

The Art of Negotiation

Creating a Win/Win Situation

Tracey Anderson, CNRN, FNP-BC, ACNP-BC
Colorado Health Medical Group - Brain & Spine



Disclosures

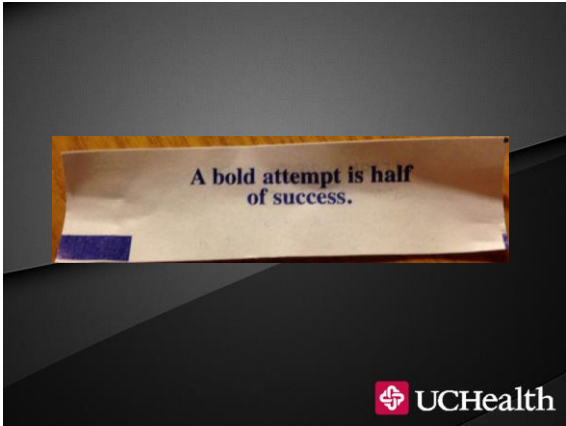
- Clinical Faculty – Codman Neuro Advanced Practice Provider Course
- Please know that I will use personal examples as these are the situations for which I have the greatest amount of information



Objectives

- Identify steps to negotiation: Who, What, Where, When, Why & How
- Strategize ways other than salary to meet your objectives
- Create a win-win scenario for negotiating parties







What is Negotiation?

- A Way of Life! (Herb Cohen, Author, You Can Negotiate Anything)
- Communication / Interaction of 2 or more parties with conflicting goals and interests with the goal to reach agreement or reconciliation
- People won't negotiate with you unless they believe you can **help** them or **hurt** them



A WORD ABOUT GENDER INEQUITIES...



Gender Disparities

- Women still get paid less for same job (\$0.79 to every \$1.00 a man earns, 2015 Census Bureau statistics) [Equal in 2059!]
- Men historically praised for negotiating
- Women criticized & seen as masculine for negotiating
- Women have less successful negotiations as a rule
 - Ellen Pao, Interim CEO of Reddit, no longer allows new hires to negotiate their salaries because women don't fair as well as their male counterparts
- Women ask for raises 85% less often than men (Linda Babcock, Professor of Economics, Carnegie Mellon University)
- Surprisingly...
 - Women better educated (3 college degrees for every 2 men earn)
 - Women have more masters degrees than men
 - 43% of MBAs earned by women
 - Women 50% of workforce, only 19% of board of director positions of S&P 100 companies



Why Women Struggle with Negotiating

- Want to be liked
- Don't want to be perceived as "aggressive"
- Want to be part of the team
- Tend to manage by consensus instead of autocratic authority
- Tend to share credit for their success with others
- Uncomfortable discussing financial matters (True for many men as well)
- Women tend to apologize & over-explain
- Take "NO" as an absolute



Some things to consider

- Being GOOD isn't enough – not today
- Men initiate salary negotiations 4x as often as women
- When women negotiate, they ask for 30% less than men
- Biologic reasons for gender differences
- We play same game, different standards for men & women
- Women take blame for things gone bad
- Women credit fate/others / anything but themselves for successes
- Women thrive on "WE"
- Women have difficulty letting go of defeats
- Women have different social networks & work colleagues
- Women do a lot of invisible work



Differences in Styles

WOMEN

- Collaboration
- Process Orientation
- Persuasion
- Humility

MEN

- Aggression
- Assertiveness
- Confidence

Stanford Business School study showed that women who can combine female & male qualities do better than everyone else, even the men.



WHO



So Who Should be Involved??

- Do you need someone to negotiate for you?
 - Difficult to be objective
 - You feel less secure when it's for you than someone else
 - Negotiation becomes personal
 - Personal can mean much more EMOTIONAL
 - Worry about how others will see you
- Are you talking to the right person? Is this person empowered to negotiate and finalize the deal?
- Do you have an advocate who is willing to spend some of their social capital on your behalf (NP/PA peer, MD, Administrator, etc.)



What About Having a 3rd Party Involved?

- They can take notes
- Offer to write up agreement
 - Include specifics as to conditions under which agreement can be modified
- Neutral Party Review
 - Can spot vague references, omissions, contradictions
- A written document is imperative!
- Remember: Don't argue a position, argue an interest – what is in the best interest of the patient? The team?

Recruiters work for whoever is paying them!



Who Decides What's Negotiable?

- Who has power to define what is negotiable?
 - Negotiated Order – everything that exists was previously negotiated
- Negotiating "XX" is difficult/different if you are first ever to do so, much easier when others have already done so
- Learn all you can about the "What" and the "Who"



WHAT



YOU CAN'T GET WHAT YOU WANT...
IF YOU DON'T KNOW WHAT YOU WANT



What Are Your Objectives?

- Promotion
- Salary Increase
- New Position – Do you have to leave to get what you want?
- Better Work-Life Balance
- More Education
- More Responsibility
- Recognition of Current Performance/Duties
- Equitable Salary
- Equitable Job Responsibilities
- Something Different



Take stock of what you HAVE

- Title
- Duties / Responsibilities
- Perks
- Opportunities
- Schedule
- Flexibility
- Etc.



Fundamentals of Negotiating

- **What Do You Want?**
 - Not a simple answer for most
 - Some things are more important than others
 - Complicated by unspoken, subconscious desires
- **Why Should They Negotiate with You**
 - What do they stand to gain/lose
 - Doesn't have to mean inequity/injustice
- **What Are Your Alternatives**
 - What if negotiations fail?
 - Are you prepared to walk away?
 - Best Alternative to a Negotiated Agreement (BATNA)



BATNA (Best Alternative to a Negotiated Agreement)

- What you measure any offer against
- The better your BATNA, the greater your power
- **NEVER** enter into a negotiation without options
- If the employer has multiple BATNAs, you may have far less negotiating power
- Helps you avoid accepting something you should walk away from



Where do you start?

- Determine your value
 - Articulate your skill set (skills inventory/worksheet)
 - You vs. another NP/PA
- Do your research
 - Benchmarking – makes what you're negotiating for feel defensible
 - Build Salary History Worksheet



Salary History Worksheet

Starting Salary	Ending Salary	Duties	Benefits/Perks



Where do you start?

- Determine your value
 - Articulate your skill set (skills inventory/worksheet)
 - You vs. another NP/PA
- Do your research
 - Benchmarking – makes what you're negotiating for feel defensible
 - Build Salary History Worksheet
 - Build Expense Worksheet



Expense Worksheet

Expense Category		Monthly Estimate
Housing	Mortgage/Rent	
	Utilities/Internet/Cable	
	Repair/Maintenance	
Insurance	Life/Home/Auto/Health	
Debt Coverage	Loans/Credit Cards	
Living Expenses	Groceries/Clothing/Phone	
	Medical / Dental	
	Car Payment & Gas	
	Child care / Elder care	
Work Related	Education / Memberships	
Discretionary Spending	Entertainment/Travel	
	x12 for annual costs	=



Where do you start?

- Define yourself/Package yourself
 - Articulate your skill set (skills inventory/worksheet)
 - You vs. another NP/PA
- Do your research
 - Benchmarking – makes what you're negotiating for feel defensible
 - Build Salary History Worksheet
 - Build Expense Worksheet
- Decide your "walk away" point
- Determine "wants" vs "needs"
 - Create Compensation Package Worksheet



Compensation Package Worksheet

	I Need	I WANT
Salary		
Bonus		
Retirement / Profit Sharing		
Benefits: Healthcare		
Benefits: Vacation/Sick PTO		
Perks: Title, Office, etc.		
Intangibles: Schedule, Practice Culture, the 1 thing		



Beyond the Pay Negotiations

- Orientation Plan
- Patient Care/Practice Expectations
 - How many patients are you expected to see
 - What support will you have (scheduling, MA, RN, etc.)
 - Call requirements & call compensation
 - Hospital Rounds
 - Weekends
 - Coverage when you are away
- Bonus/Productivity Payment
 - Formula based on what? (Productivity, Quality, Profit, Patient satisfaction)
- Malpractice Coverage – type and limits
- Non-compete clause
- Termination clause



Create the List

- MUST Haves
 - Such as: Minimum Salary
 - Things that if they aren't there you don't even begin conversation
- NICE to Haves
 - Such as: Office
 - You may have in current position but don't feel strongly about having
- Giveaways
 - Would be a definite perk but something you can live without – the item that you're willing to give back as you negotiate



Determining Your Value

- Impact on
 - Patient satisfaction
 - Readmission rate
 - Infection rate
 - Complication rate
 - Length of stay
- Length of time until you are independent
- Billing history
- KNOW your Skill Set! Be able to articulate it!



Determine Your Value

What's Measurable

- RVU's
- Revenue billed & collected
- Readmissions / Complications
- +/- Patient satisfaction

What's Not Measurable

- Physician satisfaction
 - Your own MDs
 - Trauma, ED, Hospitalists, etc.
- Customer service
 - Hospital staff
 - Referring Providers
 - Patients
- Staff education & training
- Mentoring

**What About
Non-billable
work???**



Example of Financial Gains: Contribution to Hospital Bottom Line

- Length of Stay Reduction
 - Ischemic stroke reduced by 3 days
 - TIA reduced by 1 day
 - TOTAL DAYS GAINED = **406**
- Improved coverage of indirect costs by 10%
- **Direct cost reduction of \$2.4 million**



Impact of Inpatient **Stroke Alert**

- Heightened awareness and recognition
- **Only 2** Inpatient strokes recognized 10/2005-9/2006
 - No Patients treated w/ tPA
 - Stroke Alert rollout completed 10/1/2006
- **46** Inpatient stroke recognized 10/2006-10/2007
 - 7 patient treated (3-IV, 3-IA, 1-Both)



Knowing your value means owning your success. Owning your success means acknowledging your achievements. Bringing attention to yourself, your ideas and achievements means you'll be scrutinized – that's ok because it's hard to get ahead if you're invisible.

~ Mika Brzezinski, Author
Knowing Your Value: Women, Money & Getting What You're Worth



What About “New Grad” Value?

- Nursing Experience
- Management Experience
- Program Development Experience
- Time Management Experience
- Teaching Experience
- Fellowship Training
- Social Network – one of the most valuable tools
- Know What You Know & Know How to Deal with the Rest!



Do Your Research

- Do you know what the salary range is for the position?
- Do you know what your peers are earning?
- Do you know what the salary range is for your region?
 - Numerous websites:
 - Vault.Com
 - Glassdoor.com
 - Payscale.com
 - MGMA data
 - NP & PA organizations salary surveys



State Adjusted Income

State	Annual Mean Income	Cost of Living Index	Adjusted Annual Mean Income
Alaska	\$110,875.00	133.2	\$83,239.49
California	\$109,130.00	128.7	\$84,794.09
Texas	\$104,730.00	92.8	\$112,855.91
Hawaii	\$103,375.00	164	\$63,033.54
Minnesota	\$103,265.00	101.5	\$101,738.92
Colorado	\$97,180.00	101.3	\$95,932.87
Michigan	\$93,975.00	91.8	\$102,369.28
Wyoming	\$93,140.00	93.6	\$99,508.55
Illinois	\$84,590.00	96.1	\$88,022.89
Mississippi	\$74,490.00	86.9	\$85,719.22

Source: US Bureau of Labor Statistics, Cost of Living retrieved 4/26/2015
http://content.medjobnetwork.com/resources/states_adj_income_nppa



Do Your Research

- Do you know what the salary range is for the position?
- Do you know what the salary range is for your region?
 - Numerous websites:
 - Vault. Com
 - Glassdoor.com
 - Payscale.com
 - MGMA data
 - NP & PA organizations salary surveys
- Is the Practice financially sound? Can they afford to hire?
- What is the Practice's hiring priority?
- Consider shadowing



What is your "Walk Away" Point?

- Don't ever negotiate without alternatives
- Be prepared for consequences of no agreement
- Know what your BATNA is
- Don't let them force you to make a decision
 - Patience Pays!



WHERE



Settings

- Formal (Actual job search/interview process)
 - Office Power Play
 - Off-site/neutral location
 - Recruiter
 - In person vs Skype vs telephone vs email
- Informal (Casual conversation/not looking for a job)
 - Casual conversation with a colleague
 - Contact you impress
 - Written on a bar napkin...



WHEN



When to Negotiate

- When you have the time to give it your UNDIVIDED attention
- When you can do so without interruption
 - Work issues
 - Children/family issues
- When you are NOT at your current place of employment
- When it's a good time for you



When to Pass on Negotiating...

- Physically or psychologically dangerous situation
- You are too tired, sick, distracted, confused or emotional to negotiate effectively
- Issues are trivial or symptomatic of larger issues
- There are others who can negotiate issues more effectively
- You perceive no chance of satisfying your needs
- The other party appears incapable of rationale thought
- You can gain social points towards a subsequent negotiation
- The relationship is critical to you
- You stand to lose much more than you might gain

The Negotiation Tool Kit, Roger J. Volkema



WHY



Why / Why Not?

- **To Get What Do You Want!**
- To improve your life
 - Work/Life balance
 - Better fit/job satisfaction
- Because there's something you want that you don't have in your current position

DON'T Negotiate for the sake of doing it!
DON'T Negotiate if not interested in position.



HOW: STYLES, TACTICS & STRATEGIES



Negotiation Styles

- **Competing**
 - Focuses on self-interest or substantive outcome, generally at the expense of the other party and the relationship
- **Accommodating**
 - Concerned with preserving relationship even if it means giving up substantive outcome
- **Collaborating**
 - Explores individual and mutual interests in an effort to satisfy everyone's needs
- **Avoiding**
 - Avoids not only the issues but the other parties and the negotiations themselves
- **Compromising**
 - Partial win, partial lose – you get some of what you want but not everything and likewise for the other party

Volkema, The Negotiation Tool Kit



Negotiation Tactics

- Exaggerated First Offer
- Speed Ups
- Delays
- Drawing Lines
- Creating Competition
- Concessions
- Investment
- Authority Limits



Negotiation Tactics, cont.

- Silence
- Playing Dumb
- Bundling
- Confederates
- Good Cop, Bad Cop
- Split the Difference



Ways Other than Salary to meet your Goals

- More education money
 - Tuition reimbursement
 - Conference money and time off to attend
- Flexible Schedule / 4 day work week
- Vacation time
- Bonus Program
- Secondary Title/Duties
- Cell Phone/iPad
- Call stipend / removal of call as a requirement



Important Take-home Pearls

- Enlist help
- NO doesn't always mean NO
- Honest & Open Communication is usually best
- Get it in writing
- It's ok to take time to "think about it"
- Grass isn't always greener somewhere else



So Now What...

1. Define What You WANT
2. List What you NEED / HAVE / CAN'T LIVE WITHOUT
3. Define your ASSETS – What do you bring to the negotiation?
4. Decide STAY or GO
5. Start Negotiating!



References

- Perfecting Your Pitch: How to Succeed In Business & in Life by Finding Words that Work. Ronald M. Shapiro (with Jeff Barker), 2013. ISBN 978-1-59463-201-3.
- Negotiating at Work: Turn Small Wins into Big Gains. Deborah M. Kolb & Jessica L. Porter, 2015. ISBN 978-1-118-35241-0.
- The Confidence Code: The Science & Art of Self-Assurance – What Women Should Know. Katty Kay & Claire Shipman, 2014. ISBN 978-0-06-223062-1.
- The Negotiation Tool Kit: How to Get Exactly What You Want in Any Business or Personal Situation, Roger J. Volkema, 1999, ISBN 0-8144-8008-X



References

- The Wall Street Journal: Guide to Building Your Career, Jennifer Merritt, 2012, ISBN 978-0-307-71956-0.
- Knowing Your Value: Women, Money and Getting What You're Worth, Mika Brzezinski, 2010, ISBN 978-1-60286-134-3.
- You Can Negotiate Anything: How to Get What You Want, Herb Cohen, 1980, ISBN 0-8184-0305-5.
- Perfect Phrases for Negotiation Salary & Job Offers, Matthew J. DeLuca and Nanette F. DeLuca, 2007, ISBN 0-07-147551-6.



QUESTIONS?

Tracey.Anderson2@uchealth.org



Thank You!