

The Future of Sales Training

Part I of a III part series:

Why Sales Training Often Fails

Article at a glance: Companies are spending billions on sales training and improvement initiatives annually, but industry research provides limited evidence that these investments are attaining sustainable results for most corporations. In fact, aggregate metrics for sales effectiveness have failed to reach pre-2000 levels at any point in the last decade. With revenue growth as job number one, it's critical to identify core reasons as to why companies aren't attaining a higher return on their educational investments in sales. Using two decades research and customer experience, this first installment of a three part series explores five of the principal barriers to sustainable results for sales training, and sets the stage for moving to an "programmatic" performance improvement approach.

Why Sales Training Often Fails

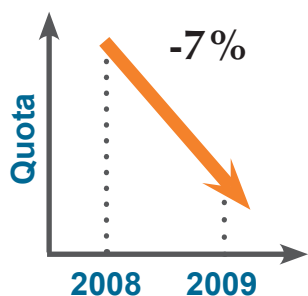
Part I of a III part series...

In the United States alone, industry estimates for corporate expenditures on sales training and performance improvement are more than five billion dollars annually. A logical question is then, to what extent are these investments paying off? Research does illustrate that there are positive correlations (at an aggregate level) between the sales training spend and sales performance and single company case studies have demonstrated that improvements do occur in some situations. But multi-year industry studies also indicate that many, if not most companies have not realized measurable improvements that have been sustainable. In essence, it appears that sales training does work, but results taper off quickly, and in many cases return to pre-training levels.

In annual research by CSO Insights and cosponsored by Sales Performance International, the key trends analysis for 2010 contains some unsettling data. The 2010 Sales Performance Optimization study incorporated participation by 2,800 global firms ranging from small businesses to the largest global companies. Overall, the results reflected the difficult economic situation encountered in 2009. Key findings in the study include:

Quota Attainment Declined Significantly

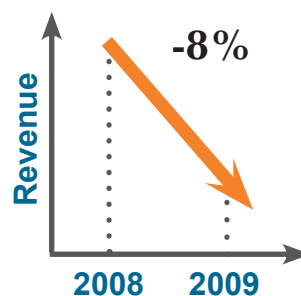
The percentage of sales reps attaining quota in 2009 dropped to 51.8% (58.8% the prior year).



According to the study, "While we have seen this percentage lower one time (49.1% in 2003), the 7% drop from 2008 to 2009 is the largest in the sixteen year history of our study."

Revenue Plan Attainment Declined Significantly

How well did companies manage to attain their overall sales plans? Again, the results were quite disappointing.



According to the study, "Here we see an even larger drop of 8% from 2008 to 2009 (also the largest decline in performance in the history of the study)."

While general economic trends clearly contributed to these difficulties, at no point in the last decade have key sales performance metrics, such as quota attainment, returned to pre 2000 levels. In other words, 2009 simply amplified what has been a decade of non-improvement - in spite of billions of dollars of corporate investment, aggregate levels of sales performance have remained flat or declined. With revenue growth job number one at most companies, why have sales training and improvement efforts hit the wall?

With more than two decades of sales training experience with leading global corporations, we at Sales Performance International felt compelled to identify why companies aren't attaining a higher return on their educational investments in sales. Interviews with multiple customers and experts, as well as industry research provided a number of insights. We identified five key barriers to sustained performance improvements as follows:

1) Too Much Too Soon – The Sales Training “Event”

Since “time in territory” is often a sacred precept for sales organizations, exposure to training is often forced into an intensive classroom experience, where the goal is to infuse as much “learning” as possible into a limited time frame. As a result, many sales training initiatives are intensive, multi-day events that cover every possible aspect of a new sales methodology. This is essentially the same as trying to learn all of the skills and nuances of a sport such as tennis golf in a few days – a student would attempt to apply a few basic ideas related to each of the strokes, but without repeated coaching, practice, and reinforcement the learner would never attain mastery. It is virtually impossible for sales professionals to learn, retain, and apply more than a small percentage of what is typically offered in intensive, multi-day training events – unless there is a systematic reinforcement approach across an extended period of time.

2) Sales Training is Often Not Aligned Around a Proven Sales Process

In many cases, training efforts focus exclusively on skills and techniques. While these elements are essential to good training, if there is no process “backbone” to attach new practices to, the new methods are applied sporadically and soon fall into disuse. In essence, new skills fail to “stick” without a committed change in the overall sales approach and philosophy. The application of new methods is typically reduced to a few good ideas gleaned from the training at an individual level.

3) Fragmented Approaches Fail to Provide a Continual Learning Experience

Many initiatives (and training vendors) apply a partial or fragmented training approach that fails to address specific types of learning. Simply providing “blended” learning that is comprised of instructor led and eLearning courses may not improve retention and application results. An appropriate blend of controlled learning “events,” on-demand resources, “push” reinforcement, and on-the-job learning is required to meet the needs of next generation sales professionals.

4) Gaps Exist in Training Curriculum for Specific Roles and Competencies

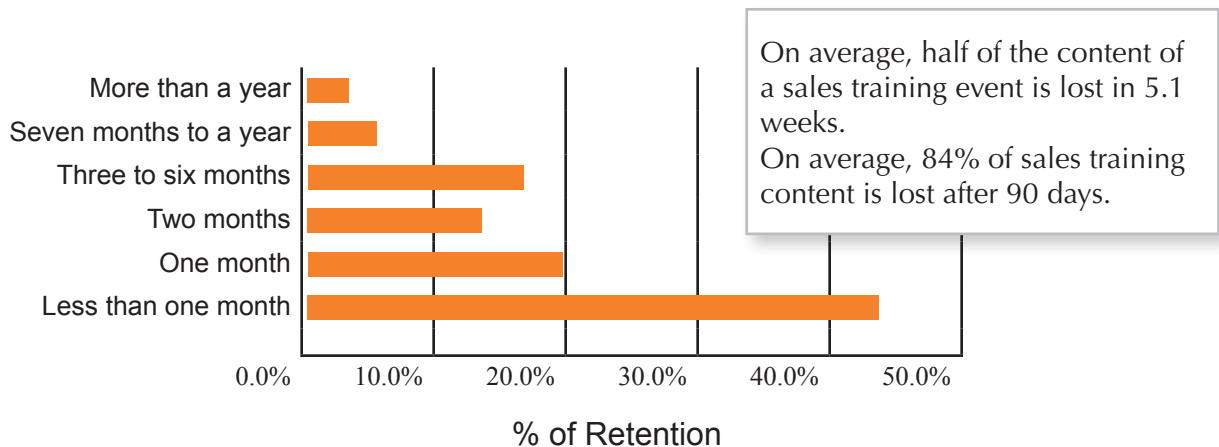
There are as many as 10-12 key competency areas (groups of skills) for high levels of sales effectiveness in large sales organizations. Even when there are attempts to define skills gaps with some level of rigor, some of the most critical competencies are often omitted from a formal training regimen. For example, in territory sales, there is overwhelming evidence that rigorous targeting of prospects can pay huge dividends, but many sales training initiatives never include any formal education and tools for quantitative targeting methods. Strategic and complex sales can involve a very different skills emphasis than more transactional selling situations. Sales organizations need well defined competency models and curricula to ensure sustained value.

5) Sales Management is Overwhelmed

Sales management and coaching is often cited as an imperative when new training is introduced to a sales organization. While there is a degree of truth to this perspective, in the high pressure environment of, “make your numbers this quarter,” most sales managers simply don't have time to address the overall coaching and mentoring needs of their direct reports. Many of the prescribed sales management and coaching methods don't scale in the real world. As a result, even when sales management is philosophically committed to a new sales process and methodology, the ability to follow through with adequate coaching and mentoring is often unattainable.

Most Training Dollars are Wasted

In the absence of a well thought out, “programmatic” approach to sales training; most expenditures are made with good intentions, but largely wasted. Research indicates that without systematic, ongoing learning and reinforcement, approximately 50% of the learning content is not retained within five weeks, much less applied. Within 90 days, 84% of what was initially learned is lost. The chart below illustrates these findings.



Very few organizations implement the necessary assessment and measurement vehicles to determine if sales training investments yield the desired outcomes over some sustained period of time. Perhaps some of this can be attributed to the volatility of sales leadership – the average CSO tenure is approximately 22 months. That fact, coupled with the pressures of hitting quarterly targets often creates a very limited horizon for monitoring sustained improvements. But the aggregate numbers of the past decade indicate that something is seriously broken in the sales training model.

To be continued: In Part II of this series we will explore the evolution of sales training over the past three decades, which will provide insights into removing barriers to sustained success.

About Us: Sales Performance International (SPI) is a global sales performance improvement firm dedicated to helping the world's leading corporations elevate their sales relationships and drive measurable, sustainable revenue growth and operational sales performance improvement.

Founded in 1988, SPI has been the leader in helping global companies successfully transition from selling products to marketing and selling

high-value solutions. With extensive sales performance expertise, deep industry knowledge, global resources and a proven track record, SPI collaborates with clients to deliver strategic, operational and tactical solutions.

SPI has assisted more than 900,000 sales and management professionals in more than 50 countries and 14 languages achieve higher levels of performance.



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