

Ramit Sethi and Susan Su **Salary Negotiation – Part 1**

Ramit Sethi: Hi, I'm Ramit Sethi, the founder of *I Will Teach You to Be Rich*.

Susan Su: Hi, I'm Susan Su, I'm a freelance marketer and writer.

Ramit Sethi: Alright, so I want to introduce you guys to Susan today, because I think she has a really interesting story. But Susan, how long ago did we meet—like a year or two?

Susan Su: Yeah, about two years ago.

Ramit Sethi: Okay, so let me tell my side of the story as to how we met and then maybe you can tell your side, because I bet there are some differences in how we think about it.

Susan Su: Okay.

Ramit Sethi: So two years Susan emails me and she says: Hi, I'm a Stanford grad, I work at *Google*, and I'm looking for a new job and I want your help on negotiating. And you could just tell. I mean, I get a lot of emails every day, but I could tell instantly that your email made you stand out, right. It was clear that you were really smart, so how did I respond to that email?

Susan Su: Ramit was awesome, he responded faster than my coworkers ever do to my emails. So it was in less than an hour, and an hour after, we were on the phone, and then the next day we had met up to talk about negotiations.

Ramit Sethi: We met in a ghetto diner, and the reason I wanted to meet you was because I could tell you were really smart, and you were going to succeed in your negotiation, but I knew that we could get you to the next extra step.

So I met her in a diner and I said, alright, I will agree to teach you how to negotiate if you agree to talk about it on camera. So we sat in this diner, and we did a before and after negotiation, where I pretended to be the mean, experienced recruiter, and you were the candidate. Now you were pretty good at your negotiation. You certainly were aggressive than most

of my friends, but then we went through some of the techniques, and I phoned you afterwards and you just dominated. Do you remember?

Susan Su: Right, and I think that one of the biggest things I learned from our conversation was that, being friendly and gregarious and smiling a lot just doesn't cut it when it comes to negotiations. You have to know the tactics, you have to be prepared with information and you have to have practice.

So yes, before the practicing I was okay. I knew how to represent myself, but you know, being on this for how many years, I could deal with talking with people, but I did not know how to drive a conversation - especially a negotiation conversation to get the results that I wanted.

Ramit Sethi: So a quick story about the results that she got. So Susan got over \$8,000 salary increase, and a 50 percent increase in equity at this company that she went to work for, which is amazing. It was actually a great salary to start with.

Susan Su: Right.

Ramit Sethi: And then you took it to the next level. Since then, Susan is now...you mentioned you were a freelance marketer, and consultant, and you're actually making more than you made at that other company.

Susan Su: Yeah, I'm making far more money than I ever made before in my life, which I didn't think was possible as a freelancer. And yeah, I would estimate at least 20k more than I made at my last job, which is the one that Ramit helped me to negotiate.

Ramit Sethi: And you graduated college how many years ago?

Susan Su: Oh, gosh—almost four years, I guess.

Ramit Sethi: Not even four years, okay—so that's actually...

Susan Su: It seems like a long time though.

Ramit Sethi: That is a huge increase in salary and career. That's really leapfrogging what most people do. So what I want to do and what you can help us do today, is talk about how did you do it. We are going to cover some of the strategies, some of the tactics and some of the mistakes people make when they go into negotiation.

So with that, Susan, can you tell us your side of the story, as to when you approached me—what was going through your head before you started negotiating?

Susan Su: I was freaked out. Basically, I had been looking for a new job for a while. I was working at *Google* and I was looking for a new job, and I got contacted by a recruiter. I was most of the way through the interview process. At some point earlier that year, before I started interviewing for this job I had actually started teaching myself about negotiation. I'd read somewhere that women typically don't negotiate their salaries at all and that that was reason for this whole salary gap between men and women in the United States—not because employers are trying to undercut women, but because women really undercut themselves by not asking.

So I looked on *Amazon* for negotiation books, I found this one, and when I went to my local book store to check it out, I saw the cover. It's bright pink. It has these silly business women dancing on it, and I almost walked out of the bookstore right then and there. But I was really desperate, so I picked it up. I read the entire book cover to cover, and it's almost 300 pages, and the entire last chapter is actually exercises. There are role plays, worksheets, and if you could see the book you'll see that I penciled in the answers to many, many of the worksheets.

So I really took this seriously, I read the whole book and I did the exercises and I really wanted to prepare myself, so when I was in this job interview process for my next company, I was really excited to actually get to work practicing my negotiation—you know, the things that I learned in real life.

Now I didn't know what was going to be up against. Negotiating with a real person, an experienced recruiter is very, very different than reading a book by yourself at home. So I got on the phone with my recruiter and he started talking about salary. They were pretty close to offering me the job and I knew they wanted to hire me. I knew they wanted me to work there, but I was so nervous, because I never talked about money with a real person like that ever before in my life. Despite everything that I learned in the book, I made the number one mistake. The most amateur mistake, which was—I told the recruiter on the phone what I would accept as a minimum salary.

Ramit Sethi: Oh, God!

Susan Su: Yeah, so...

Ramit Sethi: Okay, so let's just do a quick role play of that, because I'll be the experienced recruiter and my only job is to get you on board for the least amount of money.

Susan Su: Right.

Ramit Sethi: People need to understand that. It is indeed fundamentally an adversarial relationship until you use some judo to change it. And you are the candidate who is actually more prepared than 90 percent of the people, but you read a book—so I'll be your new recruiter.

So Susan, we really like you, I'm really interested, what I need to know now to continue this process is: what are your salary requirements?

Susan Su: Well, I'd really prefer not to reveal that.

Ramit Sethi: Well, I understand, but unfortunately, we can't go on until I have your salary requirements.

Susan Su: Well I would rather know more about the job before I talk about my previous salary.

Ramit Sethi: Well, we are certainly going to get to that, but like I said, unfortunately this is it. I have to know the salary or unfortunately we will have to just end it.

Susan Su: My previous job was so unlike this job, and I really think that's me at a higher level, so I really don't feel comfortable talking about that.

Ramit Sethi: I'm just looking for a ballpark—even a ballpark here.

Susan Su: Um, well I guess, something like 60-K would be my minimum.

Ramit Sethi: Okay, that's fine. Now what I'm thinking right now as a recruiter is: sweet—I just saved \$12,000 because she screwed up and told me her salary, because my budget was actually 75K for this job, and you told me 60K, so I'm going to give you 61K. You're going to feel great about yourself and I just got a big, fat bonus.

Susan Su: Well what actually happened was very similar to that conversation. I blurted out what my minimum would be, because I just felt up against the wall with this recruiter that I was talking to. And he came back to me later that day, just a matter of hours really, later day

and said: Susan, we have an offer for you, it's this job at X salary, which was the exact number...

Ramit Sethi: What a coincidence.

Susan Su: Not even the thousand dollars more.

Ramit Sethi: What a coincidence, they just happened to hit it exactly.

Susan Su: Yeah.

Ramit Sethi: Okay, so this is the way it works. If you tell them a number and it's below what they wanted, they will do it. Alright, so let's do another role play where, again, I'm the experienced recruiter, and you are now the experienced negotiating candidate.

Okay, we are going to do the same thing, and this time I'm going to put you up against the wall, but let's see what happens.

Well, Susan, I'm really excited about possibly working together, what I want to do now, I need to get your salary requirements so that we can go forward. So what salary are you looking for?

Susan Su: You know, I would love to...first of all thank you so much for calling me back, I'm really excited about this opportunity and I love you guys. I love the team. Why don't you tell me a little bit more about the salary possibilities for this job?

Ramit Sethi: Absolutely, I'd be happy to discuss it with you, and we will do that. Right now what I need you to do, I basically have a box on this form. I need to get your salary requirements so that I can kind of see if we have a good fit here. I don't want to waste your time, and I don't want to waste my time.

Susan Su: Right, I totally understand. It's harder for me to name an exact number, without knowing a little bit more about the role and the total compensation package and the growth possibility. So if you can tell me that, or tell me a little bit more about, you know, what the company is thinking in terms of salary then that would help me to name a number.

Ramit Sethi: Sure. I'll certainly be happy to do that. I guess on your end, you know, I do have a boss and he's going to need a number. It doesn't even have to be an exact number, I just need a ballpark of what you would be comfortable with and then we can kind of move forward.

Susan Su: Well what's the range that we are covering right here for a position like this?

Ramit Sethi: Well, that's really up to you.

Susan Su: Okay, well you know, I really don't feel comfortable naming a number without having a little bit more information, but I would love to talk to you more about it, you know, we can maybe, if you can get me some info, I would love to come back to you and we can go from there.

Ramit Sethi: Great! So you put me up against the wall, and I got uncomfortable, and actually you're doing the right thing, you should never be naming a number the first time.

Susan Su: Never.

Ramit Sethi: You need me to do it, and I was like—Mr. Experienced Recruiter, and I was very uncomfortable. Why? Because you are asking things that I don't have right now.

Susan Su: Right.

Ramit Sethi: So I have to go back to my boss, and we just did a little bit of maneuvering, and there's a lot more that can be done when we did some practicing, a lot more.

Susan Su: And you'll notice that Ramit was pushing very hard, he just kept saying: no, no, no, I'm not going to give you any information. We need the information from you. I've got this box on a form—making it seem like: oh, it's out of my hands.

Ramit Sethi: Yes.

Susan Su: I've got to have this info; but as the candidate you have no obligation to disclose any figures, no matter how the recruiter makes it seem. If all else fails, if all of that—like if turning the tables doesn't work, you can always just say: you know what, I don't feel comfortable revealing that information, if you can get me back something, you know, we can keep talking from there.

Ramit Sethi: Yes, that's good.

Susan Su: An experienced recruiter has dealt with hundreds of candidates in his or her career, and they're going to know what to do at that point. They're not going to keep pushing and they're definitely not going to dismiss you because you won't name your salary. That's part of

the game, and it's important for candidates to recognize that there's no need to cave in, no matter how necessary it seems.

Ramit Sethi: Absolutely! Recruiters have their own tool box, and they know every pressure point to push, especially with young people who are basically stupid and inexperienced, and think that whatever is written on a price tag or an offer form is gold, and that's not true. Everything is negotiable. So the point that you were making earlier is, that you felt relatively prepared and you are already pretty aggressive. Then you actually proactively went out of your way to get educated about negotiating through a book. But you went up against a professional, who sees hundreds of candidates a year.

Susan Su: Right. So after my conversation with the first professional, in which I made a very amateur blunder by revealing the minimum salary that I would accept because I was nervous. I countered with different numbers. I said: well, oh no, never mind, I meant this, blah-blah-blah, and it didn't go so well. And in response to that, they actually put me up against three professionals: two recruiters, one of them the senior-most recruiter in the company and then a VP. So that is very, very intimidating. At that point, when I saw that I was scheduled for a meeting with three guys, much older than me, in tech, a VP, a Senior Recruiter, and then my Recruiter that I had been in contact with—I knew at that point that as cool as the book is, I wasn't going to cut it and I needed some real help.

So that's where Ramit came in. I read the *New York Times*. I'd seen him in the *New York Times* on one of the blogs and I started reading *I Will Teach You to Be Rich*. I saw that one of the posts was about—how my friends negotiated \$3,000 in salary increases, or something like that, and I thought—gee, this sounds pretty good. I read the whole post, but I wanted more, because I felt like: gosh, my situation is so bad, I already revealed my minimum. It's like a negotiation emergency, so that's why...

Ramit Sethi: That's a good title.

Susan Su: Yeah—Negotiation Emergency—go in and help people, so I emailed Ramit, fully expecting to be, you know, just tossed into a pile of many emails, but I was shocked when I got a response, pretty, much immediately.

Ramit Sethi: Yeah. Well the reason I responded was that you can tell when people are smart, as opposed to some of my readers who are very dumb and email me saying like: can you help me with my savings account—I have your book. I'm like, have you read past chapter 1—chapter 2 will answer your question.

So anyway, I could tell you were pretty smart, and then when you did the negotiation... for me, the biggest success for me is—look, I put a few hours of my time in. You negotiate \$8,000 and a 50 percent increase in equity against three senior recruiters, that's a big deal, especially as a woman.

Susan Su: Right.

Ramit Sethi: So as much as we need to say it, there is a difference in gender.

Susan Su: Right.

Ramit Sethi: And women don't negotiate as much, as often, or they don't negotiate for as much. So let's talk about all these things, but for now I want to talk about some of the tactics, as to how we actually worked to get your \$8,000 more and 50 percent increase in equity.

Susan Su: Okay, great! So next, let's talk about tactics.

[END OF PART ONE]