Beyond the Classroom: Trends in B2B Sales Training

In partnership with

SMM SALES&MARKETING MANAGEMENT

training

Summary

Challenges wrapped in contradictions

Sounds scary, but this is probably the best way to summarize the state of sales training in B2B companies today.

Not only are salespeople faced with ever-growing quotas, they're expected to keep up with an ever-changing B2B buying environment with more decision makers and new competitors entering every day. Sounds like the perfect opportunity for more sales training on better sales process, more product knowledge and improved selling skills.

But, these efforts are met with a stiff arm because taking time out of the field to train means less time in the field. Now, that's what you call a pickle, a catch-22 or any other idiom you like. The reality is today's B2B salespeople are in a difficult situation, needing more training, but facing a growing resistance to taking the time to make that happen.

Corporate Visions surveyed nearly 300 organizations, in cooperation with *Sales & Marketing Management* and *Training* magazines. Here's a sample of the types of challenges and contradictions we'll explore in detail in this State of the Conversation Report.

Key Findings

CHALLENGE:
The vast majority of companies **(79 percent) believe they are not training the right number of salespeople on the skills they need each year.** The top reason, cited by more than half of the organizations (56 percent) that struggle with training fewer employees than intended, is pressure not to take salespeople out of the field.

CONTRADICTION:
Meanwhile, many companies are relying on sales managers to make training decisions, which creates a conflict of interest because these are the very people who struggle letting their team take time out of the field. A third of survey respondents (32 percent) say sales managers most often determine the training their representatives should take, by far the most-cited determining factor.

4 out of 5 companies aren't able to train as many salespeople as they'd like on the skills their employees need
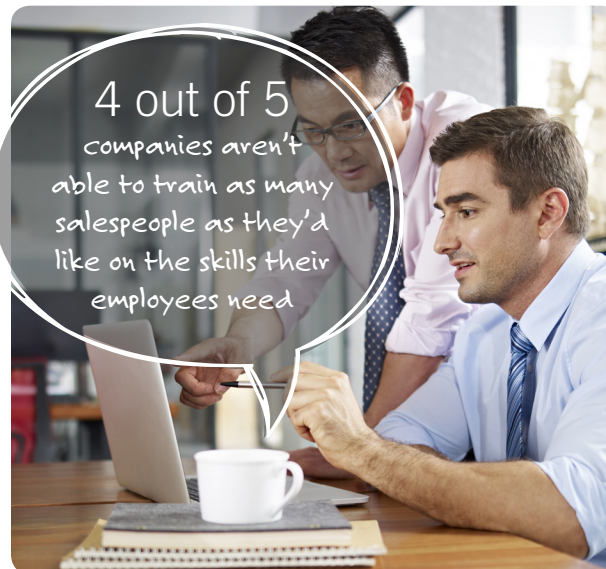
CHALLENGE:
When asked about the best approach to choosing training and development plans for individual sales reps, **30 percent of managers would ideally assign training based on individual key performance indicators,** such as struggling to build a pipeline.

CONTRADICTION:
Most companies (53 percent) most often rely on "arbitrary training paths" – either determined by sales managers or based on employee roles and responsibilities – instead of creating customized training plans based on salesperson performance indicators (only 16 percent use KPIs as the primary determining factor).

CHALLENGE:
Sales and training leaders believe that traditional classroom training is far superior at achieving desired behavior change compared to virtual alternatives – and it wasn't even close. Almost half of the survey respondents (45 percent) favor instructor-led classroom training, while **only 9 percent think modular online training is most effective.**

CONTRADICTION:
Spending for instructor-led classroom training is projected to be flat, while more than 60 percent of companies say they will increase spending on virtual, online training content.

Read on to explore these and more scenarios, as well as find perspective on how to move your sales skills training program forward.

Training Shortfall

4 out of 5 companies aren't able to train as many salespeople as they'd like on the skills their employees need.

The main pressure fueling the training shortfall is companies' reluctance to take salespeople out of the field. Of the companies unable to train the right number of salespeople, **56 percent say removing reps from the field is their biggest limitation to training accessibility. Budget constraints rank a distant second at 37 percent.**

But here's where the results get interesting. When respondents were asked how they currently determine the training and development plan for individual sales reps each year, the top answer was sales managers (see Chart 3). Yet, in many companies with ambitious growth targets, sales managers are the people most reluctant to justify time out of the field for training.

If this sounds like a potential conflict of interest, that's because it is one.
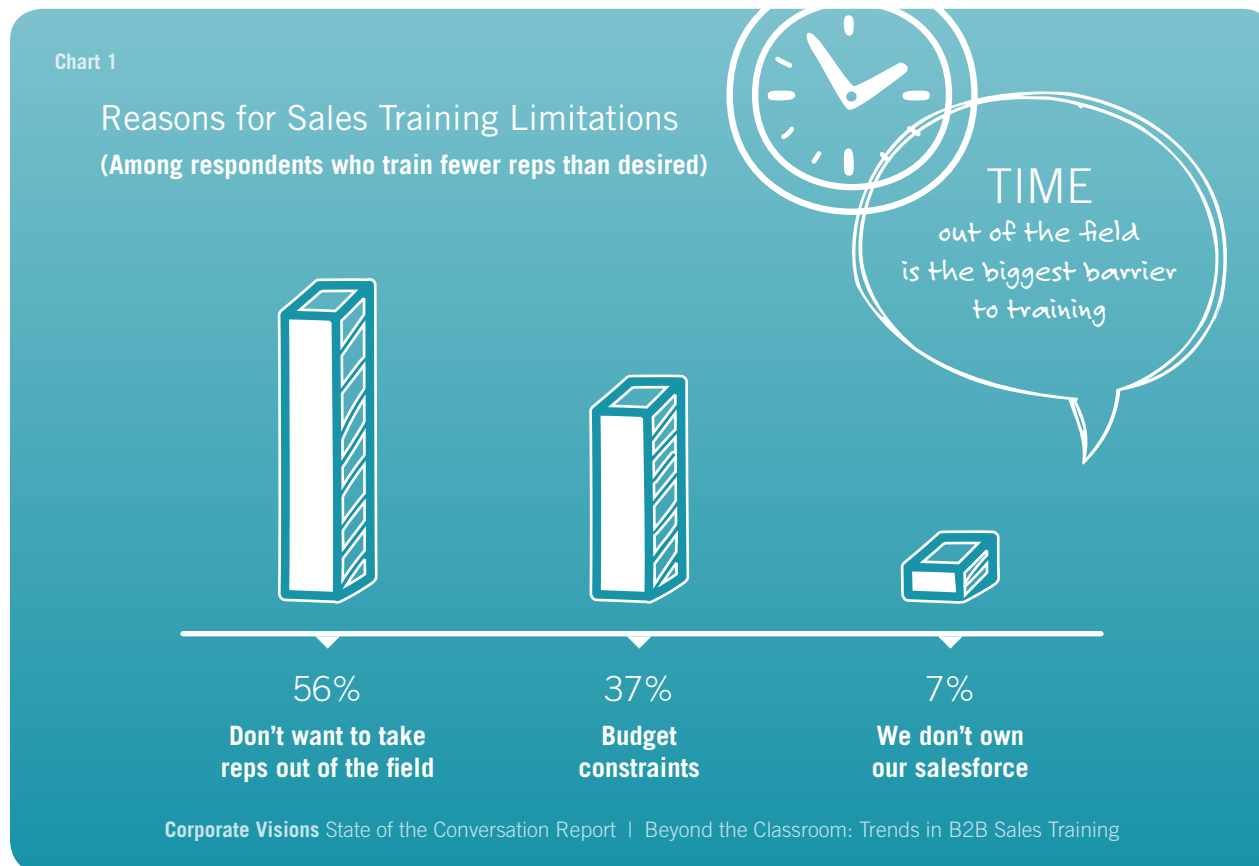
Tim Riesterer
Chief Strategy Officer
Corporate Visions

Sales Takeaways

I recently shared these results in a room full of sales and training leaders who wanted to know who the 20 percent of companies were that were satisfied with their training levels, *because 100 percent of the room I was speaking to wasn't.*

Faced with the contradictory pressures to drive the business or take time to hone their team's skills, the majority of managers are opting to pass on training in favor of keeping their reps on the phone or on the road drumming up business.

This begs the question: Does it make sense to leave training decisions up to managers if they're reluctant to invest the time?

These pressures are pushing sales and training leaders to reconsider their options when it comes to providing the skills development they feel they need to hit high targets and drive growth.

Chart 1

Reasons for Sales Training Limitations
(Among respondents who train fewer reps than desired)

TIME
out of the field
is the biggest barrier
to training

56%	37%	7%
Don't want to take reps out of the field	**Budget constraints**	**We don't own our salesforce**

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Tim Riesterer

Chief Strategy Officer
Corporate Visions

Sales Takeaways

While the survey suggests training leaders have concerns about the replacement value of a virtual training approach, it's clear something has to give. And, many people seem to believe some level of training is better than zero.

Here's where I see a "win" in this idea of a virtual alternative. In traditional classroom models, a person may get signed up for a class six months after determining there's a need. What happens in the meanwhile? Does the rep struggle without getting the help they need?

Then, as the training date finally comes closer the manager decides the rep is too far behind and needs to stay in the field, or the company imposes a travel freeze that cancels all classroom events. This is real life, right?

If you have a virtual alternative to your classroom skills courses, you can fix many of these problems. You can push the content to reps when they need it, without forcing them to wait. You can do it online, at your own pace, without taking any time out of the field. And, you can avoid the travel cost. As I said, something is better than zero!

Can Virtual Training Close the Gap?

The market is showing increased interest in virtual training. But the survey data paints a complicated picture.

The survey reveals that **65 percent of companies plan to increase spending on virtual, modular training formats,** even though they consider it one of the least effective forms of training. Meanwhile, investment in instructor-led classroom training is set to remain flat—despite the highest number of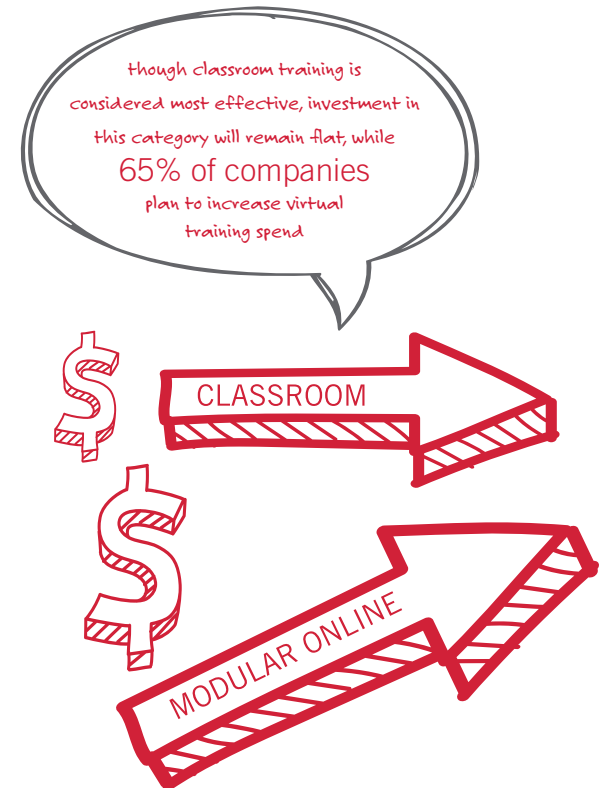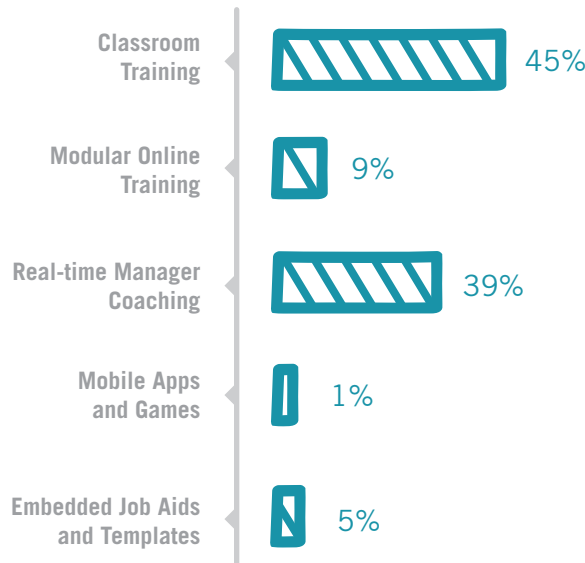 survey respondents (45 percent) rating it as the most effective for teaching selling skills such as presentations, executive conversations and negotiations, and for driving positive behavior changes in salespeople. The second-highest rated format, according to respondents, was manager-led coaching (39 percent).

Interestingly, despite the clear intention to increase spend on virtual training, only 9 percent of respondents rated it as the most effective for creating behavior change – a distant third place finish.

Chart 2

Sales Training Effectiveness vs. Investment

May not add up to 100 due to rounding

Most Effective

Classroom Training	45%
Modular Online Training	9%
Real-time Manager Coaching	39%
Mobile Apps and Games	1%
Embedded Job Aids and Templates	5%

though classroom training is considered most effective, investment in this category will remain flat, while 65% of companies plan to increase virtual training spend

CLASSROOM

MODULAR ONLINE

Replacing Arbitrary Learning Paths with Performance-based Learning Paths

When the survey asked which approach companies use to develop the learning programs and paths for their sales reps, the top two-rated approaches were:

1. **Sales managers determine what training their reps should take (32 percent).**

2. **Company creates training paths based on their reps' roles and responsibilities (inside sales, outside sales, strategic account sales and others) (21 percent).**

Arguably, these approaches can be called "arbitrary learning paths" because they don't take into account prior training a salesperson has received or whether or not those areas are actually strengths or weaknesses.

The opportunity to improve training plans today is to link training to actual performance indicators. Ideally,

this information is gleaned from the data contained in your sales automation system. But despite three in 10 sales managers ranking this as the most effective sales approach, only 16 percent of all sales managers use KPIs most often to develop training and development plans.

Performance data can show where salespeople don't have enough pipeline to hit their numbers. It also can indicate those reps who seem to have a lot of deals getting stuck at the proposal stage where they aren't able to get executive level access or signatures. And, you can find those salespeople who tend to produce the least profitable deals.

Ideally, companies would be identifying and prioritizing training based on these performance indicators and supporting each rep's training needs with a customized plan.

Erik Peterson
Executive Vice President, Consulting
Corporate Visions

Sales Takeaways

Despite the best efforts of training organizations, most learning paths follow a broken model. The paths are either determined automatically by role or tenure, which by their nature don't discern differences in the existing skills of the people forced to follow them. Or the paths are determined by a manager or sales rep's intuition around what skills the rep needs to work on—an intuition that often fails, because reps and managers don't know what they don't know.

The truth is, those used to be the only available options. But today is different: you're surrounded by performance data about your sales reps. As a result, performance-based, custom learning paths need to drive your sales training, not arbitrary tenure-based, role-based or intuition-based learning paths. The data is sitting in your CRM waiting to be mined. It's time to unleash it.

Chart 3
Sales Determining Factors
May not add up to 100 due to rounding

⬛ Used Most Often   ⬛ Most Effective
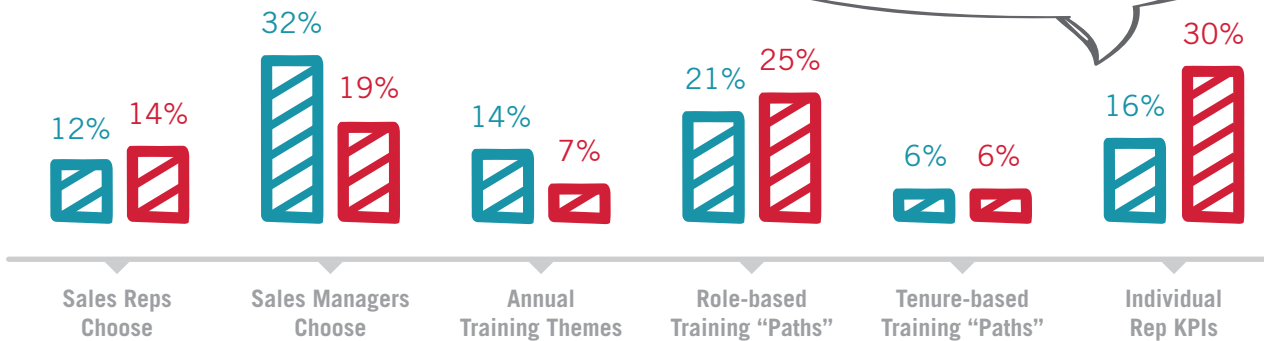
3 in 10
sales managers believe individualized training paths are most effective

	Used Most Often	Most Effective
Sales Reps Choose	12%	14%
Sales Managers Choose	32%	19%
Annual Training Themes	14%	7%
Role-based Training "Paths"	21%	25%
Tenure-based Training "Paths"	6%	6%
Individual Rep KPIs	16%	30%

Using Competency Models for Organizing Training Content Libraries

According to Sirius Decisions, **70-80 percent of companies do not follow a competency-based training model.** That means they're following no standard set of skills that salespeople need to master. It also means there's no agreement about what level of proficiency they need to show across certain skills areas.

One way to begin developing a competency-based curriculum and content library is to base it on the three primary skills areas salespeople must master to control the buying cycle and win more deals. These skills areas—or "value conversations"—are tied to the most critical moments of truth in any complex deal. You can think of these in terms of "three Ps": **pipeline, proposals and profits.**

These value conversations form the basis for a competency model allowing reps to articulate value throughout the buying cycle. In the following pages, this report takes a deeper look at these three skills areas, and explores why each is crucial to the development of a competency-based curriculum.
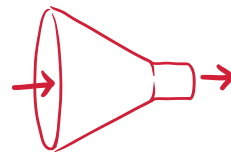
> companies need to provide training, practice and coaching on the ability to disrupt the status quo

Tim Riesterer
Chief Strategy Officer
Corporate Visions

Sales Takeaways

One of the main reasons salespeople struggle to drive change and preference is that, often times, they're starting their sales conversations with the wrong story. The first instinct for many reps once a prospect engages them is to begin with the "why you" conversation, giving prospects a rundown of your features and capabilities and telling them why they should choose you instead of your competitors. The problem with this is that most prospects haven't yet committed to doing something different. They haven't made the decision to leave their status quo situation. At this stage, you need to disrupt their current situation and convince them to do something different. And that requires a great "why change" story. You need to first create a buying vision, which generates the urgency to change, and shows clear contrast between the upside of your solution and the pain of their status quo.

The Three Ps

Value Conversation Competency #1: Pipeline (Create Value)

For this skills area, companies need to provide training, practice and coaching on the ability to disrupt the status quo and convince a prospect or customer of the need to change, and then effectively differentiate from competitive alternatives to create more qualified opportunities.

Status quo bias is a scientifically proven force that keeps people from making a change, even if they have problems with their current approach. In their mind, the pain of change is greater than the pains they are living with. This emotion is so powerful that it's a greater competitor and risk to salespeople's pipelines than your traditional arch rival competitors.

Of course, your competitors are still strong and your customers willingly declare you to "all be alike." This parity or commodity "trap," along with status quo bias, requires your salespeople to develop specific skills to convince enough people to change and choose you in order to create the necessary pipeline to hit quota.

Value Conversation Competency #2: Proposals (Elevate Value)

Veteran salespeople know that securing executive-level buy-in is crucial to accelerating deal cycles and closing more business.

However, many salespeople are struggling with stalled deals once they get to the proposal stage. This can be for a variety of reasons, but chief among them is the inability to impress business and financial decision-makers with your business case.

To keep your newly created opportunities from stagnating and moving to "no decision," **you need to provide salespeople with skills development and tools that improve their ability to connect external factors and key customer initiatives to your solution,** and then build a meaningful story that communicates value and passes muster with these key executive decision-makers.

The other challenge is that salespeople don't get as many shots at speaking with executives, so they don't get a chance to practice their approach. Consider how you can get them risk-free, role-plays to hone their executive engagement "chops."

Conrad Smith
VP Consulting Servies
Corporate Visions

Sales Takeaways

Research shows that executive buyers value a business conversation four times more than a product conversation. However, salespeople are four times less likely to meet the expectations of business executives due to an emphasis on product training and certification at most companies. This is an irony that needs to be corrected. The gap between what executives want to hear and what salespeople are proficient at creates a business fluency, or business acumen gap.

Most salespeople have heard the manager's plea to "call high" but a lot of salespeople simply have a "fear of heights." One company we worked with looked at all of the live opportunities in their CRM and discovered that only 10 percent had a contact with a VP or higher level associated with the opportunity. Managers see the need to call high, but only one in 10 opportunities have a business decision-level executive involved in the active sales process.

There are three things that typically keep people from achieving this "altitude" in their sales cycle:

1. **Confidence** – they need to get more practice speaking to executives in a risk-free training environment;

2. **Competence** – they need to speak in the context of the executive, otherwise you get delegated to whom you sound like;

3. **Compelling** – you need to tell a powerful story of business impact that meets their criteria.

It's time to close the business acumen gap.

> staying in, and managing, the right level of tension is a pre-requisite for the profitable seller

Tim Riesterer
Chief Strategy Officer
Corporate Visions

Sales Takeaways

In today's complex B2B sales environment, buyers have all the power because they have all the alternatives. As a result, salespeople need to develop new negotiations skills that respond to this reality. This starts with turning your low-power position into a low-power advantage by using creative, counterintuitive skills and techniques.

For example, research shows you need to introduce buyers to unconsidered needs to expand the value of your solution and create uncertainty about what the price should be, versus just responding to their stated needs, which are connected to a known price and a host of competitors.

Or, disposing of the old adage, "she who speaks first loses." It's simply not true. Research shows making the first offer in order to set a high target and anchor the pricing discussion gets better results versus waiting for the customer to speak first and anchoring you too low. Don't try to match power with the customer, use creativity to make sure you capture more value.

The Three Ps

Value Conversation Competency #3: Profits (Capture Value)

The big risk for salespeople is that after all their hard work, they start to "leak value" from the deal. In other words, they give stuff away every time the customer asks, in exchange for the belief that this concession will advance the deal, instead of exchanging for something of value the rep wants back.

Another risk: discounting to the lowest number the rep has the authority to offer, and way too early in a deal, in the misguided belief this will accelerate

a decision. Instead, use planned concession psychology to protect as much margin as possible.

Staying in, and managing, the right level of tension is a pre-requisite for the profitable seller. However, it is something salespeople tend to want to flee, unless they are properly prepared with the right skills, concepts, techniques and plans to negotiate in a way that gets more of what you want.
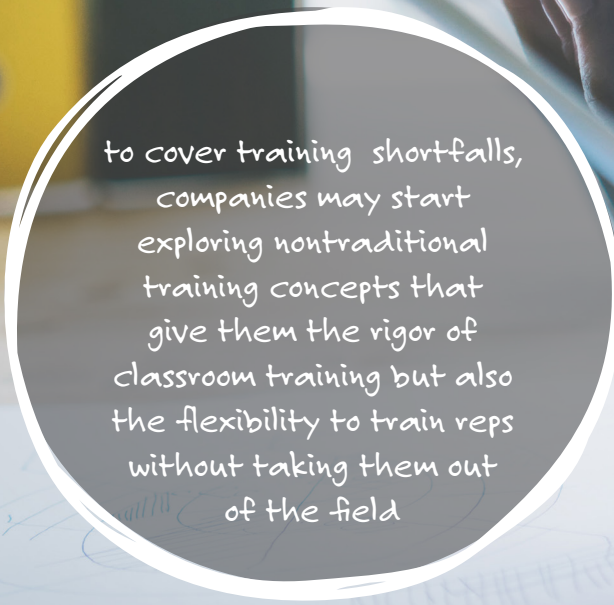
Conclusion

Significant pressures are limiting training accessibility for many companies, as evidenced by the finding that four out of five companies are unable to train as many reps as they want on the skills they think they need. To cover training shortfalls, companies may start exploring nontraditional training concepts that give them the rigor of classroom training but also the flexibility to train reps without taking them out of the field.

The training format that confronts those challenges head-on might incorporate the following:

- **Competency models tied to key performance indicators instead of generic role- and responsibility-based curriculums**

- **Custom learning paths instead of arbitrary learning paths**

- **Flexible, situational learning options that address acute performance challenges in real time instead of rigid, scheduled and classroom-only options**

The fact that 65 percent of companies plan to increase spend in virtual training formats is evidence that companies are willing to explore other options to ensure their salespeople get some training rather than none. This interest in virtual, modular training modalities also suggests the industry may be nearing a fundamental tipping point in the area of sales skills training.

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About Corporate Visions

Corporate Visions is a leading marketing and sales messaging, content, and skills training company. Global B2B companies come to us when they want to:

- Develop compelling messages to break the status quo and differentiate their solutions;

- Deploy that message in the field through demand generation and sales enablement content; and

- Deliver sales skills training that helps salespeople confidently use these messages and content to create, elevate and capture more value in their customer conversations.

Corporate Visions helps clients such as ADP, Motorola, Philips, UPS, Cisco and others align marketing and sales with a repeatable approach for developing and delivering winning customer conversations.