

The Real Cost of Not Negotiating!



A Special Report by
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SETTLE FOR MORE



In my work as a coach I've discovered that the most successful people, regardless of their position, have made the decision to settle for more. They are confident of the value they offer and aren't afraid to ask for what they want. They understand that when they negotiate their value goes up!

Why is it that so many people are fearful about negotiating? Many are unsure about when and how to negotiate. Job candidates are concerned that the offer will be rescinded if any attempt to negotiate is made. Consultants and solopreneurs worry about pricing themselves out of the market. And still others feel desperate and worry that if the negotiation doesn't work out another opportunity won't be forthcoming. Negotiating can bring up a whole host of insecurities:

"Am I really worth my asking price?"

"Can I do what I say I can do?"

"What if I fail?"

WHY NEGOTIATE?

Talking about money is taboo in our culture and many of us shake in our shoes when we think about negotiating salary. It conjures up our insecurities about not being good enough, not knowing enough, or not being considered valuable enough. The truth is that if you don't negotiate the employer thinks he has paid too much. When you are confident enough to negotiate, your value goes up in the eyes of the other party. You may not get everything you ask for, but if you don't ask you won't get what you are worth! In fact, failing to negotiate or doing a poor job of it can cost you your financial security. Money left on the negotiating table is money lost forever!

THE REAL COST OF NOT NEGOTIATING

According to a data collected from Carnegie Mellon University's Heinz School of Business, the cost of not negotiating is a loss of \$800,000 to \$1M over the course of a 30-year career. That is huge, especially for women who typically live longer than men and have fewer financial resources.

Every time you don't negotiate you lose money three ways.

- You lose the money that you didn't ask for
- You lose the interest on the part of the increase that you could have banked
- You lose the future money you would have earned because your raises are based on a lower income

In addition, you lose the credibility of your bosses, peers and business associates, which negatively impacts your professional brand. They assume that you must not be as good as they thought!

COMMON FEARS ABOUT NEGOTIATING

To get past your fears about negotiating, you need to understand and address the false assumptions behind those fears.

- **They might rescind the offer.** It is very unlikely that a company would rescind an offer simply because you want to negotiate. In fact, the interviewer or other party is likely to think more highly of you if you negotiate. It shows that you know your value and are willing to ask for it.
- **They won't like me.** What is to dislike about you if you conduct yourself professionally? It's more likely that you will gain respect by negotiating.
- **I'll make the other party angry.** Avoiding the opportunity to negotiate on the off chance that the other person will become angry doesn't make sense, unless you want to spend the rest of your tenure with the company walking around on eggshells. Approach the negotiation process with integrity and it is unlikely that you will provoke an angry response.

- **I'm uncomfortable talking about money.** That's probably true for 95% of the working population. Is that any reason not to negotiate? Of course not! The more you practice negotiating in every area of your life the more comfortable and better skilled you become. Is it worth a little discomfort to improve your lifestyle and income potential by tens of thousands of dollars during your lifetime? Definitely.

When you don't negotiate, the employer believes he paid too much.

FIVE REASONS SALARY NEGOTIATIONS FAIL

1. We don't ask. If we don't ask, the employer is not going to open negotiations. He will assume that we are satisfied with the offer.
2. We don't set the stage. Successful negotiation takes preparation. We must know *how* we add value. We must know the going rate and ask for it.
3. We haven't identified our Best Alternative to a Negotiated Agreement (BATNA). We enter negotiations without knowing our walkaway point or we aren't willing to walk away.
4. We expect a quick deal and fold quickly if it doesn't happen. We give away too much or immediately drop to our reserve value (or less) because we are afraid to walk through the discomfort of coming to an agreement.
5. We set low expectations then discount our expertise. We talk ourselves down before we begin negotiating.

THE PAYOFF FOR NEGOTIATING

In addition to the immediate and future financial benefits that negotiating results in, (the money you negotiate now, the interest on the portion of the increase that you bank, and additional income on future raises) making the choice to negotiate benefits us in a host of other ways that are advantageous to our career.

Negotiating a robust salary that reflects our standing in the industry can also influence the title that goes along with the job. The higher our compensation, the more likely we are to garner a prestigious title, and as a side benefit of that title, the more credibility we bring to the role.

By the way, negotiating the right title should be part of your overall strategy. A well thought out compensation strategy is never just about money and should reflect current and future career goals.

In addition, those who believe in themselves enough to negotiate are more likely to be perceived as highly valued and therefore awarded plum work assignments.

The increased visibility garnered from these projects can translate into greater access to the organization's movers and shakers.

So what seems like a simple demonstration of confidence — negotiating compensation — can have a far-reaching impact on our career. As a result, we are more likely to gain the attention of potential mentors and influential decision-makers who can help us move up the career or corporate ladder.

Every time we make the decision to negotiate our self-confidence improves, our credibility with bosses and peers increases, and our career gains momentum. The very act of negotiating even a small win increases the likelihood that we will negotiate in the future.

When you aim high in a negotiation, you adjust the other person's perception of you.

GUIDELINES FOR NEGOTIATING

You will increase your confidence every time you negotiate when you:

- Keep the atmosphere friendly and professional, take a time-out, if things get uncomfortable
- Have a prioritized agenda for what you want to accomplish
- Always negotiate from the standpoint of “I’m worth more because . . .”
- Seek agreements that allow both parties to win
- Know when to walk away – decide this *before* you begin negotiating
- Keep the door open for future negotiations, if you decide to walk away

Remember, if you don’t negotiate the other party thinks he has paid too much. When you are confident enough to negotiate, your perceived value goes up. So instead of holding your breath while you negotiate, hold this thought, “When I am paid the very best my skills can get in the marketplace we both win.”

NEED MORE HELP?

If you found this Special Report valuable, think of the benefits of having me personally coach you. Today’s world of work is competitive, dynamic, and result-driven; continued success in it requires your best efforts. Contact me about my “Settle for More: Female-friendly Negotiations Strategies” workshops and “Settle for More Negotiation Coaching” packages for men and women. I can help you achieve your career goals. You may reach me at 831.657.9151 or mjv@careercoachmjv.com. Log on to <http://www.careercoachmonterey.com> to discover additional resources.

ABOUT MARY JEANNE VINCENT

Hi, I’m Mary Jeanne Vincent, Career Expert + Strategist. I am passionate about coaching you to achieve your career goals, ask for what you are worth with confidence and clarity, and create a powerful, professional brand. I speak and write on a variety of career topics including LinkedIn, interviewing, and résumés. My bi-

weekly online and print column, Career Talk, highlights the latest career strategies, employments trends and notable business professionals. Let me coach and inspire you to achieve your personal best.

Learn more about how you can benefit from personalized career coaching by contacting me at 831.657.9151 or mjv@careercoachmjv.com. Visit my website at: <http://www.careercoachmonterey.com>.