

Showdown with Multiple Offers

The nuclear equivalent of compensation negotiation with tech companies is having multiple offers from reputed companies. This lesson demonstrates how to approach a negotiation if you are fortunate to have more than one offer.



Having multiple offers around the same time, from companies that compete against each other for top talent, is the most fortunate situation to be in for a candidate. You can negotiate compensation upwards of \$100K or more with competing offers at the best tech companies. One of our friends, Zack, an Nvidia engineer, found himself in just such a situation with offers from both Facebook and Google. His good fortune was not a stroke of random luck, but rather, an intentionally orchestrated outcome, for which he prepared over several months. Zack was an under-compensated engineer at Nvidia, making roughly \$250K in total annual compensation. He first cracked Facebook at level E5, and when the recruiter made him the initial offer, he asked to be considered for the next higher level i.e. E6. Since his interviews had gone exceptionally well, he was brought on-site a second time to interview for more design rounds and successfully cleared them.



At the same time, he also received a staff engineer offer from Google. Pitching one against the other, he was offered a level higher at both the companies than what he originally interviewed for and went with the highest bidder for a total compensation package of roughly \$650K. Note that this is an exception and not the norm. Had he settled for the initial offer of E5, Facebook would have at most coughed up \$450K, but through planning and smart negotiation, he upped his compensation by \$200K per annum. Since the RSU grant vests over four years, the negotiated offer exceeds the initial offer by \$800K over four years, even more, if we factor in Facebook's stock appreciation. That is a ton of money to lose out on!

Another important factor to note is that it is far easier to come in at E6 than trying to get promoted internally from E5 to E6. On the flip side, performing satisfactorily at E6 coming from outside is far tougher than if a person is promoted from within the organization. The number of variables that are out of one's control and can go wrong when working towards a promotion are far more than the ones when interviewing.



Another friend Zakir chased the mirage of promotion from E5 to E6 at Facebook for a few years until he bailed out and joined a different team at the same company. He was going by the corporate textbook to bag a promotion, but factors out of his control, such as reorganizations, reprioritization, project cancellations, and changing managers, etc., kept haunting his ambition.

Below, we discuss a hypothetical situation in which a candidate receives offers from both Facebook and Google and then plays one against the other to maximize his compensation.

1. Let the Facebook (or Google) recruiter make you an offer first. Either the recruiter gives you a number or prods you to shoot first.  
2. If the ball comes back in your court, you can respond with one of the options below:
 - 2a: Delay and say, “I haven’t researched the market yet, let me do that and get back to you”. Complete research and go to step 2b.
 - 2b: Quote the number at the very high end of your range or the number for the level immediately next to the one for which you interviewed for.
3. The recruiter will likely respond, saying your quoted numbers are too high. You can now do one of the following:
 - 3a: Ask to have additional interviews for a higher level, especially if your initial interviews went really well.
 - 3b: Ask for the best offer that can be made closest to the numbers you quoted.
4. In case your quoted numbers are accepted, thank the recruiter and ask for some time to think through them. The recruiter might get pushy and nudge you to accept. You can respond “I want to come for the long term and I really want to cover all my bases before taking the plunge.” or “I want to run my decision with my family before making the final commit”.
5. Say you have a number F1 from Facebook now. Go through the same exercise with the Google recruiter and get a number G1.
6. Let’s assume $G1 > F1$; then, in that case, you can follow up with the Facebook recruiter to match or exceed the offer from Google. You can say, “I really don’t want to go back and forth and I would really like the numbers to work here and be offered”.

7. Say Facebook comes with an offer F2, which is greater than G1. You go back to the Google recruiter and repeat step 6. Either Google bows out of the competition or brings back an updated offer G2.
8. At this point, you are likely nearing the top of your market value. Any significant bumps in compensation from here may require you to reinterview for a higher level provided your initial interviews went well.
9. If $G2 > F2$ and you really want to join Facebook, you can bounce back to the recruiter and dangle the carrot of signing the offer immediately if they would just match or exceed G2. This would get you an updated offer F3 and likely the best one unless the recruiter thinks your interviews were good enough to bring you in to reinterview for a higher level.
10. In our experience, going back and forth twice is ideal, thrice is ok but anymore than that and you risk the recruiter losing interest, unless your interview performance or credentials are exceptional. You may be seen as someone who will eagerly jump ship to the next higher paymaster. When you get to offer F3 or G3 you are, in most cases, unlikely to negotiate any higher for the given level.
11. Now, let's assume you were also interviewing for pre-IPO companies, and at this time you hear from Stripe's recruiter with an offer. Armed with two top-negotiated FAANG offers, you are in a position to literally double or triple your Options/RSUs offer from Stripe. The younger the startup, the higher the negotiation leverage you will command. However, having more than two FAANG or FAANG-like offers comes with diminishing returns. You will not get higher compensation just because you have an offer from Amazon in addition to Facebook and Google.


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