

Business Case for In-house Sales Training & Sales Support

By [Adam Halpern](#)

For a true sales culture change, you need in-house ownership.

If you don't do it right, you will waste money, lose credibility with the sales force and decrease productivity.

Out of the box sales methodology training is, at best "customized" to fit your business practices or, at worst, cookie cutter sales training. Outside consultants have no long term vested interest in the success of your company.

Real, effective and long lasting change comes from the inside. Hiring an in-house Manager of Sales Training and Support allows a sales organization to design a sales methodology that adapts as the sales force evolves

As with any major business initiative, a company must justify an investment in this new concept. Within a sales organization, managers can measure an infinite number of factors when trying to gauge success. At the end of the day, however, there are only five that matter and sales training & support directly impacts each one.

The metrics that most directly impact revenue attainment are:

1. Number of opportunities in the pipeline
2. Average deal size
3. Win rate
4. Length of the sales cycle
5. Total number of "active" (or "fully ramped") salespeople

In all these categories, companies can see significant improvements in sales performance with relatively minor improvements in each metric. A 3% improvement (industry standard) in each area yields a 23% increase in revenue. How significant is a 3% improvement?

- If the average number of opportunities pursued by a salesperson annually is 75, this becomes 77.
- If the average deal size is \$100,000, it's now \$103,000.
- If the current win rate is 60 percent, it's now 62 percent.
- If the length of the sales cycle is currently 26 weeks (or six months), it's now 23 weeks.
- If the current number of fully ramped salespeople is 50, the new total is 52.

So how does sales training & support directly impact each of these categories?

1) Increase Opportunities

One of the most significant benefits of in-house sales training & support is a reduction in the time required to create customer-facing sales materials. According to the American Marketing Association, salespeople spend up to 40% of their time on this task alone.

By standardizing on the best content for a given selling situation and making it much easier to access those assets for the customer, salespeople can reinvest the time saved in higher-value selling activities.

Most notably, they can reinvest that time in territory development and prospecting.

2) Increase Average Deal Size

The strategy that virtually all sales organizations are now employing to increase average deal size – as well as to differentiate their offerings – is called “solution selling”.

By definition, solutions encompass a broader set of offerings to customers and are typically sold within a single sales cycle. However, these organizations are realizing that it’s not good enough to simply “tell” your sales team to sell solutions. You must train them to do so.

For example, one company surveyed reported that 80% of its salespeople believed that employing sales-support solutions made it easier for them to cross-sell and up sell.

3) Increase Win Rate

The American Marketing Association reports that only 10% to 20% of salespeople are delivering the most effective message to their prospects. Enabling a salesperson to deliver a more targeted value proposition during every customer interaction will directly impact their odds of winning.

Training that salesperson to use the latest industry information, competitive intelligence and objection-handling guidance will dramatically improve that salesperson’s pre-call preparation. Combining easier access to this information with the time saved creating customer deliverables leads to better preparation, more effective sales interactions and ultimately improved win rates.

4) Decrease Sales Cycle

Sales cycles across all industries have been steadily increasing.

Economic conditions, corporate governance and the increasing complexity of customer needs have all had an impact on both the duration of the sales cycle and the number of decision makers and influencers now involved in the buying process.

A standardized selling methodology enables a salesperson to efficiently move through the sales process based on the selling situation. Integration of the sales methodology into the company’s Customer Relationship Management (CRM) application, for example, also helps salespeople better prepare for each sales interaction and offer highly targeted and personalized customer deliverables.

All these factors help compress every stage of the buying process. Further, given that multiple decision makers are now involved in these sales cycles, the ability to effectively communicate with other in-house business units (IT, marketing, finance, executive management) facilitates a more efficient use of corporate resources and customizes a solution for prospective customers.

5) Increase Active Sales Headcount

Sales turnover rates within sales organizations can range from 10% to 40% depending on the industry.

Further, ramp-up periods for new hires can range anywhere from four weeks to six months. As a result, at any point in time a significant percentage of any sales team will be in an educational mode and not directly contributing to the team’s revenue performance.

If a sales organization can compress that ramp-up time, it effectively increases its active sales headcount. As a result, this can increase revenue production. Though a newly hired salesperson may not be fluent on all of your capabilities, this person can describe characteristics of the selling situation they are encountering.

Sales training & support diminishes the learning curve by putting sales new hires into an educational system that not only ramps them with the core knowledge to start producing immediately, but also continues to show a vested interest in the on-going education and certification of veteran sales personnel.

Sales training & support directly impacts the five most critical metrics for any sales organization: pipeline, average deal size, win rate, sales cycle duration and active sales headcount. Customers have seen staggering results after investing in sales-support programs.

The industry standard across a broad range of industries report returns of 140% and higher within six months of this investment.

These capabilities also offer benefits for other stakeholders such as the marketing department that creates these materials and the sales manager who must continually assess the success rate of a company's collateral material, employees and sales strategy.

With in-house sales training & support solutions in place, a company can easily track the benefits of this investment not only in each step of the sales cycle but in overall revenue growth as well.

Sales training & support is an organic process that continues to evolve as the organization continues to grow.

On-going in-house sales training & support initiatives to think about:

- Integrate into CRM
- Integrate into RFP response process
- Integrate into in-house sales tools (sales kits, competitive docs, cheats sheets, etc.)
- Integrate into external marketing collateral
- Integrate into website
- Roll out modified version of the sales training to other business units (Marketing, Support & Professional Services, Executive Management). If an employee interacts with a customer, he or she can and should be selling

Executive Level Sales Managers have two primary roles - Make Sales and Coach people. If the sales manager handles the selling, the Sales Training & Support Manager should take care of the rest.

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