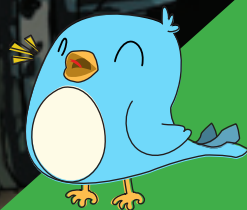
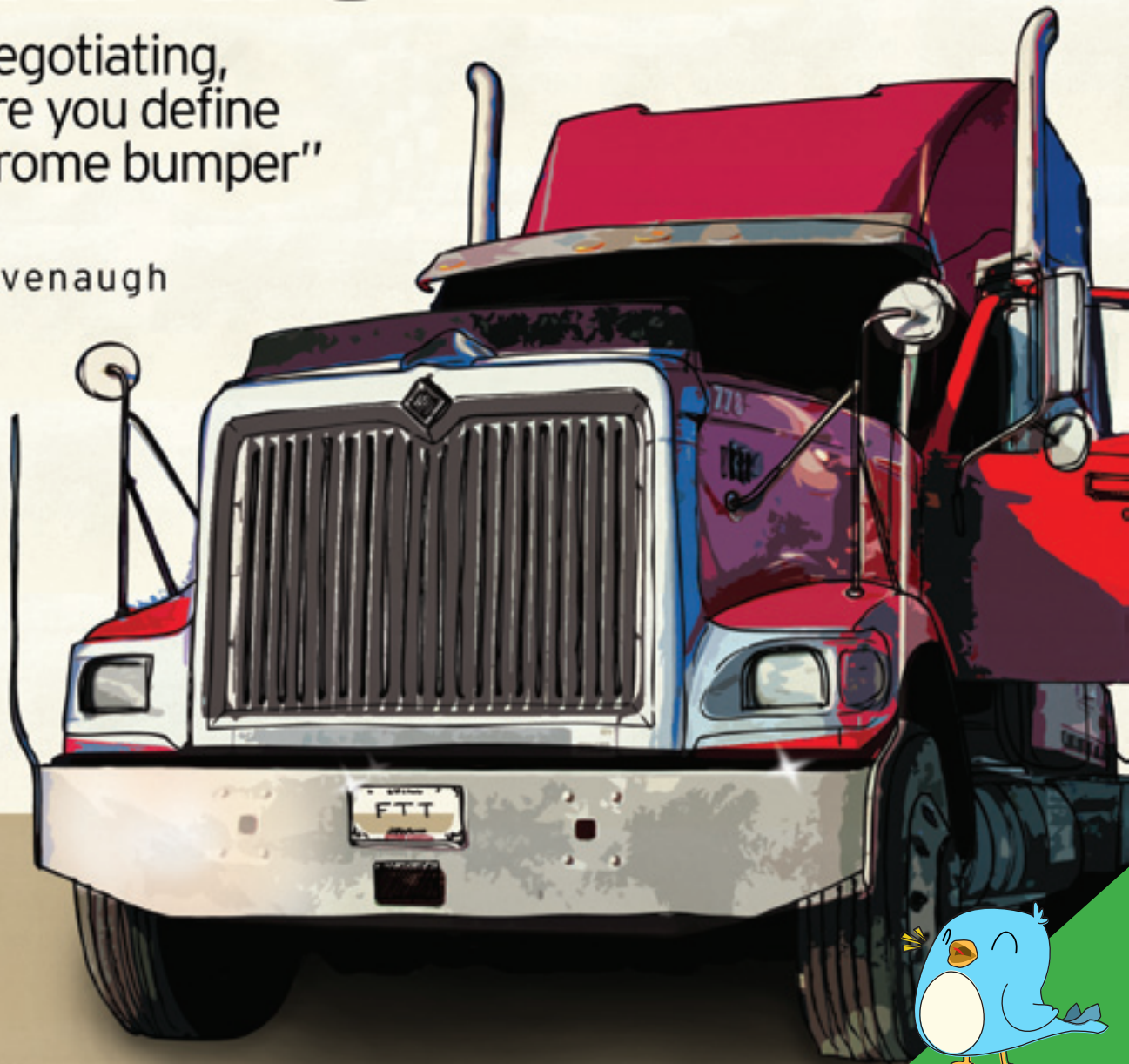


# HOW TO GET MORE THAN A RAISE

Before negotiating,  
make sure you define  
your "chrome bumper"

By Ken Revenaugh



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# HOW TO GET MORE THAN A RAISE

Before negotiating, make sure you define your “chrome bumper”

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**W**hen you see those big 18-wheelers whizzing down the interstate, watch for the ones with a massive, shiny chrome bumper that looks like a million dollars. It says the driver has defined his truck as his source of pride and love for his job.

“The chrome bumper analogy is an important lesson I learned early in life from my father.”

“Don’t be afraid to ASK for what you want.”

The “chrome bumper” analogy is an important lesson I learned early in life from my father, who had a small family-owned truck line. About a year after he purchased the business, trucking deregulation cut his company’s value in half. But he never gave up, and clawed his way back to with one focus: Take care of your people.

Even though trucking is a very high fixed-cost business (over \$100,000 per truck – which is nearly worn out after five years), my father still spends another \$10,000 or so on an expensive

chrome bumper, accessories and running lights. Does this make each truck more efficient or last longer? No. But he’s learned that the chrome bumper is a great source of pride for each of his drivers. They love the joy of heading down the highway in a head-turning truck. As the

five-year mark rolls around, each driver makes out a wish list for his new truck, and the negotiation begins. Without fail, everyone gets a chrome bumper.

Before you begin negotiating, make a list of the things that define your job’s “chrome bumper.”

***What’s going to make you love your job?***

***What will make you proud to come to work every day?***

Whether you're a strong contributor at a current employer or thinking about moving to a new role, don't be afraid to ASK for what you want. You won't earn more money or benefits if you don't ask. If you don't have the list or don't tell your employer what's on the list, you'll never see your chrome bumper equivalent. For years, my "chrome bumper" was a higher-level title, more direct reports and bigger budgets. Every year, my bumper got polished and I got exactly what I wanted. I delivered results and increased my authority. Today, my definition of a "chrome bumper" has changed. Time with my family and friends is at the top of my list, followed by a good place to live and the latitude to make a difference at work.

### Define Your "Chrome Bumper" Right Now:

First, you're going to have to do some homework to help determine how shiny you'd like your bumper to be. Specifically, it means you should start by evaluating a company's entire benefit plan:

- Vacation time, flexible hours, tuition reimbursement
- Overtime, days off, relocation expenses, stock options
- Company car, expense accounts, bonuses, etc.

By doing so, you'll know exactly what's on the table. Don't be afraid to ask for something outside the standard perks received by your peers. Here are some often-negotiated items, though they may vary by company and job level:

## COMPANY BENEFITS

The HR department goes to great lengths to put together a cohesive benefits package. Certain aspects of the package, such as stock options, may be negotiable, but the way in which the programs operate is fixed. Although you cannot change the way stock options vest (and even the best negotiator would not make a dent in the medical benefits), it is important to know the details so you can compare offers.

**Vacation:** The usual vacation benefit is one

week of paid vacation with a year's service. It's not uncommon, though, for some companies to give two weeks after just six months on the job. Just be aware that vacation time is one of the more flexible areas of a job offer. No company will lose a good prospect because of an additional week's vacation time, especially if you can say (if you're presently employed) that you get two weeks off now and you're seeking parity.

**Medical Plan:** You should always request a medical plan booklet that includes all the fine print. There you'll discover the out-of-pocket costs, the co-insurance amount (the percentage

of each bill you pay once you fulfill the deductible) and how the lifetime benefits stack up. Consider:

- Does the firm truly have a dental program, or is it simply a gimmick to get you into a participating dentist's office?
- Is the employee the only person covered (as is usually the case for plans in small companies) and if so, what is the full cost of family coverage?

**"Know the details of the company's benefits so you can compare"**

## Avoid this negotiating danger.

One danger of writing about perks is that some may assume that these goodies are out there in a big corporate cookie jar just waiting for anyone who asks. That isn't the case:

- In fact, you may seriously damage your credibility if you come in as a hardball negotiator looking for all kinds of extras.
- Instead, you should know about the kind of perks that some companies offer so that you can develop a strategy for responding to a job offer on the table.
- By the time you're dealing in specifics, you should know as much as possible about what that company's standard benefits package looks like.

- Managers and above often negotiate for more money to cover any out-of-pocket contributions if a full employer-paid plan is not in place.

**Stock Options:** Many companies offer stock option programs, and many larger companies also offer stock purchase plans. Don't be concerned if the employer doesn't give you the exact price of the shares in the offer letter. Often, they will have to confirm your "strike price" in the next Board of Directors meeting. However, the company can and should confirm in writing the number of shares you are eligible to receive and/or purchase, and it should give you a verbal confirmation of the likely price. The company should also be able to tell you how soon you can get your hands on the stock (i.e., **your vesting schedule**).

**401(k) Plan:** These are programs where the employer helps you save money and contributes every time that you put aside some savings. Some companies contribute nothing; others contribute up to a 100% match – contributing \$1 for every dollar you save! A 401(k) can be great!

**Education Assistance:** Larger companies offer employees reimbursement for the cost of tuition, books, etc. while they earn a degree, even an MBA, on the job. Be sure to find out if there is a "golden handcuff" in exchange for educational assistance that requires you to stay at the company for a certain amount of time after earning your degree.

**Industry Workshops and Tradeshows:** These are used to keep you current in your field and provide networking opportunities. Many colleges and universities offer classes that are about one week in length under the title of "executive education." You don't get college credit, but learn from world-class professors and practitioners. The cost to attend, including travel and expense, can often exceed \$2,000

for these events. **Make sure you convince your employer that such opportunities will help you achieve your goals for them. If you have a choice, pick a fun location like San Francisco anytime, or Colorado during ski season, or...well, you get the idea.**

## BONUSES

When negotiating a pay package, you may come up a little short of your expectations. However, if the company and all other parameters look great, one way to improve your situation is to maneuver for a bonus. For example:

**What if, at the end of the year, you could receive a bonus that was directly tied to the company's or your performance over and above a certain benchmark?** It's a bet on the future, but it's better than no chance for extra income at all.

Most companies conduct annual staff reviews in order to determine salary increases and bonuses. If you negotiate an initial review in 6 months, your salary increases will start 6 months earlier than the norm. It's an easy way to close a negotiation that has stalled with a lower salary offer than you would have liked.

A hiring bonus is a perk that companies sometimes add to sweeten the deal. They may offer bonuses for a hard-to-fill position or to offset relocation difficulties. The bonus is a one-time-only cash payment made payable generally on the first day of employment. Bonuses can range from \$3,000 in additional relocation assistance (see "Relocation Assistance") to as much as \$10,000 or more when it is being used as a "sweetener" to attract a top performer for a hard-to-fill job. While such a perk has a certain attraction (cash always does...), recognize that the bonus will not be calculated into future raises. **It is always wiser to negotiate as much as possible into your base salary, which is the foundation of all future raises. Request a hiring bonus as a last resort.**

"Make your 'chrome bumper' sparkle with a nice shiny bonus."

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"Flextime, along with telecommuting, make two great 'chrome bumper' add-ons."

## RELOCATION ASSISTANCE

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Many companies pay only for the cost of relocating your goods and family. However, you may be able to negotiate additional relocation assistance.

- The company may reimburse for realtor costs, points and mortgage acquisition fees, house-hunting trips and temporary housing.
- Many companies will use a flat-sum relocation approach – which means you'll get a certain amount to spend in total.
- Some larger companies will reimburse you for all your costs, and through negotiation you can have a small hiring bonus included for additional, unexpected moving expenses.
- The “Gold Ring.” Relocation reimbursements with all expenses covered, including any real estate losses and closing costs – plus an extra monetary bonus for the hassle of moving.

## FLEXTIME

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What is flextime? It's “flexible” hours. Very simply, an employee agrees to work eight hours per day (or whatever the predetermined length of time may be), but does not work the traditional “nine to five” workday. Flextime can allow you to avoid the busy morning commute or take your children to school by, say, working from 10 a.m. to 6 p.m. Flextime might mean taking Friday off by agreeing to work on a Saturday or by working longer hours the other four days of the workweek. Flextime offers you the opportunity to arrange your work around your life. **A 2007 Society for Human Resource Management study found that 56% of companies offered flextime to workers. It is possible to make it happen for you!**

“A sabbatical is not out of the question, ...It could let you recharge your batteries.”

## TELECOMMUTING

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With the high cost of living getting higher every day, especially in and around major metropolitan areas, plus increased traffic congestion almost everywhere (PLUS the cost of gas to drive

anywhere), regular commuting to work can test your nerves and impact your bank balance. But there's hope! If you have a job where the majority of tasks and communication take place on a computer or by phone, see if your company (or supervisor) will let you telecommute one or more days each week. A February 2007 study by WorldatWork found that more than 12 million Americans work at home at least once each week. As technology improves (and commutes don't), that number is expected to rise.

## REIMBURSEMENT FOR COMMUTING COSTS

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If telecommuting (or a raise) is out of the question, your company may be willing to reimburse you for out-of-pocket commuting and travel expenses – such as gas or parking expenses, or even buy your train or bus ticket outright. Think that sounds like chump change compared to a pay raise? Think again. Odds are, in order for you to buy a \$100 bus pass for example, you need to earn \$125 or \$140 in pretax money. There's a real savings over and above the actual cost of the ticket. **Try this selling point to your employer when negotiating for reimbursement: many of those expenses could be business deductions for your company.**

## SABBATICALS

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Perhaps you've always wanted to take an extended vacation, or study art in Paris, or simply leave the rat race, get your sanity back and recharge your batteries.

- Depending on your position and responsibilities with your company, you may want to ask your boss for a sabbatical or a leave of absence (paid or unpaid).
- To be clear, many companies, particularly those in the Fortune 1000, already offer this perk, but only to employees that have several years of service (usually five years or more) under their belts. That said, many of these same companies are

## CHECKLIST to help define your "chrome bumper"

- COMPANY BENEFITS
- BONUSES
- RELOCATION ASSISTANCE
- FLEXTIME
- TELECOMMUTING
- REIMBURSE COMMUTING COSTS
- SABBATICALS
- THE EXTRAS

also flexible and will often make exceptions for valued employees.

- Suggestion: In order to enhance the possibility that such a request will be granted, it makes sense to plan the leave of absence during a time of year when the workload is lightest. This way, your boss and/or your peers won't feel as overwhelmed about assuming some or even all of your tasks.

## THE EXTRAS

In addition to the more frequently encountered perks listed above, each HR department develops a smorgasbord of benefits designed to make their company as attractive as possible to candidates.

- Some companies offer EAPs (Employee Assistance Programs) that aid their employees when an alcohol, drug or mental illness impacts their family. Other companies have child care centers or a reimbursement program. You will also find companies that offer health club memberships; some even offer "paternity leave" along with the more frequently encountered maternity leave.

- Some extras are assumed, but if they are important to you, double-check to be sure.

For example:

- Company-paid equipment such as laptops, pagers, cell phones and data organizers directly billed to the company.
- Check the expense policy and decide if the expense account is adequate (hotels, meals, and cars fully paid by company). Some policies require traveling employees to be away from their families longer to take advantage of cheaper fares/rates (e.g., Saturday stays for lower airfares).

### *Remember, you can always "add chrome" over time.*

Whether you're asking for something from a potential employer or your current company, try to negotiate a win-win scenario.

- Never burn bridges when communicating your needs.
- Don't set yourself up as a tough negotiator if you aren't ready to walk away from the offer completely.
- Instead of threats and empty bluffs, find a way to build a bridge to an acceptable offer and a package that includes the perks you find most attractive.
- If you don't get a personal parking space, don't sweat it. There's always annual review time, or maybe after just six months, if you were smart enough to sneak that into your benefit package.

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