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## Plan your exit strategy the day you start work

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For the Calgary Herald  
CALGARY

The days of career-long employment are long gone, which has increased the need for a good exit strategy right from the start of a new job. Once the domain strictly of top executives, severance packages are also now becoming more common for everyday employees, according to outplacement consultants.

"It's kind of naive if people don't believe they'll be looking for a job in a five- or 10-year period," says Cam McRae, a career transition consultant in Calgary. "It's fair game now to include (severance agreements) as part of your benefits package."

While they are becoming more common, typical employees still hesitate to broach the subject with a potential or new employer.

"The everyday employee out there is still very tentative to ask if there's a severance policy in place," McRae says. "You're worried you're going to remove yourself from the opportunity ... because the employer might sit back and wonder why that matters if you're coming here to work."

Yet people lose their jobs every day for reasons beyond their control, such as layoffs. That's when severance agreements come into play. They are meant to address not only cash payouts, but stock options, bonuses and sometimes even conditions for references.

Eileen Dooley, a Calgary career coach, says a good exit strategy is as important as your entrance strategy when first taking a new job.

"It reduces the amount of back-and-forth negotiation at the time of a possible layoff, as well as (giving) the employee an understanding of what they can financially expect so planning can take place," she says. "It could be a win-win for both the

### Discuss severance policies with new employers, experts urge



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employee and the employer."

People are often so excited about taking a new job that they fail to plan for the likely end of any given job, whenever the time comes.

"Lots of folks might not be accustomed to even thinking about severance packages," McRae says. "They don't think about five years down the road."

When negotiating an exit strategy, it's important for workers to approach it as a simple reflection of today's work world, where it's very rare to spend more than 10 years in any given role.

Employers are becoming increasingly aware of severance agreements as a matter of providing the workforce with some certainty — for any eventuality.

"I think more HR people look at it as a very forward-thinking, professional way of looking at your job offer," McRae says. "It's the pre-nup for employees."

The more senior the role, the more complex severance agreements become, but the nuts and bolts are generally the same, perhaps with more attention to bonuses and stock options, including when they can be

vested.

Keep in mind that severance shouldn't be viewed as "free money," but rather as a way to pay the bills during a transition period to a new job.

"Severance is meant as a bridge between opportunities," McRae says.

For some people, that bridge can be very rosy indeed when a good exit strategy is clearly written into an employment contract. Carly Sneed Fiorina, the former CEO of Hewlett-Packard, left with \$21 million when she was asked by the company's

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board to step down in 2005. Many other top executives routinely reap millions as they wave goodbye.

For the average employee, it is still an important tool while pursuing new job opportunities. It's also important, however, to revisit the terms of such an agreement from time to time.

"Even if you go in and negotiate a severance agreement as part of your employment offer, the terms of that might be something that may need to be addressed in the future," McRae says.

Companies are bought and sold, economic and market conditions change and what's considered fair value may not be the same as when the agreement was first reached.

References are sometimes written into a severance package, but they're usually "tombstone" references, as McRae calls them. They're bare-bones facts about your role and dates of employment.

"More often, what we see at the time of exit, as part of their agreement and release, is that then they negotiate a reference," he says.

With August typically being a strong month for job offers, now may be the time for job hunters to consider how to approach the sometimes-uncomfortable topic of an eventual exit. More employers are viewing it as an intelligent part of employment planning — it's protecting your future.

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