
Train Well

by PAUL PEASE

In 1975, as a co-op engineer at Illinois Tool Works, I worked one semester in the product assembly area. The machines in the department were constantly breaking down, so I asked the foreman if he had a preventative maintenance routine for the machines. He replied, “I haven’t got time for preventative maintenance, I’m too busy fixing machines.” He couldn’t find two minutes to grease a bearing, but he always found the four hours it took to replace one.

Sales training is the same. Corporations always find time to battle with salespeople about missed goals, inaccurate forecasts, suddenly flying here and there for this meeting or that meeting — either to get whipped by the factory for not getting orders or whipped by the customers for not managing the delivery and support process better. There’s always two or three days to fix broken business deals or come in for a corporate whipping. But they can never justify investing 30 minutes a night in a six-week online training program to improve sales skills — skills that

help avoid flying people helter-skelter fixing broken deals. They claim they don’t have the time or money for training — and in sales, time is money — but these same businesses can miraculously find that missing time and money to put a salesperson on a jet on 24 hours’ notice to spend three days fixing a broken business deal with a disgruntled customer.

The result of little or no training is company salespeople with no time invested in their professional development getting orders at any cost. The management myth is that if the compensation package is designed right with a big, fat carrot — a carrot that can only be earned when the salesperson takes on the accountability to bring in the orders — then the salesperson will “figure it out.”

That’s a pretty costly way to improve sales performance. Properly trained to master the business aspects of a mutually beneficial transaction, the salesperson should be driving strategic and commercially profitable deals, not re-selling broken ones at a much higher learning curve cost.

There are also some companies that try to fake their way through a sales training program by shoving three years of training material down their throats in two days. They expect their salespeople — with binders in hand and some cookbook method of “sure-fire” sales acumen at their disposal — to go out the following Monday and conquer the world. The sad fact is come Monday, the books go on the shelf, the deals start breaking again, and the old habits come back stronger than ever. Fifty thousand dollars, plus two days of the entire sales force taken out of the field, and their travel expenses down the drain. Bear-

“To focus on technique is like cramming your way through school. You sometimes get by, perhaps even get good grades, but if you don’t pay the price day in and day out, you never achieve true mastery of the subjects you study or develop an educated mind.”

— Stephen Covey

“Success is where preparation and opportunity meet.”

— Three-time Indy 500 Winner Bobby Unser

ings should get a shot of grease once a day — not a can of grease once a year.

What’s the ROI on Training?

How do you calculate the ROI on sales training? The challenge is the dynamics of a sales situation are such that it is impossible to calculate what any one piece of sales training (and there are many parts in the sales process as well as the salesperson’s behavior and habits) is directly related to any one piece of business to calculate an ROI. Customer dynamics, their customer’s dynamics, the market dynamics, external factors, customer internal politics, company internal politics, company dynamics, and other factors are always in a state of flux. In fact, in most cases the sales training ROI can only be calculated in general terms after a period of time. Following are a few case studies to consider.

- Interdent, a dental-practice management firm based in El Segundo, California, manages 120 oral healthcare offices, with 450 doctors in eight states.

One of the key factors involved in their operation is improving the overall efficiency of the dental practice — from approximately \$300,000 per year in billings per doctor to \$400,000 per year, per doctor. Interdent merged with another dental-practice management company that was very similarly structured except for one detail — this company had per-doctor billings averaging \$500,000 per year.

After investigating thoroughly, the only difference was this company provided continuous customer service training (soft skills sales) for the entire office staff — including the dentist. An accountant would deduce in that case that the 80 hours invested annually in training added 25 percent to the top line — not a bad investment.

- Case number two has similar growth success through training, but also has a few other telling statistics regarding the training payoff. SCAN Healthplan, a senior healthcare plan based in Long

Beach, California, has embraced sales training as a permanent, year-round investment, and it’s no wonder. After initiating the training program two years ago, SCAN is growing organically at a 20 percent per year clip, which senior management has attributed mainly to the training and change in sales culture as a result. This organic growth is no small achievement for a mid nine-figure company.

SCAN has some other measured benefits attributed to sales training. Forty percent of their middle-performing salespeople moved up into the top performance stratum, which really impacts the top line considering more than 80 percent of the salespeople are in the middle. The real bonus for the training came when four of six bottom salespeople on performance review moved up into the middle. Improving performance also has an effect on reducing turnover — another indirect, yet valuable, cost savings.

It is so hard for accountant-driven operations to justify training — human preventative maintenance — for personnel. Training for reactive corporations (an unfortunate majority) is a cost, not an investment. They don’t have time or money for it. Preventative anything is about committing the time to fix things before they break. No one knows how to measure that — but those that “get it,” get it; those that don’t stay reactive, too busy fixing machines.

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