Accepting and signing a contract offer

Introduction

After preparing a killer CV, finding a contract, and then attending and passing an interview you are very likely to be offered the contract.

After receiving an offer there are a few more aspects to consider before starting your first day.

This article provides step by step advice and guidance of the contract offer process.

The Contract Offer Process

Step 1: At the interview

At the interview you will either be offered the contract on the spot, which often happens when the market demand for your skills is high and the client needs someone to start immediately.

Alternatively the interview will finish with the client saying that they will make a decision shortly and you will hear from the agent soon. This is typically within a few days. Sadly not all agents will phone to tell you that you were not successful, so you’ll need to chase them to find out.

During the interview it is important you maximise your chances of being offered the role by asking if they have any reservations about offering you the contract. This is a fairly standard technique from a sales point of view and ensures you have the chance to counter any further objections they might have about hiring you. Find out more about good interview techniques by reading our killer interview guide for contractors.

If the client does not offer you the contract at the interview then ensure you ask them when they are going to make a decision by. You will then know when to contact the agent. If you think you would like to work there, then make sure you tell them so!

Step 2: After the interview

After your interview the agent will normally phone you to see how it went. They will want to know if they are close to finalising a deal themselves of course. The agent will also try to gauge both the strength of the clients interest in you and the strength of your interest in the position.

If you weren’t interest in the position then tell the agent outright to avoid wasting their time, but make sure you tell them why. It will normally be because the position was not as originally described to you, which will be useful feedback for the agent. It helps to maintain a good relationship with the agent who may call you again for a more applicable role.

If you are very interested in the position then try not to sound overly keen (“I would love to work there, I hope they offer me the position!”). This could result in the agent thinking that they could increase their margin by lowering your rate, knowing that you are likely to accept. It is not uncommon for an agent to later offer you the position with the story “…the client liked you, and wants to hire you but they can only pay XYZ.” Try not to get caught out with this sales technique.

Step 3: The offer

At some point you will speak to the agent who will inform you that the client would like to offer you the role.

As described above, sometimes they will try to haggle you down on rate to increase their margin by using the reason that the client won’t pay what you have asked for. Bear in mind that client rarely, if ever, interview a candidate that cannot afford and the agent will have already told them what you cost (including their margin).

Assuming you stick to your rate the agent might then continue to play the sales game by first asking if you have any other interviews (to which you should respond you might have one tomorrow!), and then saying they will call the client and see if they will accept a higher rate. They won’t actually call the client, and are really just making you sweat it out to see if you phone them back and accept at the lower rate. Avoid phoning them back too quickly to chase them. Wait for them to call. The person who speaks first loses in the sales game!

At some point you will be offered the contract at an agreed rate for a particular starting date.

You more information about rates and negotiation see our article Negotiating your initial rate

Step 4: The contract

The agent will be keen to get you signed up immediately, pen on paper, to finalise the deal. However, before signing it is important you get your contract
checked by a qualified lawyer. This is to ensure the terms are fair, and most importantly to establish your IR35 position.

IR35 is the name given to a piece of tax legislation that can result in contractors being treated as employees for tax purposes. The financial impact of IR35 on your take home pay is huge, which you can calculate using our IR35 Calculator.

You can find more about IR35 and how to avoid it in our dedicated section on IR35.

There are specialist firm who can evaluate your contract and negotiate favourable IR35 terms on your behalf. It is strongly advisable to use them.

**Step 5: Signing**

The contract will require the name of the company (your company) who the agency is doing business with. It is at this point you will need to arrange a payment structure for your services so you can invoice the agency for your services. If you are a first time contractor you will need to either start your own limited company or join an umbrella scheme. For more information about the differences see our article ‘Limited Company or Umbrella – Deciding on a Payment Structure’.

After negotiating the contract it is simply a case of meeting with the agent to sign. Most will be keen for this to happen as soon as possible to close the deal, although some will send them via post for your signature and return.

After that you are ready to start! Good luck with your new contract.