

Negotiating Your Worth

You get what you negotiate, not what you're worth. Here's how to do both.

By Dora Vell

CEO, VELL Executive Search | Aug 01, 2005

You've probably been here: Something compels you to doubt your compensation package. Perhaps you feel underappreciated or under-compensated, or the up-tick in the job market has you pondering new opportunities. Even at the highest ranks of executive search, CEOs and CIOs everywhere are seeking validation through compensation. However merit isn't the only factor affecting a fruitful compensation: It's all about negotiation.

You Get What You Negotiate, Not What You Deserve

This is an age-old compensation truism. With analysts forecasting sustained growth in IT spending, the first step to negotiating the best salary and package is learning how to explicitly convey how you have positively impacted the bottom line in former positions, and how you can translate that success in service to your this CEO, Board and investors. Negotiating your value starts not once an offer or promotion is presented, but long before that conversation even begins—at the point when mutual interest is perceived. Most companies and retained recruiters have determined an offer range just minutes after seeing a resume and well before conducting the first interview.

Phase One: Pre-Conditioning

To influence the negotiation, you must emerge as the strongest possible asset in the eyes of the executive team. You must also prove yourself to be the singular expert they're looking for with the ability to advance a complex business agenda as a proven innovator and leader.

CEOs are looking for solid business skills, industry knowledge and management acumen with the composition of experience and personality that uniquely fits the needs of their company. In translating technical and business issues, CIOs must bring value beyond their industry of origin specialization to enhance the organization's executive brain trust.

Hitting that standard requires that you align your work style, professional experience and managerial record against tangible company and industry indicators: competitive trends, skill needs and current competencies. A carefully planned approach influences compensation and career advancements.

1. Don't swim upstream: Strategically target employers and sectors that best utilize your credentials. For example, a logistics expert will have more resonance with companies implementing logistics initiatives. That is not to discredit transferable skills; they simply must be presented in a way that communicates immediate value.

2. Present a bottom-line story: Top CIOs are expected to drive seamless integration of business and technical functions for revenue and savings goals. Articulating this impact to the balance sheet (pointing to ROI against the budget, revenue growth, market dominance, stock value, etc.) is essential, both conversationally and on your resume.

3. Identify and eliminate holes: A critical self-assessment will help identify possible shortcomings in style or experience. Determine where you may be deficient and strengthen those areas by identifying appropriate marketable experiences in your current role to make yourself more marketable down the road.

4. Know the industry universe: A C-level executive candidate is expected to be a seasoned business person with a highly-developed expertise and understanding of the marketplace. Knowledge of the industry dynamics, key initiatives and objectives will empower you to advocate for your value in an informed manner.

5. Be a 24/7 ambassador: The strongest marketing tools are a highly qualified referral network, a hard-working resume, energy and preparedness. This applies to informal conversation everywhere from conferences to golf courses to a more serious screening by a recruiter or employer's hiring executive. Convey measured but sincere excitement with informed curiosity about the company.

Phase Two: The Negotiation

With the groundwork laid the actual negotiation is easier but it requires skill and finesse.

1. Research the financials: Understand the capital framework of an employer so that you can set attainable expectations for compensation. Search online for salaries that are commensurate with this

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position and company's maturity. A highly-leveraged company may emphasize higher performance-based bonuses—this may appeal to an executive with higher risk tolerance who desires the higher overall income and can shoulder a lower guaranteed base. Initial equity offerings may be restricted, but possibly released incrementally over time. If the job can be defined by a distinct title—as more CIO specialty titles are emerging—then the likelihood is greater that the compensation has more flexibility. Review analyst and financial data as well as public documents (Morningstar, Hoover's, 10-Ks, etc.) for insights about pending initiatives and revelations from the balance sheet, such as policies affecting equity, proclivity for mergers or divestitures, a country's tax and healthcare costs, deferred debt and the like.

2. Negotiate beyond dollars: The temperament and decision style of the executive team, investors and board will reveal how a CIO's resources and environment will be defined. You need to explore how the organization works so that you can advocate for the resources required to achieve spectacular results. Raising performance-laden incentives may be a means of demonstrating a results-driven leadership style.

3. Honesty pays: Over-inflating your current compensation is a novice error in negotiation. Instead, create a complete advance calculation of your entire package (benefits, accrued bonuses, base) and be able to articulate what works and doesn't going forward. Wanting to increase your pay is assumed; waiting to see how the organization codifies compensation can be informative and favorable to you.

4. Don't retreat or be too aggressive: Recruiters are often witness to negotiations with mutual upsides that break down prematurely and unnecessarily. A successful negotiation is dictated by the advance preparation of all participants and the ability for each to listen and to respect the values and goals of the other. If "pushed" by a competing offer or stratospheric compensation by the candidate, the company may leave the table. So if you have genuine interest in continuing the dialog, the manner of your approach will establish the tenor of those discussions. Know your ultimate goals, compensation and boundaries from the outset, and the criteria and timetable for the employer's decision early on.

It's About What You Know—And Who Knows You

If you can arrive at a negotiation amply prepared, confident in your value proposition and insightful about the company's needs and culture, the conditions will favor a productive dialog. Creating these conditions requires that you do your homework, seek relevant advice and become more aware that every day even the most casual conversations are opportunities to pre-condition a future negotiation.

Dora Vell is the CEO of VELL Executive Search, a premier retained technology executive search firm in Boston. Ms. Vell is an internationally recognized expert in executive search for technology CEOs, COOs, CIOs, Vice Presidents and board members. She works with start-up organizations through Fortune 50 Firms. She can be reached at dora@vell.com.