



## A First Salary Negotiation

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You have just graduated from a premier college and finally have an employment offer from a new tech start-up in the Bay Area (you have been very bored at home watching Netflix documentaries). The offer is from CloseCircle (C<sup>2</sup> or C-Squared). The industry media calls it the “anti-Twitter” and it is designed to forge smaller strong-tie social networks through frequent, more substantive interaction. The platform provides for tier-based social networking where network membership can be customized to a maximum number of followers, friends, and Close Circlers (CCs). The latter are the most important members of your social network. It allows for other network-based criteria to be set to determine which nodes are in each tier, e.g., density, reachability, in-degree, out-degree, and eigenvector centrality. The hiring manager’s name is Philomena. She has recently taken charge of a product development sub-group and is building out her team to expand and improve the criteria options and to integrate social networking data from other platforms into C<sup>2</sup>. In the last interview, Philomena confidentially shared with you her hope to influence the product’s long-term development towards social capital metrics based on the work of Robert Putnam. She also mentioned that she is keen to create the best small team she can and considers you are her first choice among all the candidates because she thinks you could be her second-in-command. The offer came with a salary offer of \$90,405, meagre health benefits with a \$5000 deductible and high co-pays but a generous option package of up to 500 total shares at \$100 each with an option to buy 500 more before any initial public offering. (C<sup>2</sup> is not a publicly traded company.) You do not know anyone at C<sup>2</sup> but have heard rumors and anecdotes about long hours (70+ per week) and that the culture is problem-solving oriented with a feeling of community and shared mission.



You are also interviewing with a big tech firm, Googol, with dominant search engine technology. You have a second-round interview scheduled for two weeks from now. This big tech firm is much more bureaucratic and slow-moving but also powerful and profitable. You would one of several dozen developers on a very large project team responsible for increasing and enhancing options for users to customize their search results according to qualitative criteria, e.g., quality of writing, quality of UI, aesthetics of web design. You have not met the team leader but know that part of your job will be to pilot a ratings program that will prompt users who stay on a website for a certain amount of time to rate it in terms of the qualitative criteria mentioned above. You know that this big tech firm has the highest salaries in the area. You have a friend there who has told you that the hiring process takes up to six weeks after the second round, but she has heard you are one of their highest-ranked of five candidates. She also is excited for you because salaries start at a standard, non-negotiable \$130,600 with options to purchase 10 publicly traded shares at \$1000 a share. It currently trades at \$1223. In addition, they have great healthcare benefits with \$1000 deductible and no co-pays, including opportunities to travel, all expenses paid, to amazing cities like Seoul, Hyderabad, Berlin, Buenos Aires, and London.

Philomena would like you to come into the office tomorrow to finalize the offer and, if you reach an agreement, fill out some paperwork so that you can get started next week. You have asked to negotiate the salary. Before you go into C<sup>2</sup> offices tomorrow, answer these questions:

- 1) What is your BATNA?
- 2) What is CloseCircle's BATNA?
- 3) How could you improve your BATNA?
- 4) Which negotiation approach (principled, positional, or combination) will you use and why?