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WHITE PAPER

# Getting Offers Accepted

*Improve your offer process in order to dramatically boost the odds of getting your offers accepted.*



## > Getting Offers **Accepted**

Getting a candidate to accept a job offer is like filling a barrel with water. In order to get a “Yes,” you’re going to need to ensure the barrel is full to the brim – and if you can have a bit of water left over, all the better. Essentially, you need to offer more than they currently earn in order to inspire them to make the move. You don’t want to go into this blind, either, or you’re liable to just make a mess. You need to know what kind of barrel the candidate currently has, and the size of the pails that were used to fill it.

Before you begin filling pails, you need to lay the groundwork. Often, rejections are secured even before the offer is presented. The offer presentation process is - and needs to be treated as - a major part of growing the developing relationship with the chosen finalist candidate.

Remember: Offers typically have only a 50% chance of being closed. When done right, however, those odds shoot up to a 95% acceptance rate.

In today’s War for Talent, top quality candidates are receiving heavy pressure to accept counteroffers from their current employers, as well as receiving multiple interviews and even multiple offers when deciding it’s time to make a job change. A strong offer process, focused on continued relationshipbuilding, will help to set your organization apart from the competition.





## **First, Finish the Interview Process**

Before you begin “fetching pails”, you need to make sure both parties have fully completed the interview process.

When I refer to the interview process, I don’t mean a rigid sequence of phone interview, first face-to-face interview and second face-to-face interview, each with their own pre-scripted questions. Instead, I am referencing the original intention of the process: making sure there are no question marks left on the table for either party.

In other words, don’t begin the offer and acceptance process until all of the hiring team’s questions and all of the candidate’s questions (regarding the job’s role, responsibilities, cultural and management style fit, supervisory authority, P&L involvement, etc.) have been 100% answered.

Be aware that the results of the interview process can either help or hinder you in filling the compensation barrel. If the candidate’s current employer’s culture is toxic, you may begin with a certain amount of water already in the barrel. On the other hand, if the candidate is reluctant about the required relocation, you may be starting with a hole in the barrel that the water is going to trickle out of.

If the offer is made before the candidate’s questions have been completely answered, you aren’t going to know where those holes are until the water begins to gush out. Trust me, you want to plug as many holes as possible before the negotiations begin.

## **The Four C’s of a Strong Offer Process**

The difference between weak, adequate and very strong offers comes down to Clear, Comprehensive and Confirmed Communication.

Presenting an offer and simply stating “We offer retirement benefits” is a very weak offer.

If you then follow up by providing the candidate with a comprehensive written overview of those benefits would be an adequate offer presentation... But we can still do a lot better.

In order to have a very strong offer presentation, after informing the candidate that you have retirement benefits you need to promptly and clearly explain them, provide a comprehensive written overview, and ask questions to confirm that the candidate understands and sees the full value communicated through the retirement benefits.

Now, you should be ready to begin filling the barrel.



## Filling the Barrel

### Pail #1: Benefits

Focus on comparing all the benefits differences and their cost differences (costs to the candidate) first. Some of these - such as health insurance - will be “locked in stone,” but you still need to look for ways to compensate for deficiencies. Don’t be afraid to get creative!

- Insurance
- Paid Time Off (PTO): Vacation/Sick Days
- 401K contributions
- Free continuing education or reimbursement (tuition, seminars, etc.)
- Student loan buyout
- Use of company tickets to events, games, concerts, etc.
- Health/wellness programs
- Onsite amenities (cafeteria, health center, child care, etc.)
- Use of private plane/helicopter/yacht

### Pail #2: Relocation

Focus on fully understanding all of the relocation issues and locate any shortcomings. What is covered or not covered in the prospective offer? Candidates need details to make a decision – so be thorough. Find out what the candidate thinks they need (what’s important and what’s not) and look to make closing concessions.

- Cost of living adjustments
- Option to work from a home office, telecommute or create a flexible schedule
- If family relocation is delayed, provide stipends for visits

### Pail #3: Short-Term Incentive Pay

Next, look at the Short-Term Incentive Pay and make sure

all questions are answered and there’s a full understanding of the program(s), and be prepared to support with credibility behind each and what is likely to be the resulting first-year income.

- Increase target potential
- Create an uncapped structure
- Guarantee a portion of the bonus for the first year (1/2 or 1/3)

### Pail #4: Deferred Compensation / Long-Term Incentive Pay

After Short-Term Incentive Pay, consider Deferred Compensation and/or Long-Term Incentive Pay. Like with Benefits, these are often relatively inflexible. As such, if the pail is too small, you will have to add volume with salary, short-term incentives and/or sign-on bonus monies.

- Equity
- Stock Options
- Profit-sharing
- Cash-value life insurance policy
- Long-term executive packages (“Golden handcuffs”)
- Guaranteed severance package

### Pail #5: Miscellaneous

Before you consider salary – which will typically play the largest role in filling your barrel – are there any miscellaneous compensation considerations that need to be addressed? Are there any noncompete, I.P., stock option, unpaid bonus monies or resignation timeline contracts (with their current organization) that need to be discussed, evaluated and resolved?

If any other issues need to be addressed, now is the time to think them through and look for creative solutions. Don't ignore them, as they can poke holes in your barrel and sink the deal between the offer acceptance and anticipated start date.

### **Pail #6: Salary**

Now that you have considered all the non-salary issues, the last remaining item to resolve is this: How much water do you still need to fill the barrel? In other words, what is the right salary number to close the offer and acceptance process?

- Potential for salary increase following 6-month performance review
- Outline of milestones which, when achieved in a specified timeline, would trigger a salary increase

### **Final Considerations**

Don't forget cost of living differences and/or counter offers or even competing opportunities. Ignore them at your peril. Doing so can create huge frustrations at the eleventh hour when you thought you had an acceptance.

Here are some final miscellaneous considerations that might help you plug holes you discovered elsewhere:

- Improved / creative title (internal vs. external titles)
- Sign-on bonus - upfront payment, or tiered payments based on achievement of objectives or milestones (i.e. \$10K now, \$10K in 6 months, and \$10K in 1 year)
- Company car or car allowance
- Clear path for career succession
- Executive coaching / mentoring
- Retirement planning

### **Quality Control**

Check the quality of your offer process by...

#### **Creating a Compensation Comparison**

Before you can be certain that your offer is one that will resonate with your finalist candidate, you need to know exactly how it stacks up to what they are currently making - not to mention, how it is likely to compare to competing or counter offers.

Ropella's Compensation Comparison Calculator – a service we offer to all of our clients – is a great tool to help you ensure your pails are large enough to fill the barrel. This proprietary tool lays out all of your candidates' current compensation details in dollar values and compares them against offers that we have determined the candidate is likely to accept or reject.

#### **Thoroughly Explaining, Gaining Understanding and Building Value**

It's not enough to expect your offer to sell itself, no matter how good it is. This is where the 4 C's of a strong offer process really come in to play.

- How do the bonus/commission programs work? What's realistic for the first year? Is there a cap, or are the earnings truly unlimited?
- What is the company contribution to the 401K? Can you begin participation right away, or is there a mandatory waiting period?
- Have you provided a complete health benefits overview or just a simple summary? What is the cost of the benefits to the new hire?
- Did you provide a clear outline of how vacation, holidays and/or PTO work?
- Did you provide a clear outline of how your relocation package will be managed and what it will cover?

#### **The Three R's of Recruiting**

Recruiting is all about the 3 R's: Relationships BEFORE, Relationships DURING and Relationships AFTER the interview takes place. As you navigate the offer process, you need to be certain you are continuing to build your relationship with your finalist candidate.

- Did you make sure to align expectations with your candidate finalist and spell out the offer process as part of driving the relationship deeper? For example: "We will present an official offer to you by [date]. We will be looking for a prompt response, and promise to answer any questions you may have immediately. Once you accept our offer, these contingencies will need to be processed right away so we can shoot for a start date of..."
- Did you make sure the Hiring Manager and ideally the CEO has reached out to the candidate after the final interview?



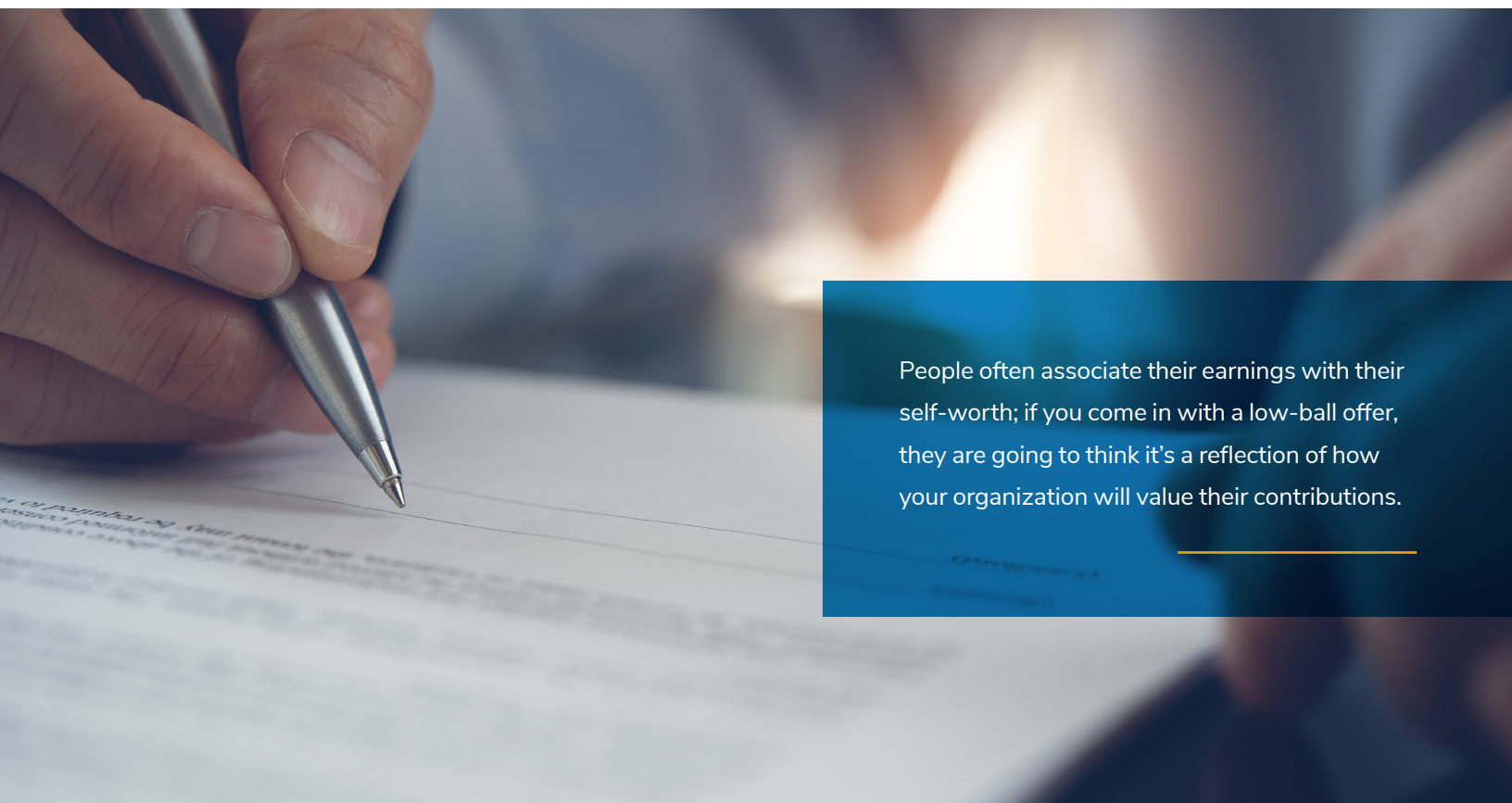
- Did you make sure to have an employee peer / new hire ambassador follow-up to see if there are any additional questions or concerns that need addressing? (A peer may be able to uncover concerns the candidate is uncomfortable sharing with the Hiring Manager and/or CEO.)
  - It's a good idea to choose an internal employee, ideally of similar age, role and/ or responsibility who may have gone to the same college, relocated from the same area or recently joined the company. (Who, of course, loves it there!)

### Plugging Holes

If your offer is getting sticky - it's just not sliding through as smoothly as you expected - you likely didn't thoroughly check your pails for holes before you started filling them with water.

Fortunately, it's not too late to do some damage control. If you've done a good job of building a strong relationship with the candidate, then it shouldn't be too difficult to get them to open up about what aspects of the offer they're not excited about - and what concessions they would be willing to accept.

It is important to note, however, that you only get one chance to make a good first impression. No matter how good your relationship is at that point, it can be destroyed in a moment by an insulting offer. People often associate their earnings with their self-worth; if you come in with a low-ball offer, they are going to think it's a reflection of how your organization will value their contributions. So rather than trying to do damage control on the back-end, do everything in your power to ensure that the first offer you present will be one that gets the candidate excited about signing on.



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