

Job Offer Case

The Current Situation:

You have just got an offer from an employer that sells a not so glamorous product in a B2B setting. This employer was not on your “A” list but you never said no to additional interviews. You liked who you met and liked the aggressive, but fun environment of the office you visited. The offer is for a starting salary of \$35,000 with average first year commissions of \$5-7,000. The company provides a solid health benefit package, a 410K plan, and pays expenses including coverage of \$50 per month for a cell phone and \$300 per month for a car. The job offer is for their Metro Detroit office, but they also have openings in Chicago, Atlanta (GA), Denver (CO), Traverse City and Kalamazoo. In year two, your salary drops to \$24,000 while commission potential is supposed to rise dramatically. Year three is full commission. The three reps that were all just wrapping up their 3rd year said they were making just shy of 6 figures.

You have no other firm offers, but have a 3rd (and normally final) interview set up with an “A” list employer. That interview is in a week. You feel good, but not great, about your chances at getting an offer from this employer.

The Next Step: You promised your contact that you would call on Monday and discuss the offer. This gives you the weekend to fully determine what you want to say when you call this person.

Your Tasks: There are three components to this assignment. Each is discussed below.

1. **Worksheet:** Using the “Issue Worksheet” as a guide (download from course web site), fully think through the issues that are important to you and develop those issues fully via the categories on the issue worksheet. The simplest way to do this is to actually fill in the worksheet directly, although you can do it via a separate format as some areas may need more room than the worksheet allows.
 - **Data & Logic:** For your “Defense of Positions” you need to explicitly identify both the logic you are using and any data that you have that will back up your position (e.g. salary survey figures, cost of living indices, etc.). Higher scoring JOC’s will be well defended with data & logic.
2. **Bargaining Plan:** Your bargaining plan should include the order you would like to discuss the issues in, your starting positions for each issue, and your fall-back positions for each issue. Please organize this using the headings: Order, Starting Positions, and Fall-Back Positions. Lastly, you should have multiple fall-back positions to allow yourself multiple movement points.
3. **Opening Paragraph:** Lastly, script a paragraph that you would say that would initiate the phone conversation and turn the conversation into a negotiating episode. Hopefully you would not blatantly read this to the contact, but I want you to script it fully so you could. This opening should get the conversation in general going and specifically move the conversation into the realm of a negotiation/bargaining session. Assume you have already said your hellos and exchanged a bit of small talk.

What you need to bring to class:

Written evidence of all three of the tasks outlined above. No specific format is mandated, but please make the document(s) highly organized and easy to follow. Please type and staple this assignment.

Why Do This:

A few measly points, which students often wish they had when I am finalizing the spreadsheet at the end of the year. But WAY more importantly, you will most likely find yourself in a situation such as this within the next few months and certainly the next couple of years. So why practice when it counts? Plus, this is the prep process that will serve you well in other negotiations, so why not practice it now.

NOTE: Respond to this offer as you would if it were a real offer on the table. There is no right or wrong issues to choose or positions to offer (I expect those to vary by individual), but there are unprepared negotiators – and those people are all wrong!