

Jessica LOVE: Negotiating for yourself. The thought might make you break into a cold sweat. And you're not alone.

Victoria MEDVEC: We get really afraid. Even experienced negotiators tend to get really afraid around that negotiation.

LOVE: That's Victoria Medvec, professor of management at Kellogg School of Management and author of the new book: *Negotiate Without Fear: Strategies and Tools to Maximize Your Outcomes*.

Of course you're scared! A lot is on the line, and you may have been told "no" in previous attempts at negotiating. But you shouldn't let that stop you from trying again.

MEDVEC: "No" is not the ending in a negotiation; no is the beginning. No is not a wall I run into; no is the window I climb through that says "game on, let's go!"

[Music fades up]

LOVE: Welcome to the Insightful Leader from the Kellogg School of Management. Today on the podcast you'll be hearing from Professor Medvec who originally spoke to us at an Insightful Leader Live event. She'll share strategies and tips for preparing to negotiate for yourself and how to maximize your outcomes — whether you're working through a job offer, trying to get more from your current employer, or attempting to make the most of your exit from a company.

OK. So you're ready and willing to climb through that window and start negotiating for yourself.

MEDVEC: And the very first step is to make sure that as you go into that negotiation, you know what your objectives are.

LOVE: Medvec points to FOUR objectives that are key to a successful negotiation. You will want to: Address your company's pressing business needs; figure out what differentiates you from other candidates; build a relationship with your potential new bosses; and maximize your outcome.

Let's dig a little deeper into each of these...starting with an example: Say someone is currently Director of Marketing, and they'd like to become Vice President of Sales at that same company.

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Their first objective will be to focus, first and foremost, on addressing their company's pressing business needs. After all, if you aren't crystal clear about what these needs are--and can't articulate how you will be helping to solve those needs--you're unlikely to be very persuasive.

MEDVEC: This company in Boston is very, very focused on growth. They need to drive revenue. They need to drive revenue from the U.S. or drive revenue from a new Latin American market. But the challenge is they really don't have a lot of Spanish-speaking capabilities on their team, and their senior leadership team doesn't know very much about South America, what markets to target, how to move into there, what are the cross cultural differences...they just lack information on that.

LOVE: This business need--for a deep understanding of the Latin American market--can then be the backbone of an argument for a promotion.

Which is where another objective comes in: differentiators.

This aspiring VP of sales has lived in South America; they're fluent in Spanish and they have a track record of success in increasing sales. This is what differentiates them from other candidates who might want the same promotion.

As you apply this to yourself...and figure out what, exactly, makes you different from anyone else looking for an opportunity at your company...Medvec recommends you try starting a sentence with "Because I."

MEDVEC: "Because I have knowledge in South America, I could help with identifying markets for growth. Because I have knowledge in South America...I'm fluent in Spanish...I could do the interviews for you to pick the Spanish speaking team...because I am fluent in Spanish." You see the idea of this.

LOVE: One more thing about differentiators Medvec wants to underscore:

MEDVEC: I want to be clear: If you don't differentiate yourself in an employment situation, you will not maximize your outcome because companies are very concerned about establishing precedent. They're not worried about what they give to you. What they're worried about is what they give to you and how that affects what they have to give to everybody else. How can they do something for you, and not have to do it for everyone?

LOVE: In essence, articulating your differentiators is not only important in terms of explaining why you should get the job. These differentiators also give the organization PERMISSION to make an exception for you: to be MORE flexible, to get you the title or salary or job perks that YOU really want.

The next objective you will want to focus on...is building a relationship with the people on the other end of the negotiation table: the people that could soon be your new bosses.

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It's important to remember that these relationships are not transactional the way buying a car or house might be.

MEDVEC: It does you no good to get a raise, but to make them not like you at the end so they never want to promote you again. So you want to make sure that you're building that relationship.

LOVE: In your OWN organization, this can be achieved in a range of ways, from formal or informal networking events to working on projects that put you in contact with the people you want to persuade.

But what happens if you're landed a job offer in a DIFFERENT company and want to negotiate better terms? Particularly if you're more junior in your career, and can't seem to get past HR?

MEDVEC: A lot of times these kinds of negotiations are ratified by HR, but I think you're best served if you are negotiating with your boss or with the person who would be your boss. Now, sometimes that's tricky because you often can't get around HR, especially when you're going in.

LOVE: So...Medvec has a trick up her sleeve to help you bypass HR.

MEDVEC: You ask a question that is clearly outside of the scope of something HR can address. And you say, "do you mind if I call my future boss to talk about the role a little bit more, and learn a little bit more about how my data analytics background will be helpful in this role?" And so you've now raised something that HR can't easily address, and they're more likely to let you be in touch. You then are not going to jump right into negotiation with that person. You're going to ask questions, like, on how my data analytics background will fit. But it's almost always the case that that person will say, "so where are you in the decision process?" And as soon as they say that you have the ability to begin to talk about what your uniqueness is, how you're interested, what you might like to do, and to seek their advice on how you might do that with HR.

[music]

LOVE: Once you've met these first three objectives — you've addressed your company's pressing business needs...differentiated yourself...and built relationships with your superiors (or at least convinced HR to let you speak with them)— you are ready to take on the final objective: You are ready to maximize your outcomes.

To get that best possible outcome...to get that salary increase, promotion or whatever else you're looking for...Medvec says you've got to take your differentiators...and turn them into issues you can negotiate.

But...

MEDVEC: Before you ever open your mouth to negotiate for yourself, you should look and make sure you've got the right issues on the table.

LOVE: So, get a pen and paper, and make four quadrants. On the top left, you will want to list things that are really important to the company but easy for you to give. For our aspiring VP of sales, that could include something like...conducting candidate interviews in Spanish. Or maybe they adjust what time they start work to account for the time difference in the South American market. Not hard for the candidate. Really important to the company, because remember, it'll help them expand into this new space.

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You'll actually want to generate a LOT of these types of examples because...well...those are great bargaining chips to whip out when you're discussing things that are a little bit harder to agree on...

MEDVEC: I use them to get more of what I want on contentious issues and on trade-off issues.

[music]

LOVE: Contentious issues. That's our top right quadrant. These are things that are important to both you AND the company.

MEDVEC: Salary is absolutely in the contentious quadrant.

LOVE: On the bottom right are the "trade-off issues," things that are important to you and easier for the other side to offer.

MEDVEC: Internal title could be contentious, but a trade-off issue might be my external title. And I might highlight that "I need to be known as the Vice President for South American sales so that customers would trust me and come to me and everything. They wouldn't have to go back to you and that's going to save you time and be much more valuable. So you don't have to get involved in every one of those interactions. I need a VP title externally, even if I can't have that internally."

LOVE: And our last quadrant — the bottom left one — are things that are easy for both sides to give and agree on.

Now look at your quadrants, are there any areas that are a little skimpy? Bulk them up a little bit. Because you're going to take them, mix them and match them into several options that you will bring to your employer and negotiate around.

And, just a disclaimer here, we are going to be using the terms “offers” and “options” interchangeably. But they both mean the same thing — they are the choices that we, the employees, are presenting to our employers at the negotiation table.

Okay, back to Medvec.

MEDVEC: I am a huge fan of going to the table with three options at the same time. Multiple offers let the other side feel like they have a choice. People love choice. They feel better about having a choice. And they're going to react better to having a choice.

LOVE: If your title is important to you, for example, put the title you really want in one option and a title you could live with in the other two. Ditto for other terms you might negotiate over, including your exact responsibilities, or the timeline for achieving key goals.

Let's return to our previous example: Pretend YOU are that marketing director who wants to become VP of Sales.

Remember that your company is focused on driving revenue. And it's eyeing the South American market — a market you know well. Alright, memory jogged? Let's strategize.

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MEDVEC: So we could be a VP of sales for the South American region, or we could be a VP of Sales. And what is the difference? What are my responsibilities?

LOVE: In two of the three options, you would have the title VP of Sales for the South American market. This is the title you'd be OK *settling* for. And as VP of Sales for the South American market, you'd be working to drum up new business in the region quickly, say in the next 6-12 months.

MEDVEC: Focusing on growing business in South America, teaming with the executive leadership team to pick those locations, making sure that I'm hiring people, boots on the ground in South American markets and ready to do that work for our company

LOVE: But in the third option...the one where you'd be VP of Sales...which is the title you really want...

MEDVEC: ...You see a very different set of responsibilities where I'm really going to first work on building business and retaining business in North America. I know that we have a huge problem with revenue and I'm going to help you to solve your revenue problem first...so we can eventually focus on building out the South American market by expanding some business with U.S. customers who have a presence in South America, getting the team ready. And hopefully we'll be prepared for that expansion. And, at least

within three years--hopefully we'll be able to do that faster, within 18 months to two years--but we've got a long-term goal of getting into South America.

LOVE: Sure, the timeline is longer for reaching those goals of expanding into South America, but you're also doing A LOT more work building out business in the markets your company is already in...but that it needs help with. You're earning that VP of Sales title.

In short, think about your title, your timeline for achieving key goals, and your responsibilities, and write those out so your company gets a really clear picture of what you're driving at.

Now, are you ready for a bit of a twist?

MEDVEC: I will tell you, as a general rule of thumb, I always believe in putting a bet on my performance in it. When I'm negotiating for myself, I'll do it a hundred percent of the time.

LOVE: This is probably the moment you've been waiting for. It's where the salary negotiations come in. Back to our example: Let's say you have a specific number in mind for your salary. And you'd like to end up with that title "VP of Sales."

[music]

This is your favorite of the options you're bringing to your employer.

For another option, offer the same target salary, but with the slightly narrower role of "VP of Sales for the South American Market." This is going to make your favorite option look even better because they're getting more out of you for the same pay.

Now enter a third option: You'd be VP of Sales for the South American Market — again, less ideal than VP of Sales — but you'd also be making less. *Huh?*

MEDVEC: That's with a bonus of a-hundred-thousand-dollars if we exceed 5 million within 12 months.

LOVE: Ohhhhh. You see, the bonus would take that smaller salary and shoot it up considerably higher than your target salary. Higher than your employer would likely want to pay you.

MEDVEC: And the other two options seem very reasonable. It creates a fabulous contrast effect.

LOVE: An effect that increases the chances that your employer is going to at least consider your most desired option, the VP of Sales at your target salary.

It also suggests something else. You are really, really CONFIDENT in your ability to deliver. And your employer should be too.

And that, my friends, is how you maximize your outcomes.

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LOVE: It's important to note that negotiating doesn't end when you get the job, it's also about negotiating up, about getting assignments and visibility for your accomplishments. And sometimes... it's getting the best exit package if your company decides to let you go.

Imagine you're a top executive. But your company is cleaning house and they've put a meeting on your calendar for Friday afternoon. You walk in and see HR looking uncomfortable. Medvec says that's your cue.

MEDVEC: This is a negotiation. I need to think about how to leave in the best possible way. I have to negotiate to get the exit package I want. And the challenge is that you weren't ready. Like nobody planned--you didn't put that on your calendar. They put it on your calendar. You're not ready and you walk in. So how do you lead when you're not ready like that? As soon as they start the conversation, you just look overwhelmed, overwhelmed, and you go, "I'm sorry, I'm sorry. I--I've got to go. We can pick this up on Monday. I'm so upset." And you depart the room. And as I always say, "what's the worst thing that could happen?" Are they going to fire you? They were going to fire you anyway. As soon as you know that's going to happen, you leave the room and you go get ready for the discussion.

[music]

LOVE: Negotiating is NOT easy. But it's an important part of investing in yourself and your future. So sit down, think about the company's business needs, figure out what makes YOU valuable, build relationships and don't be afraid to do everything in your power to maximize your outcome.

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Mike SPIKES: This episode of The Insightful Leader was written by Lynnea (lihn-AY-uh) Domienik (said just like Dominick) and edited by Laura Pavin. It was produced by Kevin Bailey, Jessica Love, Fred Schmalz and Emily Stone, and it was mixed by Michael Spikes. Special thanks to Professor Victoria Medvec.

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We'll be back in a couple weeks with another episode of The Insightful Leader.