

The art of negotiation: What *not* to do

by Marc Bowles, CPC-PRC

You work tirelessly to woo a candidate. But once that candidate expresses interest in your opportunity and the offer you put on the table, how you handle it is key.

What you say, what you do, and how you react all guide the next steps in the negotiation and directly reflect how you run your practice.

The negotiation should be a dance or duet, not a duel. Most deals fall apart because this careful balance tips.

Following are the top 10 “don’ts” of offer negotiation:

1. Don’t offer a range of compensation. The candidate will only hear the high end of the range and expect that the offer will end up at the highest level of the range. Anything lower will cause animosity.

Understand what is fair for the market, offer just below your high end, and provide a specific number. Always give yourself room to go higher if you need to in order to secure the candidate.

Most people are conditioned or told by their colleagues not to take the first offer. Present your compensation-level offer and allow the candidate to react and provide feedback.

Never offer the number and state, “This is just a starting point.”

If you do that, you may as well have just said, “Look, I know this is low, so tell me what you want and I’ll see what I can do.” Instead, wait for the feedback and then react.

2. Don’t put forth a nonnegotiable agreement. No matter how many clients state that an agreement is nonnegotiable, it never fails that if we find a stellar candidate, the client makes modifications and executes confidentiality statements.

You need to have concessions or items you can live without in the agreement. There are items in every agreement that must remain and cannot be adjusted, no matter how much you need the candidate.

Get with your legal department prior to making the offer and understand what you can and cannot budge on.

3. Don’t allow back and forth. Follow the “one time” rule, in which all questions and requests are reviewed and addressed in one meeting.

Establish rules for the negotiations. Explain to the candidate that he or she may review the agreement with counsel and compile a list of questions or changes that need addressing.

The list should include all information that the candidate wants to cover; no new items outside of the list will be discussed.

4. Don’t let the candidate tell you the offer. Asking a candidate to tell you what he or she needs is completely inappropriate in a job offer negotiation. You have the job to give, you make the decision to hire, and you make the offer.

Anything less sends a message to the candidate that you don’t know what to offer or that you are so desperate to fill the spot that you will do anything. This puts all the power in the candidate’s hands and eliminates any leverage you may have had.

5. Don’t agree to everything immediately. By conceding immediately, you send a message that the candidate’s requests were no big deal. That leads the candidate to believe that he or she could request more.

A candidate needs to have the impression that you do not take lightly change requests. This is especially true for a candidate requesting more money.

Take at least a day to respond to a candidate’s requests. Let him or her know that you understand the requests and that you will provide an answer in the next day or two.

Express to the candidate that you are unsure whether these requests will be approved and ask which ones the candidate must have to accept the offer.

Never promise the candidate that you will make the changes happen.

6. Don’t allow a partner or physician colleague to negotiate with a candidate. Often, partners in a group have strong emotions about their practice, but the negotiation should focus on business or practice needs, not emotions.

In group-practice recruiting, pride among physicians has killed more deals than any other single issue.

By turning over the offer and possible negotiation to a practice manager or attorney, you minimize animosity between the partners and the candidate.

7. Don't have two people answering questions. The more people you involve, the greater the risk of miscommunication.

Establish one person as the point person to communicate with the candidate. If the candidate has questions that go outside the scope of expertise of the point person, that person should relay information through the appropriate channels.

If the candidate needs to speak directly to an attorney or certified public accountant, have the point person on those scheduled calls to ensure clear communication throughout.

8. Don't have open time commitments. Place a drop-dead date on the offer.

Establish the date before the interview so the candidate knows ahead of time. You can make exceptions to this rule if necessary.

For example, if the candidate is exceptional or if your need is high and your candidate needs more time, reestablish a new drop-dead date.

Don't lose a good candidate over a date; however, be aware that the more the date moves around, the less likely you are to sign that candidate.

9. Don't concede to a request for which you get nothing in return. This is subtle, but powerful. A candidate will ask for something—for example, an earlier start date—and

you may allow it, but ask for something in return, such as having the candidate agree to do some public speaking in the community.

This establishes that nothing comes for free and that all requests require trade off or compromise.

10. Don't have the ultimate decision-maker negotiating. Always include your legal department, chief financial officer, group, board, or someone who must review requests for additional approval.

This takes the pressure away from you and allows you time to let requests “ice,” just as an opposing football team might call a time out to ice a kicker before a field goal attempt, to make the kicker think about the kick. The same applies in a negotiation with a candidate.

As long as you remove emotions, negotiations are not difficult.

Establishing rules and parameters helps to keep your emotions in check. Like anything, mastering the art of negotiation requires repetition.

So practice negotiating outside of job offer (e.g., on an auto purchase or a piece of furniture). You're not negotiating on furniture because you're cheap—you're practicing to land your next stellar candidate. ■

Editor's note: Bowles is chief marketing officer for The Delta Companies, a national physician recruitment firm based in Dallas. For additional information, contact Bowles at mbowles@TheDeltaDifference.com.

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