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High-Growth Companies Plan to Expand Investments in Live Online Sales Training

A growing number of small- and medium-sized organizations see a need to increase the frequency and quality of sales training in response to increasing competition and active market dynamics. Results of Biztechreports.Com survey of 223 executives in the SMB sector involved in sales professional development. Survey conducted from August 18-September 5, 2008.

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70 percent plan to invest more in online training in 2009 over 2008.

Introduction:

If training was ever seen as luxury that small and medium-sized businesses (SMBs) could not afford, that notion is now a myth. Live online training is rapidly gaining traction as a way to supplement, enhance and extend existing live onsite training programs to keep sales teams in tip-top closing shape. This is becoming especially important for organizations that operate in dynamic environments in which competitive and market needs change often.

In a global economy where SMBs compete with larger competitors to attract increasingly fickle customers, owners and operators of high-growth organizations are finding it important to keep their sales teams as trained and informed as possible. Consequently, an overwhelming majority of SMBs (70 percent) plan to invest more in online training in their next fiscal year. The results strongly indicate that regular and frequent training is widely recognized as a key to sustaining high rates of growth and maintaining a strong competitive edge in regional, national and global markets that are constantly changing.

These are the central findings in a survey of 223 executives at high-growth companies conducted by **BizTechReports.Com** between August 18 and September 5, 2008. The results of the study indicate a growing consensus that more training conducted on a more frequent basis is especially important for organizations that are seeing the size and complexity of their transactions rise.

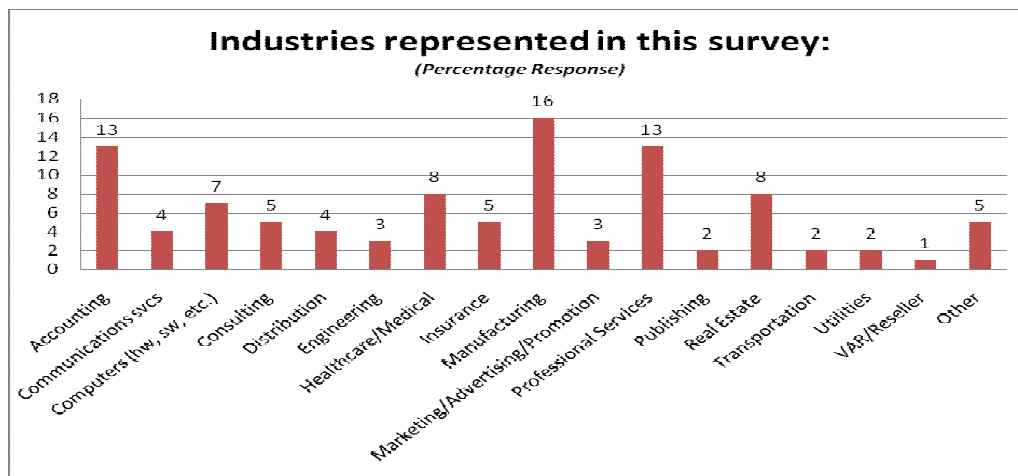


Figure 1 – Source: **BizTechReports.Com**

The survey solicited input from a broad cross section of industries, and focused on companies that had between 21 and 600 employees.

Accelerating Market Dynamics Stimulate Need for More Frequent Training

A full 80 percent of respondents reported that the role of sales training is growing in importance within their organizations, reflecting the need to respond effectively to constantly changing market dynamics from customers as well as competitors. Accelerating product lifecycles – along with competitive threats from players of all sizes – are creating demand from the rank and file.

The survey found that training opportunities are well received and considered an effective professional development activity by the front-line sales staff in 88 percent of the companies that were surveyed. Over three-quarters (77 percent) agreed that as deal sizes get larger sales training becomes more important. Far from seeing sales training as a distraction from their core duties, regular training and briefing sessions are seen by the sales force as an important revenue generation enabler.

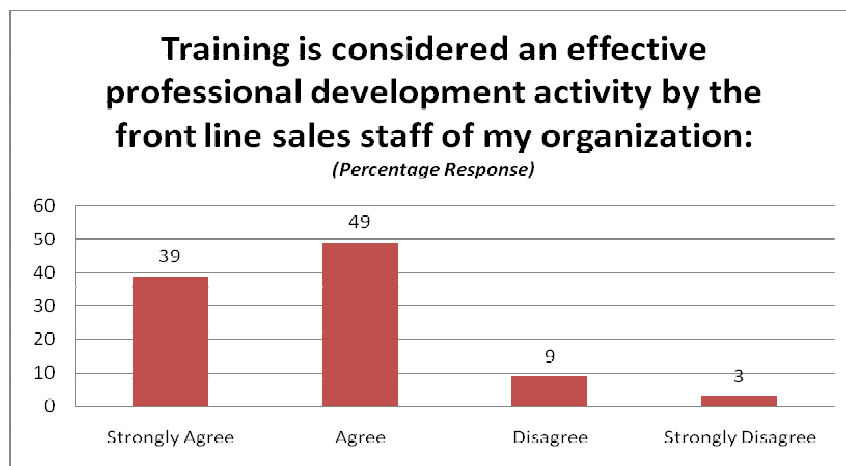


Figure 2 – Source: BizTechReports.Com

SMBs Integrating Live Online with Live Onsite Training

While there is a near universal consensus on the positive impact that frequent and regular sales training can have on the sales team, the survey found that executives, business owners and managers in the SMB sector wrestle with how to enhance training opportunities without experiencing commensurate surges in costs or disruptions in day-to-day sales opportunities. There was general agreement that live onsite events are important for conducting many critical training activities. Some 78 percent of respondents reported use of live onsite training to develop the skills and competencies of the sales team.

However, it was also recognized that this exclusive approach to training was difficult to expand because of expense and logistics. A whopping 94 percent of respondents agreed that limiting disruption to the sales process is an important consideration in

designing a sales training program. As a result, well over half (57 percent) said they were using live online training to develop sales team skills. And of those who were engaged in both activities, 56 percent reported having integrated onsite and online training activities.

These findings clearly show that owners, managers and executives throughout the SMB sector are developing as sophisticated an approach to training as their larger competitors. SMBs are not looking at training in a vacuum. Respondents have developed strategic approaches that play to the strengths of each training medium.

Top Training Applications in Different Mediums	
Live onsite sales is used by:	Live online sales training is used by:
<ul style="list-style-type: none"> • 64 percent for initial (new hire orientation) introductions to a new company and its offerings • 55 percent for product update sales training • 53 percent for sales skills and sales methodology development 	<ul style="list-style-type: none"> • 52 percent for product update sales training • 50 percent refresher product sales training • 42 percent for sales skills/methodology training

While the SMB sector clearly sees value in using live onsite training to introduce new members of the sales team to the offerings and culture of their organizations, managers are then enhancing and extending the training experience by offering frequent, supplemental or time-sensitive briefings by using live online vehicles. Indeed, the organizations surveyed are more than twice as likely to hold sales development activities more often when they use live online training vehicles.

- Only 9 percent of respondents said that they offer live onsite training once a week or once every two weeks.
- However, a full 20 percent reported that they hold live online training sessions once a week or once every two weeks.

In this sense, live online training is used as a force multiplier to traditional live onsite initiatives by owners, executives and managers in the high-growth sector. When asked to rank the types of training that improve the most through live online training:

- 53 percent reported that sales skills/sales methodology would be enhanced.
- 47 percent reported that understanding the implications of recent product enhancements would be improved.
- 45 percent reported that live online training helped remind and refresh the sales teams' skills on existing products.

Sales Professionals and Line-of-Business Managers Lead Training Initiatives in SMB Sector

The survey responses also suggest that there is a very strong connection between those who design and implement sales training and those who benefit from the results of that training among small and medium-sized businesses.

Among SMBs, in short, executives with “line-of-business” as well as “profit and loss” responsibilities are the most likely to lead efforts that keep sales teams well honed. These professionals are demonstrating a propensity to use all of the training tools available to them. Moreover, they are willing – and even eager – to integrate different training elements if the tools and technologies are intuitive and easy to use.

To the titles of “chief cook and bottle washer,” owners, executives and managers of SMB organizations are likely to add “master instructor.” Unlike larger corporations, which are spending over a half billion dollars a year on Learning Management Systems (LMS), owners of high-growth organizations often elect to develop their own training materials as a way to contain costs and tailor the content of their training to their sales teams’ needs. According to our survey, 89 percent typically develop and deliver their own sales training material.

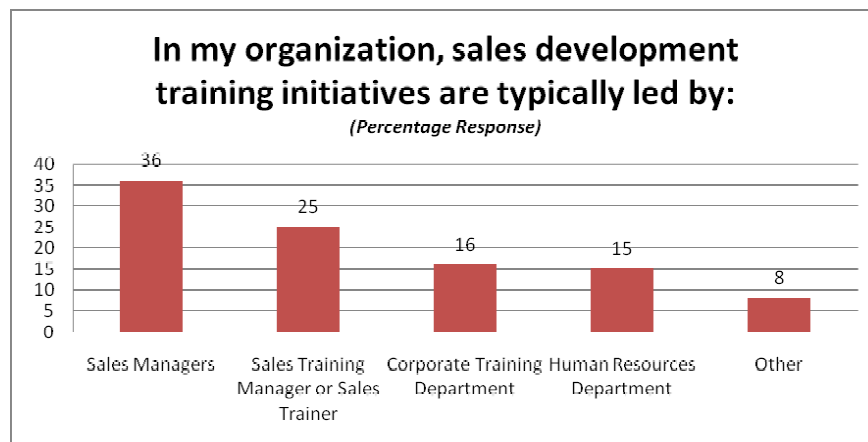


Figure 3 – Source: BizTechReports.Com

Consequently, intuitive and easy-to-use applications emerge as critical factors in the adoption and broad application of live online sales training. When we asked our respondents to provide the three most critical capabilities that they want to incorporate into their live online training sessions, the following features bubbled to the top of the priority list:

1. The ability to support interactive questions and answers
2. Easy set up and scheduling
3. The ability to present and demonstrate material using familiar software applications in real time

This ranking indicates the importance of ensuring sales teams have a meaningful opportunity to present objections and observations based on real-world experience. Live online training does not fulfill its potential when it is given as a monologue rather than as a dialog. It also reflects the collaborative ability to learn from peers during the training session, which has the added benefit of creating an important sense of community among a sales team that may be geographically dispersed.

Because the people conducting the training are not dedicated to this function exclusively, it is important that complexity be removed from the logistical process of executing the training. The focus – and the bulk of the time spent on training – should be spent on developing content and then easily consuming the training. To the extent that sales training focuses on how, when and why information is presented to prospective customers, it is important for the sales team to see the presentation material in the actual context within which it will be used. So if specific presentation applications are used for delivering sales messages, then those same software packages should be used in the sales training process.

Gaps in Tracking Effectiveness of Training Are an Issue

Tracking effectiveness is one area in which high-growth organizations in the SMB sector appear to lag behind their larger counterparts when it comes to training. There are important gaps in how organizations are tracking the effectiveness and impact of training on sales operations.

- 61 percent reported that they determined effectiveness by soliciting feedback from managers.
- 48 percent of respondents reported that they track post-training sales performance to gauge the effectiveness of sales training.
- 38 percent captured post-training test results.
- 35 percent solicit feedback from students.
- Almost one in five SMB organizations (19 percent) do nothing at all to measure the effectiveness of sales training.



Figure 4 – Source: BizTechReports.Com

There is a consensus that training – in all of its forms – will continue to grow in importance as market complexities rise. It will consequently be critical to measure the effectiveness of specific approaches, content and delivery methodologies. This type of effectiveness tracking can be done effectively with online training products available to SMBs today.

Investments in Training Increased This Year and Will Increase Next Year

When it comes to training in general – and live online training in particular – high-growth organizations are putting their money where their mouths are. The strategic commitment expressed by the respondents to this survey is reflected in their budgetary priorities. A full 61 percent of respondents reported that they invested more in overall training this year over last year. And as senior decision makers make plans for the upcoming fiscal year, increases are planned for both live online and live onsite training.

- Overall 66 percent plan to invest more in training this year over last year.
- A full 65 percent plan to invest more in live onsite training next year.

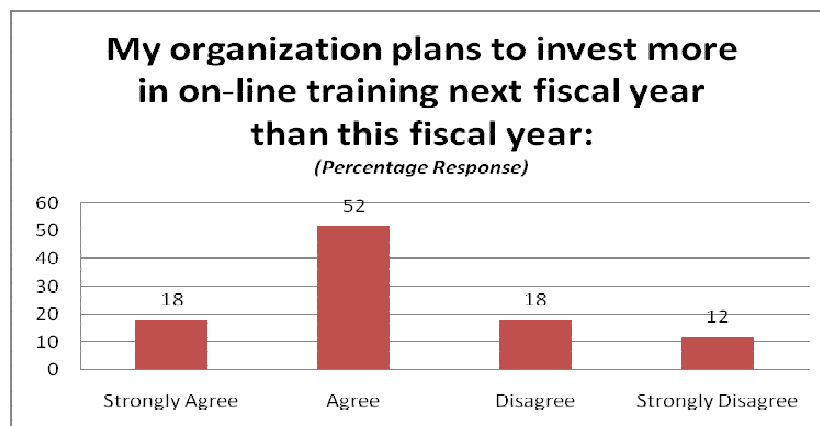


Figure 5 – Source: BizTechReports.Com

However, a whopping 70 percent of respondents plan to invest more in online training next year. Thus, live online training will outpace live onsite training by a significant margin. This finding reflects how increases in live online training will not have a proportional impact on the balance sheet. Doubling the frequency of online training does not double the training budget. This is a critical observation because containing “costs associated with training” along with “limiting the disruption to the sales team” were cited as important factors to consider when designing sales training programs.

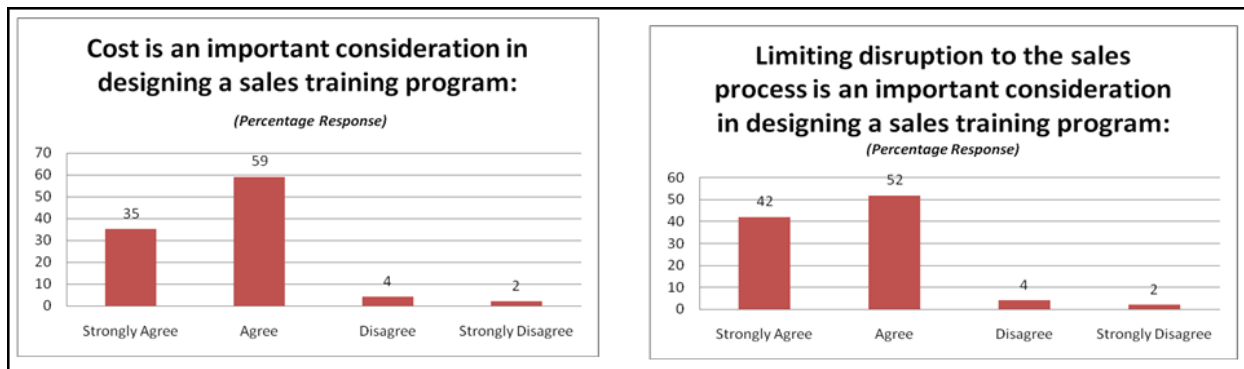


Figure 6 – Source: BizTechReports.Com

Conclusion

The picture that emerges from this survey is that of an SMB high-growth market sector that has a strategic appreciation for how ongoing training can contribute to achieving mission-critical organizational objectives. Owners, executives and managers do not take a one-dimensional approach to training.

- Live online training is seen as an increasingly important way to enhance and expand the impact of live onsite training.
- Most organizations that have both types of training resources available for their sales teams report that they are integrating the initiatives and are able to train more effectively because of it.
- Live online training allows owners and managers of SMB organizations to increase both the number and frequency of training sessions without seeing a commensurate increase in the training budget.
- Expanded adoption of live online training will be spurred by delivery technologies that are cost-effective, easy to use and flexible enough to support multiple presentation applications and frequent training sessions.