



CTC Negotiation guide

Hi,

I have gone through the CTC negotiation process with more than 25+ product companies in my career and I can now say that it matters a lot before accepting the offer letter. This is because your next job's salary will depend on your current job and if you want to really push the boundaries and cross 50+ LPA / 100+ LPA salary in your career, CTC negotiation is definitely a skill that can help you reach that goal.

Before the company sends you the offer letter, HR will send you a CTC breakup letter to begin the negotiation process. It will contain many components like your basic pay, special allowance, RSUs (Equity), and Joining bonus etc., If you agree to it, only then they will send you the final offer letter. Sometimes they will make the numbers look big and claim that they are giving a 30% or more hike. Don't fall for it without doing your homework.

Please remember these points as it is my personal experience, takeaways and proven techniques while doing CTC negotiation:

1. If it is your first offer, then try not to negotiate too much because you don't have other offers in hand. It will delay the process and you can't put papers in the current company soon.
2. If it is not your first offer, ask them to increase the fixed cash portion of the CTC if possible. Don't mention the exact amount you want. Keep it open and give HR time to get back. Chances are, they might get back with a higher number than what was in your mind.
3. If they are offering RSUs (stocks), then there is almost always a chance that there is room to increase it more than what is offered initially. Visit www.levels.fyi website to know the maximum RSUs that the company is granting for the role.
4. There are 2 types of RSU grants. One is the usual grant that vests for a number of years and is included in your total yearly pay. Another one is the "Joining grant" which that company will give if you are already holding some RSUs in your current company that you will lose if you resign. Ask for it if they have not offered it.
5. Ask for a joining bonus. Many times you won't get JB because you didn't ask for it. If they give you a joining bonus, make sure to ask how long is the bond/contract for it. Some companies will ask you to repay 100% if you leave the company within 1 year. Some companies will decrease the repay amount by 1/12 every month before you resign.
6. Ask if Gratuity is also included in the CTC that they are offering. Some companies will include it to show you big numbers overall. Always remove the gratuity part and negotiate with the rest of the amount.
7. Good product companies offer a lot of benefits including monthly internet reimbursement, phone call reimbursement, free food & snacks, free mobile device, WFH furniture, free transportation cab and more. If the company is not offering these

facilities, ask them to increase the fixed portion of the CTC and mention that these facilities are not available so you are asking for more.

8. Make sure you don't place unrealistic numbers during CTC negotiation. Remember that they can turn down the offer anytime as other candidates may be willing to take the offer you reject. I faced this situation when I negotiated with Oracle in 2017. Some other guy agreed to it and they didn't offer me.
9. Typically after you ask for more salary, HR might need some time to get approvals from the management & leadership. So please give them 4-5 days' time and don't bombard them with emails/ phone calls.
10. Equity / RSUs have a vesting period. If they vest for 4 years, then you will only get 25% of what they are claiming as your CTC every year. So you must not believe that your Equity is 10 lakhs. It is 2.5 lakhs only. Don't calculate for 4 years. Look for only 1 year and see how much amount will be transferred to your bank account. That is your realistic CTC of the year.

I have personally negotiated and managed to get more than a 200% hike in one of the encounters. So I believe you should not settle for 30% or even 50%. Your aim should be at least 70% or even more.

That being said,

Don't go unrealistic and ask for 200% because I said so. My case could be different, I had 4 offer letters in hand and immediate availability to join and hence I managed to get that. You should do what is best for your situation.

Warm regards,
Manoj