



Ropella360

A catalyst for connection

WHITE PAPER

> The Right Offer

How to Dramatically Improve Your Offer and Acceptance Process

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> How to Dramatically **Improve Your Offer and Acceptance Process**

For any key hiring need within your organization, the candidate sourcing, interview, assessment and final selection process will ultimately lead to the offer stage. As you know, just the process of finding highly qualified leaders, connecting with them, and convincing them to leave a company and position they're happy with (especially where they're highly valued and performing successfully), is no simple task. This very time consuming experience, can also be very expensive given the cost of a vacant position, the cost of a rejected offer, or worse - the cost of a bad hire.

To make it all the way to the final step of making an offer and negotiating acceptance, only to have that perfect candidate slip through your fingers - ultimately rejecting your offer - can be extremely disappointing. This can even be embarrassing, and worse yet – it can be damaging to revenue and strategic goals, and perhaps even your own career growth.

The good news is - there is a better way! In this White Paper you will learn how to manage the “negotiations process”. We'll show you the better way - a way that removes many of the stumbling blocks, hurdles, and communication breakdowns that typically lead to a rejected offer.

It's called the SMART Offer and Acceptance Process



“If you pick the right people and give them the opportunity to spread their wings and put compensation as a carrier behind it... you almost don't have to manage them.”

Jack Welch

SMART Offer and Acceptance Process

As the world's leading executive search and leadership consulting firm specializing in the chemical, consumer products, and high technology industries, we know very well, as do the transformational leaders that we serve, **that the team with the best talent wins.**

The world's leading corporate clients we work with recognize the importance of driving ROI through their direct involvement in the successful hiring of A Players. Becoming (or remaining) an industry-leading organization that stays steps ahead of your competition, while driving greater revenue and profits, often requires hiring the absolute best leaders in your industry, what is commonly referred to as “A Players.”

Want to see how Ropella successfully closes 80% of first round offers and a full 95% of all offers that we execute on behalf of our clients? Read on...

Here we'll break down a key component of our proprietary 12-step SMART Search System so you can see exactly how we've been able to achieve these extraordinary offer and acceptance results, year after year.

With the SMART Offer and Acceptance process outlined, you'll have a clear understanding of the factors that lead to a failed negotiation process and alternatively, how to ensure an efficient and successful offer and acceptance process. One that will save you time and money, by ensuring that the highly preferred candidate you have selected will show up **enthusiastically** on their start date.

Yes, we know from extensive experience that the offer and acceptance process can be very daunting and wrought with surprises and disappointments. To highlight this reality, here is a scenario we've seen time and again –

REAL LIFE SCENARIO

Your team has gone through the lengthy process of finding a pool of highly qualified candidates and then spent countless hours navigating through multiple rounds of interviews. You have finally narrowed the selection down to a few finalists and after significant consideration, decided on who your ideal new hire candidate is going to be.

You're sure this highly qualified leader is capable of growing your company by creating new products and/or reaching new markets. You believe they can help grow existing (or establish new) customers, resulting in significant increases in revenue and/or profitability. You are convinced because they've been doing exactly this for a competitor in recent years. They fit your corporate culture, management style, and even fit well with the rest of the leadership team. You've conducted assessments, reference and background checks and are now ready to make a formal offer and schedule a start date.

So, you go get formal approval from your boss and a green light from HR to move forward, and everyone on your leadership team is excited to hear you're going to make an offer to get this new hire onboard. Everyone is sure that the candidate will accept, given that your organization has a highly competitive salary and benefits package.

As well, the candidate conveyed during the interview that your company seems like a great fit for them. They too are excited about you - your technology, your organization, the location, and your overall opportunity, so they cannot wait to get started.

Commonly at this point, your HR team now steps in and takes over the negotiations while confidently stating, "we will take it from here." After all, this is their area of expertise and they want to be responsible for completing the "confidential negotiations." A few days later you hear from HR that they have "made a really strong offer." The next news you expect to hear is the start date has been scheduled, but instead, you find out to your utter amazement (typically a week or more later) that the candidate turned the offer down or just walked away, providing no clear response, or worse yet - completely cutting off communication. This is leaving you and your hiring team highly surprised and greatly disappointed and now everyone's left wondering - how did this train wreck happen?

Thinking back - this hiring process has been exceedingly time-consuming and really expensive too. Everyone involved is very frustrated at this point (including your boss), and confused as to what could have gone wrong or what should have been done differently.

Sound familiar? Have you heard of, or worse yet, experienced scenarios like this too many times throughout your career?

A failed offer experience like this one sure can be difficult to swallow but it conveys just how problematic the offer and acceptance process really can be – especially when not handled with great care or where attention to detail is not tightly managed.

How could this offer rejection have been avoided? After all, there is no way to know whether a candidate will accept an offer before it's made, right?

At Ropella, we are not mind readers, but we've developed a groundbreaking system that enables you to know -with a high degree of success- the response you'll get, even before you present the offer. How?

RECRUITING AND SUCCESSFULLY HIRING PASSIVE TOP QUALITY TALENT

How does a company recruit a successful, well-educated, highly desirable individual who's satisfied in their current job? How do you stop losing your best candidates to competing opportunities?

The answers to these questions can be found in the **3 R's of Recruiting:**
RELATIONSHIP! RELATIONSHIP! RELATIONSHIP!

The stronger the relationship between you, your company and the candidate you are recruiting, the easier it is to interview, negotiate and close a win-win offer.

- 1 RELATIONSHIP BUILDING TO DO BEFORE THE INTERVIEW**
 - Toss the B&W position description and develop a colored brochure that sells the company, division, position, opportunity, culture and location.
 - Create a Skill Survey for info gathering so that interviews are focused on behavioral assessments and pushing candidate hot buttons.
 - Pick a quality, convenient hotel. Make and prepay the reservations. Send a fruit basket and/or flowers with a welcome note to the hotel room.
 - A week before the interview, send the candidate the following:
 - A welcome letter (signed by the Hiring Manager or most Sr. Executive who will be interviewing).
 - An itinerary with directions to the interview site and the titles of those doing the interview.
 - Annual Report, Corporate & Division brochures.
 - The Hiring & HR Managers' business cards.
 - Relevant community and school info.
 - Local realtors business cards and brochures.
- 2 RELATIONSHIP BUILDING TO DO DURING THE INTERVIEW**
 - Be on time, welcoming, organized, focused and prepared to answer tough questions. Be ready to enthusiastically sell your opportunity.
 - Warm up during the interview! Don't grade interview skills - focus on past behaviors and accomplishments.
 - Investigate why the candidate has made job changes in the past and identify why they are looking now. Find out what their needs and desires are and push those hot buttons.
 - Don't talk about compensation until you are certain the candidate wants the job. Discussing salary too soon will typically be used against you.
- 3 RELATIONSHIP BUILDING TO DO AFTER THE INTERVIEW**
 - Invite the candidate's spouse or significant other to visit the community during or right after the final interview.
 - Offer the couple tickets to a sporting event, play or musical so the trip has a break for fun.
 - Take the candidate, their spouse/SO and the hiring manager out to dinner with another couple from the team.
 - Is there an existing employee from the same area, college or company as the candidate? If so, work this employee into the interview process to entertain the candidate.
 - Send a follow-up email or letter after the final interview. Be sure to include how well things went, planned intentions and next steps.
 - Reimburse interview expenses **immediately!** It will only look bad to make the candidate pay for these expenses and then make them wait.

Baby Boomers are retiring and will continue to do so in larger numbers each passing year. Universities are reporting dramatic drops in STEM enrollments. The global economy continues to expand as more jobs are created daily. A **talent shortage** is here and it's affecting your hiring!

Relationships, Relationships, Relationships!

After over 35 years helping industry-leading companies and transformational leaders recruit and retain top-level talent, one thing we have learned is that building meaningful relationships is the foundation to hiring success. Relationships must be developed before, during, and after the sourcing, recruiting, interviewing, and offer process. Focusing solely on factors such as salary, bonus, and benefits when crafting an offer is a common mistake that can cause an offer to be rejected, because the relationship component has been ignored.

For example, by focusing on relationship building, you just might learn that a candidate would be willing to accept a lower salary to relocate to a city where his or her grandchildren live. Or perhaps the opportunity to be mentored or provided leadership training opportunities is a significant motivating factor. Or maybe it is more about recovering lost pension benefits or unpaid bonus monies that are important to immediate goals or future retirement for this particular candidate. The point is that you must develop a relationship with the candidate that allows you to explore personally - what they value most. This seems obvious, but the great majority of interviews are primarily one-sided, focused on the company's internal needs and rarely balanced so as to understand the candidates motivations and needs.

Our Executive Search team is passionate about building relationships with each candidate in order for them to become comfortable sharing their personal desires and internal motivators, because both are huge factors that influence the decision to accept an offer. As the relationship grows, we work hard to become the candidates trusted advisors and therefore, candidates are willing to share in great detail their compensation and benefits factors (and which are most valuable to them), what their relocation circumstances will cost, how the new job is going to affect their family, where they are with competing interview and offer scenarios and most importantly - what it's going to take to get them to say yes to an offer from our client!

Hidden Decision Factors

That said, the #1 pitfall that almost always causes the offer and acceptance process to break down is failure to consider **all factors** that will affect the candidate's decision-making process. Again, if there's little to no relationship established, it's next to impossible to get the candidate to offer the kind of valuable information needed to carefully and thoroughly compare their current total compensation package and/or competing offers with your company's offer.

With a relationship established, you now need an Offer and Acceptance road map and a smart vehicle to manage the collection and the comparison of all the information that is going to be used to drive the offer acceptance process to a successful destination. It's super important to carefully follow the road map so that no important steps are missed and to fully utilize an information management tool - used to keep track of and compare all key factors to be analyzed.

Ropella CEO and Chairman, Patrick Ropella, has created a one-of-a-kind, trademarked tool called the SMART Compensation Comparison Calculator that compiles all of the complex factors associated with negotiating an offer. It covers everything that a candidate will want to understand: position title, salary, bonus (and how it's earned), benefits (and their costs to the candidate), vacation, 401K, company vehicle details, long term incentives, stock options and how they're valued, educational reimbursement, what's covered for relocation expenses and much, much more.

It takes every line item, imagined and/or justified, displays each in a contrast for comparison chart, then calculates every line item to specific, mathematical, dollar-for-dollar differences to determine what issues are needing further clarification and/or resolution. This calculator allows us to evaluate how your intended offer compares to the candidate's current total compensation package, expectations - with all the necessary details outlined - and even any competing offers. Upsides show in green - downsides show in red... and totals are displayed to show the overall loss or win for the candidate. We then generate a clear, simple report with an overview of how all factors balance out. The SMART Compensation Comparison Calculator has been tested through hundreds of offer scenarios across the globe and has proven invaluable to Ropella in obtaining an 80% closing rate of first round offers for our clients.



"It's so frustrating watching hiring leaders make the assumption that "It's covered," when delegating the key hire offer negotiations to a supporting member of the hiring team.

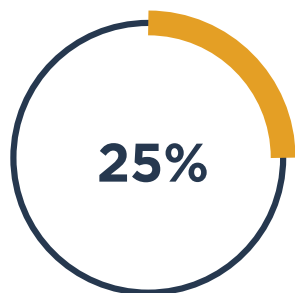
We often see the key leader (who the new hire will report to) passively standing by and essentially doing nothing but hoping for the best - until it's too late and the negotiations train wreck has already occurred. As we hear all too often, this approach proves to be a horrible return on all the time that's been invested to get to the offer stage."

Patrick Ropella

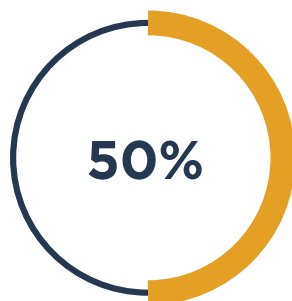
Author of "The Right Hire," a 35-year veteran of Executive Search, Founder and Chairman of Ropella360.

Another common pitfall we see at this stage in the hiring process is when the hiring team makes an assumption about what kind of offer the candidate will accept - and that assumption turns out to be wrong. After all, our clients tell us that about 40% of hires typically get blown up at the offer stage when using a traditional offer process. Yes we understand there is “internal equity” to manage and only so much you can do with certain offers... but before you make a take it or leave it offer – wouldn't it be much more valuable knowing how your offer is going to be perceived by the potential new hire?

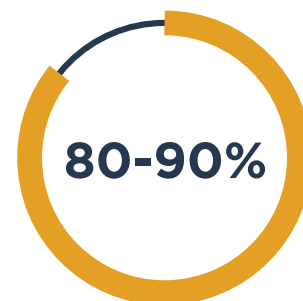
Odds of an Offer Being Accepted



Take it or leave it offer



Let's make an offer
and negotiate



Before making an offer, let's
communicate and understand
(what's motivating you)

When Ropella manages the offer and acceptance process on behalf of our clients, we're able to export the information from the SMART Compensation Comparison Calculator into a comprehensive report [PR4] for our client to review before the compensation committee has met to decide on the offer to be presented. This report is created to present an offer and acceptance strategy, with various salary scenarios and offer recommendation strategies to greatly increase the likelihood of offer success.

Within the calculator framework, we are also able to identify the differences in cost of living from the candidate's current location to where the new job is based, and if there's any spouse/significant other lost income. We answer questions like: Are there long-term incentives being left on the table? Are there any claw backs for past education and/or relocation expenses that may need to be repaid? And what is the real cost of relocation to join your company actually going to be?

We need to consider all these factors and compare all of this information between where the candidate is today, how other competing offers, or counter offers, may play into the situation, and how those compare to them joining your organization versus your competitor.

Losing Control of the Offer

While many of our clients come to us for the success and highly predictable results of our offer and acceptance process, we understand that a few will have reservations. Sometimes, we do hear clients say that it can feel like they're losing control of the offer process. To that, we answer, if you aren't using robust systems, tools, and processes like those mentioned here, you've already lost control. We're simply balancing quality info with a quality offer to get the ultimate control you want – a very high probability of acceptance the first time you present an offer.

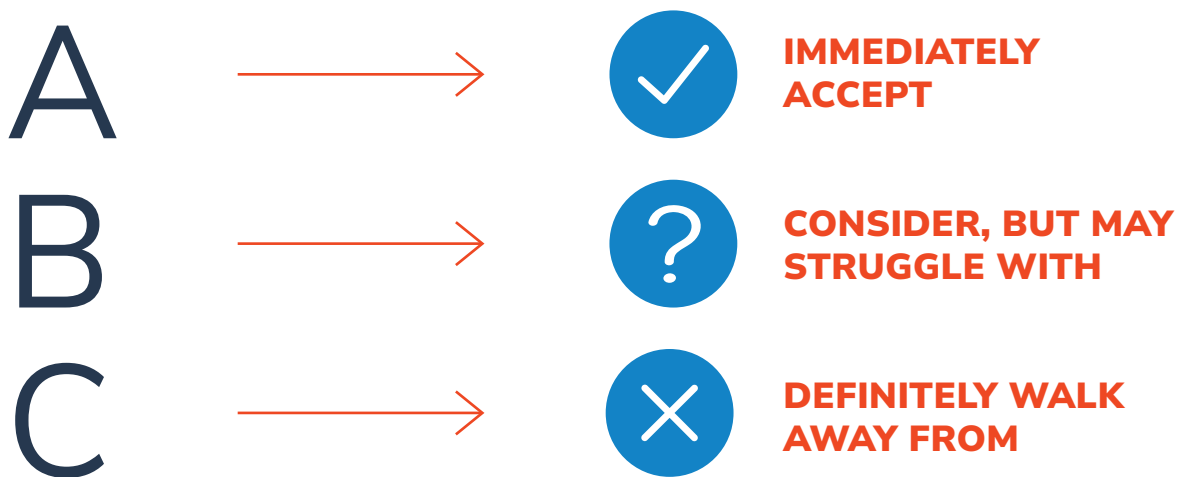
You deserve to have all the information in front of you when making a decision as important as getting the right offer in front of your top candidate, so they'll say yes! We present our analysis and recommendations as a foundation for quality conversations, as we formulate a successful offer strategy together. As a trusted strategic talent partner, we do everything we can along the way to ensure that the candidate's compensation expectations remain as reasonable and fair as possible, while we seek to understand what's driving the offer decisions for both parties.

Predicting Offer Success

Once we've completed a logical, apples-to-apples comparison of all things compensation using the SMART Compensation Comparison Calculator, we can then understand exactly what we'll need to do with salary, signon bonus and any other creative "bridges" to make your offer promptly acceptable.

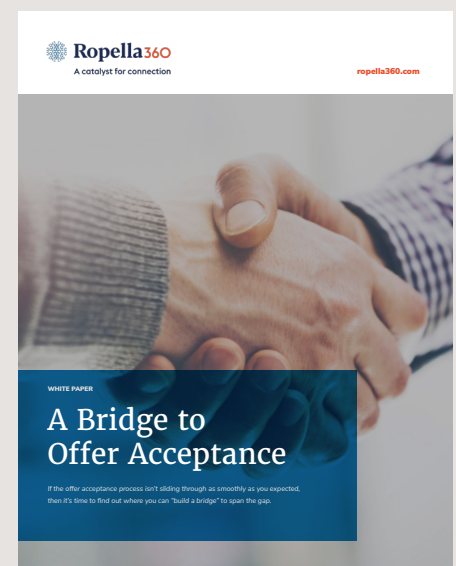
Based on this analysis, and the relationship of trust we've built with the candidate throughout the hiring process, we're able to compile a highly unique and very effective offer and acceptance strategy, outlining exact offer amounts that a candidate will accept, still consider or, alternatively, will walk away from.

We are able to do this with a high level of accuracy because we have collected quality data that the candidate can see and believe in, but just as important, because we have also run multiple hypothetical offer scenarios past the candidate through role playing exercises (with no expectations or offer promises being made), asking them to reply to each offer scenario, and then committing once we know exactly which offer level they will:



Until we confidently know that we have nailed down the likely responses to scenarios A, B, and C, we will not move forward with the final preparation of an offer, as it is pointless to do so.

It's also worth noting that how an offer is extended is just as important as the details in the offer itself. We don't present the full offer and ask for a big decision; we ask for small decisions as we move through the presentation of the offer, so that the final decision is much easier to obtain and the commitment level is much stronger. Details matter and the worth behind the details even more so! For example, is the vacation policy acceptable? Is the cost of benefits fully understood? Is the bonus program motivating? We ask 20 questions before the final YES is asked for, making the final YES easier to obtain.



Summary

It's a huge shame to go through the entire recruitment, interviewing and offer process, just to have your star candidate decline your offer. It's not only time-consuming, frustrating, and very costly, it also reflects poorly on those in charge of executing this process.

Taking the time to build a quality relationship with candidates takes time and personal skills, but is an extremely necessary precursor to the offer and acceptance process as it allows for greater insight into personal circumstances and internal motivators that will affect the candidate's decision-making process. It's actually a massive time saver and you'll appreciate it when you get a YES to your offer.

Another huge benefit to working the offer through this process and/or partnering with us, is that we are able to coach the candidate through the entire offer and acceptance process to avoid any delays due to questions or miscommunication. This unique offer and acceptance strategy is part of Ropella's proprietary, 12-step hiring process, The SMART Search System, which has revolutionized executive hiring the same way that Six Sigma revolutionized manufacturing processes.

We have learned from 35 years and countless experiences that the number one mistake in the offer and acceptance process is failure to thoroughly analyze and compare every detail related to compensation and candidate motivation. That is why Ropella has created a more dynamic communication process that eliminates the surprises that typically blow up offers. Within this thoughtful and data-driven process, we get all of the information on the table in the beginning, before an offer is prepared for presentation, to avoid drawn out negotiations and rejected offers. When you put the SMART Offer and Acceptance process to work for you, you greatly reduce the odds that you will ever have to deal with the anguish of a rejected offer again.



"You get the best people, you build them into the best managers in the industry, and you accept the fact that some of them will be recruited to become CEO's of other companies."

Jim Collins

Author of "Good to Great"



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