

Negotiation Skills for Success in Community Banking

BankBeat

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President & Founder



Marci Malzahn – Short Bio



- Professional Highlights:
 - 23 years in banking: from teller to EVP/CFO/COO and CRO
 - Started a bank in 2005: Bank grew to \$325MM in 10 years, \$780MM now
 - 5 years in nonprofit as CFO overseeing Finance, IT and HR
 - 4 ½ years with Malzahn Strategic
- Professional Awards:
 - *25 On The Rise* – Hispanic Chamber of Commerce
 - *Forty Under 40* – Minneapolis/St. Paul Business Journal
 - *Top Women in Finance* – Finance and Commerce Newspaper
 - *Outstanding Women in Banking* – North Western Financial Review magazine
- Education:
 - B.A. Business Management, Bethel University
 - Graduate School of Banking, Madison, Wisconsin
 - Certified Life Coach

Marci Malzahn & Companies

Consulting & Coaching:

- Strategic Planning
- Enterprise Risk Management
- Talent Management
- Cash Management



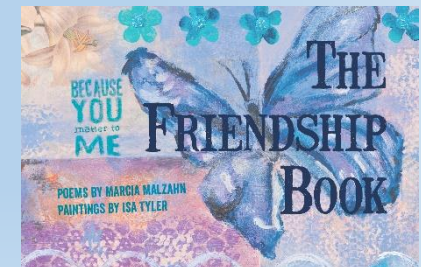
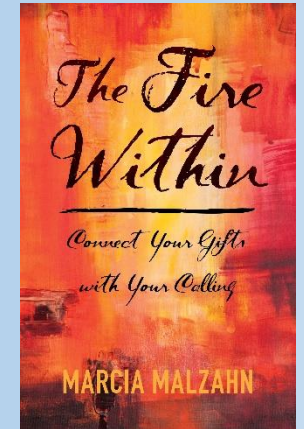
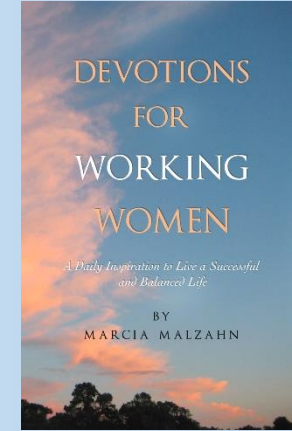
Speaking:

- Banking/Leadership
- Inspirational/Motivational
- Faith based



Writing/Books:

- *Devotions for Working Women: A Daily Inspiration to Live a Successful and Balanced Life*
- *The Fire Within: Connect Your Gifts with Your Calling*
- *The Friendship Book: Because You Matter to Me*
- *Leadership book for First-Time Leaders Coming in 2019!*



Overview

- What is Negotiation?
- Strategically ask for what you want
- Prioritize what you want before asking
- Be clear as to *why* you want/need what you're asking for
- Successfully close a negotiation (win/win attitude)

What Is Negotiation to You?

1. *Mutual discussion and arrangement* of the terms of a transaction or *agreement*
2. The act or *process* of negotiating
3. An instance or the *result* of negotiating
 - To be a good leader and good negotiator, you need the ability to *influence* others to arrive at a win-win resolution
 - My personal examples on negotiation

What Should Be the Goal?

- Achieve a mutual agreement
- Get to a “yes”
- Win-Win situation
- No regrets
- You are worth it!



What Do We Negotiate For?

Tangibles	Intangibles
Money: Salary and Bonus Opportunities	Responsibility/Authority
Support/Staff	Title
Promotion/New Job	Flexibility
Vacation	Training/Education Opportunities
Benefits: Health/Dental/Vision	Retirement/Pension
Moving Expenses	Holidays

Negotiation Strategies

- Prioritize your requests in order of importance to you
 - Do you want the new title or more money?
 - Do you want flexibility or do you want more vacation?
 - Do you want additional training or new responsibilities?
- Do your research before presenting—always
- Be confident of what you want and why

Negotiation Strategies

- Be decisive
- Have a backup plan. What if they say no to any or all of your requests? Be open.
- At what point do you leave the company or decide to stay as is?
- Another strategy could be to start with the little things

Negotiation Tips: When You Want a Raise

- Pay is based on:

YOU	External
Experience	Industry
Education	Market
Skills	Demand/supply of workers
Expertise	Size of company
Communication	Age of company
Networking	Company's needs

- Research the pay scale for the job
- What is the potential pay in the future?

Negotiation Tips: When You Want a Raise

- All positions must likely have a scale
 - Entry level positions are less flexible than executive positions
- Plan for the appropriate time to ask
 - Is it at the performance review time after you've had a great year?
 - Or are you asking in the middle of the year because you feel you're unfairly underpaid?

Negotiation Tips: When You Have Two Options

- Know *what* you want and *why*
- Do the pros and cons of each job
- When making a counter offer, be ready to follow through
 - My example – lessons learned (counter offer story)
 - Do you have similar experiences?

Negotiation Tips: When You Want a New Title

- Research other similar positions within your organization and outside (in the industry)
- Network with trusted colleagues
- Consider the outcome: what if they say no?
- How important is the title to you? Why?

Negotiation Tips: When You Want a New Title

- Know your responsibilities and authority that go with the title:
Are you performing those functions already?
- It's easier to negotiate title at the beginning
- Be persistent but respectful (show leadership)
 - My example (COO title story)
 - What have you experienced?
 - How would you handle this situation?

Negotiation Tips: When You Want More Responsibilities

- Know *why* you want the additional responsibilities
 - Are you bored?
 - Want to learn something new?
 - The company needs you in that area?
 - Are you a control freak?
- With responsibilities comes authority
- What are the current and future promotion opportunities – both internally and externally?
 - You lead your own career
- Sometimes you actually need to negotiate for LESS responsibilities while keeping the same pay and title

Negotiation Tips: When You Want a Promotion

There are three main options:

1. Apply for an existing position in your company
 - Let your manager know you're interested/future aspirations
 - Make connections in that area/department prior to applying
2. Perform the duties of the higher job without getting paid
 - Ask for additional responsibilities/duties

Negotiation Tips: When You Want a Promotion

3. Identify a need within your company

- Do your research on pay scale and title
- Write job description/proposal
- Present why the company needs the position
- Present why you are the best candidate
 - My example (CSR story)
 - Have you had opportunities to create a new job and missed them?

Leadership Tips: When You Want a Promotion

- Seek opportunities – don't be afraid!
- Create a plan – strategize!
- Present it to senior leadership
- Match your skills to the new job
- Find learning opportunities

Leadership Tips: When You Want a Promotion

- Take a risk
- Educate yourself – go back to school or obtain certifications
- Volunteer for leadership opportunities
 - Serve on non-profit Boards
 - Lead committees at work
 - Take on big projects outside your scope
 - Gain visibility in your company and the community
 - The time spent is worth it

Negotiation Tips: When You Want Support

- Specify the support:
 - New outsourced help
 - Create new position
 - Add staff to an existing position for depth and backup
- Why do you need the additional support staff?
 - Research based on volume of work
 - Dual controls and segregation of duties
 - Projected department or company growth

Negotiation Tips: When You Want Support

- Be strategic and show the vision
- Have a plan of action/Show the numbers
- Have a backup plan
 - My example (Support for each area of the bank, FDIC)
 - Your example

Negotiation Tips: When You Want Support: New Systems

- State your case as to why your department needs new systems
- Bring the numbers!
- What is the bottom line effect on the Income Statement?
- Where are the future savings compared to the capital expenditure you are requesting?
- Show efficiencies, cost comparisons – at least 2 vendor bids

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Negotiation Tips: When You Want Flexibility

- State your case as to *why* you need flexibility
- What type of flexibility do you want/need? (be specific)
 - FT hours but other than normal business hours?
 - Go from FT to PT hours? If so, how many per week?
 - Need flexibility once in a while for unique circumstances?
 - For a season to attend school?
 - Working from home FT or a portion of the week?
 - Longer lunch to work out?



Negotiation Tips: When You Want Flexibility

- Can the department absorb the workload by you going Part-Time?
- Research the company policy – they need to be fair to all employees and follow laws
- How can you prove you can do your job with the additional flexibility?
- Do other employees in your company or specific department have that flexibility?
- Other thoughts/reasons?

Negotiation Tips: When You Want “Other Stuff”

- **Vacation** can sometimes be negotiated depending on your previous position – especially in smaller organizations.
Vacation is best negotiated up front.
- **Training and educational opportunities**
 - With additional education you can get the next promotion
- **Benefits** are hard to negotiate because they are usually company standard across the board

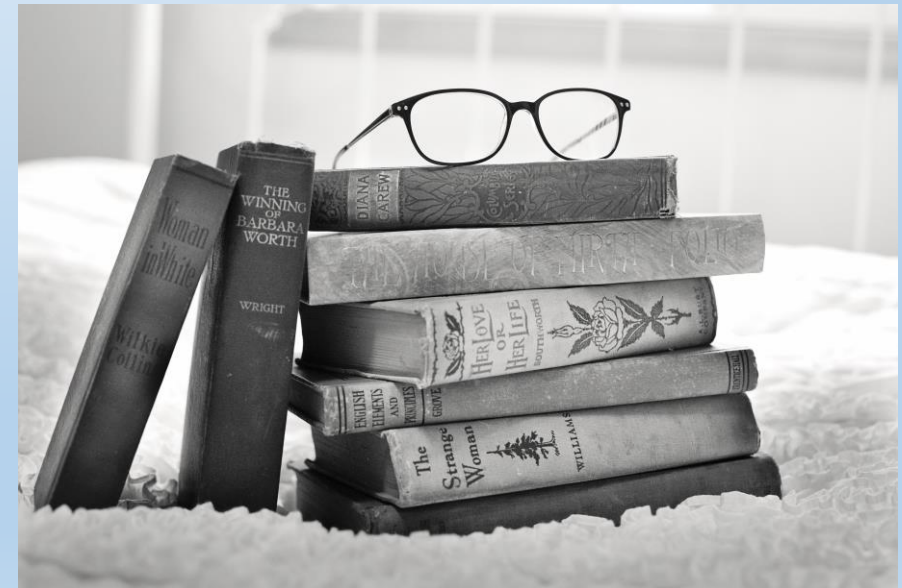


Negotiation Tips: When You Want “Other Stuff”

- **Retirement plans** are also company standard and may only be unique or customized to the top leadership positions
- **Stock options, ESOP** and other types of benefits may be unique to top leadership too
- **Moving expenses** are usually negotiated up front with a new job or with a job move within the company

How Can You Improve?

- **Practice** negotiation – start with the small things
- **Research** your topic, industry or job you want to negotiate about
- **Educate** yourself on negotiation tactics
- **Consult** with others – ask for advice



How Can You Improve?

- Know what your “non-negotiable items” are. Examples:
 - Willingness to move to another State or country
 - How far you want to commute
 - How much travel is involved
 - Working weekends or after hours
- Learn to walk away and be ok with that



Closing the Deal

- After initial discussion:
 - Identify the need for a second meeting to discuss any loose ends and provide any additional information requested of you
 - Set up the meeting date/time before leaving the first meeting
- Put final decisions in writing. Send an email with the summary of the conversation to avoid misunderstandings.

Closing the Deal

- Schedule execution dates, for example:
 - When is the promotion effective?
 - When do you purchase the new equipment?
 - When can you post the new position to hire a new employee?
 - When is your new salary effective?
- Follow up with anyone who is involved in getting things done
- Say thank you!



What If They Say NO?

- Keep your composure
- Try to renegotiate your perspective again, if possible
- If all roads lead to a “no” then it may be time for you to look elsewhere
- Decide to stay as is or leave the organization

What If They Say NO?

- If you choose to stay, continue to be a team player and don't hold grudges – be a leader
- If you choose to leave, don't burn your bridges – be a leader
- Remember, your reputation is on the line either way
- Be happy and content with your final decision – be a leader!
- Example story

Questions about
Negotiation Skills?

Bringing It All Together

- Know **what** you want and **why** before you start negotiations
- Be **strategic** and **prioritize** what you want
- Have a win-win **attitude**
- Act as a **leader** every step of the way!



*Thanks for
Attending!*

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