



DSC90 Winter 2020

Negotiation

First! COVID-19

- What a week!
- Distance education can be great when it is well developed...
- But we didn't plan this. It is a emergency situation. It is going to be bumpy.
- Anxiety, bad internet connections, insufficient infrastructure, illness.

Second: remote education

- Camera on! Mute on! Pants on!
- Interrupting feels weird because of the delay. Do it anyway in meetings and smaller classes. In larger classes chat, raise hand, etc.
- We are going to be in each others' homes. It has to be ok. You will probably see my cat.
- Distance is hard. GitLab has a great guide:
<https://about.gitlab.com/company/culture/all-remote/getting-started/>

Congratulations!
You Got an Offer!

Things that matter the most

Where will I have to live?

What will my day to day look like?

What kind of projects will I be working on?

Will I be working with any other teams across the business orgs (finance, HR, legal, etc...)?

What kind of tools/technology/platforms will I be working with on a daily basis?

Who will I be working with on a daily basis?

Why negotiation matters

Your career is about a lot of things,
but the reason to have a job is to get paid!

- Let's say you start at \$80k and over 30 years work up to \$160k
- But imagine you manage to negotiate up to negotiate up 10% for that first job, and that future raises are the same
- Career difference is *\$360,000!*
- Even more impressive since most expenses are fairly fixed

Why negotiating *well* matters



You might push too hard and not get an offer



You might not push hard enough, and lose tens of thousands per year

Offers aren't all about money...

- Equity
- Healthcare
- Job Security
- Growth
- Flexibility
- Company culture

Five Rules

1. Postpone salary talk until there's an offer
2. Let them go first
3. Repeat the number, then wait
4. Counter offer
5. Accept, then deal some more

Chapman

NEGOTIATING YOUR SALARY: HOW TO MAKE \$1000 a Minute

Radically Revised!
6th Edition

NEGOTIATING YOUR SALARY: How To Make \$1000 a Minute

Jack Chapman

*An Essential Tool
for Every Job Search!*

Postpone Salary Talk Until There's an Offer

Why?

- Otherwise you might be screened out
- Employer may use info to make a low offer
- As people's desire for something grows, so does their flexibility

But it is hard to avoid salary talk

1. Trade disclosure of salary info for an assurance you will get an interview
2. Preempt question by asking first
3. State an all-inclusive wide range
4. Or just delay! (phrases on next slide)

Postpone Salary Talk Until There's an Offer

Phrases

- I'm sure we can come to a good salary agreement if I'm the right person for the job, so let's first agree on whether I am
- Salary? Well, so far the job seems to have the right amount of responsibility for me, and I'm sure you pay a fair salary, don't you?
- I'm sure we can come to a good salary agreement when the time comes
- Are you offering me the job?
- “I notice we're back on salary again. May I ask you a question?” The employer says okay. You continue, “Are you wondering if you can afford me, or do you just need it for an application, or something else?”
- Discussing salary is always awkward for me, so...
- Well, I'm sure you have something budgeted for this position. What range did you have in mind?

Let them go first

- Letting them go first minimizes the risk of botching the negotiation by coming in too high or too low

Before you get there, sit down and figure out:

- **Ideal:** The biggest package you can imagine that still passes the “laugh test.”
- **Satisfactory:** A salary that would have you feeling okay and satisfied about going to work.
- **No-go:** Any offer below this is unacceptable; you'll go back to the drawing board to see if there's other compensation that can make up the difference.

Options for research: www.JobStar.org www.PayScale.com www.Salary.com www.CareerJournal.com wwwIndeed.com

Repeat the number, then wait...

When they make an offer:

1. Repeat the figure or the top of the range
2. Then be quiet
3. Just sit there
4. Don't say anything
5. Stay quiet

Counter Offer

Emp:	<i>Our offer to you is \$ABC</i>
You:	<i>\$ABC? [Hmmm; silence]</i>
Emp:	<i>We are flexible, what did you have in mind?</i>
You:	<i>May I share my IDEAL with you? Let's hold it as a target, not a demand. Here it is.</i>
	<i><Your researched response></i>

Counter Offer

- **Very High:** If they make you an offer that is significantly above the Satisfactory level, make sure it's a firm offer, then accept it. Soon thereafter, do some detective work and make sure you aren't in over your head.
- **Very Low** (but not below your No-go number): Keep the conversation going. Make sure the first number you got from them is firm, i.e., they won't pull it back just because you choose to discuss salary further. Then from that "firm offer in hand" base, share your rationale(s) for a higher salary. Bennies and Perks can sometime bolster a lower offer and make it Satisfactory.
- **Too Low:** lower than your No-go number. Don't reject it, yet. Give yourself and them some time. Get them to promise to keep the offer open 24 hours, and in return promise them that you'll be clear and firm when you take it up again. If you can say yes and mean it, you'll say yes. If it doesn't work for you, you'll say no and suggest they look for another candidate.

Clinch the deal, then deal some more

- Signing bonus
- Stock
- Salary Reviews
- Performance bonuses
- Insurance
- Education benefits
- Vacation and personal days
- Relocation expenses
- Remote work (Not COVID related)
- Job title
- Etc. (free parking, health club, ...)

“This sounds terrific! I think we’ve really got a solid match here. Would you jot this all down so we’re clear, and I’ll get back to you as soon as you need to know. When do you need to know?”

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BUILD A CAREER IN Data Science

Emily Robinson
Jacqueline Nolis



MEAP

Stock Options, RSUs, Stock Purchase Plan

Options

- Rough numbers: <https://tldroptions.io/>
- Details: <https://blog.alexmaccaaw.com/an-engineers-guide-to-stock-options>
- **Bottom line:** High variance, could be life changing, almost certainly worthless.

RSUs

- You get stock, it vests

Stock purchase plans

- You can buy stock, at a discount

Financial Advice

1. Spend less than you earn. Preferably way less
2. Pay off your credit cards and student loans.
3. Get term life insurance if you have a family to support. Make a will.
4. Fund your 401k to the maximum.
5. Fund your IRA to the maximum.
6. Put six months worth of expenses in a money-market account.
7. Buy a house if you want to live in a house and can afford it.
8. Take whatever money is left over and invest 70% in a stock index fund and 30% in a bond fund through any discount broker and never touch it until retirement.
9. If any of this confuses you, or you have something special going on (retirement, college planning, tax issues), hire a fee-based financial planner, not one who charges a percentage of your portfolio.

Adapted from Scott Adams.

Good guide from Berkeley here: <https://www.slideshare.net/adamnash/stanford-cs-00703-2019-personal-finance-for-engineers-compensation>