

Understanding, Defining and Meeting Your Sales Training Requirements

Version 2.5

Highlights

(Pages are not in sequential order.)

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**Title: Understanding, Defining and Meeting
Your Sales Training Requirements**

Executive Summary

Forty-one percent of respondents to a survey conducted by ESR said that their companies did not use any sales methodology at all or, alternatively, employed a “style” of selling rather than an institutionalized set of processes (generic “consultative selling” or “solution selling” are examples). Fourteen percent of the respondents provided unique names of methodologies their companies used that no other responded listed. (This underlines the extremely fragmented nature of the sales training industry.)

Sales training alone has little impact on a company’s sales performance unless it directly supports the use of a sound methodology. That methodology must be carefully structured to meet the requirements of the company’s selling environment including how their customers buy, how their competitors sell, economic conditions, the market into which they are selling, and the capabilities, traits, and behaviors of their sales people.

Any company that currently does not have a relevant, documented sales methodology, the entirety of which is being used by every sales person, is likely not performing to their fullest potential. Research has proven that there is a direct link between sales methodology and sales success.

ESR’s research has shown that any company that has identified a need for sales training but does not have an established process for defining requirements and choosing a provider will likely choose the wrong one.

It is extremely difficult for many companies (and impossible for others) to select the right sales consulting/training partner. There

**Situation
Assessment**

In the U.S. alone, enterprises spend over \$5 billion per year training sales professionals, half of that investment with third-party training firms. However, less than ten percent of that total is spent with the largest of providers, leaving corporations to make training decisions from an extremely fragmented, and often incompatible pool of suppliers.

Because of very limited, if any, objective information available about the sales training and consulting providers and few companies with experience and a process to find, select, and manage a provider, many companies either do no training or embark upon a path that leads to failure.

are a number of reasons. One that is prevalent in our minds is the breadth and depth of capabilities claimed by some of the leading providers.

We recently spoke with CEOs of two major sales training providers. During a long discussion with the first executive, we mentioned that we were surprised we had not seen anything new on his company's website recently. He told us he had stopped listing his new offerings on his company's website because he "wants to stop educating his competitors." We have first-hand knowledge of his company's intellectual property being, in his words, "re-packaged" by his competitors and used to compete against him. We audited a training class offered by one of that company's competitors. The trainer provided examples and anecdotes which were virtual copies, including hand movements, intonation, and verbal inflection, of those delivered by the founder of the CEO's company many years before, which we personally observed at the time. The trainer, who was imitating that founder again and again, had never met him. Where does that leave someone seeking to find the right training provider?

The second CEO talked about the client companies listed on his website. We knew for a fact that some of the companies listed were no longer his clients. "You're right," he said. "I will just not spend my time and money keeping that list updated when all it does is provide a list for all my competitors to call. My clients get annoyed. I'm seriously considering just not having a list of our clients on the site at all." Where does that leave you when you are looking for validation about a provider from their clients and customers?

For a number of reasons, sales VPs are rarely the best resources to formally and accurately define methodology and training requirements for their own teams. Nor are they the best resource to manage the process of selecting a provider. Unfortunately, training and H.R. personnel do not always understand the intricacies faced by sales people within their own organizations. This report will provide an instruction set for accomplishing these critical tasks.

Key Findings and Recommendations

Understanding, defining and meeting your sales methodology and training requirements is a daunting challenge if it is done the right way. Most companies take short cuts, resulting in few, if any, long-term gains in sales effectiveness.

There are no alternatives if you are counting on more than just your products and services to win business. Every sales training company and consultant that provides sales performance development will tell you the same thing:

- ▶ The business world has changed.
- ▶ Buyers are tougher.
- ▶ Competition is more fierce.
- ▶ Commoditization is rampant.

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1. The Big Questions

We have titled this first section of this *ESR/InDepth* report “The Big Questions.” These are a subset of the *ESR/Core Issues*, a set of foundation questions which we introduced, framed and defined in our first *ESR/Insight*. *ESR/Core Issues* are fundamental, mission-critical questions that do not have simple answers, but rather require intense research, experience, and analysis that ESR continues to provide in a series of publications. Thus the Core Issues constitute what one might call our “research agenda.”

Understanding and defining sales methodology and training requirements is all about questions. It is a veritable who, what, when, where, why, and especially, how.

We will provide you with a lot of questions here, and through those, with some work on your part, many answers. They will be gleaned from a disciplined, orderly set of processes which we will define, provide examples, and make strong recommendations.

One word of caution here: answering questions is easy. Answering them objectively, thoroughly, and accurately, is much more difficult.

1.1. What Are The Core Issues, Challenges, and Trends Faced By Sales Organizations?

Maximizing the productivity and effectiveness of the sales organization is a fundamental concern to most corporations as a key driver of revenue. A critical ingredient of that optimization is sales process improvement and the sales training that supports its use. Many larger corporations have their own internal sales training function. They may have developed programs themselves over the course of a number of years or may license intellectual property from one or more sales training providers. Other corporations, especially smaller ones, turn to outside providers for sales process training, sales management training, and sales-related specialty skills development.

The market for sales training/consulting providers is highly fragmented with scores of small and medium

How to Read This Report

The report is not based on market research where a limited number of questions were asked of hundreds of companies. Rather, the insights, opinions, practices, examples, and recommendations are based upon personal, in-depth understanding and knowledge of real situations—hundreds of them.

This report was written to be read all at once or, alternatively, as a reference guide.

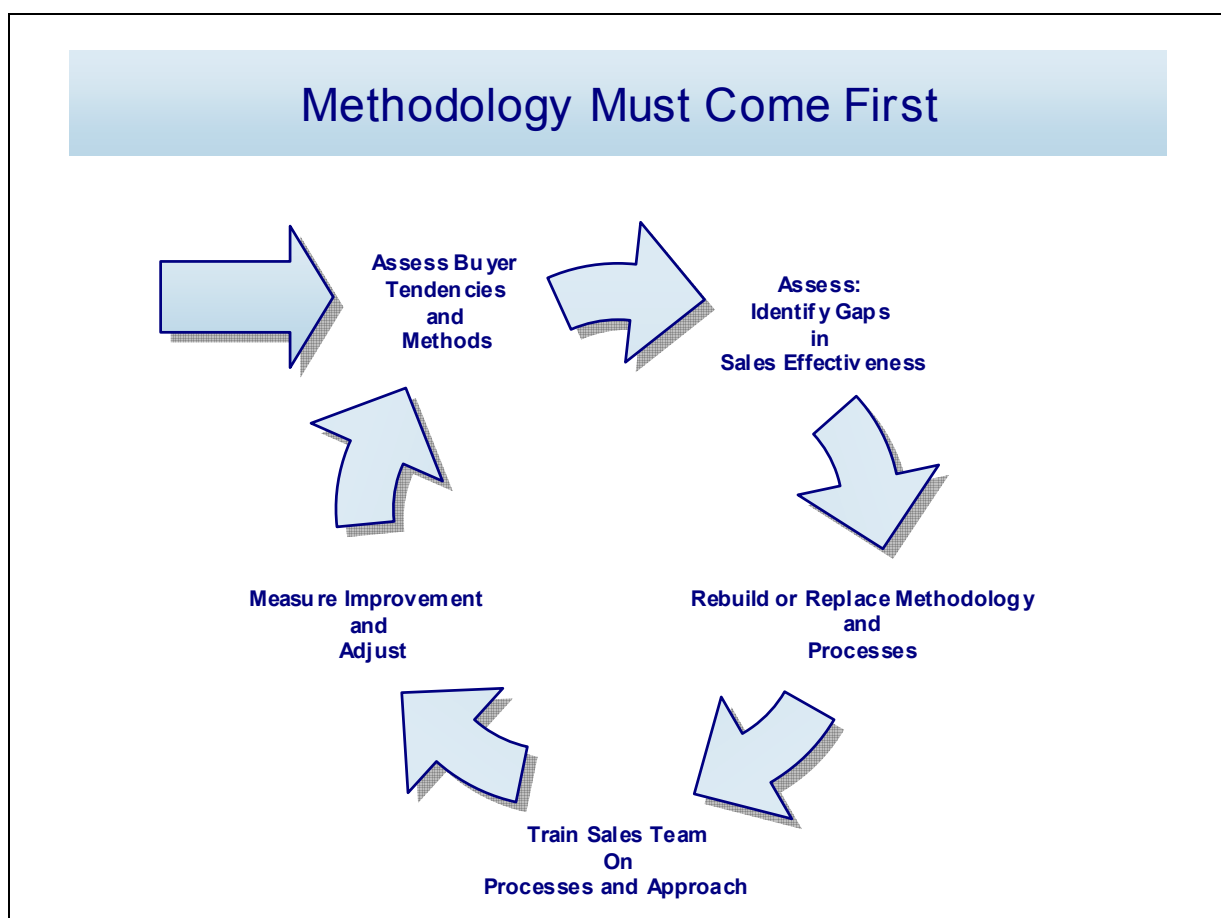
The table of contents will help you find the sections of this report that most apply to your situation. Feel free to read what you need, when you need it.

You will find an “ESR Recommends” box at the end of most sections. In addition, you will find a “Customer Application” where ESR will provide an example of a concept or recommendation that has been tested and used by a real company, perhaps somewhat like yours.

2. The Importance And Critical Components Of A Sales Methodology

2.1. Methodology Must Come First

The right sales approach has sales training supporting 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 the right way.



When sales managers and executives select a training company without first building or adopting a sales methodology, they do so because:

- ▶ They are now facing, or have been facing, obstacles in winning against a specific competitor or group of competitors, and they have waited too long to take appropriate action.

Although it is not the intent of this report to delve into the subject of methodology adoption and compliance across your sales organization, in our experience many companies face two extremely difficult challenges in their quest for sales excellence: First in underestimating the change in business process that is required, not only in the sales department, but across their entire organization. The second challenge is in effecting that business change. Few companies have the experience and capabilities to succeed in that degree of transformation.

Customer Application

A \$300 million international company went through re-engineering their sales approach the right way.

Here are some highlights to put it very simply:

- ▶ *The CEO took overall ownership, with the VP of sales having operational responsibility.*
- ▶ *An adequate budget was allocated, not only for training, but more importantly for the business process reengineering of other areas within that company that touched or supported sales, such as marketing, billing, legal, HR, etc.*
- ▶ *Change management was taken seriously. There was a plan and although it was not perfectly executed, it was done correctly.*
- ▶ *Sales management and key sales people were included in the process redesign. Customers and partners were consulted.*
- ▶ *Incentives were put in place to assure adoption.*
- ▶ *Sales people were required to comply. Several were "re-deployed" for non-compliance.*
- ▶ *Revenue growth far exceeded expectations. Although business improvement was not quantified, the CEO and Board attributed much of the success to the upgraded methodology, training, and ongoing support of the sales and supporting functions.*

- ▶ Does the instructor use real-life examples that the participants would identify with to illustrate their points?
- ▶ Does the instructor understand your company, what they sell, the obstacles, and challenges your people face even if those are not the immediate subject covered in the program?
- ▶ Has the instructor taken the time to understand the commonalities and differences among the group, such as experience levels, job responsibilities, and performance levels?

Customer Application

We audited a sales training program delivered by one of the leading providers. This three-day event was one in a series of ten that were to be provided to the client over the course of two months.

The training provider had selected several trainers, each of whom would deliver three programs in different locations throughout the U.S.

The program we attended was the first of the three for that trainer. Within 15 minutes there was trouble. The trainer was unable to establish his expertise and credibility to a team of 20 highly effective and experienced sales "heavy hitters."

The trainer had no personal knowledge or experience in the client's industry, although we were assured later on the sales training company did.

The training provider was unable to get another trainer to the event as a replacement. The attendees demanded that the program be cancelled and rescheduled so they could get back into their territories and sell.

This unfortunate situation cost the client company well over \$40,000 in expenses, a loss of momentum in their sales excellence initiative, and left some of their best and influential sales people highly skeptical of the entire effort.

7.4.3. Venue

Consider where the training will be held, the details of the venue, and examine the training delivery strategy to identify any potential difficulties. If the team