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## What's Your Market Value?

by Pam Lassiter

On the CEO Academy, I interviewed Tom Wilson, CEO of The Wilson Group in Concord, MA, about "What Are You Worth as CEO?" Tom had a great framework of four categories to negotiate to arrive at your final answer. You can hear it all at <http://www.lassiterconsulting.com/ceoacademy.html>.

Before you even enter the discussion, however, you'll want an idea of what you're worth on the going market. If you don't know the going rate for your services other than your most recent salary, you're a victim-in-waiting. You'll be basing your new salary expectations on your old salary, and who's to say if that's accurate? If you're changing functions or industries or if you're doing some consulting, your old salary will not be relevant. Time to do some homework.

Standard economic theory on pricing a product (you) is "what the market will bear." As long as a willing buyer and a willing seller agree on a price (typically at a point of some discomfort for both), they have a deal. Learning what the market is paying for your competition is a good place to start. This doesn't mean that you can't price yourself higher or lower than your competition, but you need to be aware that you're doing so and with good reasons. If you're just starting in a field, you may lower the going rate a little. If you're an industry guru, you may decide to exceed the going rate. They get what they pay for, and you can explain what that added value is.

How do you find out what you're worth? There are at least eleven ways. Bonus points for creativity!

- **Ask colleagues.** As you're gathering information from people who will *not* be hiring you, ask them for the going rate for your type of work (or for the work that you'd like to be doing). "Going rate" is a non-threatening, non-invasive term since you're not asking about their salary. These are not people you will be negotiating with later on and they'll be helpful because you already have a relationship with them.
- **Check out websites and job boards.** On occasion, job boards might include salary ranges. Ignore geography during this research since you're not responding...you're researching. You know that San Francisco listings may pay a little more than Austin, Texas due to differing costs of living, but you're looking for trends rather than specifics. A great resource is [salary.com](http://salary.com) or [glassdoor.com](http://glassdoor.com).

- **Contact the national office or website of your professional association.** They often do salary surveys.
- If you have a contact, ask a consulting firm that has a compensation and benefit practice, such as Mercer, or Towers Watson). They often do **salary surveys** for their clients so companies can benchmark their salaries against the norms. This will take some networking because it isn't public information, but you might get some insider information from either the consulting side or the client side.
- Ask **reference librarians** in business libraries (including universities) for their favorite salary sources.
- If you're considering consulting, **talk to other consultants** about how they would charge if you did some work together. This has to be legitimate! I know what my competition charges because of the many referrals I've sent to them and received from them. You already know not to give away their confidential numbers to others, however.
- **Look at business publications.** If you're at the highest level of a company, business publications, such as *Fortune*, *Business Week*, or *The Wall Street Journal* will often report "What CEO's Make." Read the articles for background information, but take them with a grain of salt.
- **Ask search firms**, my favorite source. They won't typically talk with you unless they're screening you for a specific job, but if things are slow or you can network in, they will know real-time market information for your geographic area. If they're screening you for a specific job, don't pull out your salary research questions. You need to sound focused on their opening. It's when neither of you are trying to sell the other on anything that you get more useful salary norms.
- **Human Resource professionals** at large companies in your industry should have some comparisons if you ask them the "going rate" question.
- For publicly held companies, check out the salaries of their top officers at the Security and Exchange Commission's **Edgar database** ([www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml)) if you are, or are hoping to be, at the executive level. At least you'll learn the top of the salary scale from the information of the top officers' salaries in the proxies.
- Set up **informational meetings and job interviews.** Once you start getting out into the marketplace, you will receive direct feedback on what you're worth. You'll learn the salary ranges for jobs that you're interviewing for and can leverage this (without quoting company names) when it's helpful.

You're gaining control! Knowing what the market will bear will give you a lot more leverage when you're entering compensation conversations for better outcomes.

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