



VETERINARY BUSINESS ADVISORS, INC.

### **Successful Negotiations: Strategies for Salary, Benefits and More**

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When you're offered a job at a veterinary practice, it's important to get as much information as possible about the specifics. You'll typically be offered a certain wage, often along with benefits such as health insurance, retirement benefits, vacation time and the like. But, the offer may not mention workplace flexibility and other perks that can have a significant impact on your job – and so it's crucial to *negotiate all of the key elements of the offer*.

Many people feel uncomfortable when negotiating a work package, but gaining the ability to negotiate well help you to be more successful at work long after you've begun a particular job. As a part of a veterinary practice team, you may need to negotiate with vendors, and with challenging clients – and almost certainly there will be times that you need to negotiate with your employer about a raise, a revised benefits package, and evolving workplace perks and policies.

When you negotiate fair compensation for yourself, you will become more committed to the practice, which translates into better care for the practice's clients and their pets. As an employer, when you negotiate fairly with employees, you will help to build loyalty that will stabilize and strengthen your practice.

### **What Negotiations Are & Why They're Needed**

A negotiation is a process in which two or more parties attempt to resolve differing needs and interests through a series of communications. An employer, for example, may want to offer someone higher wages, but needs to consider the overall profitability of a practice. Meanwhile, an employee may understand and support the need for a thriving practice, but also needs to earn a certain wage to support his or her family.

Employers and employees negotiate because they each have what the other one needs, and they believe they can obtain a better outcome through the process than if they simply accept what the other party is offering. Sometimes, negotiations occur because the status quo is no longer acceptable for one or both parties. Negotiations take finesse because, besides dealing with specific tangible points (wages, insurance benefits and workplace perks, as just three examples), emotions play a part and ongoing relationships are involved. The parties are choosing to try to resolve their different positions through discussions, rather than arguing, ending the relationship, having one person dominate the relationship or taking the dispute to another party with more authority.

### **Negotiation Terminology**

Using the example of wages, employers and employee alike have a *target point*, which are the wages they would like the other party to agree to. The difference between what an employee wants to be paid and the employer wants to pay is the *bargaining range*. Meanwhile, the *resistance point* is where a party would walk away from negotiations; if too low of a wage or raise is proposed, an employee may begin job searching or a job candidate may decline an offer; the employer also has a point at which he or she will reject a wage request and end negotiations.

When the buyer (employer) has a resistance point that's above the seller's (employee), this situation has a *positive bargaining range*. The employer, in this case, is willing to pay more than the employee's minimum requirements, so this situation has a good chance of being satisfactorily resolved. With a *negative bargaining range*, though, one or both of the parties must change their resistance point(s) for there to be a possibility of resolution.

In a wage negotiation scenario, either the employer will offer a starting wage or raise, or an employee or job candidate will request a certain dollar amount; the first person to name a dollar amount is making the *opening offer*. If at least one of the parties has a *BATNA – best alternative to negotiation agreements* – then he or she will probably approach the discussions with more confidence, having another alternative. So, if an employer offers someone a job, but has another excellent candidate waiting in the wings, the employer has another alternative and can set a higher and/or firmer resistance point. Conversely, if an employee or job candidate has a unique set of skills that are needed in today's practices, that person probably has more options in the job market – perhaps even other pending offers. The quality of a negotiator's alternatives drive his or her value by providing the power to walk away and/or set a higher and/or firmer resistance point.

## **Bargaining Styles**

There is more than one type of bargaining style. One way to differentiate them is to divide them into distributive bargaining and integrative bargaining.

In distributive bargaining, parties' needs and desires are in direct conflict with one another's, with each party wanting a bigger piece of a fixed tangible such as money or time, so these negotiations are typically competitive. Parties are not concerned with a future relationship with the other person. A slang term for this type of negotiation is "playing hardball" or "one upping" someone. Strategies often include making extreme offers, such as an employer offering a very low wage or a job candidate asking for an exceptionally high one. Tactics include trying to persuade the other party to reconsider his or her resistance point because of the value being offered – in this example, the job candidate might say that a high salary was required because of his or her abilities or an employer could say that lower wages would be compensated by a great work environment.

With integrative bargaining, though, the goal is win-win collaborations that will provide a good opportunity for both parties. The employer would acknowledge the employee's value and need for a decent wage, and negotiate accordingly, while the employee or job candidate would recognize the value of working at a particular practice as well as the fact that the employer has numerous other financial commitments to fulfill. They recognize that they need one another to

maximize their respective opportunities and negotiate from a place of trust and integrity, with a positive outlook that recognizes and validates the other party's interest in the transaction.

Here's an interesting psychological truth. Negotiators are more satisfied with final outcomes if there is a series of concessions rather than if their first offer is accepted, because they feel they could have done better.

## **Negotiation Styles**

To successfully negotiate, it's crucial to clearly define the issues involved, and to prepare for the negotiations. Each party should be clear about his or her target point, opening offer, resistance point and BATNAs.

Multiple negotiation styles exist, each on the spectrum of assertiveness and cooperativeness. Here are summaries of common styles:

- Competing (high in assertiveness, low in cooperativeness): these negotiators are self-confident and assertive, focusing on results and the bottom line; they tend to impose their views on others
- Avoiding (low in assertiveness and cooperativeness): these negotiators are passive and avoid conflict whenever possible; they try to remove themselves from negotiations or pass the responsibility to someone else without an honest attempt to resolve the situation
- Collaborating (high in assertiveness and cooperativeness): these negotiators use open and honest communication, searching for creative solutions that work well for both parties, even if the solution is new; this negotiator often offers multiple recommendations for the other party to consider
- Accommodating (low in assertiveness, high in cooperativeness): these negotiators focus on downplaying conflicts and smoothing over differences to maintain relationships; they are most concerned with satisfying the other party
- Compromising (moderate in assertiveness and cooperativeness): these negotiators search for common ground and are willing to meet the other party in the middle; they are usually willing to give and take and find moderate satisfaction acceptable

As long as both parties are committed to the business relationship and believe there is value in coming to an agreement, negotiations can typically proceed. If one or both parties, though, are unreasonable, uninformed or stubborn – or listening to advisors with those characteristics – negotiations can fall through. Other challenges exist when one party doesn't necessarily need the deal, isn't in a hurry or knows that the other party is without other options and/or in a time crunch.

## **Negotiation Fears**

You may dread negotiation. If so, you're not alone. Common reasons for this include:

*You have not yet solidified your position:* in this case, more preparation is clearly needed

*Fear of looking stupid:* nobody likes looking foolish, so some people will avoid negotiations altogether rather than taking the risk of not negotiating well

*Liking people and wanting to make them happy (but perhaps not being able to give them what they want!)/not wanting to affect someone else in a negative way:* if you are interviewing for a promotion at a practice, say, and you really like the practice manager, you may worry that negotiations will upset the manager or put her in a difficult position

*Fear of failure:* some people would prefer to not negotiate at all, rather than making an unsuccessful attempt

*Feeling uncomfortable with money:* some people were taught that it wasn't polite to talk about money!

Still other people have an aversion to conflict, overall, and so they avoid the potential of it by not negotiating. Yet others feel vulnerable when negotiating.

Women in particular are reluctant to negotiate, with only 7 percent doing so. They suffer the costs associated with not negotiating because they tend to have lower expectations, fear being considered a “bitch” and can be penalized for negotiating. As a solution, women can consider framing their wants into the value that they will bring to the other party, and share how they can solve the underlying problem of the other party.

Areas where negotiating may not feel as intimidating include:

- Negotiations for resources, whether it's asking for more equipment or for a practice to hire more people
- Negotiations about how to use resources; with a common purpose, solutions can be reverse engineered fairly easily
- Negotiations where you have expertise
- Negotiations with big companies where nothing is personal
- Negotiations where you have evidence to support your position, including facts, data and logical reasoning

### **Salary and Benefits Negotiation Tips**

Even though the examples given so far have focused on monetary compensation, when negotiating, don't focus solely on wage or salary. Also discuss benefits offered and workplace perks – meaning the entire package. This can include, but is not limited to, health care coverage, life insurance, retirement programs, vacation time and flextime. If you're job hunting, investigate what companies are offering. Where do you think the place you're interviewing falls on that spectrum? What is the minimum pay level that you're willing to accept? What is your preferred wage? What benefits are important to you?

If you want to work at a particular practice, but the pay rate isn't quite what you want, ask if you can have a salary review in, say, six months. This doesn't mean accepting a salary that is clearly sub-par, nor does it mean that you should try to put more pressure on a potential employer who is already offering you a good deal. It is simply something to consider in relevant circumstances.

What workplace perks might be desired? Would a company cell phone help you? Better equipment or software? If so, you could consider accepting somewhat lower pay if you get more tools to do your job.

Although telecommuting is seldom an option for veterinary staff, outside of perhaps financial or other purely admin functions, you could negotiate coming in half an hour later so that you can take your children to school or schedule a lunch break that coincides with when you need to pick them up. If you bring crucial skills to the negotiating table, you're more likely to get these concessions than if you are entry-level.

If relevant, ask about practice policy if you become pregnant. How acceptable is the policy to you? How important of a negotiating point is this for you? What about if you are injured in the workplace? Educate yourself on your workplace rights before negotiations occur, as well as company policy. If you are valuable to the practice, perhaps you can negotiate some additional flexibility.

Who should be the first to make an offer? Some experts believe that, if you allow the other party to provide a starting dollar figure, he or she has shown his or her hand. But, research indicates that final figures tend to be closer to the original number stated than what the other party had originally hoped.

### **What NOT to Do**

Beware of "between"! It probably feels reasonable to ask for a certain salary range – or range for a raise. But if you do that with a current or prospective employer, you have basically tipped your hand as far as how low you would go. Using the word "between" is actually a concession!

Another risky term: "I think we're close." A savvy negotiator will recognize "deal fatigue" on your end and perhaps stall in the hopes that you'll concede, just to complete the deal.

### **For Best Results**

People tend to feel more confident during negotiations when it focuses on an area of their expertise and/or where solid evidence exists to back up the negotiations. Overall, success is achieved when you first:

- Determine the interests of the other party
- Embrace compromise
- Observe the Golden Rule, treating others as you would like to be treated: fairly and reasonably, without defensiveness

- Be prepared, both in factual information and in strategy

Good luck!