



Beggars Can't Be Choosers

You can only be successful at negotiation if you possess attributes that make you attractive for potential employers.

Leverage allows you to convince others, walk away, remain firm, or say no in a negotiation. And leverage results from possessing attributes that make you attractive to potential employers. You have greater negotiation leverage if you have more of the following:

- Esteemed pedigree of the current company
- High current compensation
- Competing offers
- Exceptional interview performance
- A highly in-demand or niche skill set

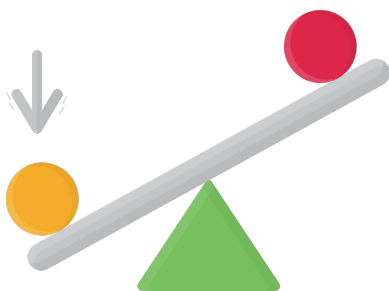


Recruiters need justification to have each additional dollar above the standard offer approved by the compensation committee. The above listed factors all provide the ammo a recruiter can fire at the compensation committee to have an average offer upgraded.

We will recount the case of three pre-IPO offers that were extended by Lyft and privy to one of the authors. In 2016, two friends, Issac and Abe, joined the unicorn after negotiating an equity stake that summed up to well north of two million dollars when the company went public in March 2019. Issac was at Facebook and had competing offers from Snapchat and others, easily checking the first three bullet points. Abe was at Dropbox, a hyped-up

startup at the time, and had a competing offer from Uber. Unsurprisingly, Lyft competed with Uber for talent and put Abe in a great negotiating position.

Contrast the case of Issac and Abe with that of Uli, who had the same number of years of experience, same skill level, and located in the same city. He was working at Salesforce, a great company but not a head-turner for the Lyft compensation committee. Additionally, Uli's Salesforce compensation was much lower than that of Issac and Abe at Facebook and Dropbox respectively. Uli interviewed well and managed to get an offer from Lyft too, however, his only other competing offer was from Box. Unsurprisingly, Uli's offer leveled him one step lower than Abe and Issac and stood far behind in total compensation than Abe and Issac's offer. In the case of Issac and Abe, the base salary was set at \$200K in addition to a generous sign-on bonus of \$50K and 50,000 RSUs (vesting over four years), whereas Uli was offered \$180K as the base, \$15K in sign-on and 22,000 RSUs. Even for the level Uli was hired at, he was granted only about half of the RSUs that some of his peers at the same level received around that time. This is a real-life example with real numbers to help the reader appreciate how significant the differences between well-negotiated and under-negotiated offers can be!



Another eye-opening example is of three friends who were working at the same level at Microsoft with the same number of years of experience. The three of them interviewed at AWS. All three of them received offers albeit widely varying total compensation. Interestingly, they were hired at the same level and reported to the same manager in AWS. Out of the three, two with competing offers received \$250K and \$230K in total annual

compensation, while the third without any competing offers barely managed a \$170K annual compensation, and that too after a lot of haggling.

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