

## **Sales Training 2011**

Uncovering How the Best-in-Class Sustain, Reinforce and Leverage Best Selling Practices

October 2011

Peter Ostrow

## Executive Summary

Despite the recent recession and lingering questions about business stability, sales training has emerged as a consistent, growing imperative among companies seeking to beat out the competition. Aberdeen research conducted in 2009 and 2010 has revealed a continuous rise in sales training spend among survey respondents, most recently revealed in [Sales Training: Deploying Knowledge, Process and Technology to Consistently Hit Quota](#) (September 2010). In Q4 2011, has this spend maintained its popularity – and effectiveness – among top-performing sales organizations?

### Best-in-Class Performance

In July and August 2011, Aberdeen surveyed 970 end-user organizations to learn about their sales effectiveness via training. Among the 707 currently utilizing sales training, Aberdeen used the following three key performance criteria to distinguish the selling organizations within Best-in-Class companies:

- 87% of sales reps achieved annual quota in the last measured year, compared with 49% among Industry Average firms and 4% within Laggard companies
- 9.5% average year-over-year improvement in average deal size or annual contract value, versus 2.2% for Industry Average and a 1.8% reduction among Laggards
- 4.5% average year-over-year increase in lead conversion rate (sales-accepted lead to close), vs. 1.1% within Industry Average companies and a 2.4% decrease for Laggards

### Competitive Maturity Assessment

Survey results show that the firms enjoying Best-in-Class performance share several common characteristics, including:

- 91% focus on instructor-led training as the most effective training modality
- 85% have defined competencies and training for each sales role
- 83% use of a formal sales methodology - either homegrown or from an external provider

### Required Actions

In addition to the specific recommendations in Chapter Three of this report, to achieve Best-in-Class performance, companies must:

- Gain executive-level support for sales training initiatives
- Publicize sales performance metrics throughout the enterprise
- Deploy a centralized repository of sales training content and other best selling practices, available to all relevant job roles
- Support a formal “train the trainer” environment

#### Research Benchmark

Aberdeen’s Research Benchmarks provide an in-depth and comprehensive look into process, procedure, methodologies, and technologies with best practice identification and actionable recommendations

"Training is just an event. For training to be effective/impactful, what happens before and after the training is critical for long-term impact on the company's business."

~ Julia Schoettle, Sr. Manager,  
Americas Strategy and  
Initiatives, NetApp

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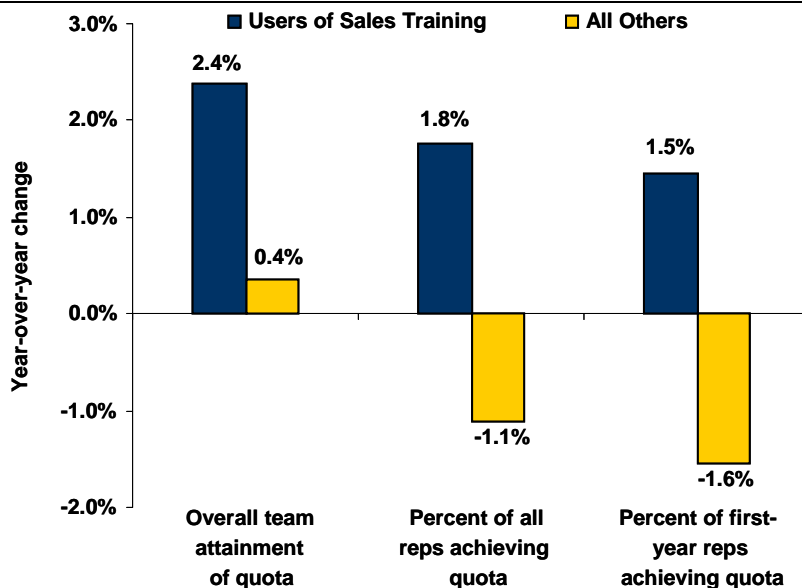
## Chapter One: Benchmarking the Best-in-Class

Contemporary corporate sales organizations must adapt to today's on-demand selling environment and the resulting altered buying cycles, as well as new methodologies of transferring knowledge to and from customers and prospects. Maintaining credibility, customer satisfaction and their own profitability requires ongoing attention to the skill sets of the company's front line in order to assure the highest degree of sales effectiveness in managing prospects through the sales cycle. To this end, a wide variety of sales training solutions and methodologies are deployed by companies seeking to lower or control the cost of selling, while maximizing the top line of gross revenue, by influencing the behavior of their sales reps as well as of their sales managers.

### Business Context

Prior to understanding how better business performance is related to specific practices, services or technologies, it is valuable to justify the study of sales training itself. In other words, does sales training even matter? In Figure 1 we compare the year-over-year performance changes of organizations using sales training with those that do not. As the data makes clear, the growth or decline of corporate sales quota attainment – including overall team accomplishments and the individual performance of both new and seasoned sales reps – can be directly associated with the use of sales training itself.

**Figure 1: Sales Training Directly Associated with Growth in Quota-Centric Business Performance Metrics**



n = 970

Source: Aberdeen Group, August 2011

### Fast Facts

- ✓ Best-in-Class companies have had sales training in place for an average of 5.6 years, compared with 4.6 years among Industry Average companies and 4.1 years for Laggards
- ✓ An average of 86% of sales reps within Best-in-Class firms have received formal sales training; the frequency drops to 79% and 61% respectively among Industry Average and Laggard companies

This does not assume that externally provided sales training services or content are required, as opposed to internally-sourced and delivered training, but we will in fact address the differentiation between the two modalities in the sections to follow.

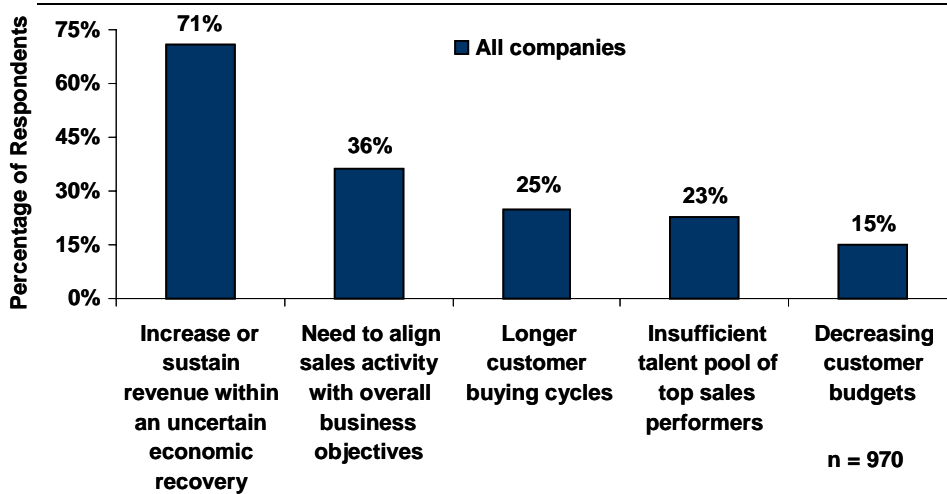
## Business Pressures

When survey respondents were asked to identify their top-two business pressures in the context of sales effectiveness, the clear majority concern continues, as in much of Aberdeen’s research at this time, to focus on the business economy (Figure 2). With almost twice as many companies selecting this top pressure as the next most popular issue, clearly we are recognizing that unlike in previous economic downturns, the post-recessionary corporate mindset is less optimistic and more cautious about any recovery. In fact, the 71% number in Figure 2 is the highest seen in three years of Aberdeen research into sales training, with 69% selecting this pressure in [Sales Training: Translating Tribal Selling Knowledge into Bottom-Line Productivity](#) (September 2009) and 57% in [Sales Training: Deploying Knowledge, Process and Technology to Consistently Hit Quota](#) (September 2010).

"Sales training must be relevant, actionable and measurable."

~ Greg Smith, Sales Development Manager, Oldcastle Building Products

**Figure 2: Key Business Pressures Impacting Sales Up-Selling and Cross-Selling**



Source: Aberdeen Group, August 2011

While roughly half as relevant a concern as the economy, the next most cited business pressure driving sales training efforts is the "need to align sales activity with overall business objectives." In the language of sales enablement, this addresses the question of how efficient sales organizations are at matching what their reps say and do, to the overlying business goals of their employer – particularly as the business goals, in uncertain economic environments, may be subject to more frequent scrutiny and refinement than in boom times.

## The Maturity Class Framework

Aberdeen used three key performance criteria among responding sales organizations around sales training, to distinguish the Best-in-Class from Industry Average and Laggard organizations:

- Current percentage of on-staff sales representatives achieving quota
- Year-over-year change in average deal size or contract value
- Year-over-year change in average lead conversion rate (sales-accepted lead to close of deal)

"Reinforce, reinforce, reinforce."

~ John Schmidt, Parts  
Department Manager,  
Coopersburg Kenworth

Organizations with top performance based on these criteria earned Best-in-Class status, as described in Table 1. For additional details on the Aberdeen Maturity Class Framework, see Table 5, The Competitive Framework Key, in Appendix A.

**Table 1: Top Performers Earn Best-in-Class Status**

Definition of Maturity Class	Mean Class Performance
<b>Best-in-Class: Top 20%</b> of aggregate performance scorers	<ul style="list-style-type: none"> <li>▪ 87% of sales reps achieved annual quota in the last measured year</li> <li>▪ 9.5% average year-over year improvement in average deal size or annual contract value; 60% showed improvement</li> <li>▪ 4.5% average year-over-year increase in lead conversion rate (sales-accepted lead to close); 44% showed improvement</li> </ul>
<b>Industry Average: Middle 50%</b> of aggregate performance scorers	<ul style="list-style-type: none"> <li>▪ 49% of sales reps achieved annual quota in the last measured year</li> <li>▪ 2.2% average year-over year improvement in average deal size or annual contract value; 33% showed improvement</li> <li>▪ 1.1% average year-over-year increase in lead conversion rate (sales-accepted lead to close); 26% showed improvement</li> </ul>
<b>Laggard: Bottom 30%</b> of aggregate performance scorers	<ul style="list-style-type: none"> <li>▪ 4% of sales reps achieved annual quota in the last measured year</li> <li>▪ 1.8% average year-over year <b>reduction</b> in average deal size or annual contract value; 7% showed improvement</li> <li>▪ 2.4% average year-over-year <b>reduction</b> in lead conversion rate (sales-accepted lead to close); 9% showed improvement</li> </ul>

Source: Aberdeen Group, August 2011

Now, let's take a deeper look at how the best sales performers manage their people, processes, services and technology to consistently out-perform the competition around these metrics.

## The Best-in-Class PACE Model

Using best practices in sales training to achieve corporate goals also requires a combination of strategic actions, organizational capabilities, and enabling technologies and services that are summarized in Table 2.

**Table 2: The Best-in-Class PACE Framework**

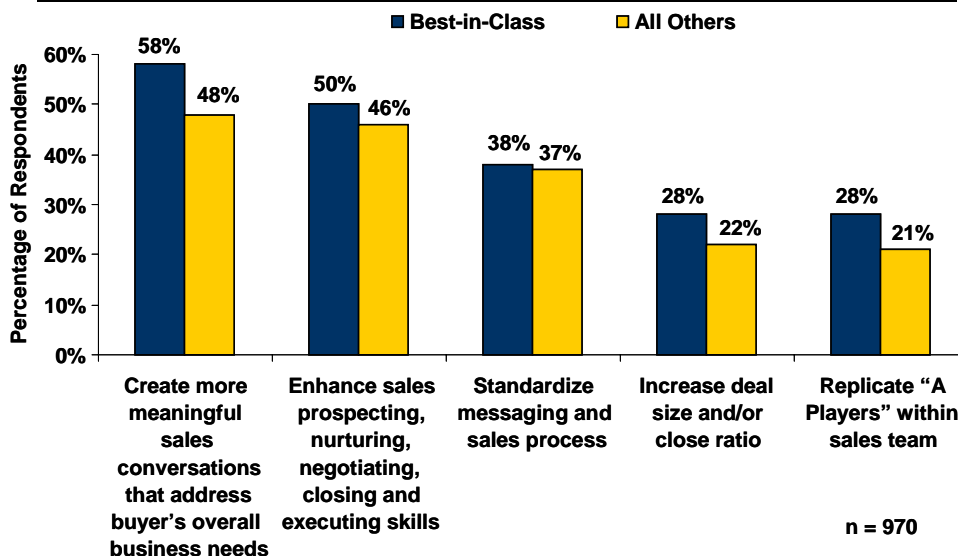
Pressures	Actions	Capabilities	Enablers
<ul style="list-style-type: none"> <li>▪ Increase or sustain revenue within an uncertain economic recovery</li> <li>▪ Need to align sales activity with overall business objectives</li> </ul>	<ul style="list-style-type: none"> <li>▪ Create more meaningful sales conversations that address buyer’s overall business needs</li> <li>▪ Enhance sales prospecting, nurturing, negotiating, closing and executing skills</li> </ul>	<ul style="list-style-type: none"> <li>▪ Top-level executives within our company are active sponsors of our sales training initiatives</li> <li>▪ Use of a formal sales methodology - either homegrown or from an external provider</li> <li>▪ Defined competencies for each sales role</li> <li>▪ Defined sales performance metrics are widely publicized</li> <li>▪ A central repository of sales best practices/tools is available to reps and managers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Instructor-led training</li> <li>▪ CRM/SFA integration of call planning and selling milestones</li> <li>▪ Phone selling skills training</li> <li>▪ Licensable content or methodology</li> <li>▪ Behavioral analysis/assessment</li> <li>▪ Customized sales playbooks</li> <li>▪ Virtual or on-demand learning</li> <li>▪ Internal social collaboration tools</li> <li>▪ Third-party customized coaching</li> </ul>

Source: Aberdeen Group, August 2011

## Best-in-Class Strategies

The actionable approaches that organizations are taking, in response to the top industry pressures associated with sales training deployments, reveal how the Best-in-Class are focusing their attention beyond creating an environment more conducive to sales effectiveness, and then using these practices to achieve better business results.

**Figure 3: Best-in-Class Strategic Actions to Support Sales Training**



Source: Aberdeen Group, August 2011

In Figure 3, we note both the most popular strategic actions that companies are taking around sales training, as well as the fact that, across the board, the Best-in-Class are more aggressive adopters of these strategies than other companies. The data behind the top two strategies teaches us that the highly individualized and personal skills of prospecting, nurturing and closing professional sales deals are directly linked with finding a way to make the verbal conversations between reps and their prospects / customers more meaningful. While Aberdeen research recently published in [Leveraging the 360 Degree Customer View to Maximize Up-Sell and Cross-Sell Potential](#) (September 2011) guides end-users toward technology solutions that help maximize customer spend, the human element of interpersonal selling represents the common theme here: what sales reps say, do and write in order to create perceived customer value is both valuable and in need of formal corporate support.

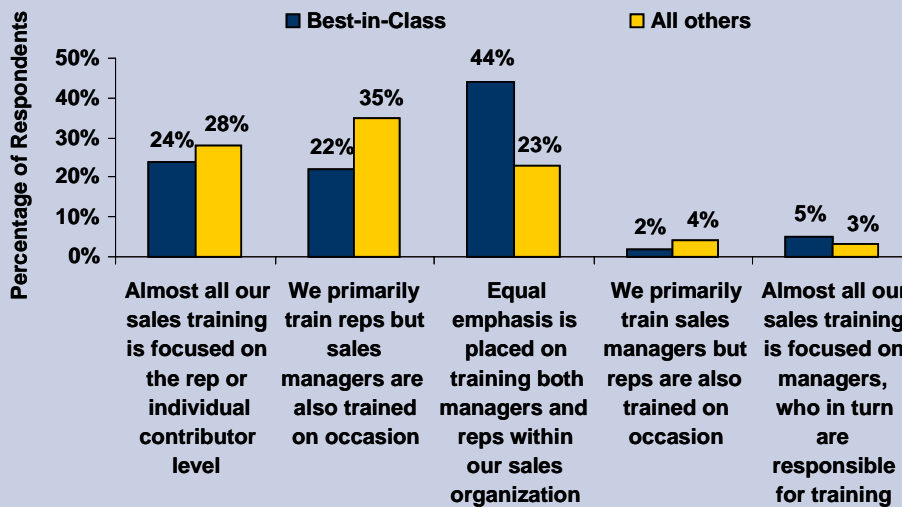
"Sales training is highly effective when led by someone who has sales experience. Senior level managers (C-level) who attend training themselves also lend huge credibility to the program and the company's support of it."

~ Jen Stefanics, Sales Effectiveness & Training, Exel

### Strategy Insight: Whom Should We Train?

Sales training is traditionally thought of as a rep-level activity, teaching individual quota-carriers the tricks of the selling trade. Yet shouldn't their superiors benefit from the same practice? In Figure 4, we look at the aggregate results of a scale of one-to-five question, in which survey respondents indicated where on the spectrum of rep- or manager-focused training they generally stood.

**Figure 4: Sales Training Emphasis on Reps vs. Managers by Best-in-Class**



n = 970

Source: Aberdeen Group, August 2011

While the vast majority of sales training is focused on reps, as the data shows, the "equal emphasis" selection is actually the middle ground held most frequently by the Best-in-Class, which by a near two-times margin compared to other firms pursue an equal amount of training for those in sales management as well. One could say, metaphorically speaking, that the sergeant is a more effective leader of the troops than the lieutenant, having lived in the same trenches of the sales battlefield as the grunts on the front line of selling. In the next chapter, we will examine what kind of training content is provided to this managerial level.

### Case Study — Prudential's Group Insurance Business

Consider the case of Prudential's Group Insurance business, whose North American team of nearly 225 sales and account management professionals were recently provided with formal, extensive sales training and reinforcement. According to Chris Bear, Director of Sales Training, the industry in which this division operates is highly competitive, as well as sensitive to economic pressures. "The perception of commoditization is a growing challenge in the industry," he explains, as Prudential's sales and account management team interfaces with "the 'golden triangle' of insurance carriers, brokers/producers, and employer groups, all of whom are feeling pressure to control spend given the unsure post-recessionary outlook."

In order to combat the heavily price-oriented discussions that the marketplace was pursuing to try and win/retain more business with Prudential and various competitors, Prudential's Group Insurance business invested in a sales strategy that would enable their sales and account executives to differentiate themselves. Bear stated, "This differentiation was realized when we increased the quality and nature of our conversations with both clients and producers/brokers." The idea of adding value, instead of subtracting service in exchange for lower prices, was "a game-changer," he explains, one that might have appeared risky in the current economic environment; but ultimately, "it has enabled us to better understand what our producers and clients need in terms of results, and how our services and capabilities could support these outcomes more effectively than our competitors."

Prudential's sales training vendor selection process involved what John Delorenzo, Sr. VP of Sales, describes as an unusual but effective presentation tactic on the part of the winning provider. "The vendor, having only three weeks to provide a response to our proposal, informed us that they didn't yet know enough about our needs to add value, and asked us to withhold on the finalist decision process until they could perform additional due diligence on Prudential," said Delorenzo. He explains that his team quickly recognized that this vendor was, "clearly practicing what they were preaching, demonstrating to us that if they trained our staff, it was to develop the ability for our team to have discovery based, listening-centric and quality conversations with our external and internal business partners based on our real needs and not assumptions." As a result, once this vendor was chosen and training implemented in April 2010, "we learned to approach every interaction as an opportunity to uncover the underlying value that positions us to deliver win-win results, both for new and existing clients. The biggest challenge was to steer away from our normal relationship selling concept questions to a concept that promotes client value, even if it meant asking tough questions to our brokers/producers and clients."

In terms of quantifiable results of the sales training and subsequent ongoing reinforcement of skills learned, Bear has spent 18 months analyzing every deal won by the Prudential team post training, allowing reps to indicate that the degree of influence of training, which included at a maximum if the representative indicated 'they would not have won the case without the influence of the training,' a 3% differentiator in winning an opportunity. With this modest math, Prudential has recognized at least a three-times ROI since implementing the new sales process, and intends to continue reinforcing and refining it over the long term.

## Chapter Two: Benchmarking Requirements for Success

Effective sales training deployments play a critical role in an organization's ability to turn these strategies into profit. The following sections provide an analysis of how top performers distinguish themselves from other companies through the implementation of capabilities and enablers that support excellence in deploying best practices in sales training.

Aberdeen Group analyzed the aggregated metrics of surveyed companies to determine whether their performance ranked as Best-in-Class, Industry Average, or Laggard. In addition to having common performance levels, each class also shared characteristics in five key categories: (1) **process** (the approaches they take to execute daily operations); (2) **organization** (corporate focus and collaboration among stakeholders); (3) **knowledge management** (contextualizing data and exposing it to key stakeholders); (4) **technology/service** (the selection of the appropriate tools and the effective deployment of those tools); and (5) **performance management** (the ability of the organization to measure its results to improve its business). These characteristics (identified in Table 3) serve as a guideline for best practices, and correlate directly with Best-in-Class performance across the key metrics.

### Fast Facts

- √ Best-in-Class firms provide an average of 5.53 hours of sales training per month to their sales reps and 4.43 hours for their managers; among Industry Average and Laggard firms, the quantity drops to 2.89 hours for reps and 2.08 hours for managers.
- √ Best-in-Class organizations update their sales training content, on average, 4.8 times per year, while Industry Average and Laggard firms do so 2.8 and 2.7 time per year, respectively

**Table 3: The Competitive Framework**

	Best-in-Class	Average	Laggards
<b>Process</b>	Use of a formal sales methodology - either homegrown or from an external provider		
	83%	78%	67%
	Process to assess sales reps' against competency requirements to determine specific skill/competency gaps		
	60%	40%	36%
<b>Organization</b>	Formal "train the trainer" methodology for our sales organization		
	57%	38%	31%
	Top-level executives within our company are active sponsors of our sales training initiatives		
	88%	79%	76%
<b>Knowledge</b>	Defined competencies for each sales role		
	85%	65%	56%
	A central repository of sales best practices/tools is available to reps and managers		
	71%	61%	56%

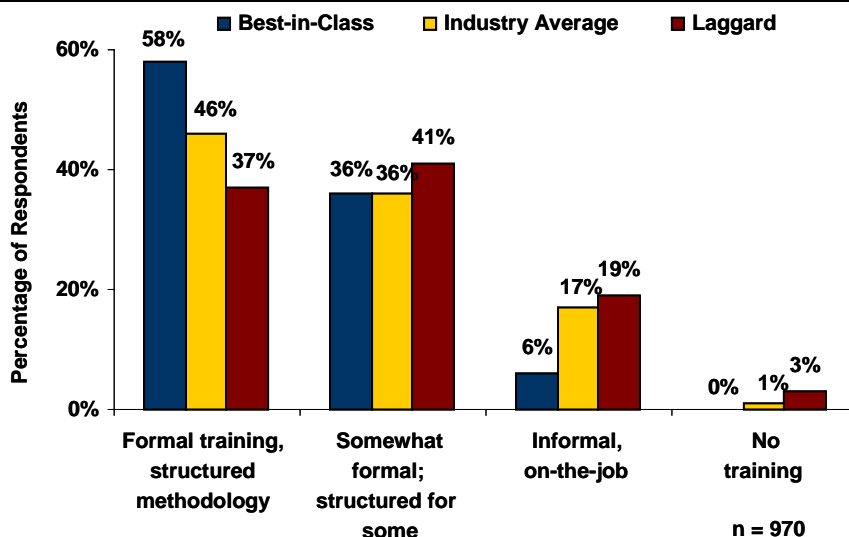
	Best-in-Class	Average	Laggards
<b>Enabling Technology or Service</b>	<ul style="list-style-type: none"> <li>▪ 91% Instructor-led training</li> <li>▪ 61% Phone selling skills training</li> <li>▪ 59% Licensable third-party content or methodology</li> <li>▪ 55% Customized sales playbooks</li> <li>▪ 50% Learning management system (LMS)</li> </ul>	<ul style="list-style-type: none"> <li>▪ 80% Instructor-led training</li> <li>▪ 46% Phone selling skills training</li> <li>▪ 46% Licensable third-party content or methodology</li> <li>▪ 42% Customized sales playbooks</li> <li>▪ 39% Learning management system (LMS)</li> </ul>	<ul style="list-style-type: none"> <li>▪ 78% Instructor-led training</li> <li>▪ 34% Phone selling skills training</li> <li>▪ 36% Licensable third-party content or methodology</li> <li>▪ 42% Customized sales playbooks</li> <li>▪ 39% Learning management system (LMS)</li> </ul>
<b>Performance</b>	Defined sales performance metrics are widely publicized		
	78%	71%	59%
	Use assessment/measurement tools to understand post-training sales rep performance metrics		
	59%	37%	27%

Source: Aberdeen Group, August 2011

## Capabilities and Enablers

Based on the findings of the Competitive Framework and interviews with end users, the Best-in-Class demonstrate that a highly identifiable set of corporate capabilities and enablers can lead to measurable business success through the deployment of specific customer sales training methodologies, services and technologies. Additional Aberdeen research is cited to further support these positive trends.

**Figure 5: Adoption of Formal Sales Training by Best-in-Class**



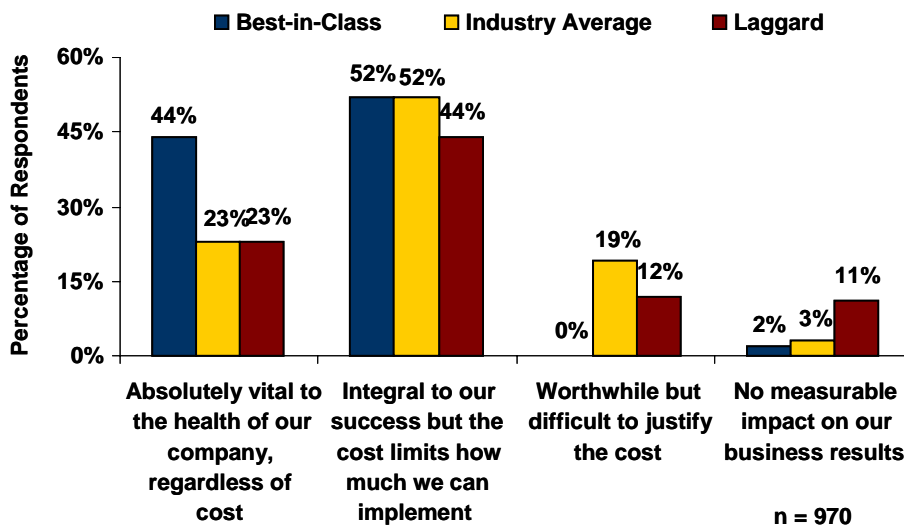
Source: Aberdeen Group, August 2011

"A structured sales process is a critical success factor, including common language to describe the sales process/stage and backed-up with fit-for-purpose IT tools."

~ Julian Speck, UK Vice President, FutureShip

Before addressing the specific capabilities and enablers associated with the accomplishments around quota, deal size and conversion rate displayed by the Best-in-Class, it is worth exploring the holistic nature of these firms' sales training deployments, in comparison with Industry Average and Laggard companies, around the benefits and impact of the activity itself. As Figure 5 demonstrates, the deployment of formal sales training – typically defined as dedicated time, resources and content – is clearly associated more frequently with Best-in-Class performance, while informal, on-the-job or no training whatsoever are nominated more frequently by Industry Average and especially Laggard companies, in terms of how they define their approach to training-oriented sales enablement.

**Figure 6: Impact of Sales Training by the Best-in-Class**



“Consistent reinforcement and practice are essential to success.”

~ Andrew Krajewski, Training and Development Manager, Curbell Electronics

Source: Aberdeen Group, August 2011

With the top-performing firms indicating a stronger preference for formal training environments, how much “skin the game” are they willing to invest, in terms of aligning sales training with the long-term, big-picture health of their enterprise? As we see in Figure 6, fully 96% of the Best-in-Class indicate that sales training is a “must-have,” while only 75% of Industry Average and 67% of Laggards concur. Even more telling in the data shown in Figure 5 are the totals around the additional two survey answer choices: 23% of Laggards place minimal or no value on training, compared with 22% of the Industry Average and only 2% of the Best-in-Class. The clear message here: formal and ample sales training makes the difference.

### Process

The good news around adoption of a **formal sales methodology** is that the majority of companies, overall, currently deploy this seemingly obvious process, though more so as the performance results migrate up the food

chain from Laggard to Industry Average to Best-in-Class. This approach involves defining the different responsibilities of team members within the customer management lifecycle – lead generation, inside sales, closers, account managers – or perhaps the sales stages by which the company can measure its forecasted business more accurately, the simple tasks regarding what and when to communicate with prospects within the sales process is a crucial best practice.

Less of a “no-brainer,” particularly among the weakest performing survey respondents, is **assessing sales rep competencies to identify skills gaps**, a wise activity that the Best-in-Class deploy 67% more frequently than Laggards (60% vs. 36%). To increase the effectiveness of training, these companies use assessment/measurement tools to understand pre- and post-training sales rep performance metrics, as well as allowing the most severely under-performing team members to “test out” of the role. Identifying which individuals are best suited to particular roles can align the skills, talents and personalities best aligned with sales positions and engender a more efficient use of territory assignments, inside / outside sales partnering, and even career path development within the sales organization.

In adopting a **“train the trainer” methodology**, Best-in-Class companies outpace Laggards by 84% (57% vs. 31%) in working with outside providers of best practices and content (or qualified internal trainers) to empower their own leadership with the data, style and delivery models to ensure that effective sales training becomes embedded in their culture for the long term. An additional advantage of this type of activity includes ensuring the consistency of high quality sales training delivery - which helps provide a better experience for all attendees - that is especially important when sales teams are too large to be trained by the same person or at the same event, or when new sales people are added to the team at a later time.

## Organization

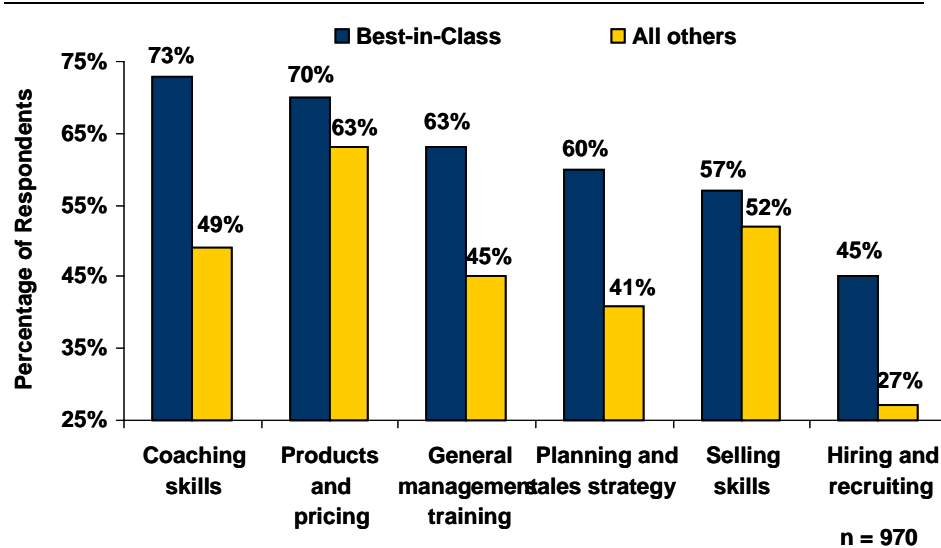
Research from Aberdeen’s Human Capital Management (HCM) practice, [\*Learning & Development: Arming Front-line and Mid-level Managers to Deliver People and Performance Results\*](#) (October, 2009) found that 76% of top-performing employers (ranked by manager performance ratings, employee turnover and engagement) among 529 companies formally sought **executive sponsorship** for management and leadership development within their companies, compared to 61% and 30% of Industry Average and Laggard firms respectively. This is consistent with the current sales training data, which shows overall strong adoption as well as a gap between the Best-in-Class and other performers, regarding senior-level support for training. This is particularly important for the sales organization, which may often be seen as a poster child for time management protocols, i.e. minimizing the non-selling time, yet still benefiting mightily from off-the-phone time spent learning and refining better sales skills. After all, only 16% of companies considered “maximizing selling time” a top strategic action; most understood already that quality trumps quantity when deploying their sellers’ time most efficiently.

"Adequate, ongoing training for sales managers is a key driver of success. Managers spend a great deal of one-on-one time with sales reps, monitoring their work and providing help and feedback. Managers must take advantage of this time to build a winning team."

~ Miriam Ibrahim, Management and Sales Development Consultant Ceridian Canada Ltd.

Another interesting organizational data point worth exploring is how companies train not only their sales representatives, but the manager-level staff as well. In Figure 7, we see that four of the six most commonly provided types of sales management coaching content (all but “products and pricing” and “selling skills”) are unique to the leadership role, and represent a distinct departure from the more tactical, conversation-oriented training mostly relied upon in rep-level training. Additionally, Figure 7 shows the value putting all six content types in front of managers, with the Best-in-Class universally deploying them more frequently than all other companies.

**Figure 7: Manager-Level Sales Training by Best-in-Class**



“Coaching drives improved performance, post-training. This carries high visibility and priority in our company.”

~ Steve Bratt, Regional Sales Training & Development Manager, Henkel Asia Pacific

Source: Aberdeen Group, August 2011

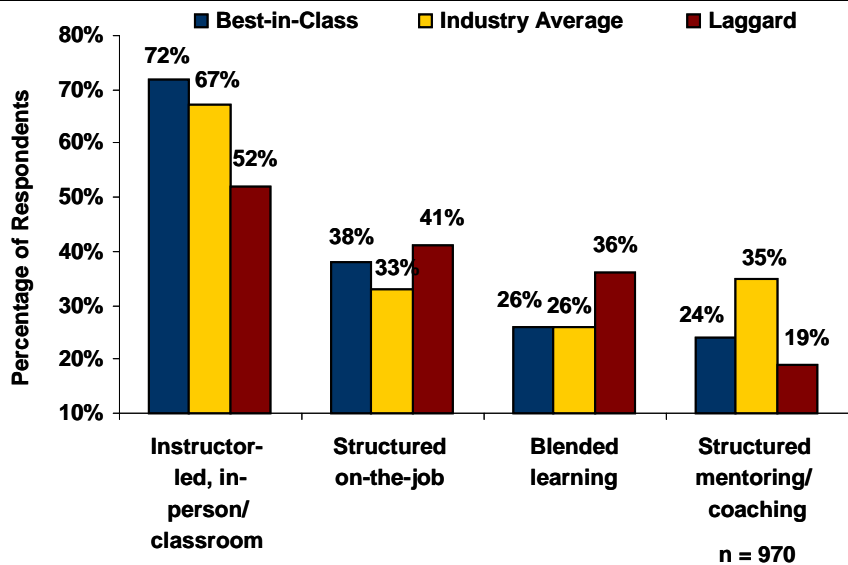
### Knowledge Management

With a 27% higher adoption rate than Laggards (71% vs. 56%), the Best-in-Class attach measurable value to knowledge management. Specifically supporting a **centralized repository of sales best practices**, these firms collect and share successful practices formally, taking a more aggressive step in presenting and preserving content for the sales team, as well as allowing them to generate, test and share new content, recognizing that the collective wisdom of a company's top performers has great value. Perhaps most significantly, while sales professionals may often be thought of as self-oriented, the legitimate sense of teamwork and collective accomplishments that can be inspired by this knowledge management component can have measurable results.

When it comes to the actual modality of sales training in which this knowledge is formally delivered in the first place, we see in Figure 8 that, as in previous Aberdeen research, the tried-and-true approach of instructor-led, in-person, classroom-based training continues to reign as the most effective manner in which all companies, particularly the Best-in-Class, believe training should be provided. As noted in [Sales Training: Instructor-Led](#)

Options for Best-in-Class Performance (September 2009), more sales reps educated in this modality achieved their annual quota than non-participating companies, by a 65% to 57% margin. The concept of “instructor-led” is focused on two important tenets: 1) effective sales-oriented learning remains a highly personal and interactive process; and 2) an expert-level professional communicator / coach can provide the best insight, instruction and reinforcement of best practices for sales representatives and their leaders. With the Best-in-Class 38% more likely than Laggards (72% vs. 52%) to deploy this modality, it would be unwise not to follow suit.

**Figure 8: Most Effective Sales Training Modalities by Best-in-Class**



"Embed your sales process and training into your CRM."

~ Barrett Blank, Principal, BeINVENTIV

Source: Aberdeen Group, August 2011

### Enablers

In addition to instructor-led training, a number of other service and technology enablers are used more frequently by the top-performing sales organizations that achieve the best quota, deal size and lead conversion rate results.

- Considering the plethora of technologies that color almost every working moment for a contemporary professional sales rep, the fact remains that selling is a highly personal dynamic. One-to-one phone discussions, widely attended conference calls, and voice support of online visual presentations all still require the ability of a sales rep to be articulate, effective, and able to think on their feet. While sales training takes many forms and includes a wide variety of customized and copyrighted content, companies seeking to achieve Best-in-Class performance should not neglect to include **basic phone selling skills training** in their curriculum.
- Few among us fail to outsource at least some element of our personal or professional lives, and sales training is a long-standing arena in which **licensable third-party content or methodologies** are frequently acquired, particularly by the Best-

"Coaching should be institutionalized; it is very important to set expectations and reinforce learnings and behaviors desired."

~ Carlos Peredo, Director of Sales Operations and Business Planning, Delphi Automotive Systems

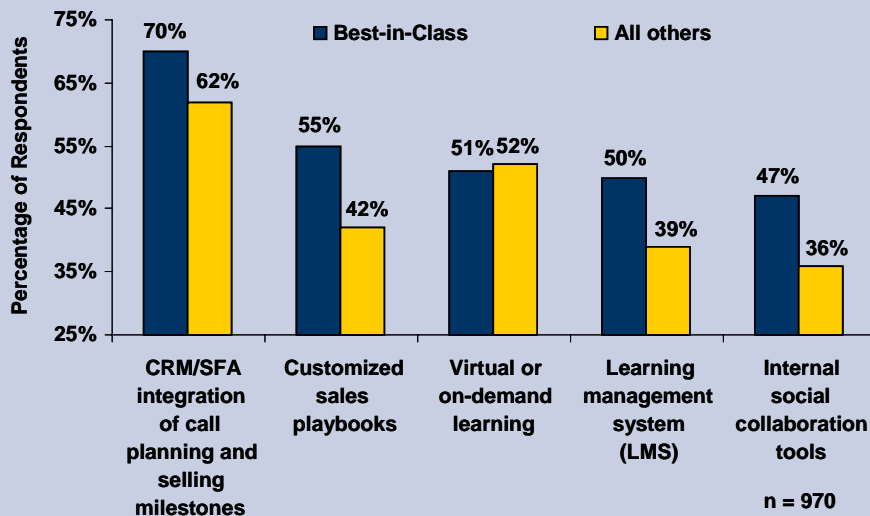
in-Class. Given the time and expense of external trainers, with no doubt as to their value, if a company can continue to reap the benefits of the provider without replicating the start-up cost over time, it makes sense to license the smarter selling techniques that will continue to support sales effectiveness for the long term. The Best-in-Class are 64% more likely than Laggards (59% vs. 36%) to do so, making a wise investment in their ownership of valuable intellectual sales capital.

- Customized sales playbooks** help sales teams locate, refine and create case-specific collateral and presentations from centralized repositories, with content that can be dictated not only by sales stage milestones but by industry, product, geography, etc. Indeed, Aberdeen research for [Sales Forecasting: Analytics to the Rescue!](#) (June, 2010) saw 48% of top-performing organizations (ranked by customer retention and annual improvement in lead conversion rates and sales cycle reduction) integrating sales playbook content into the CRM instance, with a goal of better forecasting deal closures and eventual revenue. Twenty-three percent (23%) of Industry Average and only 10% of Laggard firms reported the same, further supporting the value of fully integrating CRM, content and forecasting technologies.

**Technology Insight: Creating a Strong Backbone for Training ROI**

Survey respondents were asked to provide insight into the core sales-centric technologies used in support of sales training, and in Figure 9 we see that a majority of the Best-in-Class indeed link the traditional, in-person educational aspect of sales training with technology enablers that enhance the value of training.

**Figure 9: Technology Enablers Supporting Sales Training**



Source: Aberdeen Group, August 2011  
*continued*

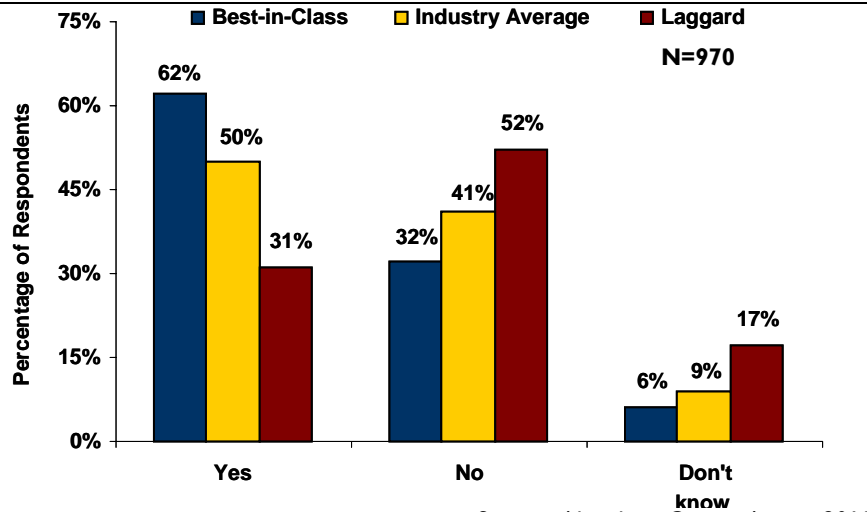
### Technology Insight: Creating a Strong Backbone for Training ROI

In particular, with the highly varied content and communication associated with selling discussions taking place at different chronological steps within the sales cycle, the **CRM integration of call planning and selling milestones** is a logical way to formally identify and capture these different nuances in real-time, so that reps and managers alike can more accurately track the progress of each discrete deal. Deals that remain in identified sales stages too long can thus be more easily flagged for one-off coaching based on sales training content specific to the stage. Indeed, Aberdeen research, [\*Sales Forecasting: How Top Performers Leverage the Past, Visualize the Present, and Improve Their Future Revenue\*](#) (July 2011) showed that Best-in-Class companies (defined by stronger customer retention rates, sales quota attainment growth and sales cycle reduction) were more than twice as likely as Laggards (48% vs. 23%) to deploy sales stage analyses that identified problems with deal velocity.

### Performance Management

In terms of performance management capabilities, the establishment and intra-company publication of **defined sales performance metrics** are wisely deployed by more than three-quarters of the Best-in-Class, as opposed to 66% among other firms. Particularly in the context of sales training, organizations must be able to determine not only what performance areas require the most focus for sales training, but also they must be able to benchmark the impact of sales training, before and after knowledge transfer. Indeed, this is supported by other Aberdeen HCM research [\*Employee Performance Management: The Alpha and the Omega of Talent Strategy and Business Execution\*](#) (May, 2010), in which top-performing firms among 362 companies focused on making performance management part of the overall company culture – the leading strategic action reported among all organizations surveyed – achieved superior results in employee engagement and customer satisfaction.

**Figure 10: Best-in-Class Firms Track Sales Training’s Impact on Company Performance**



"Focus on the manager: their sales capabilities, market knowledge, expectation setting behaviours and most importantly coaching/assisting skills for reps."

~ Simon Grimes, Commercial Manager, BlueScope Steel

Finally, Figure 10 illustrates a simple but telling linkage between sales performance and taking stock of how sales training impacts the entire organization. With the basic “yes/no” question of “do you measure this,” the striking V-shape between affirmative and negative answers, as well as the “I don’t know” responses, confirms the value of sales training not only to the front-line selling team, but to the enterprise as a whole.

## Chapter Three: Required Actions

Whether a company is trying to move its performance in sales effectiveness from Laggard to Industry Average, or Industry Average to Best-in-Class, the following actions will help spur the necessary performance improvements:

### Laggard Steps to Success

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- **Pay it forward** through an aggressive devotion to a “train the trainer” methodology; Laggards are 23% less likely than the Industry Average (31% vs. 38%) to do so. Even smaller companies can benefit from assigning at least one full-time equivalent or subject matter expert to the sales training process. If an argument against doing so is based on “we’re too small” to support this organizational capability, consider this: the Best-in-Class report an average revenue of \$1.53 billion, compared to \$1.59 billion among other companies.
- **Hold yourself accountable** publicly with defined sales performance metrics that are widely publicized throughout the enterprise. Laggards would benefit not only from placing more emphasis on defining sales performance metrics for their team members, but also by configuring such yardsticks to specific selling job roles, such as sales reps targeting different geographical territories or industry verticals; inside or pre-sales staff versus field sales or “closers,” channel partners or value-added resellers - these highly distinct groups need to be trained and measured according to a distinct set of goals and best practices that are most suited to achieving bottom-line results in their particular community. While the majority of all companies publicize sales metrics, the Laggards trail the Industry Average and Best-in-Class by 12 and 19 percentage points respectively in average adoption rates.
- **Support lifelong learning** through the implementation of a training-integrated learning management system. Significant Aberdeen research into best human capital management practices teaches us how formal mechanisms to manage and deliver learning can significantly impact both employee engagement and productivity; the varying degrees of maturity class adoption of relevant platforms within the sales training research link it directly to revenue and quota excellence.

### Industry Average Steps to Success

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- **Play matchmaker** by more aggressive adoption of a process to assess sales reps' against competency requirements to determine specific skill/competency gaps. It's one thing to provide all reps with one brand of sales training or methodology, but it's another to ensure that individuals are learning what they most need to absorb, and not receiving education they don't merit.

#### Fast Facts

- √ Best-in-Class companies report, on average, that the ideal or preferred level of sales turnover is 6.6% annually, compared with 8.7% among other firms. They also consider the cost of replacing reps to be higher, at \$91k vs. \$75k.
- √ The “fully loaded” annual cost of a sales rep – salary, commissions, benefits, etc. – averages \$144k among the Best-in-Class, \$128k for the Industry Average, and \$84k among Laggards.

- **Know thy sellers** by establishing defined competencies for each sales role. Considering that the Best-in-Class are 31% more likely than Industry Average firms (85% vs. 65%) to support this organizational capability. Woe to the company that simply deploys a singular sales training methodology across their entire enterprise, without acknowledging that the skill sets and defined competencies for various sales jobs can vary widely among the different responsibilities that exist within enterprise sales organizations.
- **Don't lose the ability to smile and dial.** Sixty-one percent (61%) of the Best-in-Class still provide sales training specifically geared to telephone skills, while fewer than half (46%) of the Industry Average concur. This one-third gap in adoption can mean the difference in measurable quota and revenue results, with the top performers placing more emphasis on certain basics that definitely have not gone out of style.

### Best-in-Class Steps to Success

- **Walk in your colleagues' shoes.** While much more frequently adopting the knowledge management capability of provide the sales team with extensive cross-training of other company functions, such as marketing, customer service or procurement, a minority of the Best-in-Class (41% vs. 28% of all other companies) do so. More emphasis on the benefits, to the sales team, of understanding how other customer-facing colleagues are tasked and motivated, would be particularly important in scenarios when the quality of lead generation by marketing, or client service by customer care, is considered relevant to the sales group's ability to close, maintain and cross-sell/up-sell their accounts.
- **Be repetitive.** While 65% of the Best-in-Class currently provide post-training reinforcement of content presented in initial educational sessions, this level is barely higher than the 62% reported by other companies. An initial training event may yield great vibes and hopefully a short-term bump in the selling "batting average" and overall productivity, but as the realities of daily pressures and staff turnover naturally occur over time, companies too often neglect to "rinse and repeat" the sales training. This does not necessarily require continuous on-site or even event-oriented activities; the opportunities to train internal trainers, license content / methodology, and capture video of training content can efficiently provide long-term reinforcement of, and access to, the advantages of an investment in initial sales training.

### How Does Your Performance Compare to the Best-in-Class?



- Compare your processes
- Receive a free, personal PDF scorecard
- Benefit from custom recommendations to improve your performance, based on the research

[Take the Assessment](#)

Receive Your Free Scorecard

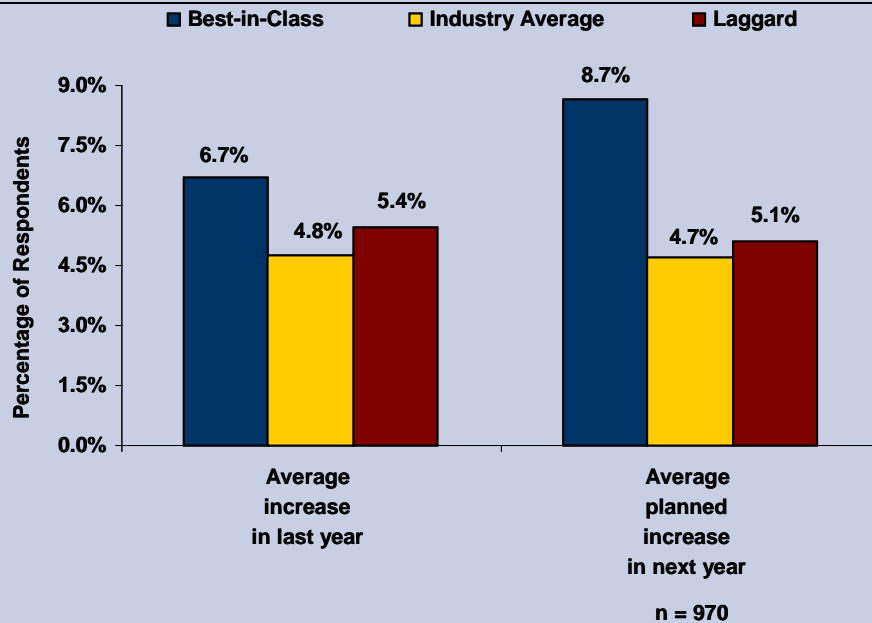
"Ongoing refresher training is always beneficial, no matter how many years you have been selling."

~ Steve Marks, National Sales and Marketing Manager, Incorp

### Summary

While we have seen companies continuing to express doubt in the economic recovery, they continue to enhance their spend on sales training regardless of budget cuts or travel restrictions. In fact, as Figure 11 illustrates, all maturity class groups have on average increased their year-to-year sales training expenditure, and all plan to continue doing so. Only the Best-in-Class, however, view their next-year spending increase as larger than the past year's uptick. What do they know that the rest of survey respondents do not?

**Figure 11: Budgets Continue to Grow for Sales Training**



Source: Aberdeen Group, August 2011

First of all, while the Best-in-Class actually employ an average of 25% fewer sales reps than other firms (809 vs. 1084), they spend a lot more on sales training: \$408,000 per year, compared to \$302k and \$294k respectively for Industry Average and Laggard companies. Plus, the top performers allocate fully 38% of their entire corporate training budget to the sales team, versus 30% among the Industry Average and 22% for Laggards. The Best-in-Class have learned to put their money where their talent is, and are clearly showcasing peak performance results as a reward for their sales training investment.

Finally, with three years' worth of sales training data now collected by Aberdeen, the following trends have become clear as of Q4 2011:

- Sales training budgets have been consistently increasing
- Businesses are relying increasingly on internal trainers and subject matter experts, compared to external trainers
- Companies are training their sales reps and managers more frequently, and for a longer time
- The economy is still a top challenge but lack of top talent is increasingly concerning companies
- Educating sales teams with product knowledge is increasingly adopted as a key strategy
- Deployment of key business processes, technologies and services have been steadily increasing year-over-year, except for mobile learning, which seems to be replaced by live online training

## Appendix A: Research Methodology

Between July and August 2011, Aberdeen examined the use, the experiences, and the intentions of 971 enterprises using sales training services and technologies that impact the results from their selling activities.

Aberdeen supplemented this online survey effort with interviews with select survey respondents, gathering additional information on sales training strategies, experiences, and results.

Responding enterprises included the following:

- *Job title:* The research sample included respondents with the following job titles: Manager (23%), Director (22%), CEO / President (15%), EVP / SVP / VP (13%), General Manager / Managing Director (4%) and other (23%).
- *Department / function:* The research sample included respondents from the following departments or functions: sales and business development (58%), corporate management (10%), human resource / talent management (8%), marketing (7%) and other (17%).
- *Industry:* The research sample included respondents exclusively from software (14%), IT consulting and services (9%), telecommunications equipment/services (5%), industrial product/equipment manufacturing (5%), education (5%), health/medical/dental devices & services (5%), insurance (4%), computer equipment, hardware or peripherals (4%), financial services (3%), wholesale/distribution (3%), transportation / logistics (3%) and other (38%).
- *Geography:* The majority of respondents (78%) were from the Americas. Remaining respondents were from the EMEA region (14%) and Asia-Pacific (8%).
- *Company size:* 27% of respondents were from large enterprises (annual revenues above US \$1 billion); 32% were from midsize enterprises (annual revenues between \$50 million and \$1 billion); and 41% of respondents were from small businesses (annual revenues of \$50 million or less).
- *Headcount:* 35% of respondents were from large enterprises (headcount greater than 1,000 employees); 28% were from midsize enterprises (headcount between 100 and 999 employees); and 37% of respondents were from small businesses (headcount between 1 and 99 employees).

### Study Focus

Responding executives, primarily in sales management roles, completed an online survey that included questions designed to determine the following:

- √ The degree to which sales training is deployed in their organization and the impact it has on achieving their business goals
- √ The structure, effectiveness and satisfaction with existing implementations that impact sales training results
- √ Current and planned use of sales training practices to achieve desired changes in sales team attainment of quota, average deal size and lead conversion rate
- √ The benefits, if any, that have been derived from sales training initiatives

The study aimed to identify emerging best practices for sales training usage, and to provide a framework by which readers could assess their own management capabilities.

**Table 4: The PACE Framework Key**

Overview
<p>Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities, and enablers (PACE) that indicate corporate behavior in specific business processes. These terms are defined as follows:</p> <p><b>Pressures</b> — external forces that impact an organization’s market position, competitiveness, or business operations (e.g., economic, political and regulatory, technology, changing customer preferences, competitive)</p> <p><b>Actions</b> — the strategic approaches that an organization takes in response to industry pressures (e.g., align the corporate business model to leverage industry opportunities, such as product / service strategy, target markets, financial strategy, go-to-market, and sales strategy)</p> <p><b>Capabilities</b> — the business process competencies required to execute corporate strategy (e.g., skilled people, brand, market positioning, viable products / services, ecosystem partners, financing)</p> <p><b>Enablers</b> — the key functionality of technology solutions required to support the organization’s enabling business practices (e.g., development platform, applications, network connectivity, user interface, training and support, partner interfaces, data cleansing, and management)</p>

Source: Aberdeen Group, October 2011

**Table 5: The Competitive Framework Key**

Overview	
<p>The Aberdeen Competitive Framework defines enterprises as falling into one of the following three levels of practices and performance:</p> <p><b>Best-in-Class (20%)</b> — Practices that are the best currently being employed and are significantly superior to the Industry Average, and result in the top industry performance.</p> <p><b>Industry Average (50%)</b> — Practices that represent the average or norm, and result in average industry performance.</p> <p><b>Laggards (30%)</b> — Practices that are significantly behind the average of the industry, and result in below average performance.</p>	<p>In the following categories:</p> <p><b>Process</b> — What is the scope of process standardization? What is the efficiency and effectiveness of this process?</p> <p><b>Organization</b> — How is your company currently organized to manage and optimize this particular process?</p> <p><b>Knowledge</b> — What visibility do you have into key data and intelligence required to manage this process?</p> <p><b>Technology</b> — What level of automation have you used to support this process? How is this automation integrated and aligned?</p> <p><b>Performance</b> — What do you measure? How frequently? What’s your actual performance?</p>

Source: Aberdeen Group, October 2011

**Table 6: The Relationship Between PACE and the Competitive Framework**

PACE and the Competitive Framework – How They Interact
<p>Aberdeen research indicates that companies that identify the most influential pressures and take the most transformational and effective actions are most likely to achieve superior performance. The level of competitive performance that a company achieves is strongly determined by the PACE choices that they make and how well they execute those decisions.</p>

Source: Aberdeen Group, October 2011

## Appendix B: Related Aberdeen Research

Related Aberdeen research that forms a companion or reference to this report includes:

- *Leveraging the 360 Degree Customer View to Maximize Up-Sell and Cross-Sell Potential*; September 2011
- *"Chance Favors the Prepared Mind" - Understanding the Science of Sales Intelligence*; July 2011
- *Sales Forecasting: How Top Performers Leverage the Past, Visualize the Present, and Improve Their Future Revenue*; July 2011
- *The Extended Sales Enterprise: Channeling Better Results*; April 2011
- *Streamlining the Top of the Funnel: How Inside Sales Teams Source, Qualify and Close Business*; February 2011
- *Sales Mobility: Quotas Untethered*; November 2010
- *Sales and Marketing Alignment: Collaboration + Cooperation = Peak Performance*; September 2010
- *Sales Performance Management: Getting Everyone on the Same Page*; August 2010
- *Optimizing Lead-To-Win: Shrinking the Sales Cycle and Focusing Closers on Sealing More Deals*; May 2010

Information on these and any other Aberdeen publications can be found at [www.aberdeen.com](http://www.aberdeen.com).

**Author: Peter Ostrow, Research Director, Sales Effectiveness**  
([peter.ostrow@aberdeen.com](mailto:peter.ostrow@aberdeen.com))

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