

DISCUSSING COMPENSATION WITH EXECUTIVE SEARCH CONSULTANTS

by Stephen Dallamore, Global AltoPartners Chairman and Managing Director at Search Partners International South Africa

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The executive interview is often a challenging experience. We recently shared our guidelines to help you prepare for your interview in our post *The Best Ways to Prepare for an Executive Interview*. The interview process is often one where search consultants analyze your experience, skills, competences, and potential fit with the company. The process is often less of a two-way conversation and more of a Q&A session with the search consultants directing the questions at you. But, there are some vital questions that you should be prepared to ask and discuss during the interview process. However, the timing of these questions – and how you ask them – is vitally important as it sets the tone for future discussions. One of these questions concerns your compensation requirements. You've been offered the job and you know your role requirements; don't keep pushing the discussion around your compensation until the bitter end. Be upfront with the search consultant and have these conversations throughout the process to ensure that both you and your new employer are happy and that you start your new career with them on a positive note.

Here are some of our top tips to help you when you discuss your compensation requirements:

Don't Discuss Salary/Compensation in a Cover Letter

Your job title and years of experience will immediately provide a good indication of the salary band that you should be in; there is no need to include your specific salary and compensation package in your cover letter.

Be Comfortable Negotiating

You have the skills, you have the experience, and you have the industry-knowledge that will set you apart from your competitors. Be confident in discussing your compensation package requirements and include as much detail upfront as possible, such as current bonus scheme and any additional benefits that you currently get. This will give the company a very realistic indication of your value and will enable them to make an attractive offer. If you need to relocate or find new schools for your children, tell them in the interview process as they will need to factor these elements in to your offer. Remember, the executive search consultant is there to act as a sounding board and guiding advisor to both you and the company, but don't ask for anything via a search consultant that you wouldn't ask for yourself if you were with your potential employer.

Consider Other Types of Compensation

When discussing your total financial package, don't just focus on the salary portion. Could the possibility of benefits outweigh a particular salary limitation? Consider additional benefits, such as healthcare, retirement contributions, stock options, paid leave, etc., that could all form part of your overall package. Again, don't be afraid to ask for a detailed breakdown of what you could be getting.

State Your Expectations Early On

Be open and honest about your current financial package and what you would like to receive with the new job, but make sure this is realistic and within market range. Set expectations and benchmarks early on as this will avoid any future misunderstandings or unnecessary unhappiness. Give a range that includes your current salary and the lowest salary at which you are comfortable, according to your standard of living. If you are coming from a company that is known to

underpay, it is best to state that you are aware of the fact that you are currently underpaid, compared to the market. When making this statement, be very cautious of the tone of voice you use. Don't bad mouth your current employer in any way. Be factual and leave the emotion out.

Do Your Research

Find out the market rates for the job you're seeking. Think about what you want out of the job itself and clearly communicate your expectations in terms of salary.

Be Realistic About Your Expectations

The hard truth to accept is that if you have not increased your skill level, you cannot expect a salary increase. Your salary is dependent on a number of factors, mainly by the skills and competences that you have acquired through your career progression. Ask for a salary range that is equivalent to your work experience. If you ask for a salary range above your experience, be prepared to justify why you are asking for this increase. Emphasize that salary isn't your sole consideration and priority, but that you are mainly interested in finding the right job for you.

Sell Yourself

Remind the employer how they will benefit from your skills and experience by focusing on the employer/company needs, not just your own. Emphasize how your contribution can drive the company forward and show them how you would add value.

Being open and honest is an essential part of maintaining a good reputation, especially when there is more on the table. Poorly handled negotiations can taint a reputation – in many instances, the markets are small and the more senior you are, the more people talk.



About Stephen Dallamore

Stephen Dallamore is currently the Global Chairman of AltoPartners, the international alliance with 53 offices across 33 countries in the Americas, EMEA and Asia-Pacific.

Stephen left the legal profession and started a partnership business in 1977 called Mast South Africa. Mast was the largest corporate training group in South Africa and was listed on the Johannesburg Stock Exchange in October 1987. Stephen was the Executive Chairman of the group until June 1996 when Mast was merged with the Advtech Group.

In 1997, Stephen and three Mast colleagues started a change management consultancy, Connemara Consulting. In 1998 Stephen joined listed company MDM Growth Investments Ltd., a private equity fund specialising in entrepreneurial family business, as Executive Director. He helped manage several investments and chaired Compucomp (Pty) Ltd – a computer company in which MDM had a controlling shareholding, prior to its sale. In 2002 he joined SPi (then Boyden) as a director, building Boyden SA's global strategy and acting as the catalyst in right sizing and restructuring the business in 2003. He was appointed Managing Director in 2004.

Stephen has a B.A. (Econ. & Law), LLB (Transvaal Bar, Supreme Court, 1978); a former Governor: Michaelhouse School (Kwa-Zulu Natal); Managing Director : Sherbridge Executive Search (Pty) Ltd; Director: NIB-MDM Private Equity Fund; Chairman: Weimershoek Farm (Pty) Ltd; Chairman: Stockshop (Pty) Ltd.

He is a keen golfer, fly fisherman, wing shooter, collector and musician.