make a counter that pushes the company higher into the range of salaries that they're willing to pay you while not pushing too hard. So how do you do that?

A good range for a counter is between 10% and 20% above their initial offer. On the low end, 10% is enough to make a counter worthwhile, but not enough to cause anyone any heartburn. On the high end, 20% is a pretty big difference between their offer and your counter, but it's not so big that it will come across as excessive when used in the right situation.

We need to determine where in the typical counter range—between 10% and 20%—you should counter. This is where your aggression factor comes into play. You just add your aggression factor to 10% and that's how much you should counter above their offer. In our example above, your aggression factor was 5, so your counter would be 15% above their initial offer (10% plus 5% for your aggression factor).

Let's look at an example. Say your minimum acceptable salary is \$50,000 and the company offered you \$55,000. They met your minimum, so now you just need to determine an appropriate counter. Your aggression factor is a 5, which means your counter should be 15% above their offer. In this case, 15% of \$55,000 is \$8,250, which means your counter should be \$63,250. It can be a little easier to work with round numbers, so you might round to \$63,500.

2. When they offer less than your minimum acceptable salary

Your goal for the negotiation has now shifted from “maximize my salary before I start this job” to “try to get my minimum acceptable salary or more if possible”. It's frustrating, but this is why you prepared by choosing your minimum acceptable salary in advance—you know the salary you must get to in order to take the job.

You have two main options in this situation. The most obvious option is to simply tell the recruiter or hiring manager that you can't accept less than your minimum acceptable salary and see if they'll agree to that salary. This is the most direct route, but it has the downside that it caps your possible

salary at your minimum acceptable salary. So before you do that, let's see if there's still a way to get *more than* your minimum acceptable salary.

The real question is whether you can reasonably counter a high enough salary that a negotiation will lead to a salary greater than your minimum acceptable salary. Here's our rule of thumb: Use the method in the previous section to determine what your counter would be. If that number is greater than your minimum acceptable salary, then that is your counter. If that number is less than or equal to your minimum acceptable salary, then just tell the recruiter or hiring manager that you can't accept less than your minimum acceptable salary.

Let's look at two examples to illustrate this point. For both examples, let's say your minimum acceptable salary is \$50,000 and your aggression factor is 5. That means your counter will be 15% above their offer unless their offer is so low that your counter isn't at least \$50,000.

Scenario 1—When your counter exceeds your minimum acceptable salary: Let's say they offer you \$45,000. Fifteen percent of \$45,000 is \$6,750, which means your counter would be \$51,750, and you should round that up to \$52,000. That's above your minimum acceptable salary of \$50,000, so you will counter that amount. Not only might you get a little more than your minimum acceptable salary, but you've also left the door open to negotiate other benefits (signing bonus, vacation days, etc.) even if you end up at your minimum acceptable salary.

Scenario 2—When your counter would be less than your minimum acceptable salary: Let's say they offer \$40,000. Fifteen percent of \$40,000 is \$6,000, which means your counter would be \$46,000. That's below your minimum acceptable salary of \$50,000, so you would not counter that amount. Instead, you would say, "I'm sorry, but I can't accept less than \$50,000 for this job." This may very well be the end of your negotiation, so you're giving them one last shot to meet your minimum acceptable salary.

If they meet your minimum, then you've got the job at that salary. If they can't meet your minimum, then you couldn't come to terms and you should probably walk away. This can be a very difficult decision, but this specific scenario is why it was so important to set your minimum acceptable salary before you began negotiating. You were more objective then, and it's probably best to trust your objectively determined minimum in this situation.

“What if my counter seems ridiculously high?”

The nice thing about this method is that your counter is based on their initial offer, and it is confined to a reasonable range of 10% to 20% above their offer. Further, the way you chose whether to counter closer to 10% or 20% above their initial offer was based on your assessment of how badly the company needs you as compared to how badly you need the job.

A counter of 10% more than the company's initial offer simply isn't a big enough difference to raise any eyebrows. And if your counter is 20% above

their initial offer, that's because you've determined that the company desperately needs you (10 out of 10 on the "How badly do they need you?" question) while *you* don't really need the job at all (0 out of 10 on the "How badly do you need this job?" question).

As long as you have realistically evaluated those two questions, your counter is in a reasonable range.

You should now have your counter ready to deliver

Congratulations! You've determined your counter, and you can feel good knowing that your method for calculating it was logical and reasonable. This is a counter that you can deliver with confidence.

Delivering your counter

When you deliver your counter, you have another opportunity to make your case for the maximum possible salary. And, more importantly, you can help the recruiter or hiring manager make a strong case to whoever is holding the purse strings. Your counter will probably require approval by someone higher up the chain of command, so you should give them everything they need to make the strongest case possible for you. Most of the time, if you're this far in the process, they want to make things work, so this is the perfect time to make your case again.

We'll approach this section as though you're going to email your counter because the best way to make your strongest case *and* make it easy for the recruiter or hiring manager to share that case with the final approver is to make it in writing.

If you absolutely can't give your counter via email, you should still write the email so that you can use it for reference when you verbally deliver your counter.

So how do you make your case to justify your counter? You already did! In the Preparation section of this chapter, there's a sub-section called "1. Why are you a valuable candidate for this job?" That's your case. You've probably already made it once—verbally to the recruiter—and you're going to make it one more time, in writing.

Here's a real example of a counter email I sent for a job I landed. I've changed some details (names, numbers), but this is almost exactly what I sent. I've tried to scale the numbers so that the proportions are about the same as the real numbers.

To: Brittany Jones <brittany.jones@example.com> [recruiter]
CC: Katherine Thompson <katherine.thompson@example.com>
[recruiter's manager]

Subject: Josh Doody - My thoughts on Tom's verbal offer

Hi Brittany

I hope you had a great weekend!

I've been considering Tom's offer over the weekend and everything sounds good, although I would like to discuss the base salary component.

I think I'm a particularly good match for this position, where I would add significant value to ACME Corp. and to the Tom's Practice from Day One. I have a strong technical background and have built and managed teams of technical people. I am exceptionally good with clients, and have taught short courses on building rapport with and managing clients. I have an MBA and have successfully managed many portfolios of business in the Widget Making industry over the past seven years. I've been working with [Partner Company] for over two and a half years, and have experience with many of their partnership managers and leadership team. I have a strong technical writing background and can both create and delegate the creation of good collateral quickly and efficiently.

All of these qualities contribute directly to the core components of this particular position, and that's why I'm excited for the opportunity to work with Tom and his Practice in this capacity at ACME Corp.

Tom offered \$50,000 and I would be more comfortable if we could settle on \$56,000. I feel that amount reflects the importance and expectations of the position for ACME Corp's business, and my qualifications and experience as they relate to this particular position.

Thanks for your time, and I look forward to talking with you on Monday morning at 10:30 ET!

All the best

Josh Doody

josh@example.com

Let's look a little closer.

I open with a greeting (I'm emailing the recruiter I've been working with throughout the hiring process), then immediately cut to the chase because I want this to show up in the email preview pane if possible: I'm pretty happy with the offer, but I want to talk about the base salary component. Then I immediately jump into making my case, which I initially put together during the preparation phase of this process and delivered verbally in my post-interview follow-up call with the recruiter.

Next, I summarize the verbal offer the hiring manager made, and state my preferred counter in a neutral way. I make one more one-sentence case for myself, confirm when I'll have my next phone call with the recruiter, politely signoff, and include my signature.

Notice that my counter is 12% above their initial offer, implying that my aggression factor was only a 2. In this case, I rated "How badly do they need me?" at about an 8, but I rated "How badly do I need this job?" at about a 6 because I was anxious to make a change.

I recommend that you compose an email like the one above, then send it to a couple friends or family members for review. They'll probably find some typos and might suggest some ways you can tighten it up or make it better. You can always redact the actual numbers if you're not comfortable sharing them.

Once you're happy with your counter and you feel you've made a strong case to justify it, send it to the recruiter.

After you've made your counter

Now you've made a counter and extended the negotiating window up from their offer to your counter. The recruiter will almost certainly say, "Okay, I'll need to go talk to Finance about this and see what we can do." In that case, you can jump to preparing for the final discussion. They may also say, "Okay, we can do that!" and you're done (and congrats, by the way!).

Occasionally, they'll say, "Oh no, we can't do that. The best we can do is [some number]." They've just bumped you straight to the final discussion. Fortunately, you read this whole chapter before you started negotiating, so you already have your plan for the final discussion. But for now, we'll treat it like a separate part of the process.

5. Preparing for the final discussion

You did your homework and waited for the company to make the initial offer without disclosing your current or desired salary. Then you carefully considered your counter, trying to maximize your salary while accounting for how badly the company needs you to do this job, and how badly you need this job. The recruiter may have then gone back to Finance or the hiring manager to talk about your counter and get final authorization for the amount they can pay you to do this job.

Defining the negotiation window

That conversation with Finance or the hiring manager usually goes something like this:

“We offered Josh \$50,000 and he countered at \$56,000. This job pays up to \$58,000, so we’re getting close to the top of that range. Where do we want to come back to him? Let’s go with...”

They offered me \$50,000 and I countered at \$56,000. For now, let’s just drop all the dollar signs and zeros: they offered 50 and I countered at 56. It’s extremely unlikely they would come back with a number lower than 50 (after all *they* offered that number to start) or above 56 (it would be odd for them to give me more than I asked for in my counter), so they’ll either stick to 50, come up to my counter of 56, or come back with something in between. This means my expected negotiation window is 50 to 56.

We’ll keep using the example above for the rest of this section, but you’ll want to use your own numbers to make this as relevant as possible for your

own negotiation. Before you move on, you need to determine your own negotiation window so that you can plan for it. Got it? Okay, let's make a plan for each increment within your negotiation window.

Planning for each increment within your negotiation window

Now you have to do some planning for different hypotheticals. We'll make this easy by writing these down so you don't forget, and so you don't have to think much during your final discussion.

The first thing to do is determine whether there's a number in your negotiation window that will make you happy such that you'll just accept that number or anything above it. In my example above, I would be happy with 55 or above, so if they responded to my counter with an offer of \$55,000 or more, I would accept it and stop negotiating.

Next, you need to determine your minimum acceptable salary within the negotiation window. Note that this is not necessarily your "minimum acceptable salary" from earlier in the chapter. This may be a new number that you decide based on the window you have defined between their offer and your counter. You're updating your minimum based on what you've learned from the offer they made you.

In my case, my minimum acceptable number was 52. This means that if their response to my counter is anything below 52, I'll go straight to, "I'm sorry, but I can't accept anything less than 52 for this job."

That should leave you with some numbers below “automatic yes” and above “automatic no”. This range should actually be pretty narrow by now, and you can probably break it into a few \$1,000 or \$500 increments. For each increment, you’ll prepare a salary request, plus a benefits request. The salary request is a number that you can give in the following way: “If you can meet me at this amount, I’m on board.” The benefits request is in case they can’t meet you at that amount; you’ll want to ask about other “levers” you can pull as part of your benefits package. List these so that the most important ones are first.

Which levers you want to pull in your benefits request are up to you, but you should have at least two or three in mind because some things are set in stone at some companies while others may be negotiable. In fact, *everything* except salary may be set in stone, but at least you can try to eke out some additional benefits once you’ve found the maximum salary they will pay you. Some benefits that may be negotiable include vacation days, work location (maybe you can work from home two days a week to reduce your commute), greater reimbursements for home-office costs (home internet, office lease), reimbursement for your mobile phone if you’ll use it for work, reimbursement for relocation expenses, and so on.

Let’s make this easy and just write down a reaction to each number from 50 through 56:

56—That sounds good to me! When do I start?

55—That sounds good to me! When do I start?

53.5 to 54—(1) I'm on board if you can do 55. (2) Can we talk about upping my vacation? (3) Can we talk about reimbursing my monthly office expenses (\$265)?

52.5 to 53—(1) I'm on board if you can do 54.5. (2) Vacation. (3) Office expenses.

51.5 to 52—(1) I'm on board if you can do 54. (2) Vacation. (3) Office expenses.

51—I can't accept less than 52.

50—I can't accept less than 52.

Once you've written out your script, you're ready for your final discussion.

How this tactic earned me \$1,500

I realize this may seem like overkill, but it's absolutely worth the effort. In fact, this method saved me \$1,500 in the real-life negotiation that's the basis for our example.

The final discussion will often be verbal, and most people (myself included) tend to get nervous when negotiating something high-stakes in real-time. This method helps you run through the possibilities for your final discussion ahead of time and script your responses so that stress isn't as much of a factor.

When I was negotiating the salary we've been using for this example, the recruiter called me for the final discussion, and she gave me their response to my counter. Their response was 53.5.

I was nervous, so my mind jumped straight to thinking, “You didn’t get the salary you countered with, so let’s try for some additional benefits.” I started to say, “Okay, can we talk about what other levers might be available to pull in terms of benefits...” But then I looked up at my whiteboard and realized that “No! That’s not the first thing I say if they say 53.5!” The white board said that the first thing I should say if they responded with 53.5 was, “If you can do 55, then I’m on board.” So, I stopped myself and said, “Actually, forget I said that. If you can do 55, then I’m on board.”

The recruiter said, “Okay, I think we can do that. I just need to get it approved.” and our call was over about 20 seconds later. I almost settled for \$53,500 as my base salary, but because I had a script prepared for the final discussion, I earned an extra \$1,500.

6. Final discussion

The company made you an offer and you asked for some time to think it over. Then you countered, hopefully in an email that also made a strong case for why your skillset and experience are valuable to the company. The company will likely take some time to discuss things internally and determine how high they want to go within the window that has been established between their offer and your counter. Once they’ve determined how far they can go, they’ll usually reach out for one more discussion. The final discussion is almost always a phone call, but will sometimes be by email.

You should have your script from the previous section ready to go because the final discussion will probably move quickly. You'll exchange greetings, then the recruiter or hiring manager will let you know that they've discussed your counter internally and they're prepared to offer some amount. You can't know that exact amount before they say it out loud, but that's okay because you've already written a script that covers most of their possible responses.

Once they react to your counter, your next response will often end the negotiation. You'll either say, "I'm sorry, I just can't accept an offer that low. The absolute lowest I can accept is [your minimum acceptable number]." Or you'll say, "That's pretty close, and if we can settle on [some number], I'm on board right now." Or you'll say, "That sounds good to me! Let's do it!" This is all in your script.

When they respond to the "...if we can settle on [some number], I'm on board right now" by saying, "We can't come up that far. The best we can do is [their final offer]", then you can try to get some other benefits by asking if there are other levers that can be adjusted. Here is how you might ask about those other benefits:

"Okay, so the best you can do on base salary is [their final offer]. Can we talk about what other levers might be available in terms of other benefits?"

Some of those levers might be vacation days, work location, reimbursements, signing bonus, start date, or whatever you listed in your

script when you prepared for the final discussion. Once you've tried to get those other benefits, you'll have a clear picture of your best-case scenario and can either accept their final offer or not.

If the negotiation ends and you won't be joining the company, that's okay because it means the company simply couldn't offer you the minimum amount you would be willing to accept for this job. This is ultimately a good outcome because it means that you didn't wind up with a job where the pay isn't sufficient for your needs. Send a short thank-you email to the recruiter, including your contact information, to make sure everything is amicable. Be sure to let them know they can reach out to you any time if they find another opportunity that may be a good fit for you.

If you were able to come to an agreement, congratulations! The recruiter or hiring manager probably has the next action to get final approval for your offer and confirm your start date, so just hang back and wait for things to take shape.

Summary

Many people relax once they have a job offer, often because they're so relieved to be through with the interview process and to have something tangible to show for it. Don't relax! This is an opportunity to maximize your pay at your new job.

The theory behind my strategy

By learning as much as you can about the job being offered and the current market conditions, and by being bold, you can often significantly improve your financial situation during the negotiation process.

Remember that although this negotiation may be a unique and special event for you personally, it's just a series of numbers to most recruiters. Your task is to get the largest salary the recruiter is prepared to offer—don't short-change yourself.

Focus on base salary

Base salary is the number that really matters. “Total comp” is a bigger number, but includes many more variables, most of which are out of your control. So focus your negotiation on maximizing your base salary.

The general phases of salary negotiation with a new company

1. Preparation
2. Post-interview follow-up
3. Initial offer
4. Your counter
5. Preparing for the final discussion
6. Final discussion

1. Preparation

You have two main objectives before you begin negotiating:

1. Understand why you are a valuable candidate for this job
2. Determine the minimum salary you require to do this job

This is where you do your homework and make *sure* you're ready to make a case for yourself. Think about and write down your response to each of these things:

1. Why are you a valuable candidate for this job?

This is extremely subjective, but you've spent enough time researching and discussing this particular job that you should be able to identify what your most valuable attributes are as they relate to the job and the company.

You can bolster your case by building some attribute-for-need combinations that you can use to describe how valuable you can be for this company. Here's an example:

"You're building a team of salespeople and solutions architects to grow into the medical manufacturing vertical, and I have five years of experience in sales in that vertical. I can help you grow more efficiently and focus on the right things from the beginning."

2. What is the minimum salary you require to do this job?

Here are several things you should consider as you determine the absolute minimum salary you'll accept to do this job:

Your current salary

Your market value for this job

The amount you think you can get

What people in that job at that company are currently making CAUTION: Do not mention this during your negotiation!

How badly do they need you? (0–10) If it's a high number, emphasize this during your negotiation.

How badly do you need this job? (0–10) If it's a low number, emphasize this during your negotiation.

When is your next merit increase at your current job?

When is your next bonus at your current job?

Picking a number: The absolute minimum salary you will accept before walking away from the opportunity

This is the most important number you'll take into your negotiation, and it's important that you decide on this number *before* you begin negotiating. Choose your minimum acceptable salary and write it down.

2. Post-interview follow-up

The post-interview follow-up is typically a short, verbal discussion with the recruiter or hiring manager. They're just letting you know that you're finished interviewing and they are considering next steps, including making you an offer.

You have two objectives for this call:

1. Don't give the first number in your salary negotiation.
2. Make your best case that you will be a valuable asset to the company and that they should make as strong an offer as possible.

The recruiter will often ask you something like this in order to elicit a desired salary from you:

"Okay, I just need to talk to Finance and your hiring manager to see whether we're ready to move forward with an offer. What sort of salary did you have in mind for this job? I just want to have something to run by Finance. And do you have any questions for me before we move forward?"

Here is a good response that gives you an opportunity to make your case for the maximum salary they can offer.

"You know, I really don't have a specific number in mind right now. I've learned a lot through the interview process, and I look forward to hearing what you suggest so I can consider it. As I mentioned earlier in this process, I want this move to be a big step forward for me in terms of both responsibility and compensation because I know I can immediately

contribute to help you address [this need] with [this positive attribute], and [this other need] with [this other positive attribute].”

3. Initial offer

The recruiter or hiring manager will usually deliver your Initial offer either verbally (a phone call) or via email. Either way, your response should be something like:

“Thank you so much for the offer. I would like to take a day or two to think it over before I respond.”

If it helps, mention that you need to talk it over with your spouse or family. You just want to get the offer and then take some time to work on your counter. You’re not negotiating, accepting, or rejecting the offer yet.

4. Your counter

Even if you really like the offer, you may still want to negotiate for a higher salary because it’s possible that you previously under-valued yourself. Before you determine your counter, you should reevaluate what you learned in the preparation phase to make sure you don’t need to update any of your answers to those questions.

Before you can determine your counter, you need to calculate your aggression factor. The formula is very simple:

$$\begin{aligned} & [\text{How badly they need you}] - [\text{How badly you need this job}] \\ & = \text{Your aggression factor} \end{aligned}$$

If your aggression factor works out to be less than zero, just set it to 0. That means your aggression factor should always be a number between 0 and 10.

Determining your counter

A good range for a counter is between 10% and 20% above their initial offer. On the low end, 10% is enough to make a counter worthwhile, but not enough to cause anyone any heartburn. On the high end, 20% is a pretty big difference between their offer and your counter, but it's not so big that it will come across as excessive when used in the right situation.

You will encounter two primary scenarios:

1. When they offer at least your minimum acceptable salary: We need to determine where in the typical counter range—between 10% and 20%—you should counter. This is where your aggression factor comes into play. You just add your aggression factor to 10% and that's how much you should counter above their offer. In our example above, your aggression factor was 5, so your counter would be 15% above their initial offer (10% plus 5% for your aggression factor).

For example, say that your minimum acceptable salary is \$50,000 and the company offered you \$55,000. They met your minimum, so now you just need to determine an appropriate counter. Your aggression factor is a 5,

which means your counter should be 15% above their offer. In this case, 15% of \$55,000 is \$8,250, which means your counter should be \$63,250. It can be a little easier to work with rounder numbers, so you might round up to \$63,500.

2. When they offer less than your minimum acceptable salary:

Use the method in the previous section to determine what your counter would be. If that number is greater than your minimum acceptable salary, then that is your counter. If that number is less than or equal to your minimum acceptable salary, just tell the recruiter or hiring manager that you can't accept less than your minimum acceptable salary.

If they meet or exceed your minimum, then you're all set; if they can't meet your minimum, then you couldn't come to terms and you should probably walk away.

Delivering your counter

This is yet another opportunity to make your case for the maximum salary possible. You want to deliver your counter along with solid evidence that supports what you're asking for to make it as easy as possible for whoever needs to approve the final salary to get on board.

Regardless of whether you're delivering your counter via email or verbally, write an email similar to the example I provided earlier in the chapter. The email has everything you need to make your case for the maximum salary possible. You'll either deliver it as an email so that it can be forwarded or

shared internally, or you'll review the email and use its content as a guide for a verbal discussion when you deliver your counter.

The email should be short, sweet, and to the point:

- Greeting
- A brief description of what you want to change (usually base salary)
- A list of reasons your request is reasonable (your attribute-for-need combinations)
- Restate the original offer and then state your counter
- Confirm when you'll next talk about your counter
- Neutral Signoff and Signature

Once you've delivered your counter, the recruiter will likely take some time to discuss it internally and build a response. In the meantime, you'll be preparing for your final discussion.

5. Preparing for the final discussion

It's extremely important to thoroughly prepare for the final discussion because it will often be verbal, and it will be easy to make mistakes and miss opportunities in the heat of the moment. Instead, you'll script your responses so that you're ready for pretty much every response they may have to your counter.

Once you have made your counter, you essentially have defined the window in which you are negotiating. The bottom of the window is their offer and

the top of the window is your counter. There are a discrete number of salaries (probably in \$1,000 or \$500 increments) that can really be listed in that window, so you'll treat each of those as a hypothetical and determine your response if they come back with each salary in the window.

First, determine the number that you would be happy with—your “automatic yes” number. Next, determine the minimum number you'll accept—your “automatic no” number. You won't just say “no”, you'll say, “I can't come on board for anything less than [this number].”

Now you've narrowed the window even further to those numbers between “automatic yes” and “automatic no”. This should leave you with just a few increments, and you'll write down your response to each increment with the following two pieces:

1. A number that you can give in the following way: “If you can meet me at this amount, I'm on board.”
2. If they can't meet you at that amount, you'll want to ask about other levers you can pull as part of your benefits package. List these so that the most important ones are first.

Now you have your “automatic yes” and “automatic no” numbers, and you have a scripted response for each number in between. You're ready for your final discussion.

6. Final discussion

This discussion will be quick. The recruiter or hiring manager will respond to your counter, and you'll use your script to determine your next move. Once you make that next move, that usually will be it, or there will be some haggling over small benefits (vacation, moving expenses, etc.).

When your conversation ends, you'll either have a tentative agreement in place (often pending approval by the company), or you will have realized that the company simply cannot meet your minimum acceptable salary and you won't be joining them. Either way, this is a good result for you.

Thank the recruiter for their time and ask about next steps. If you couldn't come to an agreement, make sure the recruiter has your contact information in case they want to reach out in the future. If they're sending a formal offer, just hang back and wait for it.

Fearless Salary Negotiation

A step-by-step guide to getting
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