

SALES MANAGEMENT ASSOCIATION RESEARCH REPORT

Emerging Trends in Sales L&D

June 2019



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Research Report: Emerging Trends in Sales Learning and Development

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The Sales Management Association is a global, cross-industry professional organization for sales operations, sales effectiveness, and sales leadership professions. We provide our members with tools, networking, research, training, and professional development.

Our research initiatives address topics relevant to practitioners across a broad spectrum of sales effectiveness issues. Our research is available to members on our site at <http://salesmanagement.org>.

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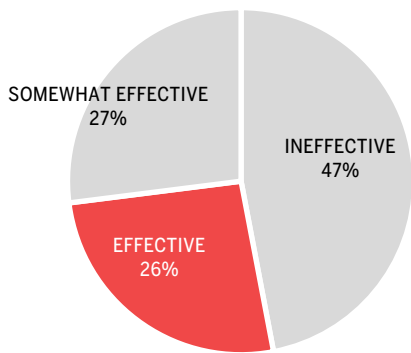


INTRODUCTION

Few could blame the sales organization for reconsidering its sales training investments. After all, sales training is difficult and expensive. It targets an independent minded audience challenging to reach, whose training appetites are unequal and needs diverse. Its outcomes are difficult to measure, and even harder to sustain.

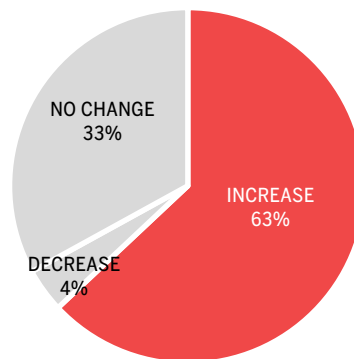
This research investigates how organizations address these challenges, while measuring how sales learning and development (L&D) will change over the next few years. Surprisingly, our study found management's enthusiasm for sales L&D is undiminished, despite its many challenges. In fact, six in 10 firms are poised to increase sales training investments over the next three years - even though fewer than one in four (23%) consider their current sales training programs effective.

FIGURE 1. PERCENTAGE DISTRIBUTION OF FIRMS



FIRMS' SALES TRAINING EFFECTIVENESS

N= 89



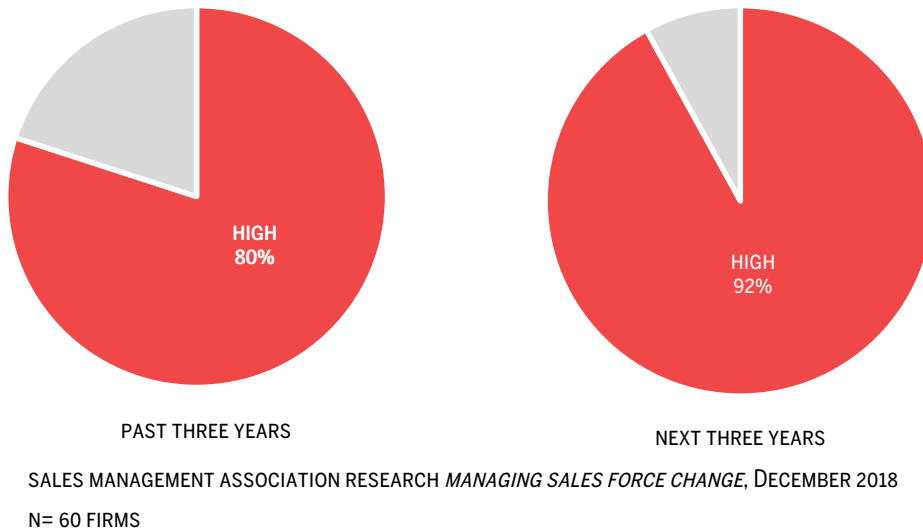
EXPECTED CHANGE IN OVERALL SALES TRAINING INVESTMENTS, NEXT THREE YEARS



What accounts for this paradox? Two factors. One is the strategic backdrop of change now shaping the sales function; and one is specific to tactical training content delivery. First, sales organizations themselves are undergoing change, the magnitude and pace of which is unprecedented. Struggling to retool the sales organization in response to shifting demands, sales organizations simply can not adapt without purposeful L&D initiatives.

Second, new technology is reimagining how training is delivered, and offering significant value in training costs, speed, and quality as a result.

**FIGURE 2. AMOUNT OF SALES FORCE CHANGE
PERCENTAGE DISTRIBUTION OF FIRMS**



Technology enabled training is augmenting and in some cases replacing traditional classroom training, and for the vast majority of firms, it's fair to say that technology has fundamentally changed how learning content is designed, provisioned, and consumed. Changes afoot in sales L&D aren't motivated by the availability of new technology alone - they reflect responses to strategic change management requirements - but they likely underpin management's enthusiasm for increased overall training investment.



In fact, these shifts in sales L&D are arriving at the sales organization's greatest hour of need to learn and develop. In separate research, we've outlined the daunting magnitude and speed of change confronting sales forces, 92% of whom anticipate over the next three years substantial change in strategy, structure, and the ways their sales forces deliver value to buyers.

It's more clear than ever that these changes will also include the way firms train and retool the sales force to adapt to new models.

CURRENT PRACTICES IN SALES LEARNING AND DEVELOPMENT

How much time do salespeople spend training? For new salespeople, it's about 30 days on average; for experienced salespeople, about 16 days. (An estimated blended average for all salespeople is 21 days.)

Management considers this too little training in a substantial majority of firms. Fully 81% of firms say the amount of sales training and development they provide is too little (it's just the right amount for only 9% of firms, and 7% spend too much time.)

Our research looks beyond the quantity of training and development provided and attempts to understand the quality and nature of training investments across firms. Toward this end, we highlight three characteristics of sales training worth additional inquiry:

- the degree of customization in learning and development content
- the nature of learning objectives – specifically, who develops them, and

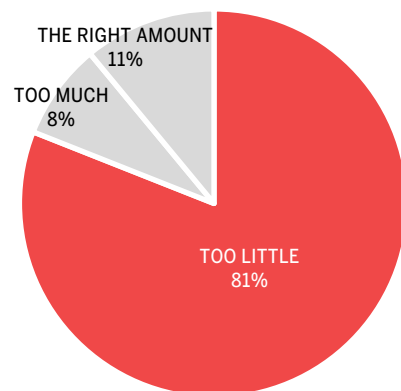
FIGURE 3. SALESPERSON TIME SPENT IN TRAINING ACTIVITIES (DAYS PER YEAR)

	NEW SALESPERSONS	EXPERIENCED SALESPERSONS
25 TH PERC.	12.0	5.0
MEDIAN	25.0	12.0
75 TH PERC.	44.8	24.0
AVERAGE	30.1	16.2

N= 92 FIRMS

FIGURE 4. AMOUNT OF SALES TRAINING AND DEVELOPMENT PROVIDED

PERCENTAGE DISTRIBUTION OF FIRMS



N= 89



- the frequency of training delivery.

Firms deliver training both continuously and episodically. About half (48%) combine the two in roughly equal proportions; approximately one quarter put greater emphasis on single events, and another quarter (27%) on continuous delivery.

In most firms (55%), managers are most influential in developing sales learning objectives. 35% of firms establish objectives through a roughly equal collaboration between management and salespeople, and 10% give salespeople more influence than management in determining objectives.

A large majority of firms (80%), provide training that is mostly or entirely the same for all salespeople. Just 8% fully customized training to the salesperson, and 12% use generic and customized training in roughly equal proportions.

FIGURE 5. SALES TRAINING DELIVERY FREQUENCY
PERCENTAGE DISTRIBUTION OF FIRMS

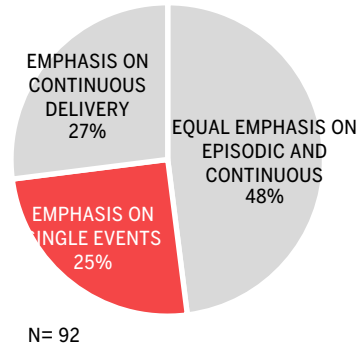


FIGURE 6. WHO DETERMINES SALESPERSON LEARNING OBJECTIVES
PERCENTAGE DISTRIBUTION OF FIRMS

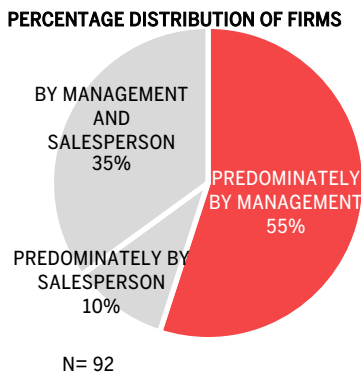
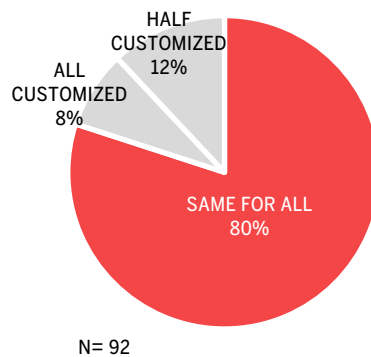


FIGURE 7. DEGREE OF SALES TRAINING CUSTOMIZATION
PERCENTAGE DISTRIBUTION OF FIRMS



EFFECTIVENESS GAPS

Just 23% of firms' sales training efforts are effective (28% are "somewhat" effective; 48% ineffective). The data suggest multiple contributing factors responsible for this deficiency. As noted previously, one factor may be the inadequate amount of time spent on salesperson training and development. Another may be the sheer breadth of topics firms attempt to address with training. Of 11 potential sales training topics included in our research, a majority of firms consider nine of these important in their own training efforts.

FIGURE 8. SALES LEARNING AND DEVELOPMENT TOPICS' IMPORTANCE AND EFFECTIVENESS

**PERCENTAGE OF FIRMS THAT RATE TOPIC "IMPORTANT,"
RATE THEIR CURRENT TRAINING PROFICIENCY "EFFECTIVE"**

L&D TOPIC	IMPORTANT	EFFECTIVE
DELIVERING CUSTOMER VALUE	98%	57%
CUSTOMER KNOWLEDGE	98	46
PRODUCTS AND SERVICES OFFERED	89	66
SALES METHODOLOGY, PROCESSES	87	40
MARKET, INDUSTRY KNOWLEDGE	82	33
COMPETITOR KNOWLEDGE	76	36
SALES MESSAGING	76	52
JOB RELATED TECHNOLOGY	64	38
PERFORMANCE GOALS, INCENTIVES	59	46
DATA-BASED DECISION MAKING	49	24
INTERNAL PROCESS, ADMIN	47	40

N= 90 FIRMS

Given this broad charter, its not surprising that few firms' sales training initiatives deliver effective training across many topic areas. Only three topics are effectively trained by a majority of firms: products and services offered, delivering value to customers, and communicating specific sales messages (effectively trained in 66%, 57%, and 52% of firms, respectively).

Ultimately, sales learning and development initiatives must help salespeople adapt to changing circumstances, given the pervasive context of change present in so many sales organizations.



We found that few sales organizations exhibit characteristics consistent with adaptability and change readiness.

- Only 54% of firms' sales forces can adapt to new ways of delivering customer value;
- Salespeople in just 47% of firms can quickly implement new sales messaging;
- Those in just 24% of firms can quickly adapt when changing roles; and
- Only 18% of firms characterize their sales training efforts as agile enough to accommodate changing conditions.

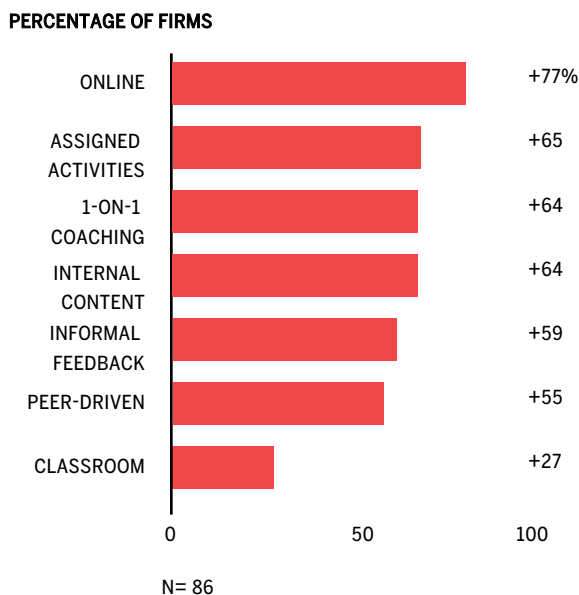
FIGURE 9. SALES L&D PROGRAM OUTCOMES RELATED TO SALES FORCE ADAPTABILITY

PERCENTAGE OF FIRMS WITH CHARACTERISTIC	
SALESPEOPLE ADAPT TO NEW WAYS OF DELIVERING CUSTOMER VALUE	54%
SALESPEOPLE CAN QUICKLY IMPLEMENT NEW MESSAGING	47
MANAGERS DIAGNOSE AND REMEDY SALESPERSON SKILL GAPS	25
SALESPEOPLE ARE QUICKLY UP TO SPEED WHEN CHANGING ROLES	24
TRAINING IS AGILE TO MEET CHANGING DEMANDS	18

N= 89 FIRMS

MANAGEMENT'S EXPECTATIONS FOR FUTURE TRAINING INVESTMENTS

FIGURE 10. FIRMS EXPECTING INCREASE IN SALES TRAINING ACTIVITY, NEXT THREE YEARS



Sales L&D investment will increase over the next three years in 63% of firms, and will decrease in just 4% (in 33% of firms no change in investment is anticipated).

Much of this growth will be in newer learning modalities such as online courses. But, the lion's share of overall growth is set to add to – not replace – current training activity. This indicates a broader expansion of L&D modalities that layer new approaches alongside conventional, while in many cases maintaining a reliance on classroom and other in-person interactions. .



Firms are most likely to increase investment in online course content (77% expect to do so), which appears to be management's most actionable strategy for closing deficits gaps in the amount of training provided

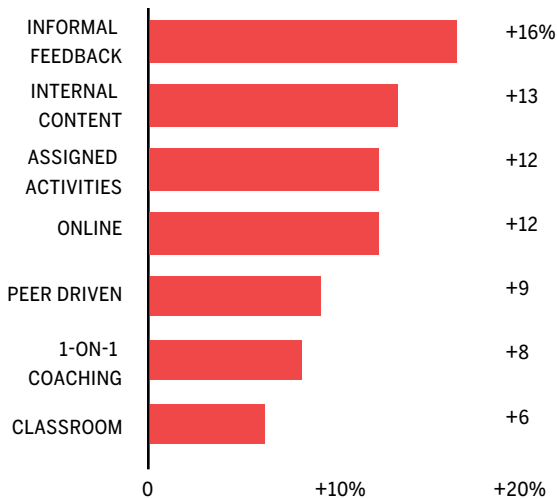
Our research data support management's enthusiasm for increased sales training investment. Two separate but related analyses of firms' training investments bear this out.

The first suggests that increased training activity levels correlate with improved sales training effectiveness outcomes. Sales organizations with training activity levels above the median for all firms realize training outcomes 6 to 16% better than their peers. These advantages are highest for informal management feedback – firms with higher-than-median- activity levels in this activity had sales training outcomes 16% more effective. Correlated advantages are lowest for classroom training. Firms with higher-than-median classroom training activity realize overall sales training outcomes 6% higher than peers'.

The second analysis correlates overall firm sales performance with effective sales training. We found a substantial sales performance advantage among firms with effective sales training, though fewer than one quarter (23%) of firms meet this standard. Firms effective in training and developing salespeople have sales objective achievement rates 32% higher than those of firms with ineffective sales training.

FIGURE 11. SALES TRAINING ACTIVITY LEVELS AND SALES TRAINING EFFECTIVENESS

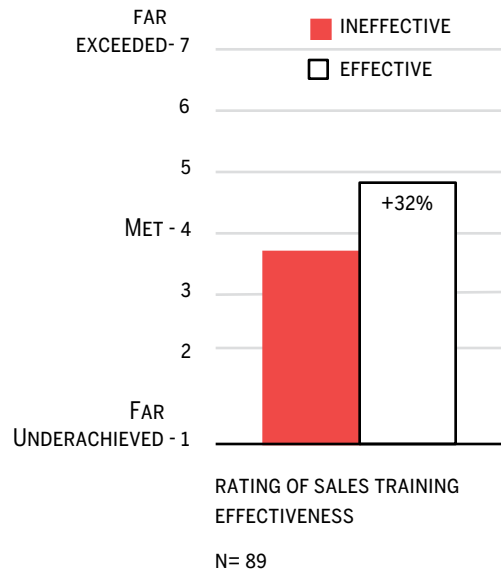
VARIANCE IN SALES TRAINING EFFECTIVENESS RATINGS AMONG FIRMS PROVIDING MORE TRAINING*



*ANALYSIS COMPARES FIRMS IN UPPER 50TH PERCENTILE BY TRAINING ACTIVITY WITH THOSE IN LOWER 50TH PERCENTILE

FIGURE 12. SALES TRAINING EFFECTIVENESS AND FIRM SALES OBJECTIVE ACHIEVEMENT

FIRM SALES OBJECTIVE ACHIEVEMENT, PRIOR 12 MONTHS



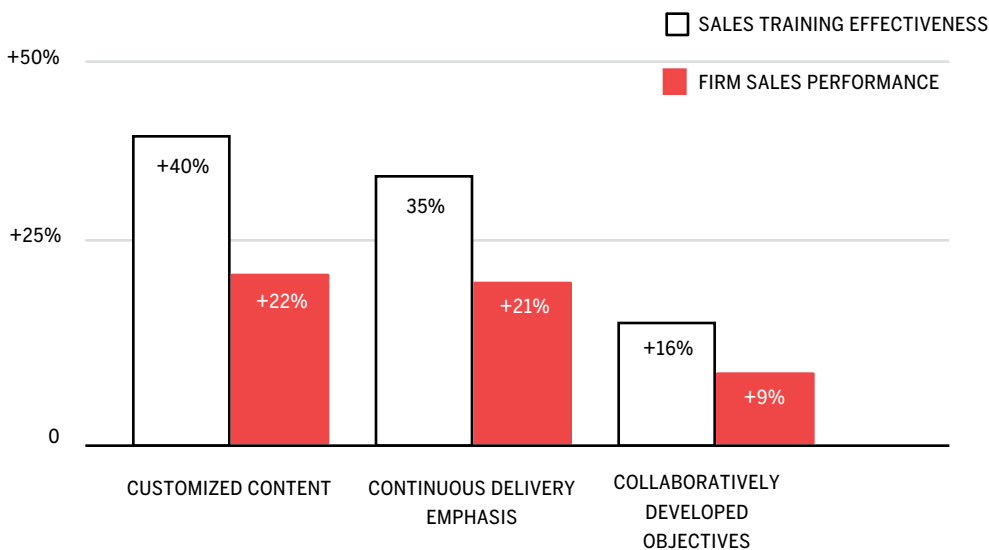
DIFFERENTIATING CHARACTERISTICS OF WINNING SALES L&D PROGRAMS

At the most basic level, our research suggests an increase in sales training activity is likely to improve sales training effectiveness, and in turn sales objective achievement. And though many firms say their sales training activity is insufficient, it would be a mistake to assume that training activity increases alone can close training effectiveness gaps.

Our analysis of the research data yields four specific, and one general area of focus correlated with high levels of improved training effectiveness and higher firm sales performance. These specific focus areas are: customized training, collaborative learning objective definition, managers capable of skill gap diagnosis, and training outcomes focused on sales force adaptability.

And more generally, we find substantial performance advantages accruing to those firms fielding adaptable sales organizations, supported with training that reinforces frequent improvement to customer value delivery, and the ability to deploy new selling roles.

FIGURE 13. TRAINING PROGRAM CHARACTERISTICS' CORRELATION WITH EFFECTIVENESS AND SALES PERFORMANCE
VARIANCE IN FIRMS WITH TRAINING PROGRAM CHARACTERISTIC VS. THOSE WITHOUT



FIRMS' SALES L&D PROGRAM CHARACTERISTICS

N= 92



FIGURE 14. SALES FORCE ADAPTABILITY AND ITS CORRELATION WITH FIRM SALES PERFORMANCE
VARIANCE IN FIRM SALES OBJECTIVE ACHIEVEMENT IN FIRMS WITH TRAINING PROGRAM CHARACTERISTIC VS. THOSE WITHOUT



- Firms emphasizing continuous delivery of training and development content outperform other firms, with 21% greater sales objective achievement, and 35% more effective sales training overall.
- Firms that develop training objectives through manager and salesperson collaboration outperform other firms. Their overall sales training effectiveness is 9% higher than other firms'; their sales objective achievement is 16% higher than other firms'.
- Firms that emphasize customized training have overall sales training effectiveness ratings 40% higher than peers', and firm sales objective achievement 22% higher.
- The 25% of all firms with managers capable of diagnosing salesperson skill gaps outperform other firms by 11% in annual sales objective achievement.
- Sales forces capable of adapting to new ways of delivering customer value outperform other firms by 32%. Those with salespeople capable of quickly changing roles enjoy a 30% sales performance advantage; those able to implement new sales messaging quickly enjoy a 25% advantage; and those with sales training agile enough to accommodate changing conditions enjoy an advantage of 16% in sales objective achievement over other firms.



ABOUT THE RESEARCH

This research represents summarized data from 92 participating firms, directly employing more than 44,000 sales professionals. Data was collected from internet based survey developed and published by the Sales Management Association. Responses were collected between January and May 2019. The analysis presented here represents all accepted responses, after edits and exclusions

We edit some survey responses. Changes to survey responses are made after follow-up with a respondent when contradictory information is provided and can be clarified in a follow-up interview, or when objectively identifiable information such as firm size is excluded or misrepresented, and can be corrected with verifiable data.

We exclude some survey responses from this total. Submitted responses are excluded or disqualified for at least one of the following reasons: (a) respondent does not meet the research participant eligibility requirements (these often require respondents to be in management roles, or employed by firms of a minimum size); (b) responses are declared invalid due to respondent “speeding” through survey responses (our online survey platform flags such responses); (c) responses are incomplete to a degree that no portion of the response is usable; (d) response includes logically contradictory information and is deemed to be invalid.

This study was made possible in part through the underwriting support of Qstream. Sales Management Association underwriters provide annual financial support to the Sales Management Association, and may suggest research topics, and on behalf of their own audiences may encourage participation in or otherwise promote research initiatives. Underwriters are not involved with research administration, data collection, analysis, interpretation, or report development, unless explicitly noted in the report. Also, unless noted, underwriters do not pay a research-specific fee or directly commission research initiatives.



RESPONDENT DEMOGRAPHICS

Firm Size

Ninety two participating firms ranged in size from small to very large, though skewed toward larger firms. Fifty-four percent of respondents' firms had annual revenue in excess of US\$100 million; 9% were firms with annual revenues in excess of US\$10 billion.

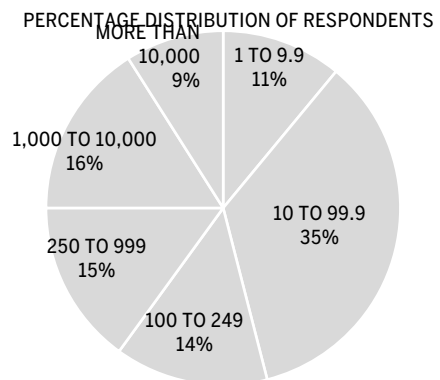
Job Role

Respondents are predominately sales operations leaders in their firms. Sales operations and related sales effectiveness roles represent 53% of respondents. Twenty-two percent of respondents are first-line sales managers (i.e., they directly manage salespeople). An additional 20% are senior sales leaders, managing sales managers, and 3% are in non-sales-related management positions.

Firm Performance

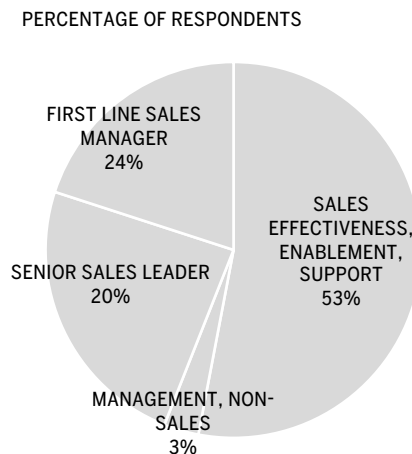
Sixty-eight percent of respondent firms met or exceeded firm sales objectives in the preceding 12 months. Respondents were asked to rate their firm's achievement of sales objective based on a seven-point scale ("1" for far underachieved objective; "4" for met objective; "7" for far exceeded objective).

FIGURE 15. RESPONDENTS' FIRM REVENUE, US\$MILLIONS



N= 67

FIGURE 16. RESPONDENTS' JOB ROLE



N= 92



We use this performance rating approach in order to normalize company performance across large and small firms, and high and moderate growth sectors. Sixteen percent of respondents rated sales objective achievement in the highest two categories (“6” or “7”).

On average, 48% of salespeople in respondent firms met or exceeded their individual sales objective in the preceding 12 months.

Sales Force Size, Structure, and Management Span of Control

Respondents firms have an average of 53 directly-employed sales managers, and 489 salespeople; this represents an average manager to salesperson span of control of 9.2. Corresponding median values are 60 salespeople per firm, 7 managers per firm, and a salesperson-to-sales manager ratio of 6.4:1.

FIGURE 19. RESPONDENTS’ SALES FORCE SIZE

	SALES-PEOPLE	SALES MGRS.
MIN	2	1
10%	7	1
25%	15	2
50%	60	7
75%	244	30
90%	985	100
MAX	9,000	1,000
TOTAL	44,962	4,848
AVERAGE	489	53

N= 92

FIGURE 17. FIRM SALES OBJECTIVE ACHIEVEMENT, PAST 12 MONTHS

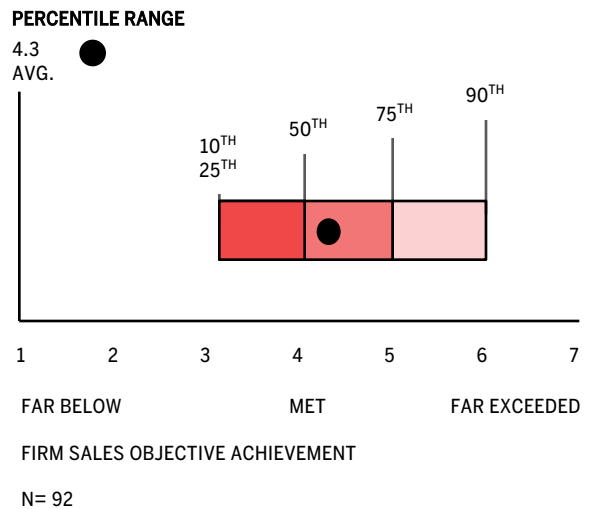
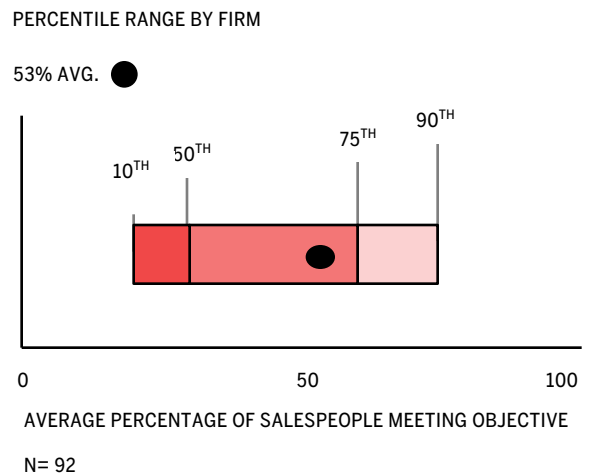


FIGURE 18. PERCENTAGE OF SALES FORCE MEETING INDIVIDUAL SALES OBJECTIVE, PAST 12 MONTHS





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