

OPCD Podcast: Episode 9 - “Offer Negotiation” (10/23/2014)

Interview with Mr. Timothy Ullmann, *Director of Professional Development in the Office of Professional and Career Development, Harbert College of Business*

Voiceover: Thanks for hanging out with us here today on the OPCD Podcast where we’re talking how to negotiate when it comes to job offers.

So picking up where we left off last week, Mr. Timothy Ullmann of the OPCD is gonna talk us through the process of salary negotiation. He’s kicking us off today by answering this simple question: why is knowing how to negotiate so important?

T. Ullmann: A few reasons. The first is that a single \$5,000 raise in your twenties, if you properly invest it, can be worth more than a million dollars over the course of your career. And that's just one raise. Also, people who negotiate tend to negotiate over and over again. Over the course of your lifetime, if you choose to negotiate and become successful at it, the earnings will outstrip those of your counterparts who never negotiated. And it's almost impossible for them to make up the difference. So the opportunity for you to learn to negotiate and be good at it and successful at it, there's some great incentives there.

Voiceover: And being the candidate who is assertive about negotiating has a significant impact on how you’re viewed by the company.

T. Ullmann: It sends a signal - top performers negotiate and average performers don't. If you’re a top performer, they expect you to negotiate.

Voiceover: Good to know! But in keeping with the theme of several recent episodes there is a key factor here than cannot be overlooked.

T. Ullmann: Only negotiate if you've done your homework. It's an employer's market out there right now. The unemployment rate for young college grads is high, it's almost 9%. And for underemployment it's even higher, more than 18%. So you’ve got to do your homework because simply saying “I want more money” is not an effective reason to give to an employer. 80% of negotiating is done before you ever open your mouth. It's through the homework that you've done. A couple of things to consider, whether there is a standard salary for your job. If not, what's the general salary range? Next, what the hiring manager or company's top challenges are and then, finally, how you can solve the hiring manager’s problems. That's where you get the real bang for the buck, that's where you show your worth and that’s where they want to hire you.

Voiceover: And on that initial topic of salary research there are some great resources out such as payscale.com, glassdoor.com and salary.com. Or if you’re needing ideas on how to show that

you're the best fit based on that company research you did, the following ideas might provide the boost that your negotiating needs.

T. Ullmann: You can come up with a 30, 60 or 90 day plan of how you would tackle those company aims. It will show that you have already given some thought as to what the company challenges are and you have come up with solutions on how you can add value to them.

Voiceover: So are there times when you shouldn't try to negotiate for a higher salary?

T. Ullmann: Well, there are few. If you've got a very structured job like a government job or military job or even management consulting jobs, the salary is a known commodity so there's really no wiggle room there. The second case is if there's massive amount of supply and everybody is pretty much the same.

Voiceover: And what to do if you're initial negotiations aren't successful?

T. Ullmann: Well, take a look at the entire package. What other compensation items might there be on the table that you could ask for? You might be able to work at home one day a week, you might be able to negotiate for a few additional vacation days. Take a look at the entire package and find those areas that you might be able to negotiate to your benefit and to the employer's benefit as well.

Voiceover: A couple of other thoughts, if you're hesitant to ask for an increase keep this in mind: it costs, on average, six thousand dollars for the company to recruit you, and they want to retain both you and that investment. So a few extra thousand dollars for your salary may be well worth it. And, for reasons such as these, salary negotiations can be a somewhat challenging process. So no matter what happens, remember this.

T. Ullmann: When you're negotiating, this is someone that you're probably going to be working with soon. So, again, always be gracious, always be kind and always be professional.

Voiceover: And as I said last week, today's episode serves as an overview and delving deeper into this topic can only be beneficial for your career. The OPCD here at the Harbert College of Business offers seminars that can really help you explore and develop a skill for negotiating and those times and dates are available both online and in Lowder 101 so definitely check those out. That's all I've got for you but I hope to see you back here next week and until then - have an awesome day!