

Complimentary Article from ES Research Group

Title: The Fear and Loathing of Sales Training

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Summary:

Few VPs of sales use their own, differentiated sales methodology and strategic, ongoing sales training as a strategy to gain and maintain competitive advantage. There are a host of reasons for that, as you will see. You will also notice that the responsibility for employing this strategy effectively lies with both the companies seeking help as well as those providing it.

Commentary:

The Challenge

In a study conducted of VPs of sales, HR organizations, Chief Learning Officers, and training directors across a broad sampling of industries completed in the last quarter of 2005, ES Research Group (ESR) found that 41% of respondents said that their companies did not use any sales methodology at all or, alternatively, employed a "style" of selling rather than a proven set of processes (consultative selling or generic solution selling are examples).

Fourteen percent of respondents provided unique names of methodologies their companies used that no other respondents listed. Some of those "methodologies" were actually titles of popular and not-so-popular sales books. (We have observed that in some companies the number of sales approaches used was equal to the number of sales reps.)

This study, as well as a look at the leading (as defined by name recognition) twenty or so sales training/consulting providers, indicates that there is no real leader in the sales training provider market. Companies that were leaders in the past have been acquired or have shrunk in size due to a number of reasons, including their best talent leaving to form their own competitive companies, and an unwillingness to invest in product development, delivery mechanisms, channels, end-user technology and tools.

Our research shows that only 18% of those we interviewed had a formal process for ongoing assessment of their sales training requirements, and even fewer (8%) specifically measured the effectiveness of their sales training initiatives.

Methodology Comes First

Notes

Suggested additional reading:

ESR/Insight™ Briefs:

How Effective is Your Sales Approach?

- ▶ Part A: Why Companies Take the Wrong Approach or No Approach at All
- ▶ Part B: Assessing Your Current Sales Methodology and Processes
- ▶ Part C: Assessing the Sales Training Currently Provided to Your Team

ESR/InDepth Report:

Understanding, Defining and Meeting Your Sales Methodology and Training Requirements

(A comprehensive 51-page report on what works and what does not when commencing or revitalizing a sales effectiveness improvement initiative.)

All available on ESR's website.

www.ESResearch.com

From our research, surveys and decades of experience in the field, ESR believes that the right sales approach consists of sales training that supports a company's sales methodology and related processes. When companies do decide that sales training is a step in the right direction, they do not always proceed forward for the right reasons, in the right order, or in a way that results in them driving more revenue.

Why Some VPs of Sales Don't Invest in Training

As the result of many interviews we found that numbers of sales VPs don't invest in training their people at all. Some of the reasons given are that:

- ▶ They don't believe sales training works, since they themselves were never trained to sell as part of a corporate strategy. Many went through a spectrum of training programs when they were sales people themselves, but no single one made a lasting difference in their own ability to sell.
- ▶ They believe they have too few sales people to warrant training.
- ▶ They cannot get budget allocated for sales training within their organizations because they are unable to present a credible business case.
- ▶ They will not invest in training because they are compensated on operating income and training is seen as a large expense.
- ▶ They will not allocate the time to have their sales people trained, feeling it takes away from selling time.
- ▶ They believe they hire top sales people who don't need training. Anyone who does not make quota is replaced, so there is no need to train.
- ▶ They have no idea how to engage with a sales training company and out of fear of failure, they do nothing.
- ▶ They have invested in a CRM system and feel that this is all the process that their salespeople need.
- ▶ Their sales people tell management that they've been through all the training they need and that it is just a disruption.

Some Reasons VPs of Sales Do Invest in Training

We have found that when they do select a training company, many sales VPs reported doing so for one or more of the following reasons:

- ▶ They are now facing, or have been facing obstacles in winning against a specific competitor or group of competitors.
- ▶ Their customers are buying differently and their sales teams have been unable to adapt their approach to what is required to close business.
- ▶ They feel that sales training is something that "should" happen, and therefore feel an obligation to bring in a trainer to fill a day or two during the annual or quarterly sales meeting.
- ▶ They have new products or services to sell and their sales people are not trained on how to accomplish that.
- ▶ Sales forecasts are missed, good sales talent leaves, management no longer has the ability to lead the team in an effective way; so sales training is looked at as the universal elixir.
- ▶ Sales management feels their people need to be motivated, so a trainer is brought in to rally the troops.

This is How Many Training/Consulting Providers Are Found

When companies did engage with a sales training/consulting provider, here is how many reported selecting those companies:

- ▶ They engaged with a training provider with whom they have worked in the past as a known entity, even if the results were not what were expected or conditions, markets, companies, or situations have radically changed.
- ▶ They hired a company that they believed to have the hottest new approach, or a trainer who wrote a book with what is purported to be a solution to the company's problem.
- ▶ They attended a promotional presentation and are impressed with the quality and style of the trainer.

- ▶ They attended a conference for sales executives and were sold to by one of the participating vendors.
- ▶ They searched the Internet until they find a trainer whose offerings were appealing.
- ▶ They got a recommendation from a top sales performer from within their group.

Issues Around Sales Training and Consulting

Once companies engaged with a sales training/consulting provider, they were often beset with the following issues:

- ▶ The company never defined their precise requirements. Nor did they insist upon explaining their challenges and situation to the training company. The trainer had little idea of precisely what to address and how to address it.
- ▶ The company itself or the training/consulting provider never spoke with customers who would be able to provide them with insight into what they needed from sales people in order to buy.
- ▶ The training company/consultant never interviewed the most effective sales performers to determine, from their perspective, what works and what does not, as points of reference.
- ▶ The trainer had not sold in that company's environment and therefore had no credibility in front of the experienced sales people.
- ▶ A different trainer showed up than was discussed with the provider during contract time.
- ▶ The training curriculum was generic, rigid, and dated and did not address the very specific issues that were preventing sales success.
- ▶ Executive management did not participate in or even support the training effort, leaving the sales people feeling the effort was not critical and not to be taken seriously.
- ▶ Sales management was not trained on how to support the new skills and practices of the sales team.
- ▶ The training was done tactically, not in support of the use of a formal methodology.
- ▶ The tools that were provided by the trainer were either not suited to helping the sales people win business or far too complex for them to use.
- ▶ The trainer did not understand or support what the company currently has in place regarding processes, common language, and best-practices, so what they delivered confused and sent mixed messages to the sales team.
- ▶ As sales people left or were let go, there was no plan to get their replacements up to speed.
- ▶ The trainer only lectured, providing no opportunity for the salespeople to practice and apply the skills they were being taught.
- ▶ Workshops within the training program had no connection to the real world of selling for the participants.
- ▶ Once the event had concluded there was no follow-up to support the sales people and management, to track progress against goals, to adjust processes to fit ever-changing situations, and no measurement of improvement upon which to justify additional investment.

Some Results of Sales Training Initiatives

The following are the results of many typical internal or external sales training programs or initiatives:

- ▶ Since no specific objectives or goals were set in advance, there was no way to measure success, if there was success.
- ▶ There was a lack of compliance among the sales team with new procedures and processes introduced during training.
- ▶ A quick hit to the company's revenue performance was often the result of a few new "tricks" being learned and a motivational boost, but the trend quickly died. Key strategies and skills necessary for long-term improvement were not taught, or if they were, were not supported through the company's methodology.

The Case for Sales Training

Not enough companies have learned how to employ sales training as a strategic tool. Those that have are leaders in their industries, offering their stakeholders maximum return on equity, are able to quickly adapt to changing market conditions, are respected by their customers, and provide rock-solid, consistent sales performance. The

sales people that work for those companies are motivated, stay at their jobs longer and are proud to helping in recruiting their friends who have been successful selling for other companies. That improves the “blood line” and saves on recruiting fees.

Quite often sales managers and executives don't have the time and experience to do this correctly. Companies with internal training organizations often provide guidance, but sales training is quite different from designing and delivering training to other constituencies within an organization, such as customer care, engineering, or human resources.

The first step for any company deciding to make a change in their sales approach is always an assessment of the situation. What processes and methods are currently being employed by the company? What has their sales performance been? What percentage of sales people are delivering against plan? What are the biggest obstacles to success? How dynamic or stable is the company's environment? What are the practices and expectations of the buyers? Those are only a few considerations.

Designing or adopting a sales methodology is critical. Without that methodology in place, training is a tactical attempt to fix a larger problem. The selling methodology must be developed based upon the company's unique situation—their market, their customers, how those customers buy, the complexity and price levels of the products and services the company offers, competitive pressures, reporting requirements, the participation of partners, the skill level of their current sales people, etc.

Once Again, The Methodology Comes First

The methodology with its processes, supporting tools, measurements, and feedback mechanisms for ongoing improvement becomes the basis of most training that will take place. The overall goal of sales training is to advance compliance with and use of the sales methodology across the organization. Some training provides sales people with ancillary, generic skills, but successful companies train to their processes.

When a factor changes in a company's environment, such as a new competitor, an economic downturn (or upturn for that matter), or the introduction of a new product, adjustments must be made to the processes and supporting tools first. Then the sales people should be trained to understand and adapt to those changes. If the methodology isn't adjusted to meet new demands, training will encourage the sales team not to use the methodology any further. Keeping them all focused on the same approach will become difficult.

Some companies are capable of designing a new methodology or adapting to an existing one, but many are not. Resources may be focused on other tasks, do not have the skills, or cannot muster the support of key people within their organization. Designing, installing, implementing and managing a sales methodology requires help and support from every function within a corporation. Outside assistance is often required.

Potential Conflict of Interest?

We have seen highly successful cases where companies brought in training firms to help with methodology design. In other instances the results weren't as expected as most sales training companies have a unique philosophy and therefore a specialized approach. Perhaps they are strong in the area of selling business value to executives at the expense of competitive positioning. Perhaps attention on strategies for winning very complex sales situations dilutes their efforts toward working with students on the details and tactics that they need to execute in order to win—down to the actual words they need to be saying and to whom.

A training company that specializes in one or more areas of sales expertise will not necessarily perceive or look for your requirements in other areas. If the training/consulting provider is left to define your approach, there will likely be a gap in the methodology, and of course a resultant gap in the subsequent training.

One way to handle this is to engage with two independent providers. One would assist in assessing your situation, defining your requirements, and perhaps in building your methodology. The second would provide the training

and would be evaluated and selected based upon their ability to meet your specific (and complete) requirement set. That would assure that the first provider would not be defining your requirements to meet their curriculum. The best alternative is to engage with a firm that is completely independent of any training or sales consulting provider, and that can offer the proper guidance throughout these steps to assure in the best possible result.

From Methodology Development to Training

Once you have a methodology in place, you can begin defining and formalizing your training requirements. Some of these will be methodology specific. For example, you may need a training provider who specializes in selling to the government, or one who stresses executive-level sales skills, such as required by companies selling management consulting to the Fortune 500.

Other training requirements should include program curricula, degree of interactivity, pre- and post-program assignments, ongoing support and follow-up, tools with which the sales team will do their jobs more effectively, among other critical criteria.

Needless to say, when considering both the sales consultant and the training provider, their company philosophy, viability, experience, proven successes, approach, and, of course, their people are absolutely critical success factors.

...And Measurement

Important to any company that makes an investment seeking improvement is measurement. Benchmarking current levels of performance, setting reasonable goals and objectives based upon a careful assessment of the situation, and measuring progress against those goals is a necessary, but for the large part overlooked component of most training initiatives.

When progress is at or above plan, all stakeholders are encouraged, motivated, and continue to perform and excel. If expectations are not being met, the opportunity exists for immediate problem diagnosis and adjustment, assuring that the initiative will get back on track and provide the return on investment expected.

Many VPs of sales have told ESR that they cannot get funding for retooling their sales approach—revitalizing or building a new sales methodology and providing the appropriate training—because they simply can't say to the CEO, "For every dollar we invest in sales effectiveness this year, we'll generate \$1.55 in incremental sales."

To the Point:

What Do You Do Now?

Now is the time for sales managers to demonstrate their leadership by taking an approach—the right approach—for achieving sales effectiveness within their organizations.

1. Determine that you will establish a formal sales approach suitable for your company.
2. Define your requirements and build or adopt a sales methodology, getting outside assistance if needed, *before* embarking on sales training.
3. Take the time and effort to evaluate, select, and manage the ongoing relationship with the sales training provider that best meets your requirements.

This article was excerpted from a three-part *ESR/Insight™* brief, *How Effective is Your Sales Approach*.

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