

The Salesperson's Perspective on the Impact of Sales Training



Sales Readiness Group



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INTRODUCTION

Sales training has a unique focus within learning and development (L&D). For the majority of jobs, training typically involves building competencies such as technical skills or project management, where the goal is to improve performance when producing goods and providing services. The learning objectives of effective sales training programs, on the other hand, are to improve the relationships between sales professionals and their clients, which drives sales performance and close rates for those sales professionals. Sales success is a key driver for business success.

Accordingly, companies invest significant time and resources in the training of their sales staff, and these investments have been increasing over time. The global market for sales training is estimated to have been \$2.54 billion in 2017, up nearly \$1 billion since 2010.¹

A recurring question in L&D is the extent to which effective sales training has an impact on sales performance.

¹ <https://trainingindustry.com/wiki/sales/sales-training/>

To examine this issue in greater detail, Sales Readiness Group partnered with Training Industry, Inc. to conduct a study to better understand the business case for sales training.

For this research, 287 sales professionals in business-to-business (B2B) roles completed a confidential survey exploring how they see the value of the training they receive. This study intentionally surveyed sales professionals instead of L&D professionals in order to collect the perspective of those in the job on how well the training they receive meets their needs.

The survey results indicate that respondents at companies with more effective training programs have:

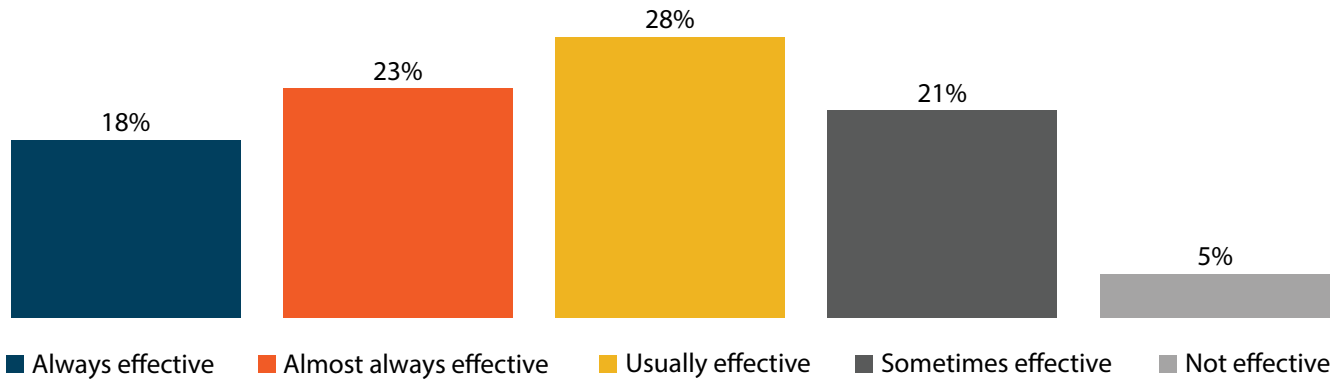
- Higher win rates
- Higher levels of job satisfaction
- Faster ramp-up time for new hires

The insights in the pages that follow can be used by L&D professionals and those in sales leadership to shape best practices for the sales training at their companies to drive performance.

THE EXPERIENCE OF SALES TRAINING

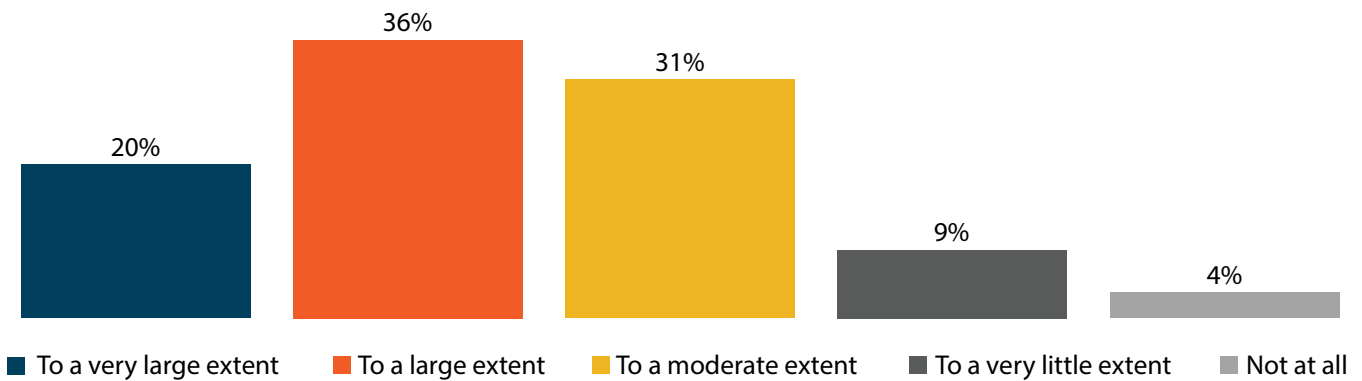
First, we wanted to assess the overall effectiveness of the sales training programs in which survey respondents participate. As shown in Figure 1, B2B sales professionals hold a wide variety of opinions about the quality of the training they receive. Only 41 percent of respondents rated their sales training as effective (defined as a combination of “always” and “almost always” effective ratings), whereas 26 percent of respondents rated their sales training as ineffective (defined as a combination of “sometimes” and “not effective” ratings). These results demonstrate that from the perspective of sales professionals, the average encounter with sales training may leave a lot to be desired.

Figure 1.
Ratings of Sales Training Effectiveness



Related to the effectiveness of sales training is the extent to which these training programs are strategically aligned to business objectives. As shown in Figure 2, 56 percent of respondents felt that sales training supports the achievement of sales goals at their respective companies.

Figure 2.
Extent of Sales Training Support for Sales Goals



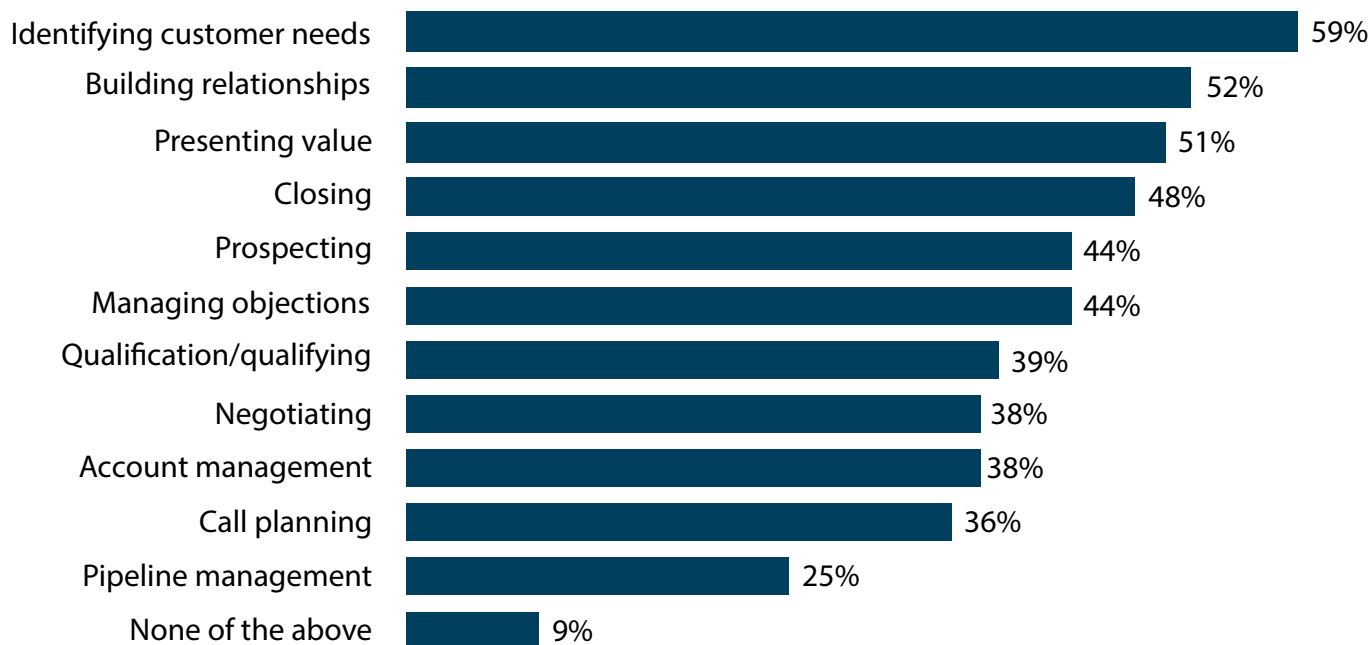


Combining the results of Figures 1 and 2, it is clear that while the effectiveness of sales training programs may not always be praiseworthy, such training does appear to be more likely to focus on the right performance outcomes. Digging deeper into the results, we found that an overwhelming 89 percent of respondents who rated their training as effective (combined “always” and “almost always” effective ratings) also felt their training was highly aligned to sales objectives. For respondents who rated their sales training as ineffective (combined “sometimes” and “not effective” ratings), only 14

percent also felt that this training supported sales goals. So, while it is possible to have training that supports performance targets but falls short on quality, there is a clear pattern that illustrates how effective training and strategic training often go hand-in-hand.

Next, respondents provided information about the sales training topics offered by their companies. As seen in Figure 3, the most popular topics offered by over half of the companies represented in this research were identifying customer needs, building relationships and presenting value.

Figure 3.
Sales Training Topics Offered



We also found that 45 percent of companies offered between two and five topics to their sales professionals. While there was little difference in the types of topics offered across companies with effective or ineffective sales training, those with effective sales training tended to offer a wider variety of topics.

Training topics were not our only area of interest when it came to the form and function of sales training; we also asked respondents to indicate the modalities they found most effective. In general, over half of respondents agreed that on-the-job learning and coaching sessions were the most impactful ways to engage with sales training.

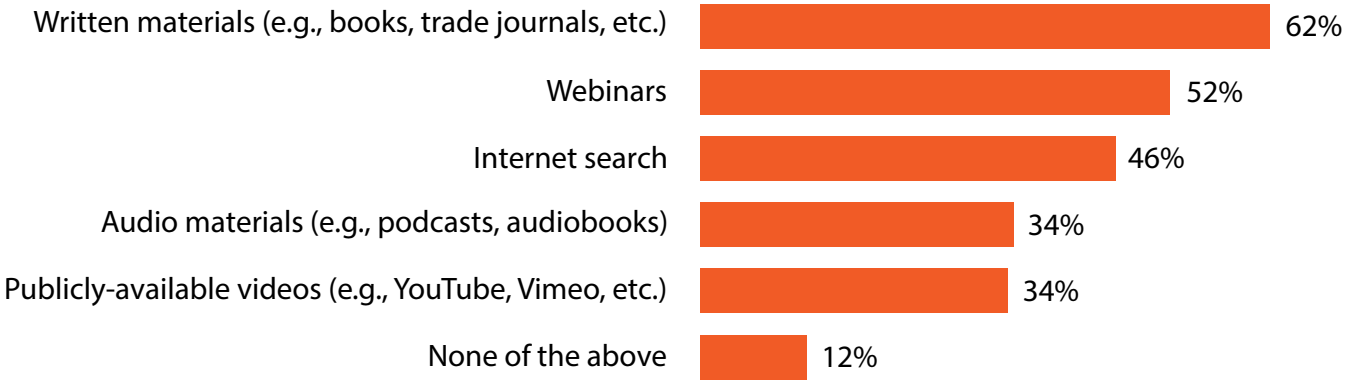
Conversely, on-demand e-learning and virtual classrooms were the least impactful for some sales professionals, with slightly over one-quarter of respondents indicating that these two delivery modalities were seldom or never effective. However, it bears mentioning that at least one-third of respondents also rated these two modalities as highly effective for sales training. In this light, the cumulative takeaway from these ratings may reflect a general preference of salespeople for training modalities that are less likely to interrupt day-to-day sales processes.

An important finding from our data on the effectiveness of modalities came out of crossing these ratings with respondents' ratings of sales training effectiveness. This cut of the data showed that all modalities were rated as more effective by respondents in companies with effective sales training.

Another area of interest related to how training is delivered is the informal training that sales professionals may routinely access. As shown in Figure 4, 88 percent of sales professionals are engaging with some form of training that is not directly sponsored by their companies. What is notable from this data is that sales professionals reported seeking out informal training regardless of the effectiveness of the formal training they receive. That is, nearly all sales professionals are supplementing their companies' training with outside information.

Although training can be effective, it doesn't automatically mean that sales professionals are engaging with it. To gauge the levels of satisfaction with training and positive attitudes toward training (i.e., motivation), respondents answered a series of questions to represent each of these two outcomes. These sets of questions were adapted from previously published and validated scientific research.² The average scores on a five-point scale were 3.92 for training satisfaction and 4.08 for training motivation. These results show that sales professionals are largely satisfied with the sales training they receive and have a positive disposition toward learning.

Figure 4.
Use of Informal Training

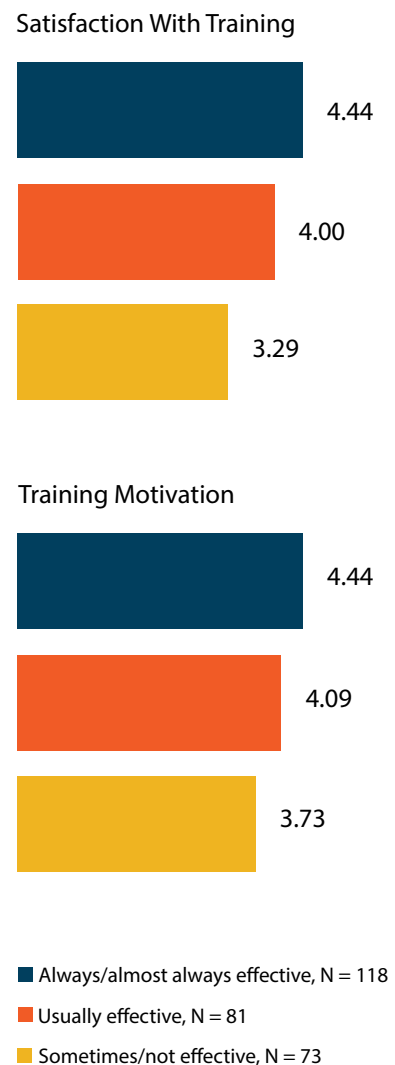


²Schmidt (2007). *The relationship between satisfaction with workplace training and overall job satisfaction*. Human Resource Development Quarterly, 18(4), 481-498

Examining these data further, we crossed these average scores with respondents' ratings of sales training effectiveness. The pattern of results in Figure 5 suggests when a company's sales training is effective, learners tend to be both more satisfied with their training experience and more motivated to engage with the training being offered to them. The differences in the scores suggest that companies with effective training largely agreed with statements about having positive reactions to training, whereas those from companies with ineffective training were more likely to be ambivalent toward their companies' offerings.

In the next section of this report, we will describe the sales environment of the respondents to this research and the skills necessary for sales success.

Figure 5.
Average Scores for Training Satisfaction and Motivation, by Training Effectiveness

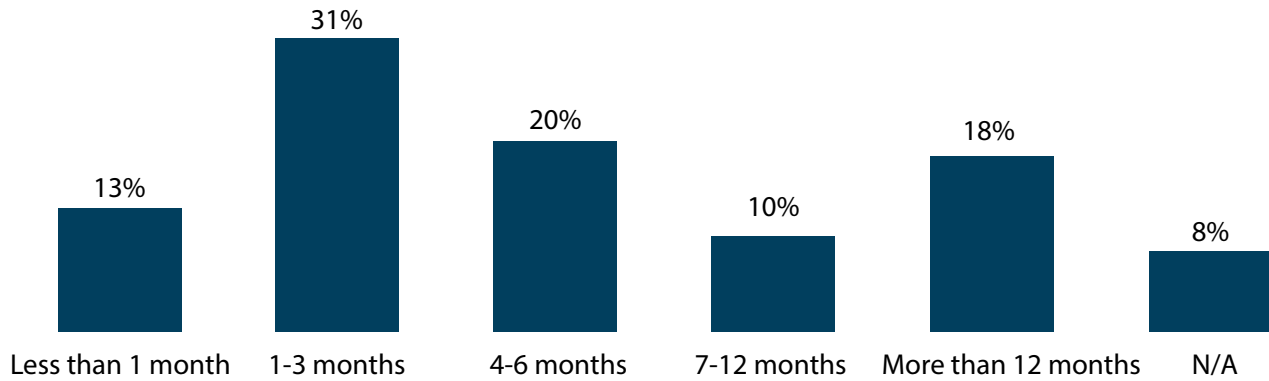


THE NATURE OF SALES ROLES

An unassailable fact of B2B sales roles is that although they often involve many of the same job tasks from industry to industry and can therefore rely on the same types of training, there is always variation in how individuals in these jobs operate from day to day.

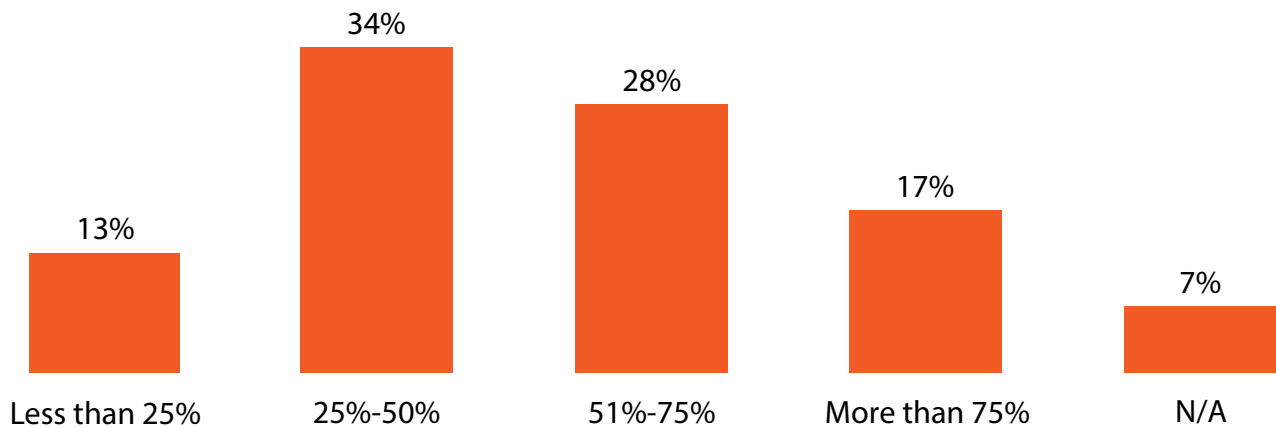
First, we asked respondents how long it typically takes for them to complete an entire sales cycle. Figure 6 shows that there is quite a range among companies when it comes to the distance between a prospect and a closed deal. That said, about 50 percent of respondents had sales cycles that lasted between one and six months.

Figure 6.
Average Length of Sales Cycle



Next, we were interested in how many sales opportunities result in closed deals. As shown in Figure 7, only 17 percent of respondents indicated that they close greater than 75 percent of the deals they work on, and 47 percent close fewer than 50 percent of their deals.

Figure 7.
Percentage of Sales Opportunities Resulting
in Closed Deals



When correlating the data shown in Figure 7 with ratings of sales training effectiveness, a pattern emerged such that respondents in companies with effective sales training had higher proportions of closed deals.

Figure 8.
Sales Skills Rated “Very Important” for Sales Roles



More specifically, 51 percent of respondents who receive effective training (combined “always” and “almost always” effective ratings from Figure 1) reported closing over half of the sales opportunities they encounter, compared to 40 percent of respondents who receive ineffective training (combined “sometimes” and “not effective” ratings from Figure 1). Not surprisingly, the data suggest that more effective training correlates to higher close rates.

The data presented so far in this section depict the role of a sales professional as one that varies widely in terms of how long it takes to close a sale, the win rate for these opportunities and the size of individual sales targets. This is to be expected, as B2B sales processes can look very different from company to company depending on the level of competition, market dynamics and the influence of changing technologies.



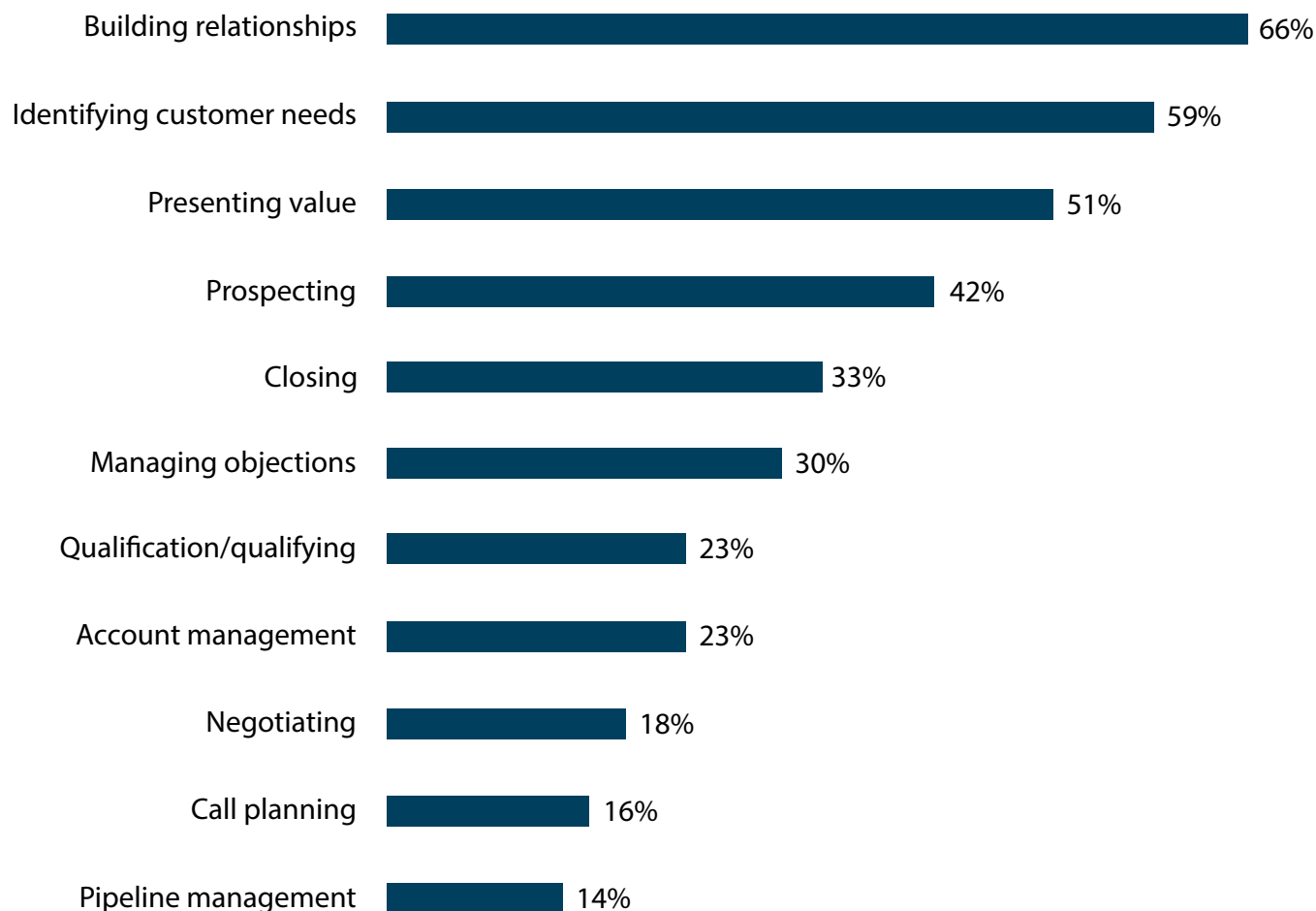
Effective training correlates to higher close rates.”

Despite all these differences, we found that sales professionals largely agreed about the importance of core sales skills to actualizing success in their roles. As shown in Figure 8, the top three skills that were seen as critically important to the current success of sales professionals were identifying customer needs, building relationships with customers and presenting value to customers. Further, these skills were identified by respondents as the most critical sales skills irrespective of the effectiveness of their sales training.

The results above are relevant to “current state” skills. But what about in the future? To answer this question, we asked respondents to select the sales skills that they saw as pivotal to steering future sales outcomes in their roles over the next two to three years. Figure 9 shows that sales professionals feel that identifying customer needs, building relationships with customers and presenting value to customers are the skills that will drive results in the years ahead.

There is an important point to make based on the collective insights on sales skills from this research. The trio of skills that includes identifying customer needs, building relationships and presenting value are the core skills to driving both current and future sales performance, in addition to being the most common sales training topic offerings based on the data from Figure 3. In other words, for a company struggling with sales performance and looking to L&D to assist in closing the gap, these three topics (identifying needs, building relationships and presenting value) are the starting block for rejuvenating the effectiveness of sales training.

Figure 9.
Critical Sales Skills for Future Performance



This research has described the type of training sales professionals receive and the nature of their responsibilities, but none of these data directly deals with how individuals in these roles feel about the work they do and whether or not they're engaged with their jobs. To address this question, we collected ratings of job satisfaction from survey respondents.

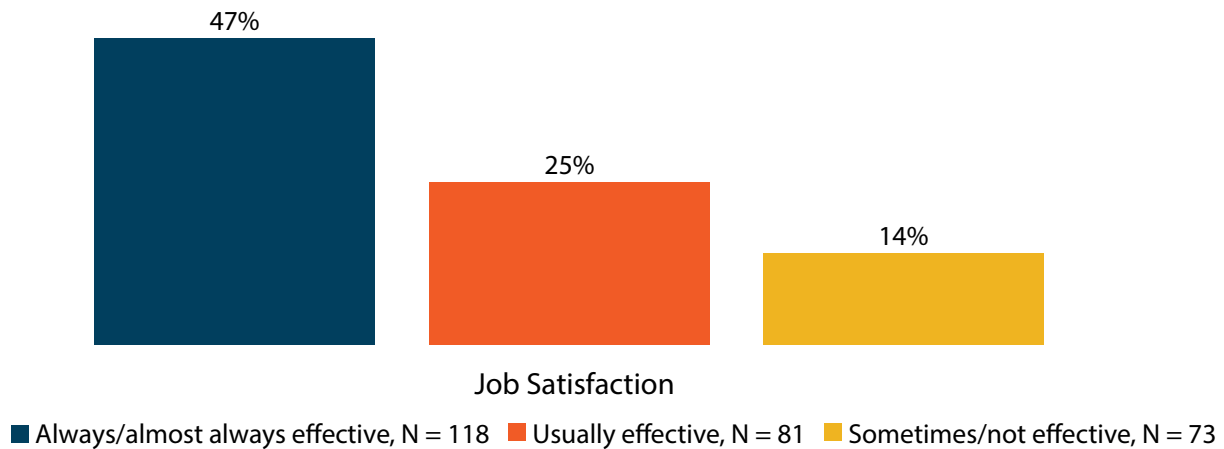
In general, 76 percent of respondents agreed with a statement that they are satisfied with their job, compared to only 11 percent who disagreed. This finding can be interpreted to mean that over three-quarters of sales professionals tend to like their work and their role at their respective companies.

“

Nearly half of those who rated their sales training as effective were highly satisfied with their jobs.”

Naturally, we were interested in whether these ratings appeared to be related to the effectiveness of sales training. Figure 10 breaks down the proportion of respondents who gave a rating of “strongly agree” to the statement that they’re satisfied with their jobs. As shown, nearly half of those who rated their companies’ sales training as effective were highly satisfied with their jobs, compared to only 14 percent who rated their training as ineffective.

Figure 10.
Ratings of Job Satisfaction, by Training Effectiveness



NEW HIRE RAMP-UP TIME

The speed with which a new salesperson can meet sales goals (called “time to proficiency”) has tangible business impacts. For the bulk of sales-related roles, more effective training means less time spent “out of field” for foundational training and more time spent actively selling. As shown in Figure 11, the average time it takes for a new salesperson at respondents’ companies to perform at quota was 27 weeks, or about six months. Although there is obviously some variability between organizations, half of all the companies represented in this research take between three and nine months to get a new salesperson up to tempo.

An important takeaway from this data is what happens when the average required time for a new salesperson to meet his or her sales quota is combined with ratings of the overall effectiveness of sales training. Summarizing the data shown in Figure 11, for a company with effective sales training (combined “always” and “almost always” effective ratings), the average time to proficiency was 24 weeks; for a company with training that is usually effective, the average time was 26 weeks; finally, for a company with ineffective training (combined “sometimes” and “not effective” ratings), the average time was 31 weeks. We found that on average, companies with effective sales training had new salespeople who meet quota up to seven weeks faster than companies with ineffective sales training. While this difference is not as pronounced when comparing companies with sales training that was rated as being usually effective, our data still show a gap of two weeks.



Highly effective sales training reduces ramp-up time by up to 7 weeks.”

Figure 11.

Required Time to New Salesperson Quota Attainment, in Weeks



The end result of this analysis is that highly effective sales training promotes faster time to proficiency. For companies who tend to see high levels of turnover in sales roles for various reasons, effective sales training can translate to less time spent with onboarding activities. However, these results are important for all sales functions. These differences in time may seem trivial to some at first glance, so let's go over an example of how the time to proficiency speed of new salespeople can impact indirect costs to a company.

First, we need to lay out our assumptions for the sake of this example. Based on this survey, the average annual sales quota for a sales professional is approximately \$1 million, which translates to a weekly quota of \$19,230. Let's assume that during the "ramp-up" time necessary for a new salesperson to perform at quota, he or she will perform at 50 percent of quota attainment (i.e., \$9,615 per week) and would meet 100 percent of quota following training.

Now, let's assume a company has one newly-hired sales professional. Based on the average time to proficiency described in Figure 11 for companies with varying levels of sales training effectiveness, the lost revenue to the company for this sales professional is illustrated in Table 1.

Table 1.
Impact on Lost Revenue Due to Less Effective Training

Overall Sales Training Rating	Ramp-Up Time	1 New Hire	5 New Hires	10 New Hires
Effective	24 weeks	\$0	\$0	\$0
Usually Effective	26 weeks	\$19,230	\$96,150	\$192,300
Ineffective	31 weeks	\$67,305	\$336,525	\$673,050

As shown, ineffective sales training for a single salesperson could cause a company to forgo up to \$67,305 of potential revenue compared to a company with effective sales training. Increasing the number of new sales hires quickly yields hundreds of thousands of dollars in lost revenue potential.

The impact on lost revenue associated with training is significant in terms of the necessary ramp-up time to get new sales staff performing at quota. It is important to point out that the lost revenue does not otherwise include the direct and indirect costs associated with hiring new sales professionals or developing and implementing a sales training curriculum.

In the final section of this report, we will summarize the research findings thus far before uncovering in-depth insights from the data about the beneficial consequences of effective sales training.

CONCLUSION: THE BUSINESS IMPACT OF SALES TRAINING

The findings in this report reveal several important conclusions about the sales training being offered to B2B sales professionals and its impact on their performance. Compared to respondents with ineffective sales training, the data for respondents from companies with effective sales training programs revealed that:

-
- Companies with effective sales training tended to offer a wider variety of topics, with the three most important for current and future performance being building relationships, identifying customer needs and presenting value.
 - Respondents in companies with effective sales training had a higher percentage of sales opportunities resulting in closed deals.
 - Average scores for training satisfaction and motivation were higher in companies with consistently effective sales training.
 - Respondents in companies with effective sales training had higher levels of job satisfaction.
 - Respondents in companies with effective sales training report faster ramp-up time for new sales reps.

For a business to be successful, its sales team must be successful. With the investment in sales training increasing over the last decade, companies must maximize that investment and ensure the training they are providing their salespeople is improving their relationships with their customers and resulting in increased revenue for the company. Overall, the data presented in this research report demonstrate patterns that lead us to conclude that the least expensive and most impactful way to overcome sales problems and reduce lost revenue opportunities is to strike directly at the source and bolster the effectiveness of a company's sales training.

STUDY DEMOGRAPHICS

Figures 12 through 15 provide context on the 287 survey respondents who participated in this research. The figures summarize the companies the respondents represent in addition to the distributions of job tenure and age across all respondents.

As shown in the figures on this page, 55 percent of companies included in this research had over 1,000 employees and came from a wide array of industries.

Figure 12.
Organizational Size of Respondents' Companies, by Number of Employee

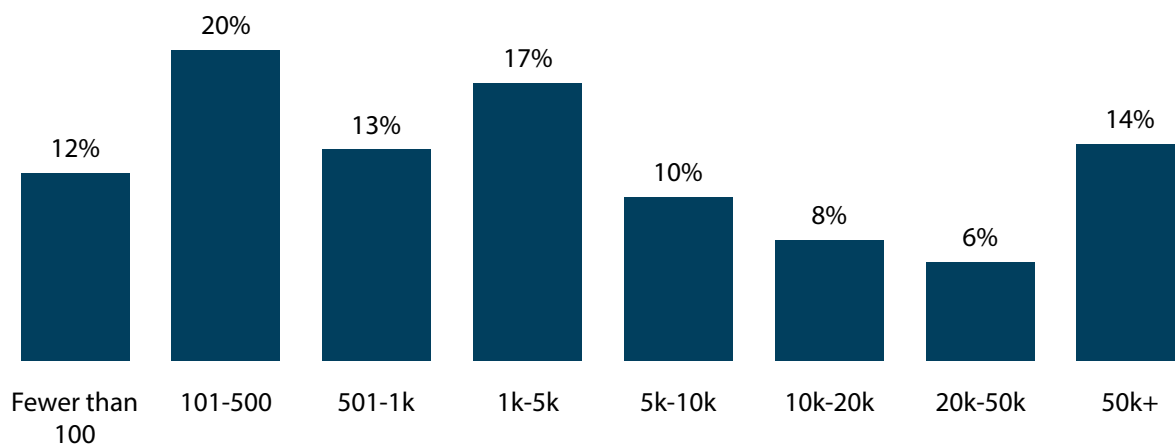
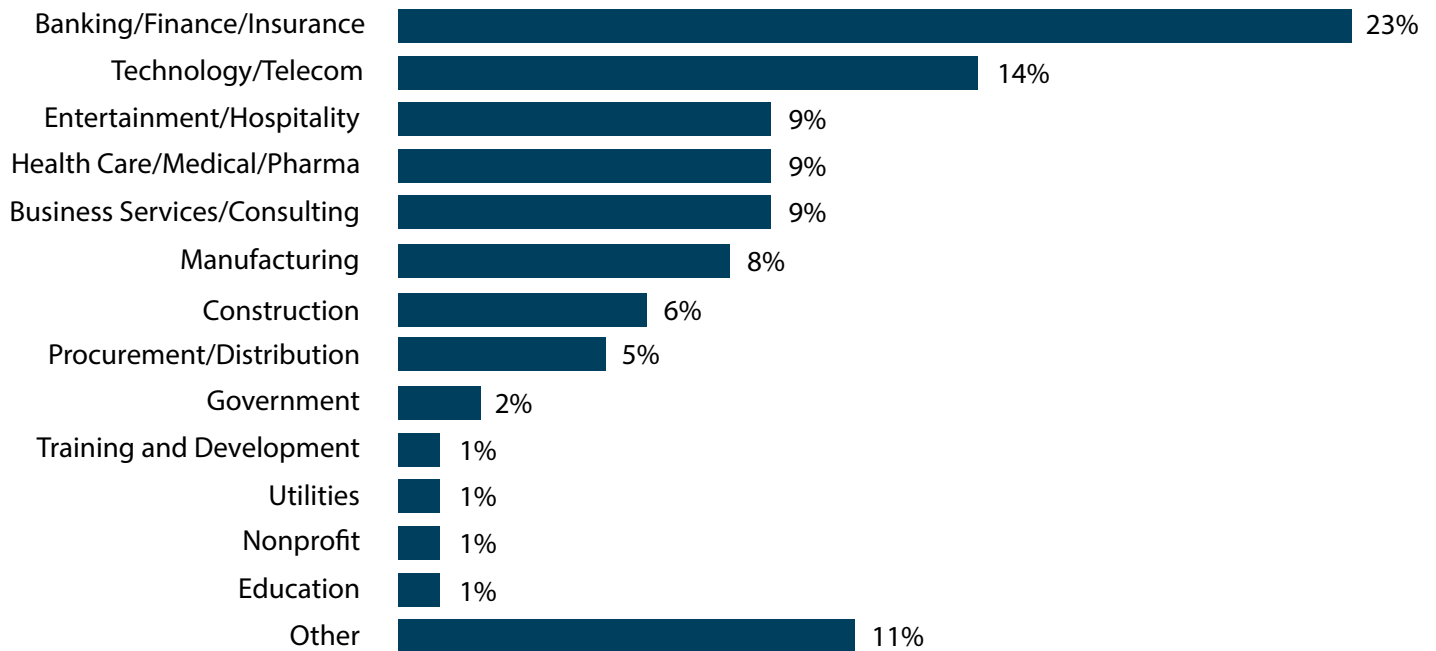


Figure 13.
Industries Represented



The figures on this page show that 49 percent of respondents have been in their roles for more than five years, and the distribution of ages across workforce generations was relatively balanced across millennial, Generation X and boomer employees.

Figure 14.
Respondent Job Tenure

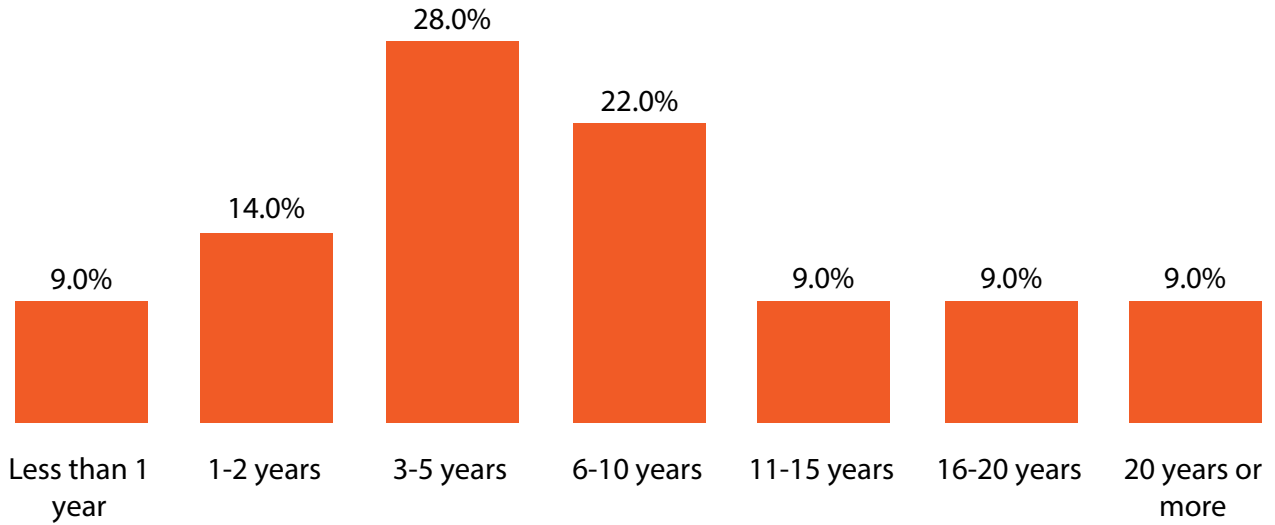
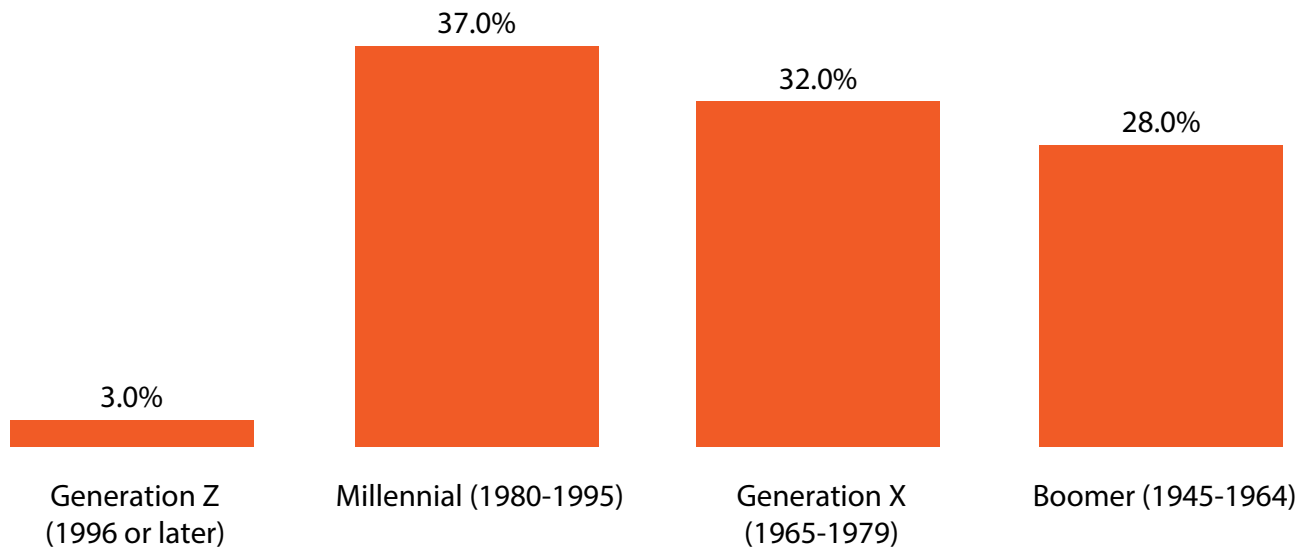


Figure 15.
Respondent Generations, by Birth Year





ABOUT THIS RESEARCH

ABOUT SALES READINESS GROUP

Sales Readiness Group (SRG) is an industry leading sales training company. Our mission is to help improve the performance of sales teams by providing customized, skills-based training programs that produce sustainable behavior change. Our solutions

include comprehensive sales training, sales negotiation, sales coaching, and sales management programs. For more information, go to www.salesreadinessgroup.com, or call 800.490.0715, or connect with us on Twitter and LinkedIn.



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