

Is Your Sales Training Worth the Money?

**Most Companies Have No Idea. If You
Can't Measure It, Don't Do It!**

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The Sales Board, Inc.

Research and Sales Certification Technology™

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Your Greatest Asset

Locked inside practically every company is an asset that represents its greatest investment opportunity and its best chance to achieve dramatic revenue gains. A dollar invested in this asset can return more than \$3 in 90 days and almost \$14 in a single year. That's not an opinion or a claim; it's a documented fact. For some companies, the return can be even higher.

To capitalize on this opportunity and achieve such growth does not require an exotic new business strategy, and it entails no risk. The asset is just sitting there, waiting to be discovered.

The greatest asset any company possesses is the untapped potential of its sales force.

To unlock that potential, the company merely needs to teach its salespeople how to sell more effectively. Is there a catch? Yes. It is this:

1. The sales system they are taught must genuinely be more effective than the practices they are using now.
2. The system must rely on key skills that *can be taught*, rather than on innate personality characteristics that aren't amenable to change (a sunny disposition, "the gift of gab," etc.).
3. The training must be based on proven principles that determine how adults learn and what it takes for learning to translate into lasting behavioral changes and better job performance.

When a system of sales training and certification meets those requirements, the results are nothing short of spectacular. They can be measured. They can be proven. The ROI on the training investment can be demonstrated to the dollar, with no qualifications and none of the usual hedging about outside factors that might have been partly responsible for the increase in sales.

Case in Point:

A firm we'll call Company A (you would recognize its real name) is a privately held, \$1.6 billion distributor with 3,500 locations in the United States and Canada. It has 18,500 employees, of whom more than 1,200 are outside salespeople or sales managers.

Company A has been in business for 45 years and has increased sales and profits every year of its existence. Historically, most of A's growth came through acquisitions. In recent years internal growth has been very modest—about 1.4% annually, which is directly in line with industry norms in its mature market.

Competitors sell the same products A does, and A found it very difficult to differentiate itself from the pack—to give customers a compelling reason to buy from A rather than from the competition. In other words, Company A was very typical of large distributors in any industry.

Company A set a new course and established new goals. It vowed to increase its growth rate internally or "organically" rather than through more acquisitions; that is to say, the company decided that the best way to grow was by improving sales productivity. The goal established was to double the current growth rate—to achieve a rate twice as high as the industry norm.

Company A could not meet that goal by adding new product lines, since the same products were available to its competitors. The only way to do it was not to sell different things but to sell differently, period.

Company A chose to train and certify its salespeople in The Sales Board's *Action Selling* Sales Training Program. But instead of just saying, "Here's a new training program," the firm approached the initiative strategically.

Company A identified the business objectives it wanted to achieve, the skills that would be required to meet those goals, and the training objectives that would ensure the skills were not just learned but also used on the job.

The pieces fit together like this:

Action Selling

Business Development Plan

Business Objectives

- **Grow business organically:**
 - **Double industry growth (3%/0)**
- **Adjust sales model in order to maximize sales efficiency**
- **Align sales plan with marketing strategy**
- **Dramatically increase sales of loyalty programs**

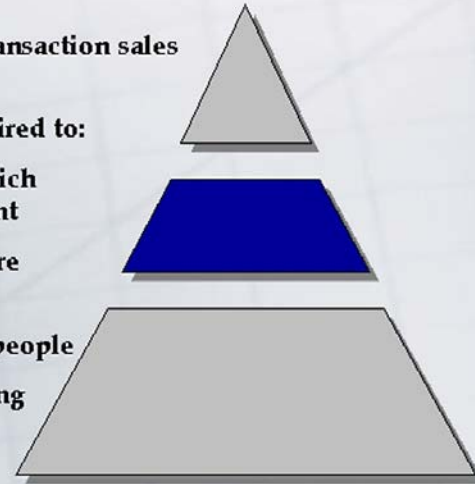
Determine which business objectives to impact

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Business Development Plan

Skill Objective

- Transition salespeople from transaction sales to program sales.
- Learn the 5 Critical Skills required to:
 - Sell high value solutions which deepen customer commitment
 - Work in harmony with a more efficient sales model
 - Increase confidence of salespeople
 - Create an elite force for selling loyalty programs



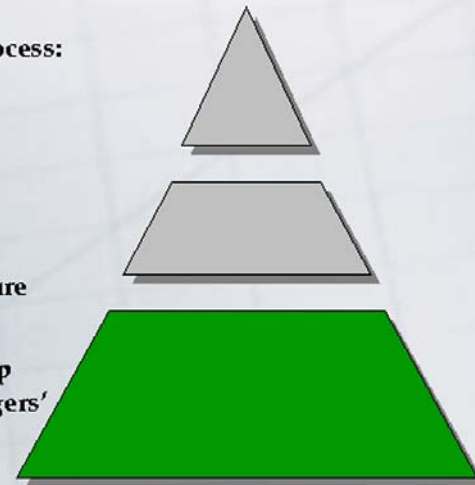
Identify the skills that will lead to achieving business objectives

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Business Development Plan

Learning Objectives

- Measure the entire training process:
 - Pre-training skill levels
 - Compliance to training plan
 - Skill gain
 - Performance change
 - ROI
- Provide training tools that assure transfer of learning to the field
- Improve VP's ability to develop Sales Managers & Sales Managers' ability to develop salespeople



Design a learning plan that develops the needed skills

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The Action Selling training paid for itself, in the form of increased net profit, in 26 days. Within 90 days of the initial workshop, Company A saw a **346%** return on its investment, again in the form of increased net profit. That's \$3.46 for every dollar spent on the program. Conservative projections showed that at the one-year mark, the ROI would be a staggering 1,383%--a return of 14:1!

Who wouldn't jump on an investment opportunity like that, especially knowing that the returns will continue to compound in years to come?

Those results sound astonishing, but they actually are not unusual for companies that adopt the *Action Selling* system. The remarkable thing is that Company A took the trouble to measure the program's impact on its bottom line—and to do so in a way that left no doubt that revenue and profit increases came solely from the training. Factors such as new advertising campaigns, seasonal variations, or upswings in the general market had nothing to do with it. Company A knows exactly what it got in return for its training investment.

This white paper explains how the firm knows that. More importantly, it explains why a sales training program was able to produce such a spectacular payoff on an asset that was right in front of Company A's nose and is probably right in front of yours: the untapped potential of your sales force.

What's their improvement potential?

How do you know how much undeveloped potential exists in your sales force? By measuring their current skills to get a benchmark.

The trouble is, there may be hundreds of skills or personality characteristics that contribute in some way to sales success. Which are the key, high-payoff skills to measure, and how do you take a meaningful reading?

Based on research and measurement since 1995, The Sales Board has identified five core sales skills that are most critical to developing a salesperson's full potential. They are: *Building the Buyer/Seller Relationship*; *Sales Call Planning*; *Questioning Skills*; *Presentation Skills*; and *Gaining Commitment*.

Why those five sales skills? Because...

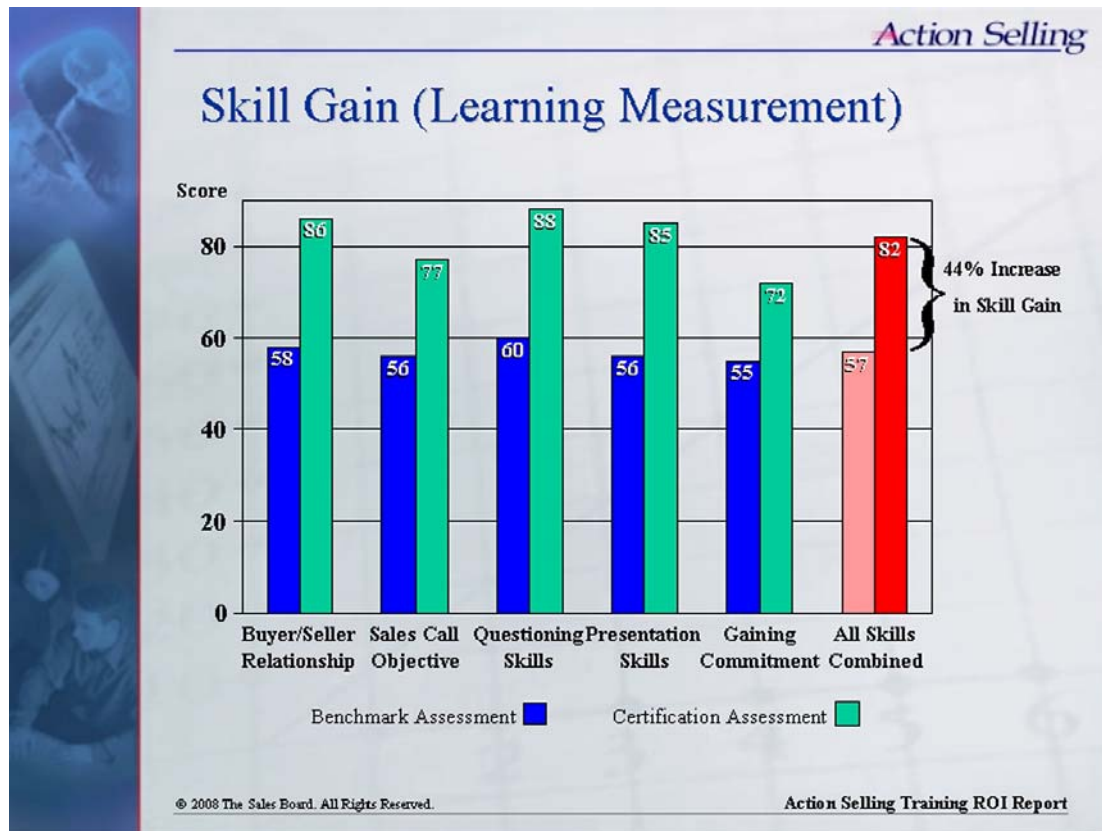
1. **Sales performance improves:** We know, from extensive research, that when salespeople improve in any of those areas, their sales performance improves. We have benchmarked pre- and post-training skills and tracked performance gains of salespeople since 1995. When all five skills are sharpened, sales performance improves dramatically - even astronomically.
2. **Those sales skills can be measured:** The Sales Board has developed and validated an instrument used by more than 300,000 salespeople. It reliably measures both benchmark skills and changes (i.e., gains) in the skills following training.
3. **Those sales skills can be taught:** This is critical if the goal is to develop real performance potential and not just to browbeat salespeople about innate characteristics they can't change. You can *preach* to adults about developing an "outgoing personality," for instance, but you can't *teach* it. We *can* teach salespeople how to plan calls more effectively. We *can* teach

them how to ask better questions, build stronger client relationships, deliver more effective presentations, and gain commitment.

Because it wanted to isolate and measure the ROI of its training investment, Company A separated its sales force into two groups, carefully accounting for regional differences and other variables. It selected 615 salespeople and sales managers to be trained in the *Action Selling* system. A matched control group of 624 salespeople and managers did not receive the training until later in the year.

The *only* significant difference between the two groups was that one received the training/certification program before A's third fiscal quarter and the other didn't. This is important, as we'll see a bit later.

Using The Sales Board's instrument, which measures both knowledge and the application of skills on the job, Company A took benchmark readings (before the course) of skill levels in the 615-person training group. Then it administered the instrument again 90 days after the initial course. The results looked like this:

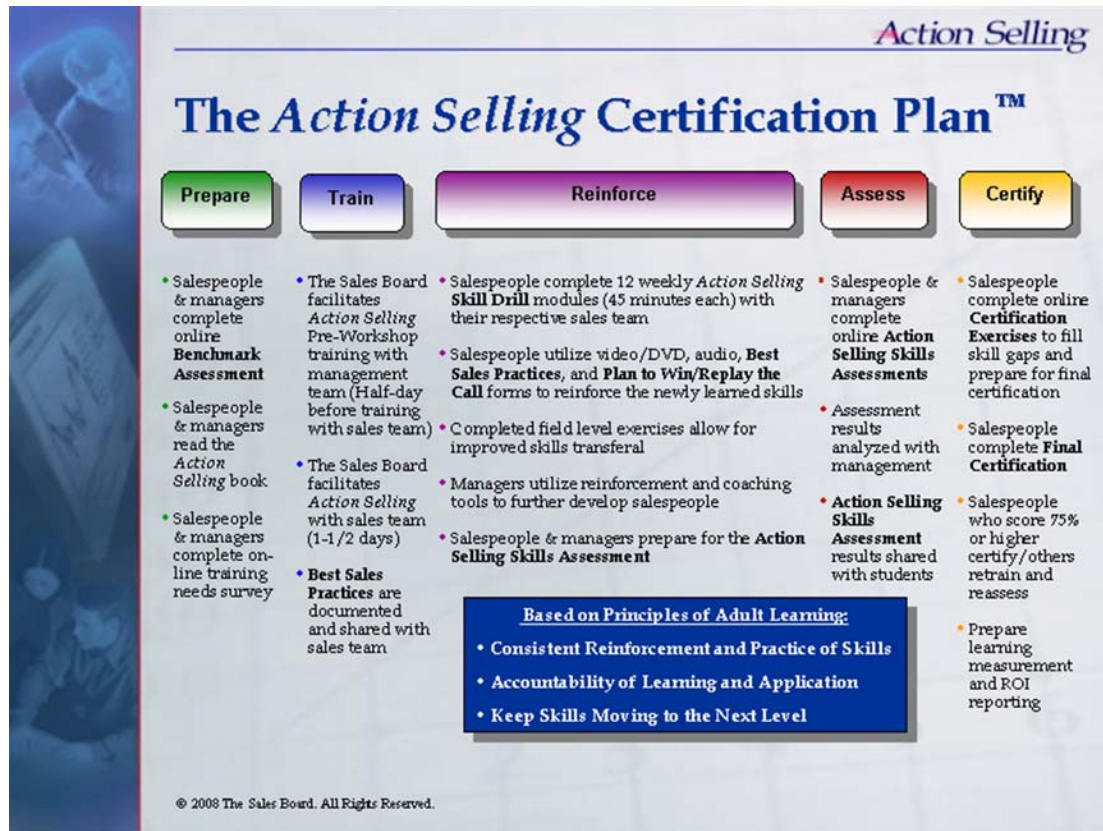


A score of 75% is the Certification Competency level

1. Before Training (Benchmark) - 96% of students did not Certify, 4% did Certify
2. After Training (Certification) - 85% of students Certified - 15% needed retraining
3. Students increased their knowledge and application of skills by 44%

How To Unlock Sales Potential

Training that *pays* must incorporate both effective learning principles and follow-up measures to ensure learning “transfers” into consistent job practice. Company A’s training plan looked like this:



Here are some key principles of learning and performance incorporated into that training plan. These are things that spell the difference between sales training that will produce measurable gains in revenue and profit, and sales training that won't:

1. *Prepare the students, their managers and the work environment to receive training.*

New behaviors will not transfer from the classroom to the workplace unless managers support and reinforce them. Before the initial workshop, Company A taught sales managers how to support the learning and the new behaviors in the field.

Students need a pre-training assignment to prepare them for the course. The assignment must intrigue them and help persuade them that the course has something valuable to teach. A's salespeople were assigned to read a book, written in the form of an enjoyable, fictional story, based on the *Action Selling* system.

Students' specific, individual needs for training must be identified and then addressed in the initial workshop. Company A accomplished this with a simple online survey.

And, as we've seen, students need to take a benchmark assessment to measure skills and knowledge before the course.

2. Tailor and customize training to the salespeople's specific situation.

All selling situations have a great deal in common, but that doesn't mean all selling situations are alike. Students need to see how training applies to them, not just to some other salespeople. For instance, the *Action Selling* course uses frequent role-plays and other practice exercises based on actual customers and issues the students face on the job. In other words, students themselves supply some of the program's key content.

3. Accommodate various learning styles.

Training should employ different media (paper, video, lectures, online segments, etc.) and a variety of learning methods (show, tell, discuss, do role-plays, and practice, practice, practice).

4. Emphasize reinforcement after the initial training workshop.

Invest more time and effort on post training reinforcement. This can't be stressed enough: If you want business results, salespeople can't just *learn* new skills. They must *use* the skills on the job.

Company A scheduled 16 weekly reinforcement sessions, lasting about an hour each, to review the learning and help salespeople apply it.

Job aids included with the training program served as reminders to A's salespeople on a daily basis. Job aids help to cement new habits in place and prevent returning to old behavior.

The most important source of reinforcement is the student's manager. Behaviors that are expected, demanded and rewarded by the manager get practiced. Company A's sales managers were held accountable for demanding and reinforcing the new behavior on the job.

5. Tell students and their managers that they will be assessed—and held accountable.

Let everyone know up front that both learning and job behavior will be assessed. Set a certification standard for students—and tell them they will be expected to meet it. Provide plenty of feedback on what is required to achieve competent performance. And give students who fail to certify a chance to retrain and try again.

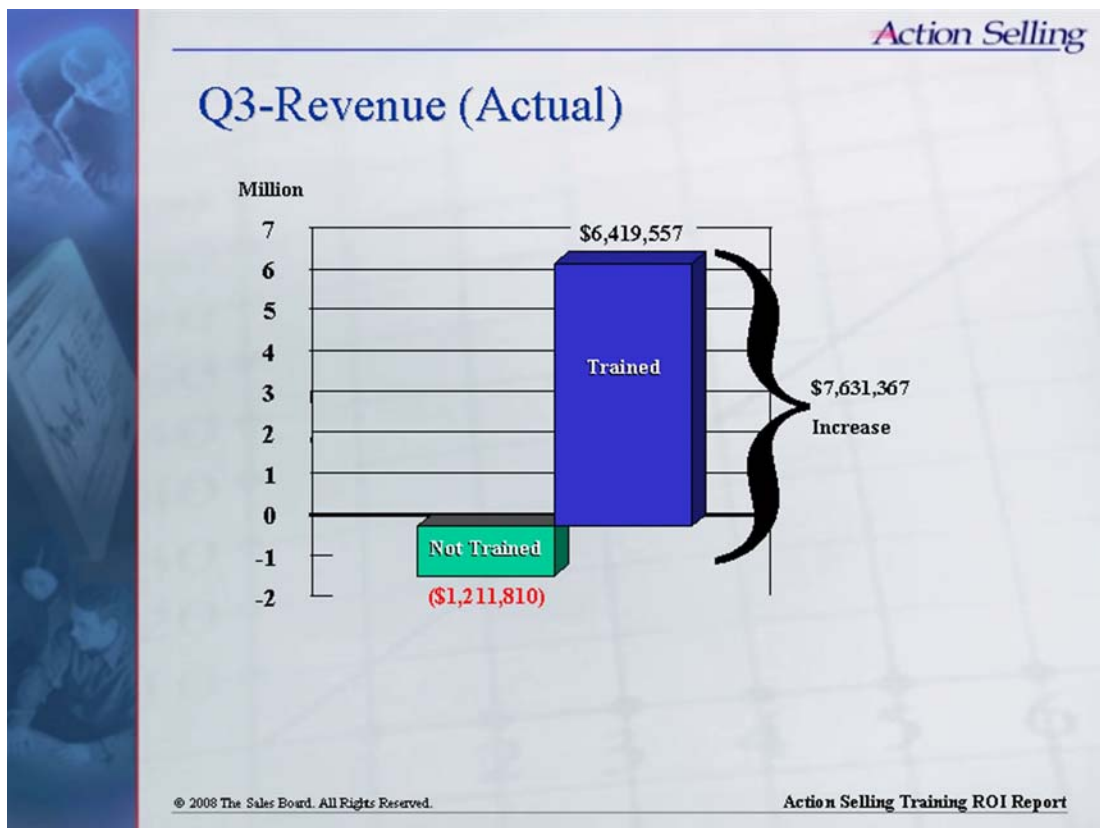
Who says training ROI can't be measured?

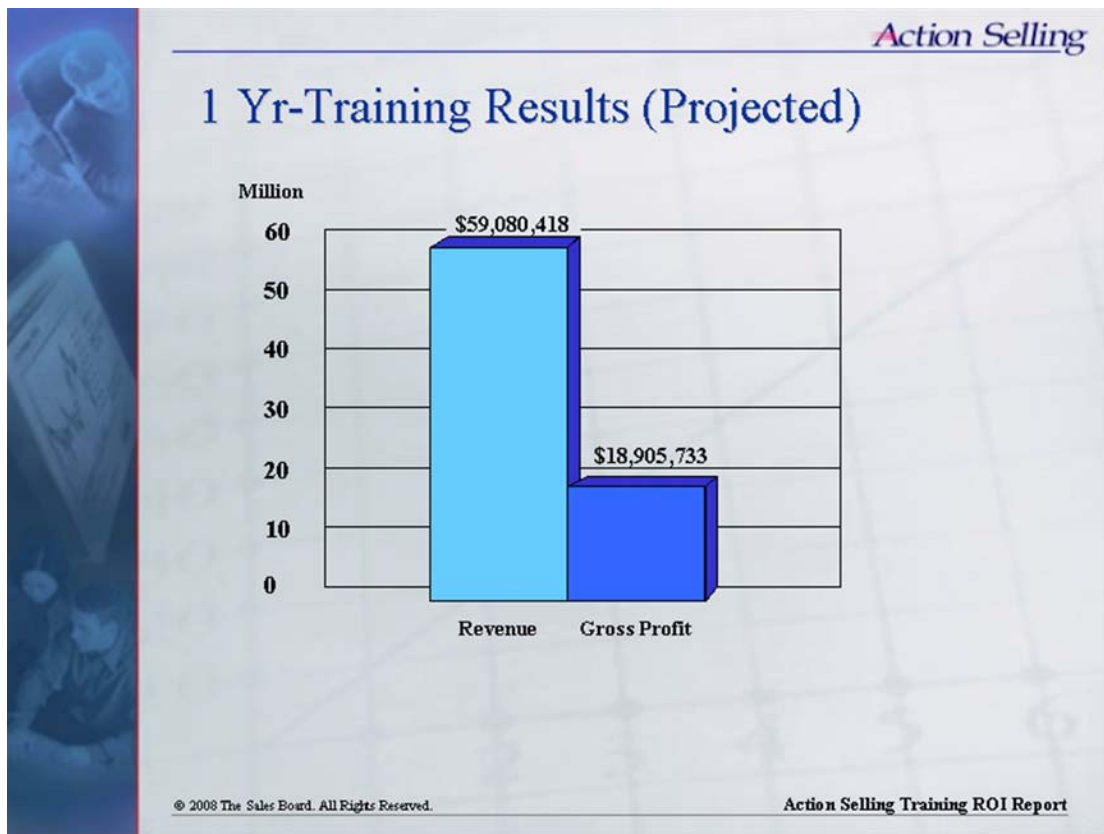
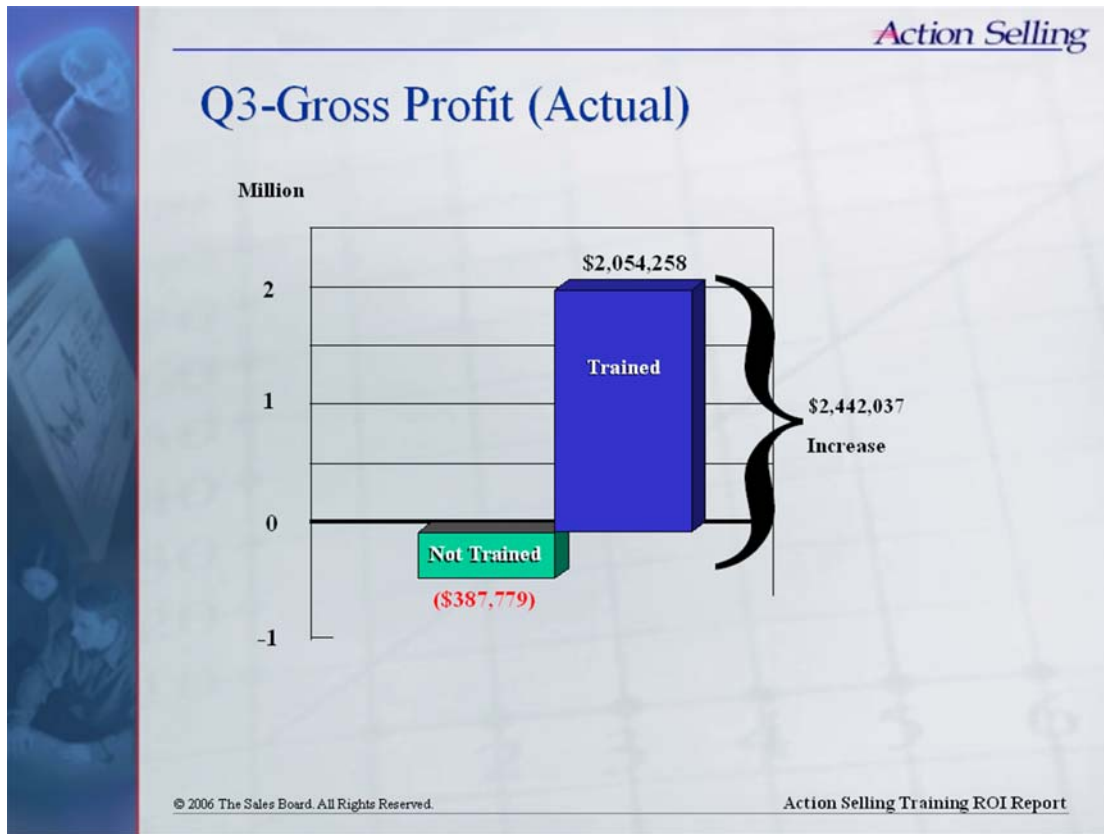
Most corporate training professionals consider it extremely difficult to measure the business results of training programs (so-called Level 4 results) in such a way that ROI figures can be confidently identified. Numerous factors play a role in determining whether indicators such as sales revenue or corporate profits go up or down over a given period. How can you isolate and measure the impact of a training program when so many other variables are in play?

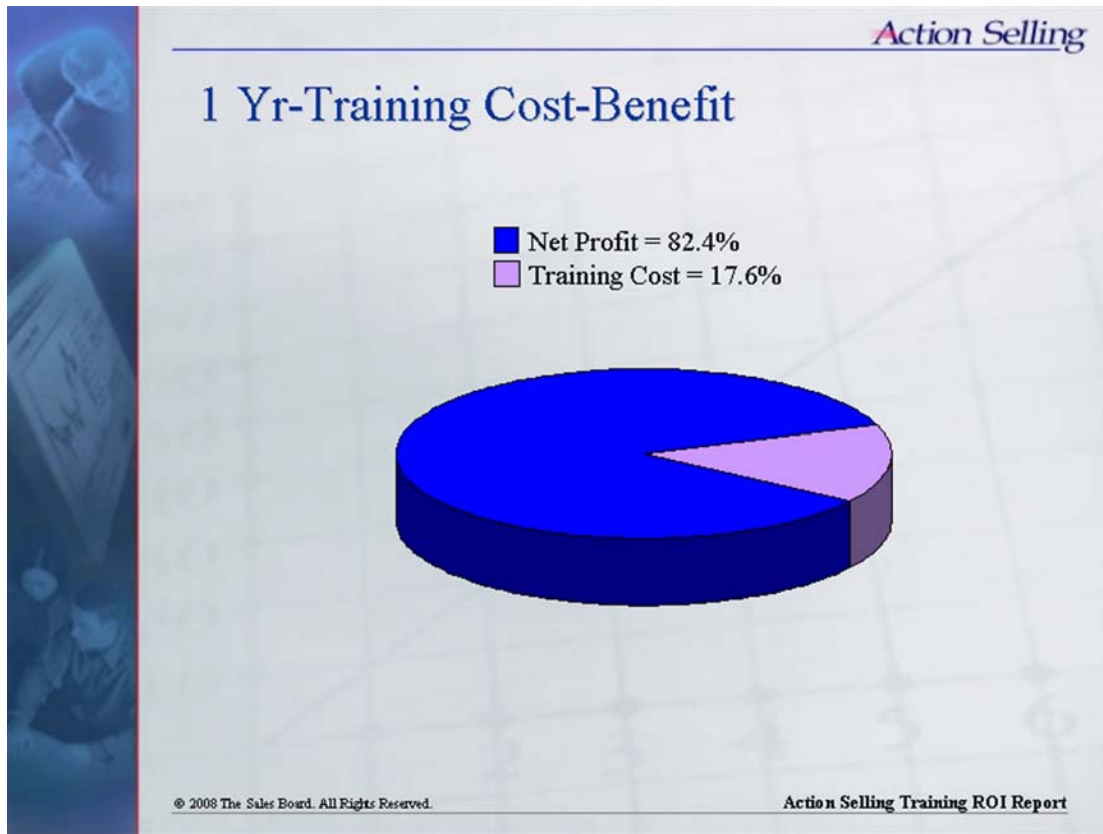
The answer is straightforward, though rarely seen. Company A had several options with the measurement tools provided with *Action Selling*. They chose to establish a control group of employees who did not receive training, carefully selecting them to match the employees who did. Since outside factors (seasonal variations, swings in the economy, changes in advertising campaigns or company policies, etc.) would affect the two groups equally, any difference in performance could only result from the training.

Because Company A took the trouble to establish such a control group, all it had to do was to compare the financial results generated by the two groups of salespeople (before any training took place and after one group of salespeople was trained). Since training was the only variable affecting performance, a 90-day ROI could be measured with great confidence and accuracy. And a reasonable basis existed to project an ROI for a full year.

The following graphs explain, step by step, how Company A calculated the return on its investment in *Action Selling*.







Here, in a nutshell, is the story told by those graphs:

- Company A rolled out the *Action Selling* program to about half of its 1,200+ salespeople and their managers.
- The *Action Selling*-trained reps increased their sales performance at *six times* the rate of the untrained sales reps.
- After 90 days, the training had produced a return on investment of 346%, with the trained salespeople adding \$2.44 million in additional profit to the company's bottom line—new money that flatly would not have come in without the *Action Selling* program.
- Conservative projections show that by the one-year mark, Company A will realize an ROI of 1,383%, with the training/certification initiative responsible for generating \$14 million in additional net profit when all 1,200 salespeople are trained—again, new money attributable entirely to the *Action Selling* program.

The Smartest Investment

How many investment opportunities promise to more than triple a company's money in three months and to multiply each dollar by 14 in the first year? Is your organization getting a return like that on any other investment?

And what returns are you achieving with *your* sales training? Do you have any idea?

The untapped potential of a company's sales force really is its greatest asset. But that potential cannot be unlocked with "spray and pray" training, in which you spray salespeople with information about sales techniques and positive attitudes, and then pray that some of it sticks.

To achieve dramatic, measurable results from sales training, you must:

- Build skills that make a dramatic difference—skills that *can be taught, can be certified*, and in which improvement *can be measured*.
- Teach those skills in a manner that accounts for the way adults actually learn.
- And devote more effort to coaching and reinforcing the skills on the job than you do to teaching them in the first place. Because ROI on sales training doesn't come from what salespeople learn. **It comes from what salespeople do.**

About The Sales Board

The Sales Board was founded in 1990 by Duane Sparks, author of the *Action Selling* system, to provide research and sales-training technology to businesses of all sizes and across all industries. *Action Selling* workshops, self-study programs, and certification programs are in use in more than 50 countries, and have been translated into Spanish, Portuguese, and French.

Over 300,000 salespeople from more than 2,500 sales forces have gained certification in the *Action Selling* system. Certified students increase their sales performance at several times the rate of uncertified students. At the same time, they perform a feat that 62% of companies fail at...they increase their selling margins.

Books and Newsletters

Duane Sparks is the author of the following books:

Action Selling: *How to Sell Like a Professional, Even If You Think You are One*

Selling Your Price: *How to Escape the Race to the Bargain Basement*

Questions: *The Answer to Sales.*

Masters of Loyalty: *How to turn your sales force into a loyalty force.*

Sales Strategies From The Inside Out: *How Complex Selling Really Works*

Sparks also is the author of the free, monthly online newsletter eCoach, which provides regular tips and advice based on the principles of *Action Selling*.

To order books or the free eCoach newsletter, or for more information, contact The Sales Board at 800-232-3485 or visit <http://www.actionselling.com/>.

Free Online Skills Assessment

For a free online assessment of your selling skills, which will pinpoint strengths and weaknesses in your selling game, visit <http://www.actionselling.com/selling-skills-assessment.asp>.

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