



## Compensation Comparison Calculator

### Operators Manual

Consider the following analogy that we find often helps both parties better understand and manage the offer and acceptance process.

When making a hire and preparing to start the offer and acceptance process, picture in your mind's eye that you are asking your new hire to step on to your "boat". The boat represents your company... transporting the candidate from his shore (where he currently works & lives) to your shore.

Before you start the offer and acceptance process make sure both parties have fully finished the interview process. In other words, at this point all of the hiring team's questions and all of the candidate's questions (regarding the jobs role, responsibilities, cultural & management style fit, supervisory authority, P&L involvement, etc.) have been 100% answered for both parties. Once you have completed the interview process the candidate is now willingly standing on your boat deck and is ready to take a ride through the offer and acceptance waters.

You should now be able to picture your candidate saying "Yes, I'll take a ride with you on your boat over to your shore. As long as the boat ride is productive and fun, and we actually get there without sinking, when we arrive... I'll step off the boat and onto your shore."

If the offer is made before 100% of all of the candidates' questions are completely answered, you have holes in your boat that need to be plugged before your boat leaves shore and heads out to deeper waters. Once you're cruising along... as you are working through the details of the offer, be sure to plug all holes that may occur – such as weaknesses in your benefits, vacation, 401K, relocation, bonus, salary, etc. The time to plug these holes is immediately, while the candidate is carefully comparing each line item, apples to apples.

So, with that analogy in mind when presenting (or as a candidate receiving) an offer, the below steps provide the most logical way to a positive negotiation experience. Just remember, always look for any offer weakness as holes needing to be addressed before the final decision to accept an offer is asked for

#### Step #1:

Focus on comparing all the benefits and their cost differences first. Work through the Health Insurance Benefits, Paid Time Off, and Perks sections of the calculator. Rarely can much be done to change these benefits, so if there are holes here, they will likely have to be plugged with salary and/or sign-on bonus monies.

#### Step #2:

Then focus on fully understating all the relocation issues and what is covered or not covered in the offer. If there are holes here, they will likely have to be plugged by making concessions within the relocation program or with salary and/or sign-on bonus monies.

#### Step #3:

Then look at the Short Term Incentive Pay and make sure all questions are answered and there's a full understanding of the program(s) and credibility behind what is highly likely to be first-year income from these programs. If there are holes here, they will likely have to be plugged by making concessions within the Short Term Incentive Pay program, with salary and/or sign-on bonus monies.

#### Step #4:

Then look at any Deferred Compensation and/or Long-Term Incentive Pay. If there are holes here, they will likely have to be plugged by making concessions within the Deferred Compensation and/or Long-Term Incentive Pay programs, with salary and/or sign-on bonus monies.

#### Step #5:

Are there any miscellaneous compensation considerations that need to be considered? Also, are there any contracts that need to be discussed, evaluated, and resolved? If so, now is the time to discuss them, think them through, and look for creative solutions to fully address them. Don't ignore them, as often they can sink the offer and acceptance boat within sight of the shore line - start date.

#### Step #6:

Now that you have considered all the non salary issues, then the last remaining item to resolve is this: what is the right salary number to close the offer and acceptance process.

If you are a candidate making a career transition - and negotiating an offer...

**DISCLAIMER:** Not all of the issues as laid out in the Compensation Comparison Calculator may relate to the level or offer of employment you're pursuing. The issues are purely for informational purposes only!

What you have now, or have gotten in the past, does not necessarily equate APPLES to APPLES with what you might get in your offer. Please remember to focus on TOTAL compensation and also consider the value of non compensation "blue sky possibilities".

If you are a client making a hire - and negotiating an offer...

**DISCLAIMER:** Not all of the issues as laid out in the Compensation Comparison Calculator may relate to the level or offer of employment you're preparing. However for the issues that do relate, be prepared to address them in a comprehensive manner during the verbal presentation of the offer and then as well in detail within the context of the written offer.

Candidates will use all of their past compensation, benefits, and relocation experiences to compare against the offer you're preparing. So understanding their current situation and their past experiences can be crucial in understanding their expectations and reasons for wanting to negotiate certain issues.

From the moment you select a candidate to the time you make an offer, this period is well recognized as the most crucial for courting your candidate finalist and it's extremely important to pay high attention to detail and provide prompt follow up. Therefore, from this point forward your efforts will prove to be the most valuable investment of your time to date in regards to completing the hiring process. Nine out of ten deals fall apart at the last minute, because candidates perceive (as very negative) delays and lack of attention to the details.

Emotions are high at this point for the candidate, as their spouse, family, and friends are all trying to influence their decision. Delays and missteps are looked upon with much more suspicion and given amplified weight. Bureaucracy, dropped balls, and miscommunications occurring within your company are simply looked upon by the candidate (and their influencers) as being unprepared and in the worse case, sloppy, and/or careless. Would you want to join a company that especially at the offer stage, appears like this (especially if competitors are outshining them and simply doing a better job of recruiting you)? If the candidate has more than one offer on the table (which is becoming more common by the day), the client who shines and makes no missteps during the offer and acceptance process gains a huge advantage and is much more likely to get a yes for their offer.



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**SEARCH SYSTEM**  
RECRUIT SMARTER, NOT HARDER

