



Making the Decision

A CollegeHire Guide

Introduction

Congratulations! The recruiting process to find your dream job can be long and labor intensive, and now that you have one or more offers in hand, you are down to the final step: deciding where to go. You may have spent months to go through the research and interview phases to get here. This next phase will require more information gathering, serious thought, and soul searching.

Using the Guide

Recruiting is not a science, but it does have some common formulas that you will find in many companies' efforts. We have drawn from decades of college recruiting and placement experience to provide you with information and advice about how to decide which opportunity is best. It may not answer every question you have, but you will be more comfortable about the entire process.

This guide is divided into the six sections shown at right, each addressing a major step in your decision-making process. Each can be read alone, but for the most benefit, we suggest reading the entire guide as early as possible.

Important Considerations

When you start receiving offers, you will likely be contemplating more money than ever thought possible. Try not to get caught up in the moment. Even if you have just had a fantastic on-site visit, go back to school and let things process in your mind. This is one of the biggest decisions of your life, and it can be overwhelming with so many people talking to you at once. Step back and thoroughly evaluate the opportunity. Distinguish fact versus fiction - listen carefully, formulate questions, and get them answered. Keep perspective on working for a "cool company" and where your friends are going. The best opportunity for them may not be the best for you.

Gather as much information as possible from many different sources. It is much easier to be comfortable with a decision like this when you know all you can about the company and the opportunity you are exploring. Remember: the company will be the sole source for most of this information – be sure to confirm it with several outside sources. Once you have a good sense of who you are and what you are comfortable with, your decision will be clear. And trust your gut - it is usually on target. You will know which choice is right because you will be psyched to tell your recruiter, "Yes!"

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About This Guide

CollegeHire presents "Making the Decision: A CollegeHire Guide," an original publication provided free of charge to students. This is one in a series spanning the entire job search process - from researching internships all the way through your first day of work. These publications coincide with CollegeHire sponsored seminar tours at many universities across the country:

Title	Publication Date
I. All You Need to Know About Internships	February 2001
II. How to Find Your Dream Job	Fall 2001
III. Behind the Scenes of the Interview Process	Fall 2001
IV. <i>Making the Decision</i>	January 2001
V. You Have a Job - Now What?	March 2001

Note: we have included our recent "Know Your Options" publication as a section in this guide.

About CollegeHire

CollegeHire is a premier college recruiting resource designed to match graduating college students and high-tech companies. CollegeHire helps both organizations and new graduates save time, money and resources throughout the college recruiting process by developing one-on-one relationships with students on college campuses across the country, and building an online community to unite students and companies. More information about CollegeHire can be found at www.collegehire.com.

CollegeHire provides personal job search consultation and placement services for prospective graduates in Computer Science, Computer Engineering, Electrical Engineering and equivalent programs of study at leading universities nationwide. Students are represented by account managers who provide job opportunities that match the student's criteria as well as assistance and preparation throughout the interview process. Each student also receives an online account for maintaining their personal profile and job search preferences, and viewing their status throughout the process. All of this is offered at no charge to students interested in exposure to CollegeHire's relationship-based services and the exciting companies comprising our client list.

CollegeHire is widely regarded as the leader in personalized college recruiting. We would like to invite you to tap into our experience. Whether or not you are in the CollegeHire process, please consider us your online recruiting expert. If you have a question you don't want to ask a corporate recruiter, or one that your family and friends don't know how to answer, e-mail us at my.agent@collegehire.com and we will be happy to help you.

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Printed in the United States of America

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Now That You Have an Offer

A Part of *Making the Decision: A CollegeHire Guide*

Introduction

Once you receive an offer from a company, you are in a demonstrably different position than while going through the interview process. Though every company runs recruiting differently, many switch into "sell mode" once they make you the offer. Up to that point, you were selling yourself to them, but now they are selling their opportunity to you. This section will describe what you should expect from your recruiter, along with a "behind the scenes" look at a few tactics the company might use to secure your acceptance.

Once again, understand that each company operates differently, and our intention is to describe what is probably happening to you while dealing with the company and how you should view its actions (or inactions).

What to Expect from Your Recruiter

You might be surprised to know that your effort kicks into high gear now that you have an offer. There is a lot of information you should collect before making your decision, and the rest of this document will advise you about what types and where to get this information (see *Gathering Information – An FAQ*, also a part of this publication). Your main contact for this information is most likely your recruiter. With some companies, you will have a direct line to the hiring manager, but that is not always the case.

Your recruiter's performance is often based on who is hired into the company and how many they hire. Because of this, he/she is probably your biggest advocate in the company. The recruiter knows you the best and he or she will fight for your cause. Do not overlook the recruiter's importance – it never hurts to make friends with him/her since you never know when you will need someone in your corner.

However, it can be difficult to balance the recruiter's focus on getting you hired with the trust you place in all he/she says to you. No company is perfect, and you need to be suspect of a glossy picture from the recruiter about how great everything is at the company. The best recruiters will tell you the negatives too, and it should be reassuring to hear the company prepare you for some of the negative aspects, such as very long hours, constant travel, etc. This is a sign that the company is being up-front and honest about what you need to expect. They want you prepared for the job as well as ensure you are not disillusioned.

Unfortunately, it is common to hear people say, "This is not the same company that recruited me." Many recruiters "oversell" the opportunity, so be sure to look for outside validation and second opinions.

Your Recruiter's Roles

- Salesperson
- Your biggest advocate
- First source of information
- Your Friend
- Someone who knows how to get things done (useful after you start working there too)



Beware: Recruiting Tactics Ahead

You will encounter recruiting tactics, and it can be difficult to see through them to get a good picture of what the company and opportunity is really offering you and your career. Here is some advice about a few common practices.

Wooing

During this time of the process, the company may shower you with lots of “free stuff” – gift baskets, more dinners and drinks, sell trips, etc. All of this is a nice gesture to make sure you are still thinking about them, but the gifts will be a distant memory once you start working. Make your decision as though you did not get any gifts from any company. Or, think of each gift as a phone call from the company. You *should* be impressed with a company’s response to your questions, phone calls from a top level manager, or consistent forwarding of articles and press releases about the company. You should not think negatively about a company that does not spend on gifts for you. Be concerned, however, of the company that does not follow up with you or becomes arrogant – more than a week is too long to wait for a response from your recruiter. The recruiting process at a small company might not be as smooth as at a larger company because of growing pains, however, the recruiter should maintain communication.

Reverse Wooing

During this period, you might hear negative things about other companies, especially from which you have competing offers. Be leery of personal comments and opinions about another company, such as “everyone is unhappy there” or “everyone there is looking for another job.” In the recruiting world, this is inappropriate and is a form of insecurity. It is more appropriate for them to tell you public information such as, “company X’s revenue was flat last year” or “they haven’t turned a profit yet.” We encourage you to keep these comments in perspective and do your own research for validation.

Exploding Offers

Some companies give exploding offers to candidates where the candidate needs to make a decision before a certain date (usually within a few weeks). Usually this is done for a couple of reasons. First of all, especially in companies recruiting a large number of people, the exploding offer allows the company to push the candidates through the pipeline and know what their “numbers” are throughout the recruiting season. It is risky for a company to wait until the end of the school year to hear a decision from a candidate, because if they receive more declines than planned, there is not enough time to find more candidates. Another reason for exploding offers is to box out their competition. By giving the candidate an incentive to accept quickly, the candidate will obviously not have as much time to explore other opportunities.

CollegeHire believes that a candidate should never make a decision based on time. The candidate should take whatever time he/she needs to make a good decision without regrets. Most exploding offers are not firm, because they are given as an incentive for quick decisions only. If the company really wants to hire you, they should be flexible on this point. This is where your relationship with the recruiter comes into play. Talk with your recruiter and ask him/her to explain the deadline. Then ask for an extension if you need one.

Since CollegeHire is an advocate for the candidate, we do not like recruits to be put into this situation. However, we understand that some good opportunities come with this hurdle. We think that a candidate should only look negatively on exploding offers if they really will not budge on the deadline and you start feeling uncomfortable about the situation. However, if you encounter an exploding offer deadline, you should inform your other job prospects to give them an opportunity to act more quickly if needed. Also, you can use the exploding offer to your advantage by asking for additional value in your offer because of your need to make a quick decision. For example, “I appreciate your offer and I’m glad you see how much I can offer your company. However, since my options are more limited now, I’ll accept if you improve my offer by X.”



If you know you will be getting an exploding offer, it is advantageous for you to wait as long as you can before you “officially” get the offer. This will delay when the clock starts ticking down.

Most campus career centers view exploding offers negatively, especially if the company comes on campus to recruit. You may want to contact your career center if you encounter any unreasonable deadlines from a company.



Gathering Information – An FAQ

A Part of *Making the Decision: A CollegeHire Guide*

Introduction

After the excitement of getting that first offer dies down, the first question that comes to mind is, “is it a *good* offer?” To help you determine the true value of each job opportunity in front of you, we’ve assembled over 40 of the most important questions to ask, along with explanations of the specific details that should be included in the answers you are given.

But this section doesn’t include the actual answers themselves – those vary by job offer, and you’ll have to hunt down recruiters, web sites, and other resources to get them. To help you, we’ve also included an introduction to researching your offers below.

Gathering Information

During the interview process, you probably met the recruiter, interviewers, and the hiring manager. You should feel comfortable contacting any or all of these people to get your questions answered. The recruiter is probably your first contact, but there will be things he or she will not know how to answer. A good recruiter will say “I don’t know, but I’ll find out or put you in contact with the right person.”

Financial Information

If you are evaluating an opportunity at a public company, your research about the financial aspects of the company should start with public data. Read their recent annual reports and review any data and analysis you can find online. However, you should validate as much of this information as possible with the people you talk to at the company. You probably will not have access to the CFO, but talk with others to get comfortable with how the “inside” information matches the publicly available information. You can ask something like, “How do you plan to accomplish the 50% growth you mentioned in your annual report? That kind of growth is impressive.” “What do you see as the obstacles to that accomplishment?”

Sources for Financial Data

- Annual reports* – usually available at the company’s web site
- SEC filings* – <http://www.sec.gov/edgarhp.htm>
- Hoovers Business Network* – <http://www.hoovers.com>
- Yahoo! Finance* – <http://finance.yahoo.com>
- <http://www.corporateinformation.com>

When evaluating a private company, you will need to rely on the people you talk with at the company for financial information. You should feel comfortable asking to talk with the highest financial officer possible (CFO, VP of Finance, etc). The best recruiters will also be able to answer most of your questions about the company’s financial history and prospects. If needed, you should offer to sign an NDA (non-disclosure agreement) to get as much information as you can get to make a good decision.



Job and Organizational Information

It is also important to get a good understanding of the organization of the company. In larger corporations, you only need a top-level understanding of the whole company organization. But at all companies, you have to know who your hiring manager is, how you fit in with the team, and how the team fits in with the goals of the company. Get to know your potential manager and co-workers as much as possible. They are going to be the people you will spend most of your waking hours with and will provide the best information about what the company is like and what to expect. Ask them to talk with you about the vision of the management team. Have there been changes in the company recently? Do they think the changes have been good?

If possible, you should spend some time with people who recently went through what you are now experiencing. Talk with the people the company has most recently hired out of college. It is best to find alumni of your school and those hired into similar positions that you are considering, but that is not always possible. These people provide a perspective that is not tainted by a long history with the company. Ask them why they joined the company and if their expectations became reality. What other opportunities did they consider? What are their plans to get the next job or assignment in the company?

Cultural Information

Keep your eyes open at all times for examples of company culture. What is the company like outside of the recruiting process? Are the others in the hallway friendly? Are office doors generally open? Do they look like they are having a good time? Are they professional and considerate of your time? If a technical interviewer is available to you for questions, then that reflects positively on the other parts of the company. The recruiting process is indicative of other company processes, and as such, recruiting should be an extension of the company culture.

Third Party Information

No matter how much information you get directly from people that work at the company, you need to get a perspective from people outside of the organization. Outside perspectives will either validate or contradict what you hear from within the company – either way, this will be valuable. Common sources for information includes local newspapers, trade magazines, business periodicals, and professional organizations.

There are also some online bulletin boards that allow people to post thoughts about a company. One of the most popular is <http://www.vault.com>. It can be useful to see what, if any, has been written about the company you are considering. Once again, keep these comments in perspective. They are anonymous postings and many will be negative. People that are happy do not think to post their happy thoughts, but the unhappy people always find their outlet. And every company has the “complainers” – you probably ran into those types of people at school in your group projects, campus organizations, and classrooms. Right, wrong, or indifferent, these online postings can be helpful to you. If you notice constant themes, then you should raise them with your recruiter.



Using the FAQ

This FAQ is organized into three sections:

1. [Offer-related questions](#)
2. [Work environment and lifestyle questions](#)
3. [Career and company questions](#)

The [first section](#) concerns the contractual conditions and limitations about the offer itself, and we recommend asking those questions of your recruiter after you have your offer letter in hand. Remember that offer letters are considered confidential between the people directly involved in your hiring process (generally you, the recruiter and the hiring manager), so you should be wary of discussing the terms of your offer with other recruits or individuals outside your decision-making process.

The [second](#) and [third](#) sections deal with larger, longer-term issues of job satisfaction and professional planning, and may be helpful throughout your job search process. You should feel comfortable discussing those issues with other recruits, employees at the companies that are recruiting you, and anyone else with relevant experience.

The [questions are listed by themselves](#) for quick reference on the next page, followed by the standard [expanded list of questions with their answers](#) and additional details you may wish to explore.



Offer-related Questions

1. Do I have the terms of the offer in writing?
2. Is there a deadline to tell the company my decision? Is this a firm date, or is it flexible?
3. What is my official start date? Is this a firm date, or is it flexible?
4. Is the offer negotiable?
5. What will be my title?
6. Who will be my direct (hiring) manager?
7. What are all the elements of my total compensation?
8. Does this offer include stock options? What are the terms?
9. Is there a signing and/or a starting bonus?
10. What relocation services will be provided?
11. What health plan will the company provide?
12. Does the company provide a 401k plan or other financial tools?
13. Is there a non-compete clause in the contract? What are the terms?
14. Are there special provisions for non-citizen workers?

Work Environment and Lifestyle Questions

1. What will my responsibilities include?
2. With whom will I work?
3. What are the typical work hours for this position?
4. Where will I sit?
5. What kinds of goals drive the company? How do these translate to your position?
6. How does management motivate success? What incentives are typically used?
7. How often are performance reviews conducted? What is the process?
8. How are stock options/bonuses tied to performance reviews?
9. What terms are there about inventions and other intellectual property?
10. Are there people with the same position or background with whom I can speak?
11. Are there other recruits with whom I can speak?
12. What is the vacation/sick leave /personal time off policy?
13. Is there a counseling/mentorship program in place?
14. Is there a dress code?

Career and Company Questions

1. Is this position the beginning of an established career track at this company?
2. How flexible is this company with regard to trying positions in other departments or divisions?
3. Are there other company locations or branch offices that may provide future opportunities for more experience?
4. Are there international opportunities available?
5. Will new hire training be provided?
6. Will there be continuing learning, sabbaticals, or other methods for growing my skills?
7. How old is this company?
8. At what stage of growth is this company?
9. How many employees work at this company?
10. How experienced is the company management?
11. Is this company privately or publicly held?
12. If this company is privately held, when is it slated for initial public offering?
13. Does this company have any major investors? What rounds of funding lie ahead?
14. How mature is this company's industry? Does this company have plans to move into other industries?
15. Who are this company's competitors? What challenges face them?
16. Will this company/position open doors for me in the future?



Offer-related Questions

1. Do I have the terms of the offer in writing?

Even in these times of electronic communication, an offer isn't official until you have it on paper. Though you may hear of your offer over the phone or through e-mail from your recruiter, make sure you have it in writing before you seriously consider it. If you get a verbal offer, be sure to write the details down immediately for later reference when you do get your formal offer letter. [Back](#)

2. Is there a deadline to tell the company my decision? Is this a firm date, or is it flexible?

Some offers include a deadline by which you must accept or decline. Be sure you are clear on this final, or "drop dead" date, especially if you anticipate deciding between two or more offers. If you are still waiting for another offer to come in, don't be afraid to ask if your other deadlines are truly fixed. Taking a job is a major commitment, and you are entitled to a reasonable interval in which to decide. Be wary of companies that impose unrealistic deadlines (a week or less) on their offers; if you are a valued recruit, they will give you enough time to think it over – even if you only have one offer to consider. Be sure to address an uncomfortably short timeframe quickly, rather than waiting until the deadline to ask for more time to decide. [Back](#)

3. What is my official start date? Is this a firm date, or is it flexible?

Start dates can vary by company and position. Companies may ask you to show up for your first day anywhere from a few weeks to a few months after the offer is signed. Depending on whether your company's business is seasonal, on a yearly schedule, or if they have a set schedule for training, their start date may be fairly firm. If you want to travel or fit in other activities before you start work, make sure you know how much flexibility you have. [Back](#)

4. Is the offer negotiable?

This question doesn't have to lead into an actual round of negotiation! You may ask it just to be clear before you start to consider the offer. A few companies have a strict policy against negotiating offers, but in general a company's offer represents their experience of what a candidate of your caliber expects to be compensated. If you feel your offer doesn't reflect what you are worth (based on a fair assessment of your skills and going industry rates for your position), or you are willing to make trade-offs between portions of your compensation package, you may wish to try negotiating to adjust your terms. (For more on the topic, read *Negotiating Your Offer*, also part of this publication.) [Back](#)

5. What will be my title?

Your title isn't just what's going on your business card, but a way for you to locate yourself within the company's organizational chart, so you can figure out who you are likely to work with and where you stand within the various business or functional units. Knowing your title also lets you compare your offer with any others you have received, or with industry standards for compensation, job responsibilities and other details. Even if the company can't tell you your exact title (for example, if you're going to be trained first and then later placed at your first position), ask for the department or division to which you will be assigned.

Keep the company's corporate culture in mind when you ask about your title. Some companies (usually larger or older ones) depend on titles to keep their staff organized, while others may have place less significance on formal titles or roles. [Back](#)



6. Who will be my direct (hiring) manager?

Along with knowing who to report to on your first day, this information is also useful for determining which level you'll be entering the company, and what you'll be expected to do at your job. Some companies, particularly those that hire and train groups of college graduates for individual placement later, may not be able to tell you who your future manager will be. But there will always be a manager who was responsible for making the decision to hire you, and it's important to know who he/she is. Remember – recruiters don't make the actual hiring decision. [Back](#)

7. What are all the elements of my total compensation?

Be sure you are clear on how your salary is structured. Is it an annual salary, or will you be paid hourly? Will there be overtime? How often will you be paid? (Knowing whether you get paid every two weeks or twice a month is the difference between 24 and 26 paychecks!)

Remember that total compensation goes far beyond your paycheck! Be sure you know all the components of your compensation package:

- + Base salary – how much will you be taking home, and how often?
- + Vacation days – is there a defined policy? How many weeks are allotted per year?
- + Sick/personal days – is there a defined policy? How many days are allotted per year?
- + Stock options – does the offer include an initial grant? *Also see [question #8](#).*
- + Signing/starting bonus – is there a bonus attached? *Also see [question #9](#).*
- + Relocation – will the company provide for your move? *Also see [question #10](#).*
- + Health/other benefits – what does your company cover? *Also see [question #11](#).*
- + 401k/retirement – is there a 401k program? *Also see [question #12](#).*

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8. Does this offer include stock options? What are the terms?

Your offer may come with stock options – if so, make sure you are aware of all the terms. Your company's stock plan will have this information, and if your offer includes stock options, you should have received a copy of the plan. Some items to check:

- + Number of options – how many options will be granted to you if you take the job offer.
- + Grant date – when your vesting period will begin.
- + Strike price – the per-share price at which you will be exercising each option.
- + Options outstanding – how many total shares of the company exist.
- + Vesting period – how long you must hold the options before exercising them.
- + Holding period – how long you must hold shares from exercised options before selling.

Having all of the above information will make it easier for you to estimate how much your options may be worth in the future, particularly if you are comparing options between companies. This is only a brief introduction to all of the terms involved in a stock option plan. (For more information on how to value your stock options, read *Know Your Options*, also part of this publication.) [Back](#)

**9. Is there a signing and/or a starting bonus?**

To ensure your acceptance of an offer, companies will sometimes include a bonus of several hundred or thousand dollars, paid in addition to your base salary. Keep in mind that these bonuses also have terms of their own – one of the more common involving whether you stay with the company. Also known as “earned over time,” this condition usually stipulates that if you leave the company within a minimum period of time (for example, one year), you may be required to pay back some, or all, of your signing bonus. These specific terms are often buried in the offer letter or accompanying contract, so read carefully and ask questions if you are unsure.

A *signing* bonus is paid upon receipt of the offer signed by you, while a *starting* bonus usually appears on your first paycheck as regular compensation. Keep in mind that either type of bonus will be taxed. You may receive a bonus of \$5,000 dollars, but after taxes you may take home closer to \$3,200 dollars. (Generous companies may do employees the favor of “grossing up” a bonus, to offset taxes. In other words, in the example above, the company could pay you several thousands of dollars more, so that your take-home amount would total the full \$5,000 dollars.) [Back](#)

10. What relocation services will be provided?

As a fresh college graduate, it’s likely you’ll be moving to someplace new to start your first job out of school. Companies usually provide you with a budget for shipping your belongings, as well as paying for a place to stay for the first weeks or months on the job while you find a residence of your own. They may also pay for travel costs to your new city, and other incidental costs. Frequently, corporations also have deals with firms providing these services.

As with signing bonuses, relocation allowances may be taxed, and may also be “earned over time” – you may have to pay the company back for those expenses if you do not stay with them for a minimum period. (This may or may not be the same interval as for a signing bonus.) [Back](#)

11. What health plan will the company provide?

Be sure to find out all the specifics of your company’s health care insurance and other benefits. Many companies do not pay for vision plans, and some do not cover dental care. Instead, those needs may be covered by flexible spending accounts that allow you to set aside part of your salary, tax-free, for treatments, procedures or supplies. These programs are also known as “cafeteria plans,” and the savings can be substantial if you are planning on braces, elective surgery, or even purchasing items such as contact lens solutions. Details vary by plan and by company. Don’t forget to ask about insurance and other benefits for your dependants, if any. [Back](#)

**12. Does the company provide a 401k plan or other financial tools?**

To offer incentive for employees to sign on and stay, companies often offer 401k plans and other investment tools for retirement. A 401k plan is a federally defined program for setting aside a tax-deferred amount of money each year, usually deducted from your monthly paycheck. (Recently, 401k contributions have been limited to 25% of your annual salary or \$10,500, whichever is less.) This money can be placed into mutual funds or other investments, with the intention of appreciating in value until you retire. Money placed into 401k programs is yours, and if you leave an employer you have several options. A 401k program is usually administered by a separate company, and any employer should be able to refer you to information about how theirs works.

As further incentive, some companies will match your contributions to your 401k program, essentially doubling that portion of your retirement investment. Depending on your retirement strategy, this can be a significant benefit. Other financial tools or incentives may be in effect at the company – be sure to ask about them. [Back](#)

13. Is there a non-compete clause in the contract? What are the terms?

Companies that are careful about guarding their methods or technologies will often ask you to agree to a non-compete clause along with the rest of your offer. If you leave the company, this clause usually limits you from seeking employment with that company's competitors within a given time period (for example, 2 years from exit date). Be sure you understand what your company's definition of "competitor" is, and what the consequences of violating this clause may be. Additionally, if your company is a subsidiary or spin-off, find out if the parent corporation's competitors also fall under the clause. [Back](#)

14. Are there special provisions for non-citizen workers?

If you are a foreign citizen, you should inquire about assistance with obtaining a work visa. Find out if the company has experience processing the paperwork for visa applications, and if the company or the employee is responsible for the fees involved. If the company sponsors your visa, be sure you understand the terms of sponsorship. For example, if you leave the company before the visa process is complete, you may be responsible for compensating the company for their investment in your visa. You may also be obligated to work for the company for a given interval after your visa has been obtained. If you are unclear on any of these issues, ask to be referred to a human resources specialist, or talk to a recent hire from your country of citizenship if possible. [Back](#)

Work Environment and Lifestyle Questions**1. What will my responsibilities include?**

Get a general idea of the roles and responsibilities your job will involve. You aren't looking for a specific list of duties to follow, but more of an impression of your day-to-day activities. If you are asked back for a "sell trip," try to find people with your future job title and observe or discuss what they do during a typical day's work. Also keep in mind that job descriptions change, and "being flexible" may also be a significant responsibility. [Back](#)

**2. With whom will I work?**

The answer to this question may not be specific individuals' names, but the titles of their jobs. For example, as a developer, you may be working with project managers, marketers, quality engineers and support staff, or any or none of the above. You may also be interested in the personalities and backgrounds of the people you'll be working alongside. If you do have access to the actual people in question, try to contact them before you accept an offer, to get a better picture of how your team or co-workers function. [Back](#)

3. What are the typical work hours for this position?

Your new job may involve a structured daily schedule (get in a 9am, leave at 5pm), or the hours may be determined by the workload. Either way, gauge how many hours are in a typical work week. You may prefer to work at a steady daily pace, or put in long stretches of work towards your goals. If you are going to be working primarily with a team, you may ask what their work patterns are like. For example, software development houses may operate around major deadlines like regular release schedules, and you may want to find out how work patterns change during those times. Be clear that you're not asking for a minimum amount of time to be at work, but for an impression of how the work gets done at the company. [Back](#)

4. Where will I sit?

If your work environment affects your productivity, ask where you will be sitting and what the physical work environment is like. Depending on your work habits, you may or may not be interested in whether you sit in an open area or in a cubicle, have your own office or share it with others, and other concerns. Your company may regard location as a mark of status or reward (e.g. a "window office") or may have a relaxed attitude about who sits where. [Back](#)

5. What kinds of goals drive the company? How do these translate to your position?

Depending on your company's structure, industry and market share, the leadership of your company may set annual goals or objectives for each half or quarter. Are these goals pinned to sales? Product development or innovation? Customer satisfaction? Industry awards or other recognition? How well defined are they? Ask how those goals translate to your role, via goals for your business unit, department, or workgroup. [Back](#)

6. How does management motivate success? What incentives are typically used?

Following on questions about what goals are set for your company, ask how employees are encouraged to meet those goals. Incentives may include compensation based on cash bonuses, vacation time or even paid trips and other rewards. Departments or teams may be given incentives, or individual contributors may be rewarded. Some companies may provide support to achieve especially challenging goals, allocating extra personnel or material resources to show their investment towards success. [Back](#)

7. How often are performance reviews conducted? What is the process?

The performance review process impacts your professional development, as it's the time when those you work with let you know your strengths and weaknesses. Ask whether you'll be reviewed by your direct manager, your co-workers or direct reports (if any), or some combination of individuals. Your review process may be an informal discussion, or could involve completing forms or other steps. You may also be asked to review your co-workers or manager as part of the process – also known as upward feedback or "360 degree reviews." Be sure to find out when reviews typically occur, and how often, as they frequently affect bonuses and other rewards. [Back](#)

**8. How are stock options/bonuses tied in to performance reviews?**

Many companies translate good performance reviews into bonuses, pay increases and other compensation, and policies vary by company and sometimes by department. Your company may have a scale with a stepped reward structure, offering cash bonuses or stock option grants depending on your performance rating. Stock options and bonuses may be awarded separately, or companies may permit employees to convert their bonuses to stock options. Other companies or departments (for example, sales organizations) may have commission-based reward structures. Companies may also mix and match rewards, or change reward structures over time. [Back](#)

9. What terms are there about inventions and other intellectual property?

This type of condition may be found in your company's employment agreement rather than in the offer letter, but if you intend to work in a position or industry where research and development is a focus, it is important to find out the details about intellectual property. It is standard for companies to require you to protect their proprietary methods and technologies from unauthorized disclosure, and to claim ownership on products and methods developed by you while you are an employee. However, their policies regarding inventions can vary. Some companies will offer compensation for inventions through a patent process, usually where they will pay for the application and own the rights to a patent with your name, in exchange for a cash reward or an option grant. [Back](#)

10. Are there people with the same position or background with whom I can speak?

Your best resource for finding out about your future job is to speak with people that currently hold your position. Ask your recruiter to put you in touch with people working at the same or similar position or level in the company, preferably a recent college hire that has a year or less of experience. You may even be able to speak with alumni from your school. [Back](#)

11. Are there other recruits with whom I can speak?

For alternate viewpoints, ask to be referred to other students that are being recruited by the company. You may wish to talk to people who are being recruited for the same or similar position, or you might talk to people being recruited for a variety of roles to hear their impressions. This is an excellent way to start your professional network, even if you decide not to take the job with a particular company. [Back](#)

12. What is the vacation/sick leave /personal time off policy?

Most companies have a firm policy on vacation days, sick leave and personal time off, giving you a limit on how many paid days you can take off per year. Paid days may roll over year after year (also known as "banking" days), or there may also be a limit on how many days you can accumulate over several years before the company no longer honors them. Your company's policy may also indicate whether you may be paid for vacation days that have accrued during the year(s), if you should leave your job or retire. Vacation days, sick leave, and personal time off may be regarded separately or treated the same depending on the company.

Some companies will not have a defined policy, instead allowing their employees to judge when they can take vacations or are too sick to work. If this is the case, you may still wish to ask how many days off the typical employee takes. [Back](#)

**13. Is there a counseling/mentoring program in place?**

Mentorship is particularly valuable for new employees, especially those starting their first job. Your company may have a mentoring program to familiarize new employees with specialized skills, provide informal performance checks in between official reviews, or provide a forum for questions or concerns.

Counseling programs may also be provided to help employees deal with workplace pressures, time management, or work/life balance. [Back](#)

14. Is there a dress code?

Dress codes depend on the company, and may vary according to department, role, or even the type of situation from day to day – for example, a company’s general dress may be fairly casual until a meeting with a client, when everyone is in suits. Companies may require formal dress during most of the week and then permit business casual on Fridays. At other companies, completely casual attire may be the rule every day. [Back](#)

Career and Company Questions**1. Is this position the beginning of an established career track at this company?**

Ask your recruiter or current employees what the usual career track is for a person starting out at your position. Your position may afford you large amounts of flexibility, allowing you to move into other roles, or there may be a set path of promotion to higher levels. It’s also good to know timeframes for advancement, so that you can picture where you might be after 1 year of working at the company, after 3 years, and so on. [Back](#)

2. How flexible is this company with regard to trying positions in other departments or divisions?

Although you don’t want to appear as though you’re only interested in your position as a stepping stone to other opportunities, you may want to get a general sense for how fluid the company’s organization is. Even though you may be perfectly equipped for a certain position now, in the future you may wish to try other roles. You may ask about what other people with your skills have gone on to do, or about people with unconventional backgrounds who have become valued employees. [Back](#)

3. Are there other company locations or branch offices that may provide future opportunities for more experience?

If your company has other locations that you may be interested in later, you may wish to ask how often people transfer to those branches. Remember that you are most likely being hired for a particular location, and you may be expected to stay at that location for some time. However, a willingness to relocate can be regarded as a strength, depending on the company and situation, and some companies offer rotational programs that put qualified employees through a variety of experiences. [Back](#)

4. Are there international opportunities available?

Branch offices may offer a distinctly different set of roles and responsibilities, particularly if they are newer divisions of the company, or are responsible for other products or operations. Some companies may have international transfer programs allowing their employees to gain experience in new countries. Keep in mind that additional paperwork and conditions may make a move like this much more complicated. [Back](#)



5. Will new hire training be provided?

The duration and type of training varies by company and by divisions within companies. You may be given a few weeks of individual training within your workgroup or department, or your company may run an annual training session involving a large group of new hires. Or, all of your training may be “on the job” – learning as you go, with no formal instruction. Find out whether you must compensate the company for any training if you leave within a certain amount of time. This may be true if your training involves special equipment or materials, or if it is outsourced to agencies (for example, learning Visual Basic or other languages or applications). [Back](#)

6. Will there be continuing learning, sabbaticals, or other methods for growing my skills?

To keep employees current with emerging technologies and information, companies may provide training or continuing learning. Some companies may require such training to be completed in order to be eligible for promotions or bonuses. [Back](#)

Some companies will also give the option for employees to pursue formal education either while working or during a leave of absence – for example, earning an MBA or other advanced degree. As with other special compensation and other incentives, these types of continuing education may be offered as a reward for superior performance, and may be subject to “earned over time” conditions. You may be required to remain an employee for a given amount of time after completing a course or earning a degree sponsored by your company, or pay the company back if you leave within that interval. [Back](#)

7. How old is this company?

A company’s age is a simple piece of information, but it is often a good starting point to evaluating its future and potential. A company may be mature beyond its calendar years by virtue of its management, product development, or market share, or it could be behind its competitors in the same areas. It could be an older company expanding into a new market, or a young company challenging more established leaders.

Stereotypically, a younger company implies a key innovation or novel competitive advantage, at the expense of experience or process. An older company implies more established markets and processes, with seasoned management and usually more structure. However, this is most definitely not a hard and fast rule, and you should find out what the exceptions are for each company. [Back](#)

8. At what stage of growth is this company?

A company’s growth stage is not necessarily directly related to its age. Most companies go through successive stages of growth as they meet with success and grow into complete organizations. But companies may also add or remove staff in response to shorter-term trends in the industry or even the stock market. You may want to evaluate your company with respect to several distinct markers:

- | | |
|--------------------|------------------------------------|
| + Initial team | + Post-offering |
| + Growth phase | + New products/markets |
| + Leadership focus | + National/international expansion |
| + Public offering | + Merger/acquisition |

Of course, these growth stages may not all happen at a particular company, and there’s no set order in which they occur. Consider which step happened most recently, and what step may be next. Each phase of growth or reorganization can bring profound changes to how a company (and your role) functions. [Back](#)

**9. How many employees work at this company?**

Company size often correlates to the character of the work environment, and may also have to do with the amount of impact you have in various areas. At smaller companies with fewer employees, you may enjoy more responsibilities or be asked to “pinch hit” in various capacities when the need arises. At a smaller company, you may be asked to be responsible for an entire project or product, while larger companies often put teams together. Larger companies may also have more defined roles, and in general more organizational structure (layers of management, review processes, administrative help) is required to handle more employees. Keep in mind that these are generalizations, and every company differs in how it allocates its personnel. All the same, you might be very surprised at the differences between companies with 10, 100 and 1,000 or more employees.

Many of these considerations also hold true if you are working at a branch office or separate division of a large company. The entire company may have more than 1,000 employees, but your location may only have 10 people, which could give you a distinctly different experience.

[Back](#)

10. How experienced is the company management?

While extensive experience in a given industry may not be important (especially at a company built on a recent innovation or one that is creating its own market), experience managing people towards individual and group success can be the deciding factor towards job satisfaction. You should be interested in how much experience your immediate managers may have, along with the experience your company’s top leadership and board of directors have. Consider not only their current roles, but those they may have held in the past, at other companies as well as the one in question. [Back](#)

11. Is this company privately or publicly held?

This question usually regards the potential value of any stock options that have been included with an offer, or options that may be earned in the near future. Concerns about personal gain are certainly valid, but the holding status of a company also deeply influences culture, growth patterns, reward structures and other qualities. A private company that is not responsible to shareholders may be able to engage in riskier decisions with higher rewards, while a public company may have the benefit of seasoned leadership and established processes. [Back](#)

12. If this company is privately held, when is it slated for initial public offering?

The date of public offering is of major importance to any stock options you hold or may hold in the future, but the act of going public also has a transforming effect on the company as a whole. Typically, a company that goes public will undergo adjustments with its new status, including making sure management can handle the responsibilities of having shareholders, any expansion or growth that takes advantage of the capital raised by the offering, and the turnover of employees whose shares have vested. Additionally, a company approaching its IPO date will make preparations for the events ahead, usually starting 6 months to a year before the actual offering. [Back](#)



13. Does this company have any major investors? What rounds of funding lie ahead?

If you are considering working at a relatively young company, you should determine where the capital is coming from. Having secure funding can ease some of the pressure of developing products and services under deadline, and depending on your company's financial situation, you may elect to adjust your compensation to provide more or less security. If your company already has investors (i.e. venture capitalists, a parent company, etc.), consider what portion remains for you and other employees for investment or as rewards for performance. [Back](#)

14. How mature is this company's industry? Does this company have plans to move into other industries?

Depending on your professional goals, you may be looking for a job where you can work with new technologies with markets and applications yet to be defined. Or, you may wish to sharpen your skills in a proven industry where all the players have been identified. If you are considering a company in a more mature industry, you may ask how that company plans to exploit its position, and whether their plans include expanding into new areas. [Back](#)

15. Who are this company's competitors? What challenges face them?

Does your company have competitors? How have they fared recently? Ask for a list of your company's top three competitors, and then do a little homework: find out their market share relative to the company that is extending the offer, and figure out whether that ratio has changed in the past few years. Your company's competition may change frequently, or there may be just a few leaders that contend for the top spot. You may try the various investing websites to find company profiles and histories to round out your research. [Back](#)

16. Will this company/position open doors for me in the future?

This may not be a question you ask directly of your recruiter or of other company employees, but it can be something to think about after you have all your information in front of you. You might imagine looking back several years from now with this company on your resume, and project what other positions may be available to individuals with that experience. One way to get an indirect idea of your potential is to ask what people from your school or with similar backgrounds have accomplished at the company, and then following up by asking what those people are doing now. Many companies also have alumni associations and web sites, with more information on what past employees are currently doing. [Back](#)



Know Your Options

A Part of *Making the Decision: A CollegeHire Guide*

Introduction

When evaluating a job opportunity, one of the largest factors influencing the decision to accept is compensation. As a college graduate getting your first “permanent job,” it is important to understand that compensation is much more than just the paycheck. There are many other components of total compensation that you should consider as well.

One of the most complicated segments of total compensation relates to stock options. Stock options are not new, they have been reserved primarily for a corporation’s top executives. But in today’s competitive high-tech market, many companies offer equity (stock options) to employees – even those right out of college.

This document is designed to help give you a basic introductory understanding about stock options along with how to evaluate their impact on total compensation. It is by no means the final word on the topic, and for a more detailed understanding, consult the books listed in the appendix to this guide.

What are Stock Options?

Stock options are *not* shares of a company – at least, not yet. The operative word here is “options” – a stock *option* is the *right* to purchase a share of stock in the company. As with most financial devices, stock options are handled according to contracts, with various terms regarding when and how they may be used.

The important thing to remember is that stock options are time-limited. Companies grant options to an employee, and the employee must hold the options for a given amount of time before they can be *exercised*, or purchased and converted into shares. This minimum time period is called the *vesting period*, and as you can imagine, it’s an effective way for companies to encourage valued employees to stay on while their options mature. A vesting period is usually measured in years, and a common vesting schedule allows for 25% of the total number of options granted to mature (or *vest*) each year, for four years.

Even though stock options are technically not shares in a company until they have vested and have been exercised, you will find that many people commonly refer to them as equity.

Until very recently, stock options were reserved for the top levels of management, as an incentive to lead the company to peak performance and value to shareholders. Today, it is quite common for companies to distribute equity to employees at all levels in order to remain competitive in their recruitment and retention. The most sought-after

Stock Options: Definitions

Option

The right, without obligation, to purchase a share of stock at a predetermined price regardless of fair market value of that share.

Exercise

The act of redeeming your option and purchasing a share of stock.

Vesting Period

The period of time you are required to hold the option before you can exercise it.

Exercise or Strike Price

The set price at which you may purchase the stock – no matter what the fair market value is at the time.

talent will find opportunities that give him/her ownership in the company, so other companies offer options to stay in the hunt for talent.

Of course, companies grant options for more altruistic reasons as well. Equity encourages employees to think and act like an owner. Management expects this mentality to lead to better decision-making by employees who work in the best interests of the company.

Another reason for granting stock options is that it can be considered “free money” to the company. Stock plans may be structured to allow employers to grant large amounts of compensation without taking the hit to earnings that base salaries and cash bonuses require. The company may also be able to benefit from a tax deduction when an employee exercises the options.

Types of Stock Options

There are two main types of stock options that companies grant to employees.

1. Incentive Stock Options (ISO)
2. Non-Statutory Stock Options (NSO) – these are also known as “Non-Quals” since they do not qualify as Incentive Stock Options

Generally, incentive stock options are not taxable to the employee until he/she sells the shares subsequent to exercising the options; however, non-statutory stock options are taxable to the employee upon exercise (at ordinary income rates).

This document is not intended to deal with the tax implications of stock options, so we recommend you contact a tax advisor and/or conduct further research on your own.

Why Should I Want Them?

Very few investment opportunities offer this combination of upside opportunity and downside security.

The strike price is usually low enough, as compared to the fair market value, to require a relatively small amount of initial cash outlay when compared to the potential value at market rates.

This opportunity is referred to as the Value Zone (Figure 1). As the market price of the stock increases, it can easily surpass the strike price and produce a tremendous gain in value.

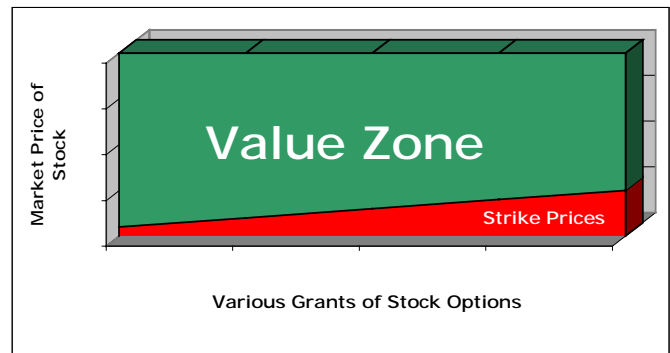


Figure 1

What’s the Catch?

Though stock options may seem like a “can’t lose” proposition (especially in today’s market), there are a few very important things to remember:



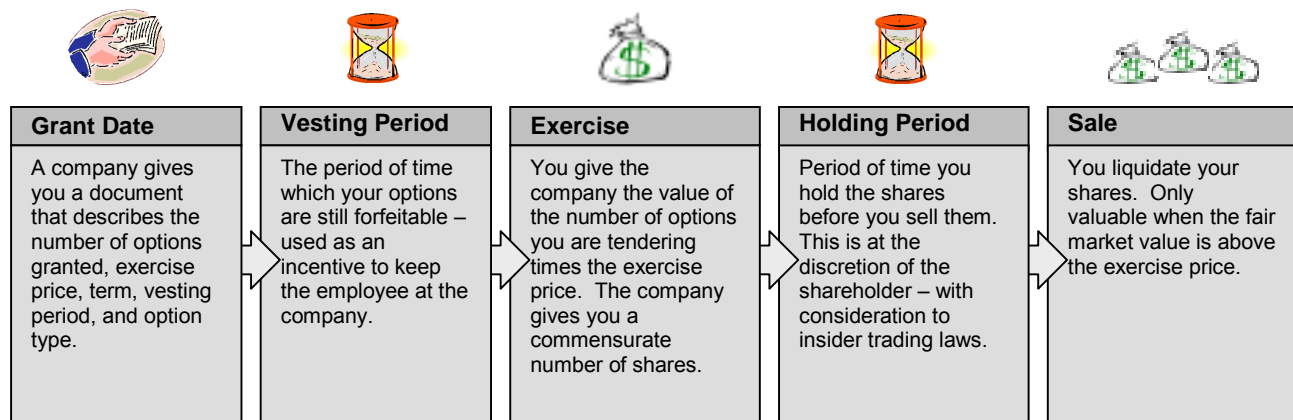
- A stock option is just a piece of paper on the grant date, and will not become real gain until you first vest and then exercise your option.
- A stock option only has value to the extent the price of the stock rises above the strike price.
- Vesting periods can “handcuff” you into staying at your job longer than you prefer.

And although stock options may give you an opportunity to purchase future shares at a greatly reduced price, they are *not free to you*:

- When you exercise the option, you have to come up with the cash for the exercise investment (total outlay = # shares exercised * strike price)
- Uncle Sam takes his share upon exercise and/or sale of the stock – depending on the type of option you were granted.

Stock options have the *potential* to deliver a lot of value, but it really comes down to your personal risk tolerance with respect to how much of a *sacrifice* you are willing to make in terms of short-term cash compensation for the possibility of long-term equity compensation.

How Does It Work?



What Are the Options Worth?

As with any investment, predicting the future is part of the game. You can try to estimate the present value of the options by utilizing a few different financial formulas.

Intrinsic Value

This is the simplest, and most obvious, technique. By multiplying the number of options with the exercise price, you get the current value. However, the exercise price is usually set as low as possible to give the recipient the largest chance for a gain in the future. This does not take expected future values into account.

Black Scholes Model

This a very complicated model, as you can see in Figure 2. There are several online applets that can help you use this calculation; they can be found by searching for “Black Scholes” with your favorite search engine.

$$C = SN(d_1) - Ke^{(-rt)}N(d_2)$$

C=Theoretical Call Premium	e=Exponential function (2.7183)
S=Current stock price	$d_1 = (\ln(S/K) + (r + \sigma^2/2)t) / \sigma\sqrt{t}$
t=Time until option expires	$d_2 = d_1 - \sigma\sqrt{t}$
K=Option strike price	σ =Standard deviation of stock returns
r=Risk-free interest rate	ln=Natural logarithm
N=Cumulative standard normal distribution	

Figure 2

Present Value of Expected Gain (PVEG)

This another complicated financial model that can help you value your options. (You don't want us to show you more formulas.)

However, there are some ways to estimate a future value of a company without complicated financial formulas. This is another way for you to “be your own venture capitalist”.

Try to find at least two publicly traded competitors in the market space and determine the total number of competitors:

- Ask the company
- Use Hoovers.com (or similar) to find competitor listings
- Search articles and press releases – they often mention their competitors

Get the following data about the publicly traded competitors (from Yahoo! Finance, Quicken.com, etc):

- Stock price
- Market capitalization (Stock Price * Number of Outstanding Shares)
- Most recent revenue and profit/(loss) numbers
- Date the company was established
- Revenue Multiplier (Market Capitalization / Revenue)
- Determine the size of the market (and future growth estimates)

Ask the company what their market estimates are.

Ask the company what market analysts cover their market segment and find any published reports from those analysts.

With all the data you collect, you can make a reasonable estimate of the company's future value – which translates into the future value of your shares of stock.



Example of How to Value Options

Here is an example using fictitious information:

You are offered 5,000 options in **Company A** that vest over 4 years with an exercise price of \$1/share. Company A is a start-up company that was founded one year ago. There are 10M shares outstanding. You are trying to estimate how much the shares will be worth in 4 years.

Publicly Traded Competitors	Company Y	Company Z
Current Stock Price	\$12	\$8
Shares Outstanding	33M	25M
Market Capitalization (stock price * shares outstanding)	\$400M	\$200M
Estimated Annual Revenue	\$40M	\$30M
Revenue Multiplier (market cap / annual revenue)	10	6.8
Years in Existence	5	4

These two companies, Y and Z, are considered to be some of the top companies in the same market space as Company A.

There are about 50 competitors, and some analysts estimate the market to be about \$10B in four years.

Company A revenue for the 1st year was \$3M.

Considerations and conclusions:

- It took Company Y 5 years to get to \$400M in value and Company Z took 4 years to get to \$200M. Since these are some of the top companies, you can assume Company A will not be worth more than \$400M in 4 years.
- If Company A’s revenue growth is 75% each year, then the revenue in 4 years will be around \$28M. Does that sound reasonable? Do the products they sell support this assumption? Do you have faith that the management team can grow revenue 75% a year? Does the company have a competitive advantage that can sustain this growth for 4 years?
- Do you expect the competitive landscape to be constant over the next 4 years? Will there be market consolidation? Or will there be more competitors?
- Where do you think Company A will fall in this group of competitors?
- Assuming the market stays consistent over the next 4 years and that Company A will be a top company, you can expect Company A to have a revenue multiplier of around 8 (somewhere between Company Y’s 10 and Company Z’s 6.8).
- If Company A has revenue of \$28M in 4 years, then the company value will be around \$224M (revenue of \$28 * revenue multiplier of 8).
- If the value of the company is \$224M, then the stock is valued at about \$22/share (\$224M /10M shares). If this is the case, then you have shares worth \$22 after you exercised them for \$1/share.
- Does it make sense that a \$10B market in 4 years can have several companies with at least \$200M in market cap – and some with more than \$400M?



Obviously, there are many more questions requiring answers, and there are more conclusions you can make with the data you found. There is no formula that will guarantee the future value of your options. But this is one way to help you start thinking about how you can make an educated prediction about the prospects of the company.

The Bottom Line

In the end, the value of the option is driven by the amount of spread between your exercise price and the fair market value of the stock on the date of exercise. Since you cannot possibly know on the grant date what the spread will be, the best you can do is make an informed guess about the growth in value of the underlying stock. Remember, though, that the number of options being offered is not necessarily a reliable indicator of how much potential value you are being given.

The points to take away are as follows:

- The value of a stock option is dependent on what happens in the future.
- Since there is no way to predict the future, some financial academics came up with some predictive models to help.
- There is a lot of “gut feeling” involved in putting a value on the options you are granted – think about the company and its future prospects (additional information about what to think about is in future sections of this report).
- Consult a financial advisor to get expert advice.

This section is not intended to give you enough financial information to make decisions about option valuation. Please consult a financial advisor for expert advice.

The following chart shows a sampling of options from public companies and their values over time.

	# Options	Value of the Grant				Actual Value Two Years Later		
		Market Value 1/2/1998	Intrinsic Value	Black Scholes	PVEG	Market Value 1/3/2000	Value per Option	Total Grant Value
Microsoft	1,000	\$ 32.78	\$ 32,781	\$ 11,830	\$ 36,458	\$ 116.56	\$ 83.78	\$ 83,781
Coca Cola	1,000	\$ 66.84	\$ 66,938	\$ 17,660	\$ 30,537	\$ 56.25	\$ -	\$ -
Amazon	1,000	\$ 4.95	\$ 4,953	\$ 2,820	\$ 7,594	\$ 89.38	\$ 84.42	\$ 84,422
Yahoo	1,000	\$ 8.28	\$ 8,281	\$ 4,720	\$ 12,697	\$ 237.50	\$ 229.22	\$ 229,219

More Options Doesn’t Necessarily Mean More Dollars

The number of options granted is not the number you should focus on. The entire value calculation depends on the estimated future value of the stock.

Growth projections are probably the most influential parts of the calculation. For example, take a look at the following chart of fictitious data:



	# Options	Exercise Price	Cash Value At Exercise	Most Important Numbers		
				Future Price	Gain Per Share	Future Gain
Blue.com	10,000	\$ 1.00	\$ 10,000	\$ 5.00	\$ 4.00	\$ 40,000
Red Technology	2,500	\$ 1.00	\$ 2,500	\$ 10.00	\$ 9.00	\$ 22,500
Green Software	5,000	\$ 1.00	\$ 5,000	\$ 15.00	\$ 14.00	\$ 70,000

Options In A Private Company

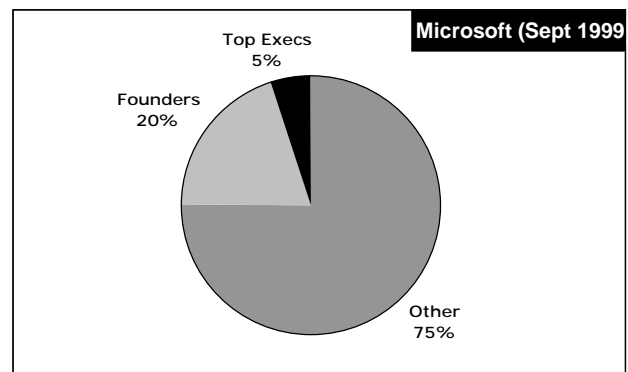
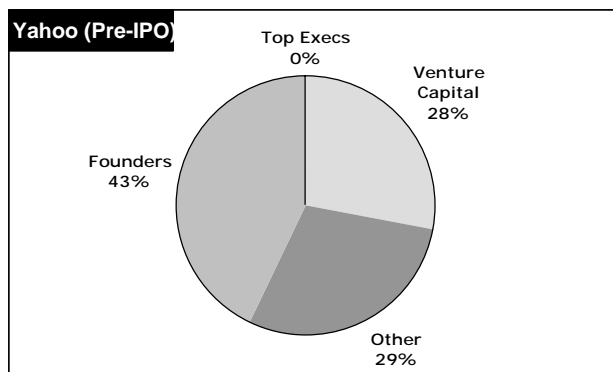
Predicting the future value of the shares gets even more complicated if you receive options from a private company. Public companies have easily accessible histories of their stock price movement. There is also a great deal of research available to help predict the future value of the stock.

On the other hand, private companies are not traded on the market, so there are no historical numbers to research and only very limited information on growth prospects. Because of this, the candidate must get this information directly from the private company during the recruiting process. It is best to get this information from the CFO or VP of Finance.

Here are a few things to keep in mind when evaluating stock options at a private company:

- These options can provide considerable upside opportunity for the option holder if the timing is right.
- The options are essentially illiquid even if vested (there is basically no market for the shares).
- It is critical to know the company's exit strategy (are they planning to IPO, stay private, get acquired).
- Be sure to know exactly what will happen to your options in the event of a transaction – if the company is acquired.
- Once again, take advantage of information available about public companies that are comparable (competitors, similar business models, similar product maturation, etc).

The following pie charts show two different ownership profiles. They can be considered fairly typical examples of pre-IPO and public company profiles.





What To Do With The Options

Once your options vest, you have three alternatives:

1. Defer exercise – you do not have to exercise when the options vest.
2. Exercise and Hold – you can exercise the vested shares and hold on to the shares in anticipation of future appreciation.
3. Exercise and Sell – you can exercise the shares and sell (usually available in one transaction) immediately if the fair market value of the stock at the exercise date provides you the gain you are looking for.

What you choose depends on many different factors:

- | | |
|---|--|
| <input type="checkbox"/> Current value of the stock | <input type="checkbox"/> Portfolio diversification |
| <input type="checkbox"/> Future growth of the stock price | <input type="checkbox"/> Current tax rates |
| <input type="checkbox"/> Cash position | <input type="checkbox"/> Future tax rates |
| <input type="checkbox"/> Ability to borrow at loan interest rates | <input type="checkbox"/> Your risk tolerance |
| <input type="checkbox"/> Stock option type | <input type="checkbox"/> Your personal financial goals |

Questions to Pose

When evaluating stock options as part of the total compensation package offered by a prospective company, we recommend you get comfortable with the answers to the following questions: (you may either ask yourself these questions or ask the company directly)

- How many shares are currently outstanding?
- How many options have been granted?
- How many options are available for future granting?
- What is the anticipated stock price appreciation?
- What has the stock price done historically?
- Does the company expect you to exercise and hold the shares?
- What percentage of ownership does the broad employee group hold?
- Does the company anticipate an IPO? If so, when?
- Is the company currently well funded or is it looking for additional funding?
- If looking for additional funding, how will the transaction dilute your shares?
- Who are their venture capitalists? How much of the company do they own?



Conclusion

If you are evaluating an opportunity that includes stock options, or the potential of options in the future, you now know how difficult it can be to get comfortable with answers to all the open questions.

We hope this document has given you a good understanding of how options work and what to think about when evaluating them. We do not intend this document to answer all your questions, and the information provided should not be considered legal, tax, or financial advice. We recommend that you conduct additional research on your own along with consulting legal, tax, and financial advisors.



Ranking Your Offers

A Part of *Making the Decision: A CollegeHire Guide*

Introduction

With today's competitive job market favoring recruits, college graduates often find themselves faced with the dilemma of choosing between several attractive offers. It's a great problem to have, but it's a problem all the same: how do you choose the first job that's right for you?

First of all, remember that you're comparing jobs and opportunities, not just offers. An offer letter may contain terms and numbers that you can put side by side, but what you are really signing up for is much more than that. Remember to consider how your first job will affect your lifestyle and career as well.

No two people make decisions in the same way, but good decision-making does depend on having all the information in front of you. We'd like to introduce a method of comparing your opportunities in a way designed to bring out the strengths and weaknesses of each. We find that once all the data is in, a natural choice usually presents itself. If not, then you will still be well prepared to decide which offers might benefit from reprioritization or negotiation.

To help you with this process, we've created a worksheet that you may find useful as you evaluate what each company is offering you. (This worksheet is available as a separate Adobe PDF file on the CollegeHire web site.) Remember that your job only *begins* with the offer. Be careful to consider everything that the offer implies – what you'll be working on, who you'll be working with, and so forth – and not just the terms written in your letter. Your company not only wants you to sign the offer, they also want you to stay a productive and happy employee.

A final note: whether you have one job offer letter in hand or ten, congratulations! All of your preparation and hard work has paid off, and you are in the home stretch. This is where the best part of the job search begins.

The Process

Our decision-making guide is based on discovering as much information about each offer as possible. Usually, after all the facts are in front of you, an obvious choice will become apparent. To get you started, we have compiled a list of items to consider, including the terms of your offer as well as issues relating to your career and lifestyle outside of work. And because a decision is rarely purely fact-based, there is space for your own gut feelings and the recommendations of people whose opinions you value. The seven suggested steps in the process:

Seven Steps to A Decision	
1. Record Your Gut Reaction	Make a list of your offers and rank them intuitively.
2. Determine What Is Important	Review a list of common terms and consider your priorities.
3. Make a Decision Matrix	Fill out the details of your offer(s) using the worksheet.
4. Review the Matrix	Are there gaps in your offers? Can your recruiters fill them in?
5. Review Your Rankings	How do your offers rank now? Have the rankings changed?
6. Get a Second Opinion	Consult family/relatives, other recruits, employees, and others.
7. Make the Decision	Is there an obvious choice? Can you benefit from negotiation?



Seven Steps to A Decision

Step 1. Record Your Gut Reaction

What do your instincts tell you? Before you do a lot of thinking about your offers, write them down in a short list and rank them in order, with the number “1” assigned to the offer you currently feel the best about. You may wish to jot down a quick statement as to why you feel this is the best choice. Space on the worksheet below is provided for this initial ranking.

Step 2. Determine What Is Important

Check the list below to determine what qualities of the opportunity are important to you. This is not an exhaustive list of every possible attribute of your job offer, but a collection of major items that often figure heavily into this kind of decision.

As you go through the list, keep track of which attributes are the most significant. We suggest noting your top five or ten priorities.

- | | | |
|---|--|---|
| <p>Compensation</p> <ul style="list-style-type: none"> <input type="checkbox"/> Salary <input type="checkbox"/> Frequency of Payment <input type="checkbox"/> Bonus Structure <input type="checkbox"/> Raise Schedule <input type="checkbox"/> Stock Options <input type="checkbox"/> Other Compensation/Awards <p>Benefits</p> <ul style="list-style-type: none"> <input type="checkbox"/> Health Plan <input type="checkbox"/> Vision Plan <input type="checkbox"/> Dental Plan <input type="checkbox"/> Cafeteria Plan <input type="checkbox"/> Disability/Life Insurance <input type="checkbox"/> 401k Program <input type="checkbox"/> 401k Matching <input type="checkbox"/> Donation Matching <input type="checkbox"/> Vacation/Sick/Personal Days <input type="checkbox"/> Kitchen/Cafeteria <input type="checkbox"/> Gym/Athletic Facilities <input type="checkbox"/> Maternity/Paternity Leave <input type="checkbox"/> Daycare <input type="checkbox"/> Benefits to Dependents <input type="checkbox"/> Other Benefits/Facilities | <p>Work Environment</p> <ul style="list-style-type: none"> <input type="checkbox"/> Culture <input type="checkbox"/> Typical Hours <input type="checkbox"/> Physical Workspace <input type="checkbox"/> Direct Manager/Management <input type="checkbox"/> Organizational Structure <input type="checkbox"/> Team/Co-workers <input type="checkbox"/> Performance Reviews <input type="checkbox"/> Major Responsibilities <input type="checkbox"/> Equipment/Technologies <input type="checkbox"/> Other Work Concerns <p>Career/Professional Goals</p> <ul style="list-style-type: none"> <input type="checkbox"/> New Hire Training <input type="checkbox"/> Mentorship <input type="checkbox"/> Continuing Education/Training <input type="checkbox"/> Tuition Reimbursement <input type="checkbox"/> Career Path <input type="checkbox"/> Other Company Locations <input type="checkbox"/> International Opportunities <input type="checkbox"/> Travel Opportunities <input type="checkbox"/> 1-Year Outlook <input type="checkbox"/> 3-Year Outlook <input type="checkbox"/> Other Career Concerns | <p>Company Outlook</p> <ul style="list-style-type: none"> <input type="checkbox"/> Company Age <input type="checkbox"/> Company Size <input type="checkbox"/> Company Growth Stage <input type="checkbox"/> Company Market Share <input type="checkbox"/> Company Financial Health <input type="checkbox"/> Company Pending IPO <input type="checkbox"/> Top-Level Management <input type="checkbox"/> Industry Climate/Maturity <input type="checkbox"/> New Markets <input type="checkbox"/> Recent Innovations <input type="checkbox"/> Prospects for Expansion <input type="checkbox"/> Other Company Concerns <p>Lifestyle</p> <ul style="list-style-type: none"> <input type="checkbox"/> Geographical Location <input type="checkbox"/> Population <input type="checkbox"/> Weather <input type="checkbox"/> Outdoor Activities <input type="checkbox"/> Nearby Urban/Rural Areas <input type="checkbox"/> Nearby Colleges/Universities <input type="checkbox"/> Proximity to Family/Friends <input type="checkbox"/> Other Lifestyle Concerns |
|---|--|---|

Step 3. Make a Decision Matrix

Using the accompanying worksheet, fill out everything you know about each offer in the columns provided. For your convenience, all of the items in the list above are included in the worksheet.



Step 4. Review the Matrix

Check the matrix to see how much information you have about each offer. If you are missing information from any offer, ask your recruiter for the details. If your recruiter doesn't know the answer to a particular question, ask to be referred to someone who does, possibly in the company's human resources department. Remember that your goal is to make an objective comparison with as much data as possible.

Step 5. Review Your Rankings

How do your offers stack up now? After going over all the information you have collected, rank your offers again in the space provided at the bottom of the worksheet.

Have your rankings changed from your initial assessment? Which factors made you change your mind? Have your priorities changed? Are there issues or terms that have increased or decreased in priority?

Step 6. Get a Second Opinion

Check your judgment by discussing your offers with family, relatives and other trusted individuals. You may also follow up on issues with employees at the companies extending you offers, or with other recruits. Additionally, if you are working with a third-party recruiting agency, be sure to take advantage of their expertise and advice.

Step 7. Make the Decision

Does one offer stand out among the rest as the natural choice? Or are you still having difficulty deciding between them? If no one offer is the obvious choice, you may wish to go back over your matrix with a more logical eye, noting which of your priorities is most important and which offers fulfil the most of those conditions. A further, more quantitative step might involve weighting your priorities and calculating numerical scores for each offer.

However, you should feel fairly comfortable with your decision without resorting to lots of calculation. If it comes down to the difference of a few numbers or percentage scores, you may want to ask yourself just how satisfied you are with each of your offers. It could be that each of your offers is equally strong and compelling, but in many cases, you may want to renegotiate one or more offers to make your choice clear.

Deciding When to Negotiate

If you feel that there are terms of an offer or qualities of a job that you cannot accept, then you may wish to negotiate your offer. Tell your recruiter about your concerns, with the intention of finding solutions or alternatives. Remember that a company typically extends an offer based on their experience recruiting candidates like you, and the standard offer may not fit every candidate. Some companies may be flexible in adjusting their terms if you are a valued recruit with legitimate issues.

Keep in mind that if you choose to negotiate, you may have to make trade-offs between various portions of your offer. As you review your offers, consider which areas you might be willing to compromise on. For more information on negotiating offers, see "Negotiating Your Offer," also part of CollegeHire's Making the Decision guide.



Negotiating Your Offer

A Part of *Making the Decision: A CollegeHire Guide*

Introduction

Negotiation of the offer is a vitally important aspect of the job search. You will be giving most of your waking hours, the results of your education, the lessons of your experience, and the sweat of your efforts to a company. In exchange, you deserve to get as much value in return as possible. This section will attempt to give you a basic understanding of the steps in negotiating.

We view an offer as a pie - with the pieces of pie representing the issues you find valuable. We intend to help you figure out which pieces of the pie are negotiable, get prepared for the negotiation, work through the negotiation, and finalize the offer.

Of course, some companies may have a strict rule against negotiation, and they are entitled to setting (and enforcing) such a policy. However, for those situations where you determine negotiation is permitted, it can be a great way to rescue unattractive offers by making it clear what priorities are most important.

Why Negotiate?

Many people do not negotiate because of fear – fear that the company will rescind the offer, fear that the company will think he/she is ungrateful, and fear of how the process can become emotional and uncomfortable. It is important to realize that with an initial offer in hand, you are now in the driver's seat. You are the candidate they want, and since nobody can force you to accept the position, you have a position of power in the negotiation. However, it is easy to abuse that power, and you must be careful and professional at all times. Nobody revokes an offer when a candidate tries to negotiate, but they will revoke if the candidate becomes unprofessional and unreasonable. We hope to show you how to look at negotiation as a way to let both sides win.

Negotiate to be fair to yourself. Many employers make initial offers lower than they expect to pay because they anticipate some movement through negotiation. It is a balancing act between the candidate who wants to get as much as possible and the company that wants to give as little as possible. Even though the employer wants you to start your first day of work with a positive attitude and totally psyched about your offer, they do not want to pay more than they need to for you to accept. It is a classic struggle but one that can be overcome with some diligence.

To see the value of negotiation, consider the lifetime earnings of someone that negotiates versus someone who does not. Assume that a person always negotiates her salary and gets 3% higher each time. Also assume she starts at a salary of \$60K, gets a 3% salary increase each year, changes jobs every 5 years, and works for 40 years. With these conservative assumptions, she will earn \$630K more than without negotiation (that 3% every 5 years turns into a lot of money).

What to Negotiate

The first step in negotiation is to understand what is on the table. Your goal is to maximize the Total Value of an offer. Total Value is much more than just the salary – it is the combination of all the aspects of an offer that *you* find valuable. Here is a partial list of some of the things that can be part of an offer and are negotiable:



Negotiable Offer Terms		
<ul style="list-style-type: none"> <input type="checkbox"/> Salary <input type="checkbox"/> Equity <input type="checkbox"/> Signing bonus <input type="checkbox"/> Bonus plan <input type="checkbox"/> Commission plan <input type="checkbox"/> Relocation expenses <input type="checkbox"/> Overtime compensation <input type="checkbox"/> Date of 1st salary review <input type="checkbox"/> International issues – work authorization 	<ul style="list-style-type: none"> <input type="checkbox"/> Title <input type="checkbox"/> Specific job duties <input type="checkbox"/> Vacation <input type="checkbox"/> Flexible work hours <input type="checkbox"/> Geographic location <input type="checkbox"/> Telecommuting options <input type="checkbox"/> Administrative assistant support <input type="checkbox"/> Ability to work with specific people – pick your own team <input type="checkbox"/> Further training/education <input type="checkbox"/> Tuition reimbursement 	<ul style="list-style-type: none"> <input type="checkbox"/> Insurance coverage <input type="checkbox"/> Child care <input type="checkbox"/> Health club <input type="checkbox"/> Company car <input type="checkbox"/> Cell Phone service <input type="checkbox"/> Waive eligibility period to start benefits (retirement, insurance)

This is only a partial list of topics, but it shows you that you must consider much more than just salary. In addition, there are also several non-negotiable aspects that you must put a value on – such as the company’s industry, growth potential, and reputation.

Each person puts together a different pie and the pieces are different sizes. So, the first step is to build a list of the several topics you value the most. For example, you might value salary, bonus, moving expenses, ability to learn from the best technical minds, and the growth potential of the company.

Preparing to Negotiate

Now, you need to do research about what are standard or average levels for each topic based on your education, experience, and geographic location. There are many sources for this information, and here is a partial list:

Friends in the industry

Salary information is confidential between employee and employer, so be cautious with how you use this information.

Placement offices/Career Centers

Books

The American Almanac of Jobs and Salaries
Occupational Outlook Handbook – US Dept of Labor

Online

- www.salary.com
- www.jobsmart.org (salary surveys)
- www.vault.com
- www.wetfeet.com
- www.homefair.com/calc/salcalc.html (cost of living comparisons)
- www.datamasters.com/cgi-bin/col.pl (cost of living comparisons)

Professional organizations

CollegeHire

my.agent@collegehire.com – (sounding board for advice on any aspect of recruiting)
 Leveraging a 3rd party, if you are working with one, can be helpful since they can provide a buffer between you and the company. They also have the most up-to-date data of offer packages from among their clients.



Preparation is the key. You must know what the going rates are for your profile, because the employer will certainly know this.

The topics you pick should be the most important ones to you. Include topics that you want to negotiate, and be sure to raise those topics during the negotiation because that will tell the company which issues are most important to you. If you do not raise an issue, then it is assumed that you are in agreement.

With this list, you should now assign three levels to each (low, medium, and high) where low is the least you will accept and high is your target. Also, you should assign a weight to each one. Pick any numbering scheme you want, but the higher weight should go to the topic you value more. You can track your offers side-by-side to see how they calculate your total value. Using our earlier example:

Topic	Levels	Values	Weights	Offer 1	Offer 2
Salary	High	60K	10	10	
	Medium	55K	9		
	Low	50K	8		8
Bonus	High	20%	8		8
	Medium	10%	7		
	Low	5%	6	6	
Moving Expense	High	5K	3	3	3
	Medium	3K	2		
	Low	0K	0		
Learn from the Best	High	All rock stars	8	8	
	Medium	Some rock stars	7		
	Low	One rock star	6		6
Company Growth	High	Super high	5		
	Medium	Steady growth	4	4	4
	Low	Not much	3		
Totals				31	29

The ranges for your total value are 23 (sum of Low) – 34 (sum of High). Your goal is to maximize your total value, and your target is 34. Offer 1 provides the most value for you.

When picking the weights for each topic, you should really understand the “why” you want it instead of just the amount you want. For example, if you are interested in a high salary because you want the lifestyle that goes with it, then keep in mind that a \$60K salary in Dallas will provide a better lifestyle than a \$70K offer in Silicon Valley. You must be clear about the underlying reasons for how you weight the topics.

Once you have the weights figured out, be sure not to fall into the common trap of adding extra weight to salary. Focus on the bottom line – total package value.

Working Through The Negotiation

The negotiation process actually starts during the interview process. You may be asked about what kind of offer you are looking for before they make you the offer. Try to avoid answering this



question until you know you have the offer because then you will know they want you and the power has shifted to your side. You want the opportunity to sell the employer all the value you will give to the company. The more value the employer thinks you will provide, the more value you can ask for in exchange. If you must answer the question early on, you better hope that you have done your research and can respond with your targets. Making the first move can be helpful, though, by planting your numbers in the employer's mind first. You should also help validate the numbers with a comment such as, "I think \$50K is a reasonable offer because that is what other graduates from my school with similar experiences were offered." Once again, you must be careful to never directly reference an individual in this situation.

Once you receive an offer, talk with your recruiter about who makes the negotiation decisions. Find out which topics of the offer are normally negotiable and which are unmovable. Many companies claim to make firm offers initially without an opportunity of negotiation. We will talk later about how to find additional value in an offer that is "set in stone." Your next conversation should be with the decision-maker. If it is not the recruiter, you should ask him or her to accompany you to the negotiation since the recruiter knows you best and will be willing to help you fight through the issues.

When you start the negotiation discussion, the first thing you must do is thank them for the offer. You will be surprised how far this small sign of gratitude will go with them, and it helps break the ice. Next, do not forget that the basic purpose of employment is a business transaction. The company is buying your contributions for a fee. Highlight what unique things you bring to the company that no other candidate will bring. Emphasize your unique experience or the special effort you will provide – to put the company in the mindset that they really need to hire you. They will be more vested in getting an agreement.

Successful negotiators build a relationship with the employer by finding some sort of common ground. Since people like people who are similar to them, look around their office and convert the "small talk" into a way to make a connection. However, it is important that you don't try too hard and fake it, since they will notice and you will lose credibility.

Another goal is to find the underlying reasons for the company to value certain numbers in the offer. Perhaps, they have to keep all salaries of new hires the same to assure salary parity. This is a fair reason for a non-negotiable salary, so you will have to find additional value elsewhere. Typically, these companies reward their employees with a substantial percentage increase in salary each year, allowing you to differentiate yourself from your peers based on your performance.

Ask questions about why they chose certain levels, but be sure to be as professional and honest as possible. "Why are relocation expenses not included in the offer?" "What are others with my major and experience typically offered?" Remember: you are trying to find their underlying reasons for why they set those levels in the offer.

It is important to find out where the employer is willing to move on a topic. The best way for you to communicate which topics you hold in high value is to ask questions. "Is there a reason why relocation expenses are not included?" is much easier to respond to than "I cannot accept an offer without moving expenses." You give the negotiator more opportunities to let you add value to your offer if you raise more topics.

The Counteroffer

Once you have an understanding of the details of the offer and have spent time trying to read the underlying reasons for the employer's positions, you are ready to start the counteroffer process.



First thing, you must thank them again for the offer. Then ask for some time to think about it, and let them know when you will be back in contact with them – then don't miss that date! Now, you can go home and plan your strategy.

The goal of the counteroffer is to expand the value in the pie and claim as much as possible for you. The other side is doing the same thing. This can be a win-win situation because you both can claim a piece of the added value – thus increasing the total value for each side. You should focus on getting the total value you want, but now is the time to be flexible.

Here is one way to think about the total value puzzle. Many students graduate with few possessions and lots of student loans. Let's assume you are one of these students and you get an offer that includes a \$3K signing bonus and \$2K in moving expenses. During the offer discussion, you find out that the hiring manager cannot budge on the signing bonus (because it comes out of his/her budget) but it is easier for to find moving expense money (because the recruiting department pays for it). You, however, want a \$5K signing bonus to pay off more student loans. Your goal is to find your important issues that are less important to the company (and vice versa). Since you can fit all your belongings in your trunk and drive to your new town, the moving expenses are less valuable to you. You can try to negotiate a trade off between moving expenses and signing bonus.

Here is another example of increasing your total value. Let's assume you place a high value on working closely with a super star developer. Your initial offer has you working near, but not with, the one super star developer you met at the on-site visit. Based on the questions you asked, you realize the employer does not place a value on which project you are assigned to. Since you do place high value on that, you can increase the value of your pie by requesting to work directly with the super star on his/her project. You increase your total value, and the employer does not decrease its total value.

Finalizing the Offer

After the back and forth discussion with the employer, you will get a gut feeling about when to stop the negotiation. If you have claimed enough value to satisfy yourself, then get the offer in writing, sign it, thank the employer, and go home and pat yourself on the back for a job well done. You will be totally psyched about starting your new job.

If you still do not have enough value in the offer package to accept it, then you can start thinking about walking away. It is a powerful move, especially if you have sold the company on the unique value you will provide them and they are eager to hire you. It is very important to let them know that you plan to walk away because you are not finding enough value in the offer. This gives them the opportunity to make one last chance at sealing the deal. Of course, when you do walk away, keep your professionalism intact, because you may end up working there someday.

If you have done all your homework and conducted the negotiation with professionalism, then you should be satisfied that it just was not meant to be the place for you. However, most negotiations will end up helping your cause by providing additional value to you before you accept the job.

Additional Things to Keep in Mind

- ❑ In the overall negotiation, try not to get focused on negotiating one issue at a time. It is important for you to keep the tradeoffs a possibility by negotiating the overall package.
- ❑ Try not to compromise on any topic because you want to receive something in return for any movement on your part.



- When you do make concessions, make sure they see that you are being accommodating.
- If you are given an exploding offer – try to get it postponed. Then make an acceptance dependent upon the condition that the company must improve the offer by X because they are limiting your employment options.
- Try to phrase your comments in a positive light. If you are looking for a \$60K salary but are willing to accept \$55K, then say, “I am willing to accept \$55K which is \$5K less than the \$60K I am looking for.” This shows your concession better than “I am willing to accept \$55K which is \$5K more than the \$50K you are offering.
- When negotiating, give them specifics on what you are looking for and why – let them know your underlying reasons for your numbers. For example, you should tell them “I don’t know if this salary will work because I have \$4K in student loans.” This gives the company the opportunity to find other ways to meet your underlying reasons. Maybe they can arrange for an interest-free loan or a signing bonus.
- Reveal your other offers to the company as proof of your special value. Do not use them as threats.
- Emotional reactions are common in negotiations. Remain calm and collected throughout the process.
- Do not accept anything that is not in writing since many of the details may not make it into the final offer.
- Do not misrepresent or lie about anything – they may call your bluff and then your only options then will be bad ones – to walk away or admit you were lying.
- Expect to give and receive information. The flow should be reciprocal.
- If you receive a “non-negotiable offer,” it cannot hurt to try and negotiate but be sure to have something to back up what you are worth. If needed, tactfully bypass the recruiter to get to the hiring manager.
- Before you walk away in a negotiation, be sure your expectations are realistic. Also, tell the company what is the deal breaker so they can have a chance to play the final card.

Conclusion

Your goal is to maximize your value from the offer package. The negotiation process can be long and difficult, and you should not allow yourself to focus on one topic too much. The best way to get into a win-win situation is to find ways to increase the size of the pie. This way, both sides can get a piece of the increase and be happy with the negotiation.



Case Studies from the Field

A Part of *Making the Decision: A CollegeHire Guide*

Introduction

Though everyone wants the recruiting process to go as smoothly as possible, at times you may experience the following problems at the offer stage of the job process:

- Not getting enough attention from recruiter
- No access to the right people at company
- Offer not delivered in time or not provided in writing
- Company suggesting unsuitable positions/opportunities
- Company imposing deadlines/ultimatums/pressure to decide

Because recruiting requires constant attention from several individuals in order to be successful, many times problems during the process occur because of miscommunication or someone simply “dropping the ball” – as you’ll discover from our sample cases below.

Problem Cases

The following problem cases are based on actual experiences from students that we have helped to find jobs as a third-party placement service.

Case	The Phantom Menace Recruiter
Problem	A Computer Science graduate received a verbal promise of an offer from one, but had to contact them several times to request an official offer letter from the recruiter. By the time the letter came, the candidate had already accepted with another company, which had sent a strong offer within two days of his final round of interviews.
Solution/Lesson	Contact one of your interviewers, or if possible, the hiring manager who extended the offer to you. Politely mention that you’ve been having difficulty reaching your recruiter, and ask if there’s anyone else that you can talk to about your offer. In this competitive job market, delays can make recruits feel less valued, making the difference between an accepted offer and one that falls by the wayside. If you feel you are not being served fully by your recruiter, be sure to let someone know about it. Also be careful not to mistake a bad recruiter as a true reflection of the company, or of the company’s desires to hire you. There are bad recruiters, and often companies don’t figure it out until it’s too late.



Case	The Indefinite Proposal
Problem	A Computer Science recruit for a software development position received a verbal offer with a quoted salary range, but no firm details in writing. Without real figures to compare to her other offers, she was forced to go with an offer from a less attractive company that did provide the actual information.
Solution/Lesson	Insist on definite terms, on paper. Contact your hiring manager if necessary. If your recruiter is not providing you with the actual terms of your offer in black and white, he or she is doing a disservice to you and your prospective employer. Without specific details you are likely to accept an offer with another company that does provide specifics.
Case	The Scrooged
Problem	<p>A company extends an offer that includes a large "total compensation" number of \$100K, where the base, equity, and bonus figures are all configurable. But the student just thinks about that \$100K when they compare the base salaries of all their offers. They even try to negotiate the salary of their other offers based upon the \$100K even though the other offers have equity and bonus in addition to the base salary.</p> <p>The problem is that the student is not realizing that they will likely take a lower base salary and take some of the \$100K in equity and bonus. They are comparing only base-to-base as if they would be taking the entire \$100K in salary which is unlikely. The comparison is actually not fair. In some cases the competing offer could be worth more if the student configured the same base salary and compared them "apples to apples"</p>
Solution/Lesson	Beware of becoming "cash blind." Be realistic with configurable offers.
Case	The Raw Deal
Problem	A recruit received offers from three technical consulting organizations, one of which involved a salary figure that was lower by \$10,000 dollars. After contacting the recruiter about the difference, the candidate was told that salaries at that company were typically lower because the cost of living at that location was substantially lower. However, the company was willing to boost the total compensation package by providing a signing bonus and extra vacation days.



Solution/Lesson Don't be afraid to let a recruiter know how his or her company's offer measures up to others you are considering if the difference is substantial. Your recruiter may be able to offer reasons for the disparity, or offer compensation in other forms (total compensation isn't just about salary). Also remember that a company's offers are often extended in a vacuum, without knowledge of what other companies may be offering. Also keep in mind that a recruiter is an employee like any other, and there are good ones and bad ones. Your recruiter may not be communicating your expectations adequately.

Case The Liar Liar

Problem A Finance major was told he would be working in the financial consulting division, matching his experience, but instead he was placed in the communications division doing technical consulting. He ended up leaving the job and continuing his job search.

Solution/Lesson If you intend to work at a specific position or in a particular role, get your title, department assignment, and/or direct manager's name in writing. Check to make sure that if you are entering a new hire training program, the position you are signing up for will be available to you after you have completed your training. However, you should also be aware that switching divisions or departments is fairly common for hires straight out of school, and your first assignment may not be your eventual niche.

Case The Early Bird Gets the Bonus

Problem A consulting firm was wary of following through on a signing bonus because the recruit was graduating in December and wouldn't start work until September of the following year. The company was taking a risk that the new hire wouldn't show up after such a long interval. In the end, the company was forced to honor the bonus in order to stay competitive with the candidate's other offers.

Solution/Lesson Today's intense competition may give you some leverage in asking for unusual requests. If a company is hesitant about providing you with one benefit or reward, try proposing the substitution of another that poses less risk. Examples of similar special terms on offers include:

- The recruit is allowed to push back start date to travel overseas
- The company agrees to pay for a graduate level degree or additional education
- The company lets a new hire pick clients to work with, designing her own schedules



Keep in mind that these special terms are the product of careful negotiation, and are definitely not standard.

Case The Gambler

Problem A leading candidate initiates a bidding war between two rival software companies, with one topping the other's salary figures through several rounds of counteroffers. Then one company becomes insulted and rescinds, forcing the student to go to the other, where he is doomed to long hours and difficult projects to compensate for his giant salary.

Solution/Lesson Even though a company will extend an offer because they like you, they're probably not going to pay you a lot for that same reason. Sooner or later your compensation figure will hit someone's budget and you will be expected to return an equivalent amount of value to the company.

Case The Incredible Journey

Problem A recruit loves every aspect of a job opportunity, including the pay, people, benefits and what he'll be working on. But because he wants to stay near his family, he can't come to terms with the company's location.

Solution/Lesson Many companies realize that their locations may not be the most attractive part of their offers, and may be willing to make adjustments. If you suspect this is the case, try negotiating. Here are examples of some situations that worked out for recruits we've known:

Student: I love the company, but I hate the location.
 Company: Come in for training, then move back and telecommute.

Student: I'm game but my fiancée doesn't want to move.
 Company: We'll pay for you two go home 4 times a year for 2 years.

Student: I want to be in Europe.
 Company: Prove yourself in training and we'll move you to Paris.



Case	The Offer Terminator
Problem	<p>A student has an attractive offer at one company with a firm deadline. However, she has other offers to consider and wants to do more site visits after the holiday break. So she ask for an extension. The company grants the request, but warns that since that they are very close to hitting their hiring goals, they can't promise that the will be available after their original deadline. If they get the number of acceptances they need, they will rescind the offer.</p>
Solution/Lesson	<p>She waits, the company meets their number, and she loses her offer.</p> <p>Juggling multiple offers can be tricky, and because recruiters are working towards their headcount goals (or “numbers”), their deadlines are tied to actual limits. So while they are sincerely interested in having you work at their company, once they have reached their target numbers, they most likely won't have a place for you. Consider carefully when you ask for an extension to a deadline and you are told that a space cannot be guaranteed.</p>



Appendix

A Part of *Making the Decision: A CollegeHire Guide*

For Further Reading

We recommend the following books for more information on the topics discussed in this guide.

Know Your Options

Consider Your Options: Get the Most from Your Equity Compensation. Kaye A. Thomas, Fairmark Press Inc., 2000. ISBN: 0967498163.

Stock Options: An Authoritative Guide to Incentive and Nonqualified Stock Options (2nd edition). Robert R. Pastore, PCM Capital Publishing, 2000. ISBN: 0966889924.

Negotiating Your Offer

Negotiating Your Salary: How to Make \$1000 a Minute. Jack Chapman, Ten Speed Press, 1996. ISBN 0898158907

Get Paid What You're Worth. Robin L. Pinkley and Gregory B. Northcraft, St. Martin's Press, New York, 2000. ISBN 0-312-24254-9