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Negotiation Tips and Tactics
(that have been used to successfully negotiate better contracts)

- 1) Although noted before, it is worth repeating: do your homework and obtain as much information as you can about your market and the employer. The most important weapon you have in negotiation is information. Arm yourself with it and you will be much more effective in deciphering good from the bad offers.
- 2) Negotiation is part style, part substance. The substance is knowing the information, the style is how you communicate your comfort and knowledge of the information. Speak confidently, but not arrogantly. Seek to understand the employer's perspective, once you find out what the employer needs, couch what you need in terms of how it will help the employer meet its needs. Making the negotiation center around what the employer needs and how you can help meet that need will make it much easier to arrive at a mutually acceptable agreement.
- 3) Be attuned to the negotiation style of your potential employer, it is very revealing. If the tone is "take it or leave it" it is likely you will not be appreciated as a tremendous asset and you may even be considered fungible, at least for the first few years. If, on the other hand, the employer appears to genuinely consider your requests and compromises on issues, you may find that employment arrangement very enjoyable even if the compensation package is not the best you are offered.
- 4) The first person to state a number loses. If, in response to a potential employer's question "so, what are you looking for?" you respond with a number, you have just provided them with a "high number" to negotiate down from. Sure, you could offer an inflated number but you do so at the risk of seeming unreasonable or greedy if the number is too high. It is much safer not to name a number. Your answer should be something along the lines of: "I am looking for a rewarding start to the next phase of my medical career. I know the compensation range in this area, and am looking for compensation within that range coupled with a pleasant work environment." If you must offer a number, determine the market rate and mark it up by 15%-20%. When it is all said and done, assuming a normal

work week, paid vacation time, insurance benefits, and bonus, the counter offer will likely fall in line with averages in your area.

- 5) Salary isn't everything. Your salary only represents a portion of your total compensation package. If after considering your salary requirement, the employer is not willing to budge, discuss other areas that could add value to your compensation, such as more paid vacation or a reduced work week. Also, employers are more willing to negotiate a bonus than salary because a bonus is usually attached to some level of value you have provided above what your salary calls for.
- 6) Be careful what you reveal to potential employers. Family or spousal ties to a geographic location may be used as leverage. The potential employer will lowball you if they suspect you will be more inclined to accept lower compensation in exchange for practicing in a location close to family or your spouse's career, for example.
- 7) Know your market. Physician salaries vary widely across the country, and even between neighboring towns and cities. Speak with physicians practicing in your area early and often to determine "the going rate."
- 8) Know your value. Believe in yourself and the value you will add to the employer. If you possess a certain quality that will bring in a new, untapped area of business, exploit it. If you have established relationships or the foundation of a client base that you will bring to the practice make sure your potential employers know it. If you are a member of any civic or community groups through which you can cultivate a patient base, let it be known, especially if you have already received oral confirmation from some who are eager to be under your care.
- 9) Use the drug reps. Drug reps can be great sources of information on practice trends, available employment opportunities and background about potential employers. For example, if you know that employer X is in need of a physician with privileges at a certain hospital, and you have those credentials, you are better positioned to get top dollar if you highlight your ability to fill a void they recognize, but have not disclosed to you. You will be very effective if you surprise the employer by identifying how you can fill a void you know they have.
- 10) Play the field. Do not be afraid to let potential employers know that you have competing offers and will ultimately join the employer that presents the best package. If you desire more money from one group, and another is offering more, let it be known, but tactfully. Consider: "John, I really like the group and would love to work here. My only issue is that X is offering me significantly more money. While I understand that money isn't everything, I am just starting out and for me, money is very important right now. If you can come a little closer to the amount I have already been offered, it will make my decision very easy."

- 11) Know when to walk away. Before the negotiation begins have a bare bones package in mind that is the absolute least desirable compensation package you can accept. Not having a bottom line will result in you feeling pressure to reach an agreement, even if it is an unfavorable one.
- 12) Negotiations start with trust and credibility. Why do you think part of the recruitment process involves being taken to a nice restaurant, exchanging pleasantries, and only later, at another time and place, discussing the employment relationship? Because the employer wants to feel you out and realizes that if you like him/her, you will be open to negotiate “reasonably.” That is a two way street. If you endear yourself to the employer, or its representative(s), you will likely be able to negotiate a more favorable contract.
- 13) The mark of a great conversationalist, keep the other people talking (preferably about themselves). A great way to leave a favorable impression is to demonstrate a genuine interest in the other person (see paragraph 12 above). A response I often get when I offer this advice is “why should I care, I just met him fifteen minutes ago? I can’t be that insincere and act like I care when I don’t.” I understand, fortunately we all have an innate concern for the welfare of other human beings. Call on that. When we learn of tragedies or travesties, immediately our hearts go out to the victims. Why? We don’t know them, but we are concerned for their well being because they are human and our humanity forces us to care. Care because he or she, like you, is a person with real feelings and concerns. You care about your patients. In fact, many times you may not even know their names until after you took an interest in their well being. Apply that same humanity to your negotiations.

I hope these tips will be a valuable resource for you as you consider your employment opportunities. Please feel free to contact me with any comments, questions, or suggestions of how this article can be improved, or I can be of any assistance to you. I can be reached by phone at 202.572.1004 or via email at rjholloman@hollomanlawgroup.com.

Sincerely,

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