

Sales Operations Forum

Summary of the 2006 Sales New-Hire Training Survey

How do other companies measure the success of their training investment? What challenges do companies face in their efforts to ramp new hires to productivity, and how do they address those challenges? How does your training budget compare? See how Sales Operations Forum members answered these questions.

Who Responded?

We received seventeen responses to the first Sales Operations Survey—all from high tech companies and most reporting to Sales Effectiveness or Sales Operations organizations. Participant's sales organizations (sales reps, sales staff and presales personnel) ranged in size from 100 to 5000 individuals. Despite the wide range in size, only one organization has more than 25 people specifically assigned to sales training. 75% of respondents have fewer than 5 people specifically paid to manage and deliver New-Hire sales training.

The survey revealed that in most organizations, Sales Operations is considered the "owner" of new hire training and responsible for content delivery as well. Educational Services (23%), Marketing (12%) Channel Development (5%), and Field Operations (5%) are all organizations also mentioned as owners of content delivery.

Linked to—and Measured by—Bottom Line Results

Organizations primarily measure the results of their initiatives to shorten new-hire ramp time-to-productivity against the bottom-line including:

- Win rates and deal size
- Number of months to deliver full quota productivity
- Call volume and number of new opportunities
- Percentage of new hires who reach their quota each quarter (tracking reps that reach 0-20%, 20-50%, 50-99%, and 100-120% in the 1st quarter)
- Time to first "solo" customer meeting and time to first new sales project

Two respondents noted clear indicators of early success in their efforts to improve new-hire sales training. One respondent described their early success as a 200% increase in activity and dozens of new opportunities worth several million dollars. Another respondent states, "the number of new hires who fall in the 100-120% of their quota in their first quarter has risen steadily."

Biggest Challenges for Ramping New Hires

- Developing new hires' understanding of solution offerings and match to customer requirements
- Creating target market situational fluency
- Delivering training for complex products and new technologies
- Educating new hire about company processes.
- Enabling new hires to navigate back office requirements for deal structuring and booking
- Navigation of the partner ecosystem
- Decentralized information: providing access to install base information
- Creating sufficient methodology fluency and the ability to participating in the sales process effectively
- Training reps about how/who to sell to; learning value propositions

Ramp-Time-to-Productivity Initiatives

One respondent – perhaps reflecting on his or her work load – responded that they had "too many" initiatives for shortening New-Hire ramp. Other answers included a wide range of efforts, from technology initiatives to the launch of new sales methodologies. Specific examples included: deployment of a learning management system, new mentoring and coaching programs, certification programs, ramp "maps" or guided ramp programs, and new sales methodologies.

Several respondents listed specific workshops they offer their new hires including a "Selling Reluctance" Workshop, Customer-Centric Solutions and Great Demo!

Conducting best practices sharing sessions to drive productivity of new hires was mentioned as an initiative, as well as offering "guided selling" solutions for assisting both new hires and experienced reps to shorten their sales cycle.

Motivating New Hire Training Participation

The processes and incentives respondents use to ensure full training program participation revealed the use of both “carrot and the stick,” methods including:

Carrot

- Top gun award for top graded participant and lunch with the CEO
- Pay bonuses (MBO) to sales management for new hire attendance
- Role plays and presentations captured on video for personal review and improvement
- Competitions oriented around interactive role plays and presentations to colleagues and management

Stick

- Promise of CEO to review grades
- Field Manager check in and review
- Pre- and post-training testing

How They Deliver On-going Learning

Respondents rely on Webcasts to deliver on-going training. Newsletters are also noted as an alternative to the vehicles listed below.

Activity	% using
Webcasts	70%
Sales Methodology templates	47%
Sales Knowledge Automation	41%
SFA modules	24%
Internal Blogs	12%
Other	12%
Internal newsgroups (e.g. Wikis)	6%
Podcasts	0%

What They Spend on Training

CSO Insights' 2006 study* found that annual spending on training sales reps is rising, and segments of spending in the highest ranges, \$2,500-\$5,000 (23.1%) and \$5000+ (17.5%) are up, while spending below \$1,500 is down but still large (42%). Compared to this study, our survey respondents spend less in the highest category: only 6% spend over \$5,000 per rep, but more at the \$2,500 to \$5,000 range (37.5% vs. 23%). Spending in the \$500 to \$1,500 range was also higher with 31% versus the CSO figure of 26.9%.

It is interesting to note that almost 24% of respondents answered that they don't track new hire spending specifically.

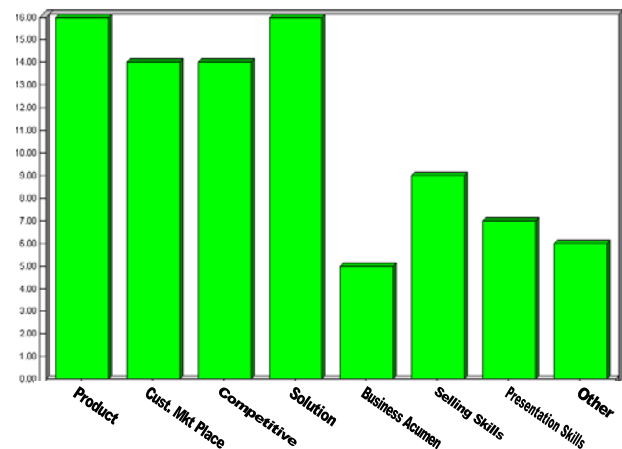
Spending Range	%
\$500-\$1,500	29.4%
\$1,501 - \$2,500	5.9%
\$2,501 - \$5,000	11.8%
>\$5,000	11.8%

Interesting Statistics

- 87% of respondents require pre-work in preparation for training
- 40% of respondents offer management training
- The majority of new hire training curriculums last 6 months or less
- Every respondent offers in-person training; no respondent relied solely on computer-based or self-paced training.

Subjects Addressed during New Hire Training

The days of product-focused programs delivered by marketing with PowerPoints seem to be over. New hire training includes demo best practices, sales methodology and process, SFA and business processes, as well as those topics reflected below.



Sales Operations Forum

The Sales Operations Forum provides Sales Operations management an opportunity to network, exchange ideas and share best practices. Quarterly meetings focus on topic such as sales effectiveness, sales methodologies, compensation, CRM, and field communication. Contact Alison Chandless of Involve Technology (650-315-7501) to join the Forum.

Supporters

The Sales Operations Forum survey was created with the help of Mary Gospe, KickStart Alliance. The KickStart Alliance works with clients to provide positioning, lead generation, and sales readiness services. Find out more at www.kickstartall.com.

Related Articles

If you are looking for great ideas for shortening sales ramp times, be sure to see the summary of the May Sales Operations Forum www.kickstartall.com/resources.html#salesops

* You can see CSO Insight's 2006 survey results at www.csoinsights.com.