Seven Strategies for Negotiating Success

Some fancy footwork for the salary pas de deux.

by Max Messmer

EXECUTIVE SUMMARY

■ Enter negotiations with a salary range in mind, but also understand which benefits and other elements of compensation you must have and which you are willing to give up.

■ Focus on the employer’s needs and why you are uniquely qualified to meet them. Do your research and ask your networking contacts to determine a fair wage and list of benefits.

■ Consider the leverage you might be entitled to because of your special qualifications or the pressing needs of your employer or the marketplace.

■ If at all possible, make the employer come up with a number first. If you absolutely must name a price yourself, remember that the employer is psychologically committed to hiring you at this point and give a range instead of a flat figure.

■ Consider the intangibles as well as the money.

■ Be sure you understand any bonus or incentive payments; ask for specifics on how bonuses are determined.

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eceiving a job offer may seem like the pinnacle of your employment search—and, in many ways, it is. Before you start celebrating, however, you need to achieve the peace of mind that comes with knowing the offer meets your needs. This usually involves a negotiation process.
Discussing salary and benefits is not always an easy conversation, even for accounting professionals who are accustomed to discussing numbers. You must strike the right balance between being appreciative of an offer and making sure it fairly represents your worth in the marketplace and helps you realize the primary goals of your job search. This article will offer seven tips to ensure the best possible outcome for job applicants, plus some food for thought for the partners and human-resources professionals sitting across the negotiating table from them.

What benefits do employees value most?

Source: Robert Half International survey of 1,400 chief financial officers.

1 | Know your priorities. Before you can negotiate with confidence, you need a firm grasp of what is most important to you. If you have researched the position, then you will have an idea of competitive salaries for the role. You should enter negotiations with a range in mind.

Aside from salary though, many other elements of the total package can be negotiated to make the offer more attractive. These include bonuses (signing, annual, performance-based), profit-sharing and equity incentives, paid time off, tuition reimbursement, relocation assistance, job title, support of continuing education, flexible scheduling options, how the firm handles personal and family emergencies, and severance provisions.

Decide which elements are most important to you. It can help to sort them into essential and nonessential categories and rank them in priority order. As long as you are not making unreasonable requests, avoid worrying too much about whether the hiring manager will be receptive to your proposals. You will not know unless you ask, and employers often are willing to approve various smaller requests in exchange for reaching a compromise on a more significant issue, such as salary.
Interviewing Insights

› Arrive on time or a few minutes early.
› Project energy and enthusiasm. Smile and shake hands firmly.
› Wait to be offered a chair.
› At the beginning of the interview, ask the hiring manager to describe the job. Then tailor your responses accordingly.
› Sit upright, look the interviewer in the eye and respond succinctly and articulately.

2 | **Address the employer’s needs, not just your own, as a basis for determining compensation.** In negotiations, keep the focus on the employer’s needs and how you are uniquely qualified to address them. This may require you to demonstrate that the market value for someone with your experience and the ability to truly satisfy the demands of the position is higher than what the company is offering.

Research financial publications, career-related Web sites, information from professional associations and resources such as the Bureau of Labor Statistics’ *Occupational Outlook Handbook* and the annual *Salary Guide* from Robert Half International to establish pay ranges for a variety of accounting and finance positions in different geographic locations. These sources, combined with your networking contacts, can help you determine which incentives or benefits others at your level are typically receiving. You also may find specific examples that will be useful, such as evidence of recent accounting hires at a competing firm who have received signing bonuses or guaranteed salary increases over a certain period. The more facts you have on your side, the more reasonable your requests will seem.

3 | **Know how much leverage you have.** In addition to your research, there are other ways to gauge how much bargaining power you have. For example, if you are a CPA with compliance experience who constantly receives calls from recruiters trying to entice you to consider other opportunities, you are in a strong position to negotiate the terms you want. You should, of course, be completely truthful about this and all other information you provide.

Consider, too, any pressures the prospective employer may be under. If you are interviewing for an assistant controller position at the midpoint of the fourth quarter, you can probably assume your interviewer is eager to hire someone. Even if you have significant leverage, though, be careful not to come across as unreasonable or overly confident. Remember that you are supposed to be negotiating, not making demands. Assuming an inflexible stance likely will backfire and knock you out of the running.

4 | **Persuade the interviewer to name the first figure, if possible.** Negotiation experts generally agree that being asked to name a specific dollar figure—whether it is what you currently are making or what you are seeking to make—is always tricky. Although you want to avoid playing games with a prospective employer, you also don’t want to disqualify yourself or sell yourself short by naming a figure that seems
too high or too low.

The best way around this situation is to try to get the interviewer to name the initial figure, such as the budgeted salary range for the position. If you must cite a number first, you might give a range that reflects your current and targeted salary or say something like, “I would expect a position with these responsibilities to be worth approximately $75,000 to $85,000.” This approach gives the hiring manager something to react to and builds in room for negotiating. One exception to this guiding principle applies when you’re working with recruiters: They generally need to know your salary level to gauge whether it’s in line with a potential opportunity.

Keep in mind that at this stage of the negotiation process, the prospective employer already is psychologically committed to hiring you. It is now just a matter of settling on terms, and both parties usually are willing to make adjustments to strike a deal.

**CASE STUDY**

**Give a Little, Take a Little**

Sue Blair wanted to leave the pressures of her divisional controller position at a large public company. Hoping to find a role that would allow her to perform a broader range of financial tasks and to become more involved in making day-to-day business decisions, she applied for a position as chief financial officer at a small private manufacturing company.

The hiring manager and Sue talked extensively about the nature of the job and Sue’s abilities and experience. By the time they came around to discussing salary, it was clear that the manager wanted to hire Sue, and Sue wanted the job.

When Sue revealed her current total compensation, it was higher than the predecessor’s salary. In addition, by changing jobs, Sue would have to give up a 401(k) plan with an employer match.

The manufacturing firm offered her additional salary to offset the loss of retirement benefits and to make the offer more financially appealing than Sue’s current position. Upon accepting the offer, Sue also was encouraged to use her new role to explore the possibility of setting up a retirement plan for the company.

**CASE STUDY**

**More Than Just Money**

For one accounting professional, the opportunity to make a lifestyle change outweighed a higher salary. Kevin Clark had become burned out on his job as a consultant at a large public accounting firm. Ever since the birth of his first child, the 12-hour days and frequent travel that accompanied the position had become especially burdensome. Hoping to scale back his work hours and travel requirements, Kevin pursued a corporate accounting position at a bank holding...
The hiring manager pressed Kevin to reveal what he was currently making. Saying that he did not think his current job made for a good comparison with the one for which he was interviewing, he asked instead about the salary range for the position. The hiring manager eventually gave him a range, and Kevin negotiated a salary at the top end.

As negotiations were concluding, Kevin tipped his hand about his current salary. The hiring manager was surprised to discover that he was taking a pay cut to accept the position. Asked why, he reminded her of certain aspects of the position that she had used as selling points: the 40–45 hour week, competitive benefits, lack of travel and a generous number of paid days off. To Kevin, what he gave up in salary was insignificant compared to what he gained in terms of lifestyle.

5  | **Consider more than just money.** The decision about whether to accept an offer rarely boils down to just a dollar figure. Other advantages, such as a dynamic corporate culture, professional advancement and development opportunities, the option to occasionally telecommute or a perk such as an early office closure on Fridays during the summer, may ultimately be more important than an extra $5,000 in salary. Also inquire about work/life benefits offered by the organization. Employers recognize that professionals are striving to gain greater control over their time and better balance their personal and professional priorities. As a result, flexible scheduling options are growing in popularity. In fact, a survey of chief financial officers commissioned by our company found that flexible schedules are the benefit workers value most.

6  | **Understand the variable pay components.** Before accepting an offer, make sure you have a solid grasp of the value of any bonus or incentive-pay aspects of your employment package. This is especially important if you are counting on variable pay making up a sizable portion of your compensation.

Ask about the company’s history of awarding annual bonuses or long-term performance incentives and for specific guidelines about what you can expect in the future. For instance, inquire whether bonuses are awarded solely at the discretion of management or are triggered by the firm’s ability to hit certain targets.

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**Write a Resume That Resonates**

- Don’t just list the requirements of each job. Instead, describe what you achieved. Use action verbs, like “managed” or “developed.” Note how your efforts improved the bottom line.

- Use a professional-looking typeface, white or ivory paper and black ink. Proofread carefully.

- List any professional designations or certifications you have obtained or are working toward, such as CPA or CITP, as well as any involvement with professional, trade and civic associations.
**7 |** *Remain professional.* Although you owe it to yourself to push for the best possible employment package, there is no reason for the negotiations to become contentious. After all, the prospective employer thinks well enough of you to offer you a job. Be willing to meet an accommodating hiring manager halfway if at all possible. Keep in mind that establishing a good relationship is critical not only to receiving the best deal but also to laying the groundwork for a positive start with your new company.

When it comes to negotiating salary, there is no substitute for being prepared. By coming to the bargaining table with a clear sense of your goals for salary and other elements of the employment package, you should be able to reach a deal that is satisfactory for both you and your prospective employer. ✤

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### Final Considerations Before Saying Yes

Compensation is an important factor in the decision of whether to accept a position—but it’s not the only factor. See if you agree with the statements below as you evaluate offers.

- The salary and benefits package is competitive and commensurate with my experience level and the responsibilities of the position.
- This opportunity will allow me to grow professionally and bring me closer to my ultimate career objectives.
- The incentives offered are motivational yet attainable.
- I am likely to find the challenges of the position stimulating.
- The hours required, and the travel and commuting requirements, are acceptable and in line with my goals for work/life balance.
- The company culture is a match with my values and personality.
- The work environment seems positive and professional.
- My prospective colleagues appear to be people with whom I would enjoy working.

Source: Adapted from *Managing Your Career for Dummies* by Max Messmer, John Wiley & Sons, Inc.