



STRATEGIC COMPENSATION PLAN FOR RAISE/PROMOTION – SENIOR STRATEGIC MANAGER **

YOUR ACCOMPLISHMENTS

(compare these with your original job description)

- You've seen X CORP through some difficult times and both X CORP and you have passed the test of adversity with flying colors
 - Even though X CORP's annual revenues dropped slightly in 2018 and
 - Even amidst the turmoil of a strike and sexual harassment charges against the CEO resulting in his replacement, and
 - With minimal support below you,
 - you enabled the X CORP to launch a new product projected to double revenues in 2020;
 - The delta between the company's revenue projections for 2020 at the end of 2018 and the revised projections following the successful product launch in the Spring of 2019 is \$150 million.
 - A great deal of the success of that launch can be credited to your role as a Senior Strategic Manager in the Products division.
- You've taken on more responsibilities in the past five years to assure successful product launches but have been rewarded only with minimal yearly pay raises. Because your bonus is tied to your base salary, the "spot" bonus you received in the summer of 2019 is more window dressing than compensation for the value you have driven (and as a one-time bonus, it will not increase your compensation year to year)



- You have a strong understanding of the unique X CORP structure, how each of the product, branding and marketing teams work together, institutional knowledge and relationships that have a value in and of themselves.
- You have developed relationships with upper management who have publicly praised your work as “pulling X CORP out of the doldrums”)
- You have added travel to your schedule to visit the parent company and have established strong and favorable relationships with those able to increase funding for the next new product launch
- You have been asked to make quarterly presentations to the Board of Directors of both the parent and the subsidiary company.

YOUR PITCH

- We approach your promotion and compensation negotiation as if you are applying for a new position, not as a raise because your current compensation acts as a drag on the market value we have established for the position your promotion will put you in. Your opening will sound something like this:

1

- *I've now had the opportunity to benchmark compensation for similar roles in similar companies in our industry and the benchmarking suggests that the market value for a senior manager of strategic product planning is six figures with a "3" in front of it*
- Using the market value for a new senior manager in his position is actually a concession because a new person in that role would not possess the intimate

** This strategic plan is a compilation of several different clients' plans to protect their identities. Therefore, both base compensation and bonuses may well not accurately reflect market value for the position used. Beside which, market value is often altered by geography, size of the business for which you work and other factors that are not represented in this hypothetical plan.



- 360 degree knowledge I have amassed and the relationships I have built upon over the past five years
- These special attributes would take a new senior strategic manager many years to duplicate
 - an unproven manager's ability to have a launch as successful as the one this Spring can only be guessed at.
- There are ways in which I can be compensated for my yearly results as well as for my market value that do not currently express the value of my services to X Corp
 - Bonuses for my individual contribution
 - Bonuses based on the performance of the team I lead
 - Bonuses based on the performance of the teams with which I work
 - X CORP profitability

X CORP MISSION AND VALUES

The goal of looking at X Corp's Mission and Core Values is to align its *interests* - its needs, desires, goals, priorities, preferences and fears (challenges) - with your own.

SCRIPT

Identify allies who will support your proposal and discuss with them the best person with whom to have your initial compensation and promotion discussion.

- **Small talk**
 - How are things going?
 - Praise for your team and the departments who helped make the launch a success (this ultimately is self-praise, but within your "gender boundaries" that still ask women to serve the needs of others, praise others and diminish their own contributions – we'll do everything but diminish your contributions)
 - Any big challenges on the horizon that my team should be on the alert for?



- I continue to feel terrible about the bad press we received about 2018's "troubles" but marketing and branding rose to the challenge and I think we're out of the woods.
- **Starting the compensation conversation**
 - We've been talking in the abstract about compensation for the new role I've assumed with X CORP
 - I've given the compensation package for my new role a lot of thought as well as research with recruiters, in on-line sources and in the business community
 - Having been promoted from within has, I think, been beneficial to both X CORP and myself because I took on my current position two years ago with a depth of experience in X CORP's internal and external relationships, mission, values, challenges and successes.
 - My network of established relationships has allowed me to achieve better results in my role than even X CORP's seasoned professional prognosticators anticipated
 - The only downside to an internal promotion is the tendency for everyone, including myself, to treat that promotion as something deserving only an incremental raise.
 - The benchmarking suggests that X CORP would have to pay somewhere at least six figures starting with a "3" as a base salary, performance and company profit bonuses up to 30% of basis and an increase in my yearly equity compensation.
 - Because I'm performing at the top of my game, partially because of the excellent institutional relationships I've established I believe I bring more value to the organization than bringing in someone new, perhaps at the bottom of the scale.



Opening proposal

- \$325K base with a combined bonus potential of 40% base and equity of _____.
- First Concession _____.
 - Reasons for first concession
 - Difficulty of making first concession
 - Suggestion that X Corp make a similar concession (reciprocity)
- Second Concession
 - Reasons
 - Difficulty
 - Reciprocity
- Bottom line
 - Reasons
 - EXTREME difficulty
 - Need for X Corp to close the gap
 - Ready to sign today if X Corp can close the gap

Anticipated Push Backs And Responses To Push Backs

- To be discussed in our next hour-long appointment