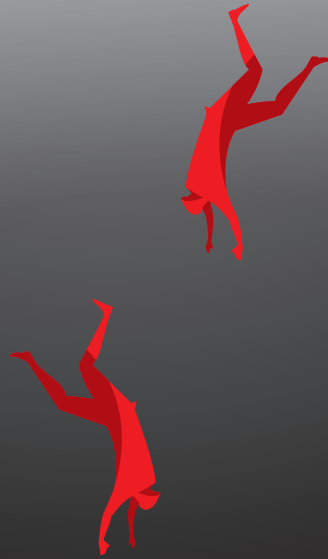


The Sales Training Black Hole

**Why so much is spent for so little return
and how to avoid it**



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BY PAUL NOLAN

The introduction of the “2023 State of Sales Training” from the Association for Talent Development (ATD) states, “If your sales training isn’t moving the needle, you’re not alone. Every year, companies lose billions of dollars on training that is all but forgotten.”

A 2020 *Forbes* article carried the headline “Why Sales Training Programs Fail Sales Leaders and Their Teams.”

In 2017, Frank Cespedes, a senior lecturer of business administration at Harvard Business School, co-authored an article published by *Harvard Business Review* entitled “Your Sales Training Is Probably Lackluster. Here’s How to Fix It.”

A 2014 headline shouts “Why Sales Training Is Wasting Your Money.”

Venture back as far as you want and you’ll find headlines about how much money companies waste trying to train their reps how to sell more effectively.

It conjures memories of a scene in the movie “Vegas Vacation” in which a desperate Clark Griswold (played by Chevy Chase) [sits down at a blackjack table](#) to try to recoup the bulk of his family’s savings, which he already lost.

“You don’t know when to quit, do you, Griswold?” says Marty, the exasperated dealer (played by Wallace Shawn). “Here’s an idea: Why don’t you give me half the money you

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were gonna' bet? Then we'll go out back, I'll kick you in the nuts, and we'll call it a day."

Most sales managers won't admit it, but for the return they get from their annual sales training spend, they should take half their budget off the table, head out back with Marty and accept a life lesson the hard way.

Classroom Learning Is Only a Start

Estimates on total sales training spend are all over the board, but \$70 billion annually is a figure that gets quoted frequently and it doesn't receive a lot of pushback. The [2023 ATD State of Sales](#) report estimates that the median spend per salesperson on sales training annually is between \$1,000 and \$1,499, with an additional \$1,000 to \$1,499 spend on sales kickoffs.

Another statistic that has been used for a decade or more

beyond the training event; What is the team's strategy and process that will help sellers change their daily habits?"

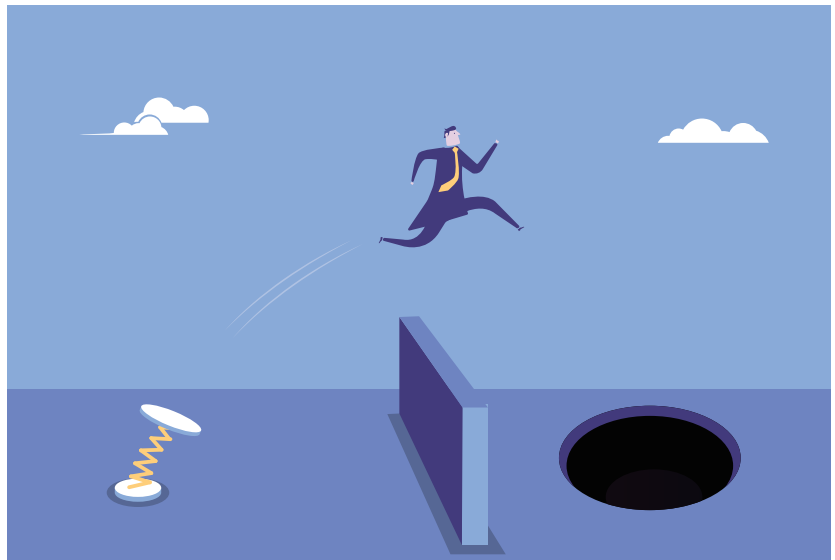
It's a vital question that should be part of any decision-making process when outsourcing sales training (or when handling it in-house, for that matter): What strategy is in place to ensure that the sellers being trained will use what they learn to change daily habits?

"At the end of the day, salespeople in training programs are not studying for a final exam in that program. They're there to meet quota, and that happens not in the classroom, but outside in the field," Cespedes said in a telephone interview.

Retention of important sales skills is higher when it's provided at the time a salesperson needs it. Cespedes and Schultz and others we spoke with promote supplemental training opportunities that are available on demand and that

**60% of companies
take a random or
informal approach
to sales coaching.**

SOURCE: TASKDRIVE



that seems to be broadly accepted is that participants in traditional curriculum-based training forget more than 80% of the information they were taught within 90 days.

Why does so much money and time continue to be spent on sales training that doesn't move the needle?

"I don't know," was the candid answer we got from Erica Schultz, chief marketing officer at [Rain Group](#), a global sales training and consulting organization. Like others we spoke with, Schultz said traditional classroom-style training that focuses on methodologies and sales processes has its place, but it should only be a foundation. Training that is interactive, available on demand and supported by continuous, one-on-one coaching from a sales manager who also receives ongoing training is a more proven way to derive ROI from any investment in sales training.

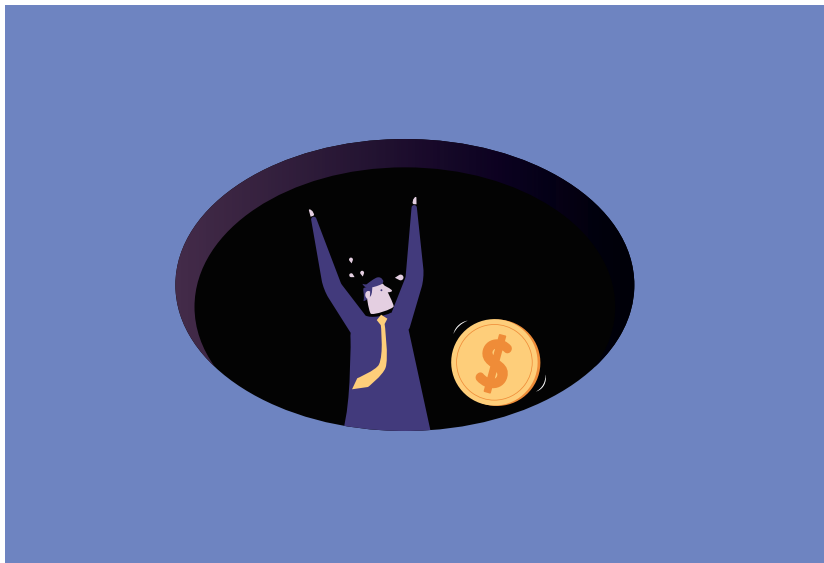
"You can't underestimate the benefits of being in a room together, collaborating and having a safe space to practice. But the classroom on its own is not going to push the dial," Schultz said in a telephone interview. "A lot of what we work with is

reinforce key skills without requiring a significant investment of time. The right tech tools make this possible, including AI-driven software that records and assesses real-life or mock sales conversations. For sales managers, the transition from classroom learning to periodic review can be viewed as shifting from training to coaching.

"Making training stick is a lot about repetition and reinforcement," added Adam Finan, an e-commerce, marketing and business growth specialist who has worked with over 400 businesses to help them grow sales and revenue online through his business [Digital Nomad Café](#). "It's important to give them a chance to apply what they've learned immediately and to spread the reinforcement over different formats—discussions, follow-up sessions, reading materials, etcetera."

Sales & Marketing Management conducted numerous telephone and email conversations with sales training providers as well as sales managers who deploy training with their own sales teams. Here's what they said about why so much sales training fails to drive results and how to fix it.

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Make It Relevant

Seems like a no-brainer, and maybe it is. But so much training that gets taught and quickly forgotten is because the skills addressed are not what sellers use day to day.

“You can have a ton of theory and information packed into a session, but if your team can’t understand how to apply it in the real world, it’s not going to be effective,” Finan said.

“Engagement comes from relevance. If they can immediately see how a new strategy or tactic can help them close more deals, they’ll be more interested.”

Tailoring training to a team’s specific needs is imperative. And that requires an accurate assessment of the team’s needs, something that is not always successfully attained.

“Too often, sales training is used to fix a problem without really assessing the root cause of the problem,” said Karen Allinder, director of global sales productivity at Xactly. Allinder sold sales training for global companies for nearly two decades before taking her current role at Xactly two years ago. In that position, she helps make sure a team of approximately 150 sales and sales enablement workers at the SaaS provider are optimally prepared to sell.

Allinder said in her previous career selling sales training, the leaders at one client thought their team needed to be trained in negotiation skills. In discovery, she learned that it wasn’t poor negotiation skills that led to smaller deals, but the fact that the salespeople were not properly trained in building value during the sales process. “When they got to the end, it was a race to the bottom on price,” she said.

“One of the most common mistakes is an overreliance on generic, cookie-cutter training that fails to resonate with sales reps’ day-to-day work. This dependence on one-size-fits-all materials that miss the on-the-ground realities that reps face leads to poor engagement. For training to land, customization tailored to the audience’s needs, knowledge and pain points is crucial,” said Paul Wood, founder of C-PAID, a UK-based

company that helps individuals with contested probate and inheritances.

Make It Tightly Focused

Information dumps simply don’t work. What really makes a difference is what they call deliberate practice—focus on a few things at a time and get better that way, said Cespedes.

With an understanding that what gets measured gets done (and gets managed), formal training should be followed up with a thorough assessment of deployment of the skills that were taught 30, 60 and 90 days after the training. Identifying key performance indicators forces you to narrow down what the training will cover.

“You have to align everyone on what the metrics are,” Schultz said. “Is it increasing win rate? Filling the pipeline? Increasing size of

sales? Improving margins? Shortening the sales cycle? You’ll never achieve what you want to with a blanket statement of, ‘We want to increase sales.’”

“By breaking training content into smaller, focused sessions, sales reps can absorb information more effectively and apply it in real-world scenarios,” Sam Kunda, co-founder and managing partner of the London-based consultancy [Change Frontier](#), told SMM in an email exchange.

Make It Clear Why You’re Training

A commonly held belief is that salespeople don’t want to come out of the field to train. Improved performance in sales means increased income for reps. If you can show the connection between training and increased sales, your reps will gladly show up for training.

“Human nature in the work force is people want to get better. They may or may not be development mavens, but they want to make more money and they want to get promoted,” said Cespedes. “They welcome training when it helps them accomplish that. They resist it when there is no value and they lose time in the field where they could have been prospecting or making sales.”

**For every dollar a company
invests in effective training,
it receives about \$4.53 in
return, the equivalent to a
353% ROI.**

SOURCE: ACCENTURE

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Top-performing sales managers are **46% more likely** to receive **extremely or very effective training.**

SOURCE: RAIN GROUP –
“THE TOP-PERFORMING SALES MANAGER”

Make It Interactive

Sales is interactive; training salespeople should be so as well.

Highly interactive elements that tap into competitive instincts — contest simulations, leader boards and gamification — can boost engagement over passive lecturing, said Wood. Public shoutouts and rewards for top performers reinforce desired behaviors. Giving reps input also provides a sense of ownership.

“People want it to be a conversation, they want practice and they want feedback,” said Schultz.

Clare Jones, global outreach manager for Custom Neon, which manufacture custom-designed LED neon lights and signs, said, “I like to incorporate a Benjamin Franklin quote as the guiding ethos for how I conduct sales training: ‘Tell me and I forget; teach me and I may remember; involve me and I learn.’”

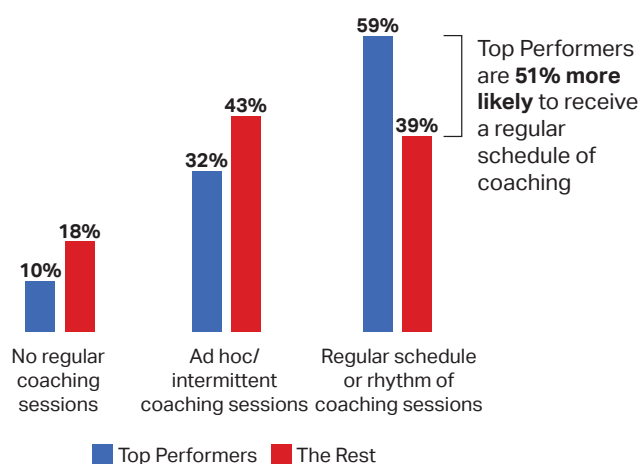
Salespeople trust and respect their top-performing peers. Cespedes said creating a video library of these star performers showcasing skills in prospecting, handling objections, establishing value, closing and other steps in the sales process is invaluable.

“The way most salespeople learn a lot is by watching the best of their peers perform the job,” he said. “Your best reps are not only important because they’re generating a lot of revenue. Their modeling behavior has knockoff effects throughout the sales force. You want to disseminate those best practices.”

Sales teams powered with sales enablement tools for more than two years have experienced **48% higher customer engagement.**

SOURCE: SALES ENABLEMENT PRO

FREQUENCY OF COACHING RECEIVED % RESPONDENTS



SOURCE: RAIN GROUP –
“THE TOP-PERFORMING SALES MANAGER”

Train the Manager

Rain Group’s research on top-performing sales managers shows that top-performing managers are more likely to provide coaching with a set rhythm and regular frequency compared to other managers. Sellers with less than five years of experience are 240% more likely to be top performers when they have an effective manager, according to the report.

The skills required for managing are significantly different than those required for selling. Schultz said too many companies short shrift training for their managers. Rain Group offers sales management training that is broken down into six modules:

- Becoming a top-performing sales manager — 10 roles that top sales managers play
- Interviewing and hiring sales superstars
- Leading exceptional team meetings
- Territory planning and analysis
- Sales forecasting and pipeline management
- managing and accelerating sales performance

Be Your Toughest Training Critic

Many of those we spoke with emphasized that good sales training begins with smart hiring.

“It’s tough to train someone who was a bad fit for the job in the first place. You have to be able to link your hiring to your onboarding and training,” said Cespedes.

Hiring smart is another article entirely. We’ll get to it.

FEATURE STORY

For now, if you're preparing to launch a formal training session or if you're not getting the long-term boost you want from your training, ask yourself:

- Are the goals of the training specific?
(Are there KPIs that can be measured in 90 days?)

On average, first-year salespeople spent **10.2 days in training** each year. That's more than twice as much time as the average third-year salesperson (3.9 days) and fifth-year salesperson (3.8 days).

SOURCE: ATD 2023 STATE OF SALES TRAINING

- Is the training relevant to the company and to the individual sales reps?
- Is the training tailored to your team and interactive?
- Is the training supported by a structure that allows for one-on-one check-ins on what was trained at regular intervals following the training?
- Is there supplemental training content that is available on demand?
- Do you have the right technology in place?

The right training technology is important, but don't overthink it. The ATD State of Sales report states the top instructional methods to make sales training more engaging and interactive were scenario-based learning (69%), post-training activities (66%) and video (66%). Organizations that incorporated non-technology-based simulations into their sales training were significantly more likely to be high performers.

"The current hype drives silly initiatives," said Cespedes. "These things have to be grounded in the basics. What does this have to do with buying and how does it relate to selling? The bottom line in any discussion about technology is the illusion that technology or data is the answer versus ongoing performance management. Managers must manage." **SMM**

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Cespedes Unmuted

Do a Google search for Frank Cespedes and one result on the first page tells you that “Frank Cespedes is a professional grappler and jiu-jitsu black belt.” It’s a different Frank Cespedes than the one we spoke with for this report—the Harvard MBA Class of 1973 graduate who is now a senior lecturer in the Entrepreneurial Management Unit at his alma mater.

However, the Harvard MBA Frank Cespedes has the moxie, purposefulness and candid demeanor that makes it feel like it wouldn’t be a stretch for him to have “grappler and jiu-jitsu black belt” on his resume.

Cespedes was generous with his time and delightfully outspoken about a range of topics (some of which pertained to sales training) during a recent one-hour phone conversation. These viewpoints didn’t make it into our main story, but it would be shame not to share them.



FRANK CESPEDES

Puncturing the hype about self-educated buyers being 50% or more down the buying decision path – “I’m not sure I agree with the premise because I’m not sure what the hell that premise is saying. What does it mean to say that the buyer is 50% or more down the road of a yes or no decision to purchase? That’s a classic example of pseudo-specificity. Using a number—very often a made-up number, I might add—to sound rigorous when the reality is what’s behind that?”

On companies’ inclination to hire best-selling authors or motivational speakers when sales training is what’s needed – “Talking about selling is not the same thing as selling. Much of that talk is so abstract. I can’t tell you how many times I’ve been asked to speak to companies and the previous speaker is some military hero who knows less than zero about the sales tasks in that company.”

On finding a reliable source for how much is spent on sales training annually – “I think most estimates about the amount of time and money spent on sales training are underestimates. A lot of what is called leadership or executive development contains a lot of sales training, but it doesn’t get listed as sales training. Many kickoff meetings, conferences and product introduction meetings are sales training and may not get tabulated that way.”

On the challenge to overhaul a sales process even when it may be evident that is what’s necessary – “The reality is people in both sales and marketing talk a good game when it comes to innovation, but the reality is they are among the most change-resistant functions in most companies. It’s not because of the DNA of the individuals in the job, it’s because of the nature of the job in the wider organizational context. So many other organizational plans throughout the business depend on sales forecasts and the ability of the sales force to make those numbers. As a result, sales and marketing are under pressure to ‘make the number,’ and their metrics reinforce those short-term business development activities. You basically stick with the devil you know despite changes in buying criteria and processes.”

On narrowing the focus of sales training to address vital aspects of the sales role – “Identify the skills that matter most today, not yesterday, in sales. I think there has been a lot of nonsense spouted about so-called ‘new normals’ as a result of the pandemic. The large issue is making the best utilization of your people. How do we deploy them so they focus on the areas where they are most important and really make a difference as opposed to things that marketing can do more efficiently? When we do that, we can make more training more effective because we can focus on those tasks instead of asking them to do everything.”

On the importance of on-demand training and less classroom instruction – Adults pay attention to information when they need it and where they need it, not weeks or months earlier in a seminar. That’s why just-in-time learning is important. There is an overreliance on classroom type training in sales training. Ultimately, sales is about behavior—about what people do or don’t do; what they say or don’t say. Skills are learned with task-oriented applications. Learning in sales is a classic example of modeling behavior. The way most salespeople learn a lot is by watching the best of their peers perform the job.— *Paul Nolan*

Frank Cespedes’ latest book is “Sales Management That Works: How to Sell In a World That Never Stops Changing.” More insights and articles are available at FrankCespedes.com.



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