

# **Sales Training Initiatives Target Improved Skills and Results**

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Focus Report

**Publication Date:** 11 April 2003

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# Table of Contents

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|   | Page |
|---|------|
| 1. Executive Summary.....                                       | 1    |
| Market Overview.....  | 1    |
| Summary of Findings.....  | 2    |
| Recommendations.....  | 2    |
| 2. Study Objectives.....  | 5    |
| Definitions.....  | 5    |
| Methodology.....  | 5    |
| Participating Companies.....                                    | 5    |
| Demographics.....   | 6    |
| 3. Survey Results, Findings and Implications.....               | 9    |
| Who Receives Sales Training: How and Why?.....                  | 9    |
| Which External Sales Training Companies Are Used?.....          | 15   |
| External Sales Training Metrics.....                            | 19   |
| Measuring the Results and Impact of Sales Training.....         | 27   |
| Selling Skills and the Effect of Training.....                  | 29   |
| 4. Sales Training in Perspective.....                           | 35   |
| Key Findings and Recommendations.....                           | 35   |
| Motivating Factors for Sales Training Efforts Evolve.....       | 35   |
| Too Much Sales Training Being Conducted Internally.....         | 36   |
| Increased Sales Training Budgets Will Lead to Market Gains..... | 36   |
| Measurement and Reinforcement Sorely Lacking.....               | 37   |
| Sales Training Leads to Gains During an Economic Recession..... | 37   |
| Experience and Training Needed to Close Skills Gaps.....        | 38   |
| Final Recommendations.....                                      | 38   |
| Appendix A — Glossary of Terms.....                             | 39   |

# List of Figures

---

|  | Page |
|--|------|
| 2-1 Type of IT Services Provider.....  | 7    |
| 2-2 Size of Company (Annual Revenue).....  | 8    |
| 3-1 Degree of Sales Training by Sales Title: Direct Sales Organization.....        | 9    |
| 3-2 Degree of Sales Training by Sales Title: Indirect Sales Organization.....      | 10   |
| 3-3 Planned Changes in Internal vs. External Sales Training Mix.....               | 12   |
| 3-4 Sales Training Motivating Issues.....  | 13   |
| 3-5 Attitude Regarding Sales Training.....   | 15   |
| 3-6 Methods of Discovering External Sales Training Companies.....                  | 18   |
| 3-7 Criteria Used for Selecting Sales Training Companies.....                      | 19   |
| 3-8 Preferred Locations for External Sales Training.....                           | 20   |
| 3-9 Frequency of Sales Training Attendance by Sales Force.....                     | 21   |
| 3-10 Time Away From Territory When in Training by Sales Force.....                 | 22   |
| 3-11 Amount Spent per Student per Class by Company Size.....                       | 23   |
| 3-12 Amount Spent per Student per Class by Company Type.....                       | 23   |
| 3-13 Annual Expenditure for Sales Training by Company Size.....                    | 24   |
| 3-14 Annual Expenditure for Sales Training by Company Type.....                    | 24   |
| 3-15 Changes in Sales Training Investments During the Past Two Years.....          | 25   |
| 3-16 Impact on Sales Productivity From Sales Training Initiatives.....             | 26   |
| 3-17 Portion of Respondents That Measure Results From Internal Sales Training..... | 27   |
| 3-18 Portion of Respondents That Measure Results From External Sales Training..... | 28   |
| 3-19 Baseline Skills Used for Measurement of Sales Training Results.....           | 29   |

## List of Figures (Continued)

---

|   | <b>Page</b> |
|---|-------------|
| 3-20 Frequency of Sales Training Results Measurement by Company Size .....    | 30          |
| 3-21 Frequency of Sales Training Results Measurement by Company Type.....     | 30          |
| 3-22 Ratings of Importance of Specific Selling Skills .....                   | 31          |
| 3-23 Required Selling Skills, Number of Times Cited.....                      | 32          |
| 3-24 Most Effective Means to Gain Selling Skills Competency .....             | 33          |
| 3-25 Selling Skills That Are Most Deficient Within IT Services Companies..... | 34          |

## List of Tables

---

|   | <b>Page</b> |
|---|-------------|
| 3-1 Internal vs. External Sales Training by Size and Type of Company..... | 11          |
| 3-2 External Sales Training Companies Used .....                          | 16          |
| 3-3 External Sales Training Companies Used by Selling Skill .....         | 17          |
| A-1 Report Glossary .....   | 39          |

# Chapter 1

## Executive Summary

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### Market Overview

The move toward using business, not technology, as the fulcrum of the sales conversation is one of the most significant shifts affecting IT services companies today. In conjunction with the shift in emphasis, there is another shift of decision making for IT solutions from the IT department to business units and the executive team. Selling to these new buyer audiences and tailoring the sales message on business requirements demand a different set of selling skills. The skills include acute business acumen, vertical-industry acumen and experience, the ability to manage relationships across an organization, and the ability to lead collaborative teams. To remain competitive, IT services companies must promptly incorporate offerings into their sales training programs to ensure the development of these skills.

The IT services and solutions market is more challenging than in the past. Both general economic activity and demand for IT services and solutions have been stagnant, if not recessed, for more than two years. Client demand is growing for more complex and pervasive IT services and solutions that address business, not technology, requirements. In light of these market challenges, many IT services companies are retrenching and just trying to survive. Others are reacting to this competitive opportunity by making investments to help them survive as well as position them to capture market share as economic conditions improve. They must understand customer requirements, both IT and business requirements, better than ever before. Companies must also clearly understand how these requirements are different and how they will affect the future success of the customer.

One key implication of this exercise is the realization that the sales organization is a critical piece of this process and that the skills required of successful salespeople in the IT services and solutions world today are far different than they were just a few short years ago. The skills required for success today include strategic selling, complex solution positioning, relationship management, collaboration and leadership, and a high degree of business acumen. This means that IT salespeople will be required to regularly enhance their skills if they are to remain competitive, and sales training is one key element of a skills enhancement program for IT services companies (recruiting is another). IT services providers have many choices for how to best accomplish the ongoing sales training in their companies, some internal and some external. How they balance sales training alternatives and how effectively IT services companies leverage sales training alternatives will greatly dictate the future success of their sales efforts.

Benchmarking against similar efforts by competitors and other players in the market is one important element in an overall improvement strategy. To assist with these efforts, Gartner Dataquest recently conducted research and interviews with executives at IT services provider companies of all sizes and provider types. The objective was to determine the current initiatives for sales training, particularly with the use of external sales training companies. This research explored the companies' objectives for sales training, the external companies they use, and the results of their sales training initiatives and programs.

## Summary of Findings

The sales skills required for success in the IT market are much more varied, complex and strategic than in the past. IT providers must benchmark and make appropriate changes to sales training programs to ensure that their sales professionals are equipped with the skills required to succeed in today's complex and competitive selling environment. Many IT providers are answering the challenge with multifaceted sales training programs that leverage best-of-breed training offerings and carefully measure the impact of, and reinforce, the learned skills. Others, though, are still focused on basic skills and conduct little follow-up.

Key findings are as follows:

- Survey respondents are motivated to conduct sales training primarily to develop advanced selling skills, and services or solutions selling skills.
- Most respondents' sales training (66 percent) is conducted internally. For sales training that is conducted externally, a wide variety of providers were cited; two technology providers, Siebel and IBM, received the greatest number of mentions.
- On average, respondents spend \$2,222 per student, per class for external sales training. The participating companies' average annual budget for sales training is \$886,000. Annual budgets ranged from \$27,000 for small participants to nearly \$2.5 million for large participants. Annual sales training budgets also varied widely by type of participant. Most participants expected their annual sales training investment to remain constant in the near term. Companies that plan a sales training budget increase expect average increases of 62.3 percent.
- More than half of respondents' sales training initiatives are not subsequently measured and assessed after the training is completed (and more than 60 percent of external training initiatives are not measured). The primary skills that are measured are the size of the sales pipeline, revenue production and the closing ratio.
- Two-thirds of the IT services provider respondents experienced a sales productivity increase as a result of sales training efforts. Most companies that saw an increase in productivity indicated that the increase was in the 10 percent to 25 percent range.
- The selling skills that are reported to be most deficient within the respondents' companies are prospecting, complex selling and strategic selling. Two-thirds of the respondents believe that experience, not training, is the best source to acquire these skills, even though 91 percent believe that sales training can significantly contribute to closing the gap in selling skills deficiencies within their companies.

## Recommendations

Gartner Dataquest makes the following recommendations:

- IT services companies should increase use of external training companies, especially for more complex skills. Training is not a core competency for most IT services companies.
- IT services companies that simply use available vendor training based on cost should re-evaluate their training requirements and at least evaluate alternatives to ensure that they are applying the best training to each area of skill development.

- IT services companies that have stagnant sales training budgets should increase emphasis and budget, or the skills of their salespeople will not improve significantly enough to remain competitive.
- All sales training initiatives should be assessed and measured or not even initiated.
- The skills that are measured need to extend beyond traditional revenue and sales pipeline considerations. Strategic measurements should now include business acumen, relationship management, and industry or solution sales results.
- IT services companies should balance recruiting and training in their strategies to elevate and optimize the effectiveness of their selling efforts.
- Sales training programs must be aligned with the strategic objectives of the company and sponsored at senior executive levels to ensure optimal impact and cultural application.



## Chapter 2

# Study Objectives

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Gartner Dataquest conducted a survey with senior sales and training executives at 43 North America-based IT services provider companies. The survey was followed up with interviews of four participating executives. The purpose of the survey and subsequent interviews was to determine the status and objectives of sales training programs (particularly external sales training), the external sales training companies used, and the results of sales training efforts of IT services providers of various sizes and types.

## Definitions

Definitions of commonly used terms in this report are as follows:

- IT services salesperson — Any salesperson that has an assigned quota component (revenue, profitability or activity objectives) for selling IT services or solution offerings as a part of the total compensation
- IT solutions provider — A company that combines multiple components required to develop and deliver a viable IT solution to a client; components can include hardware, software and services

## Methodology

This survey was conducted with senior sales and training executives at 43 IT services provider companies in January and February 2003. Responses were received from 43 companies, and further feedback was developed through interviews conducted with four of the responding executives. The responding companies represented a variety of industry segments in terms of types of IT services providers and company size. The survey consisted of 17 main questions that covered a broad range of issues related to sales training initiatives, with emphasis on the external sales training component.

## Participating Companies

This research was compiled from completed surveys conducted with the following IT services providers:

- ABS Associates
- Acxiom
- Akibia
- American HealthCare Software Enterprises
- Business Technology Solutions
- Ceridian
- Cerner
- Ciber
- CompuCom
- Computer Task Group
- Connecting Point
- Computer Sciences Corp. (CSC)
- Datavox

- DecisionOne
- Digital Resources
- Distribution Management Systems
- ELoyalty
- EnPointe
- Experio Solutions
- FileNet
- FortPointe
- Getronics
- HP
- IBM
- ICM
- Illuminata
- Information Technology (Division of FiServ)
- Instant Infosystems
- Manatron
- McCue Systems
- Monette Information Systems
- Network Associates
- Oracle
- Precision Computer Systems
- RSA Security
- Strategic Tech
- Sykes
- ThruPoint
- Trivalent
- Unicacorp
- Unisys
- Watson Wyatt
- Weidenhammer

## Demographics

The purpose of this research was to gain insight into the sales training initiatives of IT services providers, particularly initiatives related to the use of external training companies and offerings for sales training. Also, this research sought to determine objectives and motivations around the use of external sales training, which external companies are engaged to provide sales training, and the results of these engagements and initiatives. The survey responses received and the subsequent interviews conducted indicate that this objective was achieved.

Figure 2-1 shows that the 43 companies that participated in this research project represent a wide variety of IT services providers. The most prevalent category of respondent was independent service providers, which made up 44 percent of the respondent base.

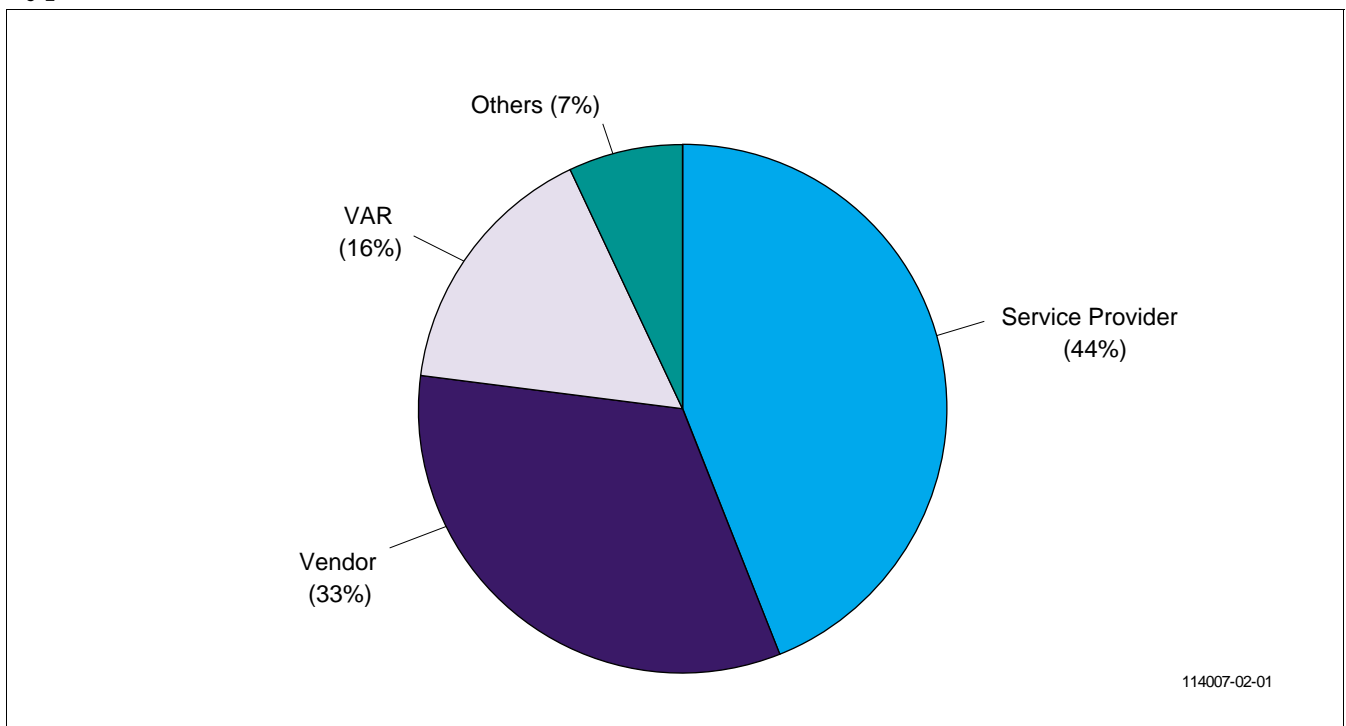
The data reveal an almost even respondent split between companies that are almost entirely services-focused (the 44 percent that claim to be service providers), and companies that sell both product (either hardware or software) and services (the 49 percent that represents the combination of vendors and VARs).

Figure 2-2 shows that the respondents represented all sizes of IT services companies, based on annual revenue.

The most prevalent category of respondent by size was the small IT services providers (annual revenue of less than \$50 million) at 40 percent of the respondents. Midsize (annual revenue between \$50 million and \$500 million) and large (annual revenue more than \$500 million) were each represented by 30 percent of the respondents.

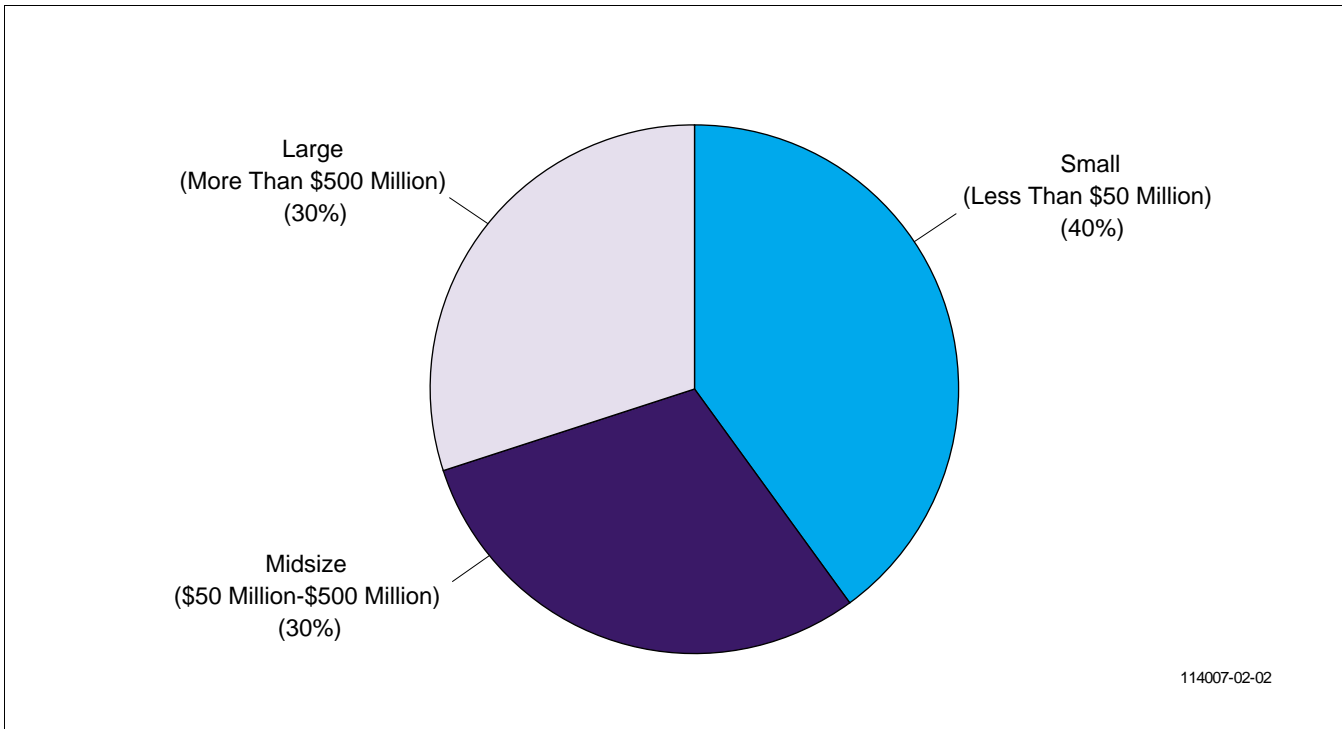
The individuals who completed the surveys and participated in follow-up interviews on behalf of the responding companies carried a wide range of job functions. However, these individuals almost exclusively represented either the sales (55 percent) or training (30 percent) organization. In addition, 54 percent of these individuals were either senior executives or chief-level executives within their organization, and all have positions at the management level or above.

**Figure 2-1**  
**Type of IT Services Provider**



Source: Gartner Dataquest (March 2003)

**Figure 2-2**  
**Size of Company (Annual Revenue)**



Source: Gartner Dataquest (March 2003)

The survey was targeted at respondents with appropriate experience to provide authoritative and accurate information regarding the sales training objectives, programs and results of their organization. All the responding individuals carry the required responsibility and level within their companies.

# Chapter 3

## Survey Results, Findings and Implications

IT services providers exhibit a wide variety of objectives for sales training initiatives and target many different selling skills and capabilities for improvement via sales training. The questions explored by this research fell into the following five broad categories:

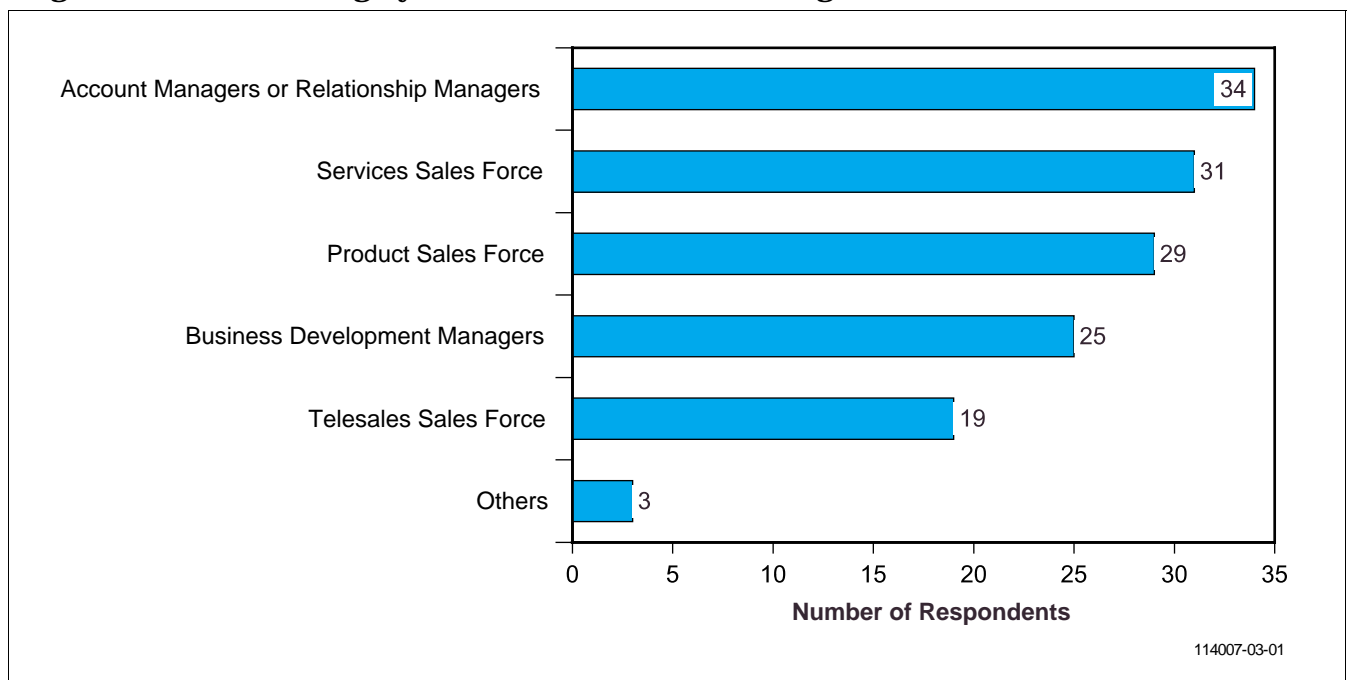
- Identify which sales forces receive training, how training is delivered and what the objectives are for this training
- Document the training companies used by the respondents, as well as which training companies they use for each sales skill being targeted
- Determine what metrics are used to measure the impact of sales training
- Determine to what degree the impact is being measured
- Determine what sales skills are important to have, which are deficient, and the degree to which these skills can be impacted by sales training efforts

In addition to these broad categories, the responses to many questions revealed valuable insight based on the type of company and the size of company responding to the question. This level of provides a more accurate benchmarking perspective than simply comparing the current state to the general population of responses.

### Who Receives Sales Training: How and Why?

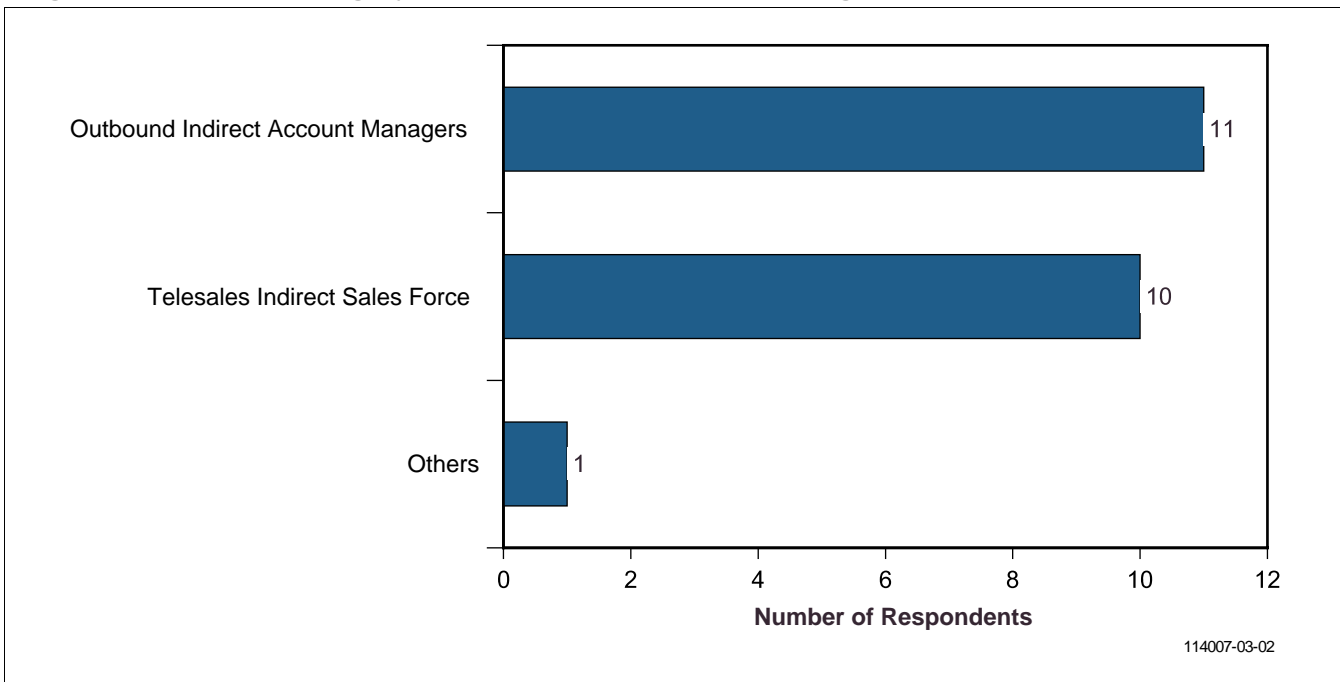
Gartner Dataquest sought to determine the degree to which different sales forces (direct sales vs. indirect sales) and types of salespeople within those sales forces receive sales training (see Figures 3-1 and 3-2). The responses reveal that the direct sales force is a much larger component of the total sales organization within the participating companies than indirect sales forces, and were therefore cited as participants in sales training much more frequently.

**Figure 3-1**  
**Degree of Sales Training by Sales Title: Direct Sales Organization**



Source: Gartner Dataquest (February 2003)

**Figure 3-2**  
**Degree of Sales Training by Sales Title: Indirect Sales Organization**



Source: Gartner Dataquest (February 2003)

In direct sales forces, account or relationship managers most often receive sales training, followed closely by the services sales force (refer to Figure 3-1). Considering that the vast majority of participating companies claim to have primarily a services focus, these sales forces should be the most prevalent and most likely to be cited for sales training. A surprising finding is the extent to which the participants identified a product sales force as being among the sales forces within their companies that receive sales training. Twenty-nine of the participating companies (67 percent) claim a product sales force, though only 51 percent claim to be in a business segment that would sell both services and products. Obviously, several participants that claim to be pure services companies also sell product to an extent that warrants a product sales arm.

Both outbound and telesales indirect sales forces receive sales training in nearly equal proportions (refer to Figure 3-2). The feedback to these questions also implies that about a quarter of the participating companies claim an indirect services sales organization, and outbound and telesales efforts to sell services are equally represented.

The next question in the survey sought to determine the breakdown of internal vs. external resources used for sales training within the participating companies (see Table 3-1).

**Table 3-1**  
**Internal vs. External Sales Training by Size and Type of Company**

| Category of Participant       | Percentage of Sales Training Conducted Internally | Percentage of Sales Training Conducted Externally |
|-------------------------------|---|---|
| Small                         | 67  | 33  |
| Midsized                      | 59  | 41  |
| Large                         | 71  | 29  |
| Vendor                        | 64  | 36  |
| VAR                           | 71  | 29  |
| Service Provider              | 66  | 34  |
| <b>Total (Average of All)</b> | <b>66</b>   | <b>34</b>   |

Source: Gartner Dataquest (March 2003)

Sixty-six percent of sales training deployed by the participating companies is conducted internally, while only a third is contracted to external sales training providers. The responses to this question varied considerably when analyzed by size of company. Large companies use external sales training the least (29 percent of sales training), while midsized companies use external sales training the most (41 percent of sales training). Small companies fall in between, using external sales training providers for about one-third of their sales training requirements. When analyzed by type of IT services provider, vendors use external companies for sales training in the largest proportion (36 percent of sales training), followed by service providers (34 percent) and, finally, VARs (29 percent). Many of the participating VARs were small companies that don't budget a great deal for training and tend to customize internal training (delivered by sales managers) to save money.

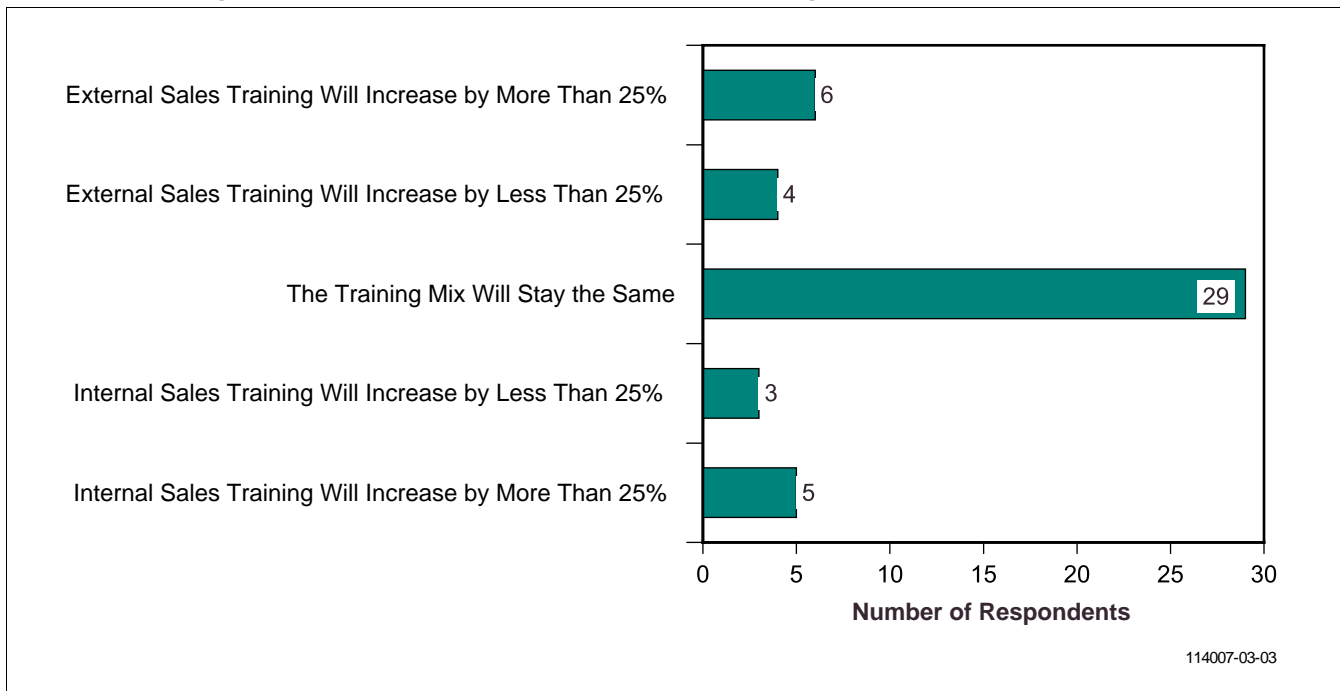
Follow-up interviews with four of the respondents sought additional insight into the drivers that determine the internal vs. external sales training mix within their companies. Key drivers included the following:

- No internal sales training department exists, so internal sales training is only conducted on internal processes or offerings.
- Mix based on a performance consulting model, where sales management proposes sales training needs and the training department evaluates the best method of delivery. Decision criteria include cost (purchase, license or develop), availability and fit.
- Some components of the skills enhancement process can't be handled in a training class, such as coaching in the field and discussions relative to win/loss analysis.
- Soft skills and advanced selling skills training requirements are done with external companies, while internal products and processes are trained internally by the relevant business group.

The next question sought to determine the expected changes to the sales training mix (internal vs. external) during the next 18 months by the participating companies. Figure 3-3 shows that for most respondents the mix will stay the same.

More respondents indicated that external sales training would increase compared with those who indicated that internal sales training would increase. When evaluated by size of company, only midsized participants expect more internal than external sales training growth. When analyzed by type of company, only service providers indicated an expectation of more internal growth for sales training than external.

**Figure 3-3**  
**Planned Changes in Internal vs. External Sales Training Mix**



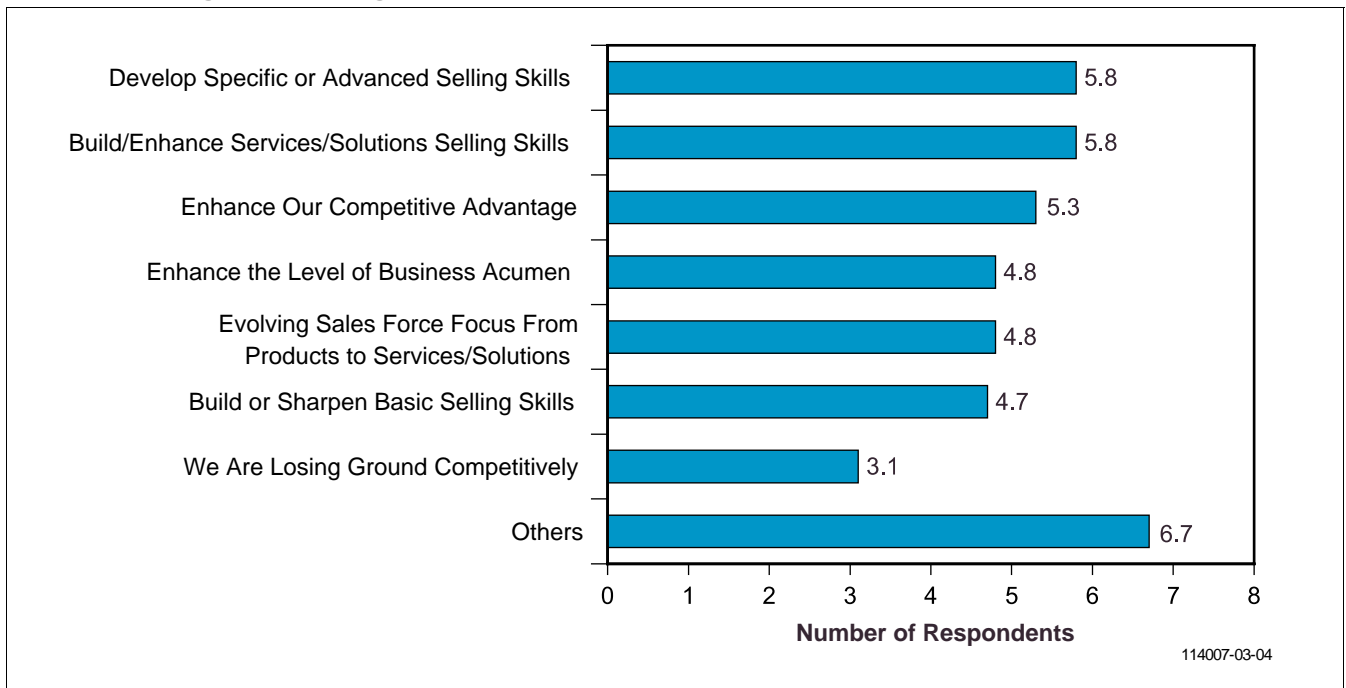
Source: Gartner Dataquest (March 2003)

Follow-up interviews with participants revealed diverse reasons for changing the internal vs. external sales training mix. One company indicated increases in internal sales training for an internally delivered, basic-level sales training class for new salespeople. Another company indicated an increase in external sales training as a result of senior management involvement in an ongoing external sales training initiative that is proving beneficial, thus warranting increased investment and commitment. Gartner Dataquest finds this feedback valuable because it points to the benefit of having all levels of a company involved in the cultural adoption of tailored sales training and sales enhancement programs.

The next question in this series sought to determine the motivations of the participating companies for sending their salespeople to sales training classes, whether conducted internally or externally. The respondents were asked to rate a variety of potential motivation issues on a scale of 1 to 7, with 1 indicating very unimportant and 7 indicating extremely important. The respondents were also invited to offer additional motivators under the category of "others." The averages of the aggregated responses are shown in Figure 3-4.

Though not cited as frequently as the pre-defined categories, the "others" category was, by far, rated the most significant motivator for sending salespeople to sales training (6.7 rating).

**Figure 3-4**  
**Sales Training Motivating Issues**



Note: Ratings are based on a scale of 1 to 7, in which 1 = very unimportant and 7 = extremely important.  
Source: Gartner Dataquest (March 2003)

Some of the issues cited in the "others" category are as follows:

- Message mapping and value proposition communication
- Sell a higher level of services
- Focus on critical business issues
- Increase win rates
- Build or sharpen vertical industry acumen
- Improve communication techniques used by sales and sales management
- Create a common methodology sales "language"
- Enhance teamwork and internal communication
- Improve account planning
- Build sales strategies for targeted industries
- Enforce sales discipline
- Increase the ability to develop value propositions
- Standard sales process and strategy
- Product and solution knowledge
- Selling partners products
- Evolving the sales force from selling services to solutions
- Develop the ability of the sales force to "create demand" for service

The "others" category was the highest rated by all sizes of companies. When evaluated by company type, it was the highest rated by vendors and service providers. None of the participating VARs cited anything in the "others" category. These responses reflect specific challenges or areas of specific focus within the participating companies.

The other three motivation issue categories that received a very important (5 or above) average rating or better were "develop specific or advanced selling skills," "build or enhance services or solutions selling skills" and "we want to enhance our competitive advantage." The finding of the motivation categories that receives a rating of 5 or above also held true by size and type of company.

An interesting finding is that despite the competitive challenges being experienced by many IT services and solutions providers during the extended downturn in the global economy, the lowest rated motivator was "we are losing ground competitively." Gartner Dataquest believes that this finding either indicates that the participating companies are unique in their competitive strength (unlikely), or that they believe that they have other sales development challenges to address before they address competitive and market position strategies with sales training (likely).

Follow-up interviews sought to determine whether the respondents believe that training can sufficiently build the skills requirements that motivate sales training efforts. All respondents agreed that attainment of these skills requires a combination of recruiting and training. Other feedback included the following:

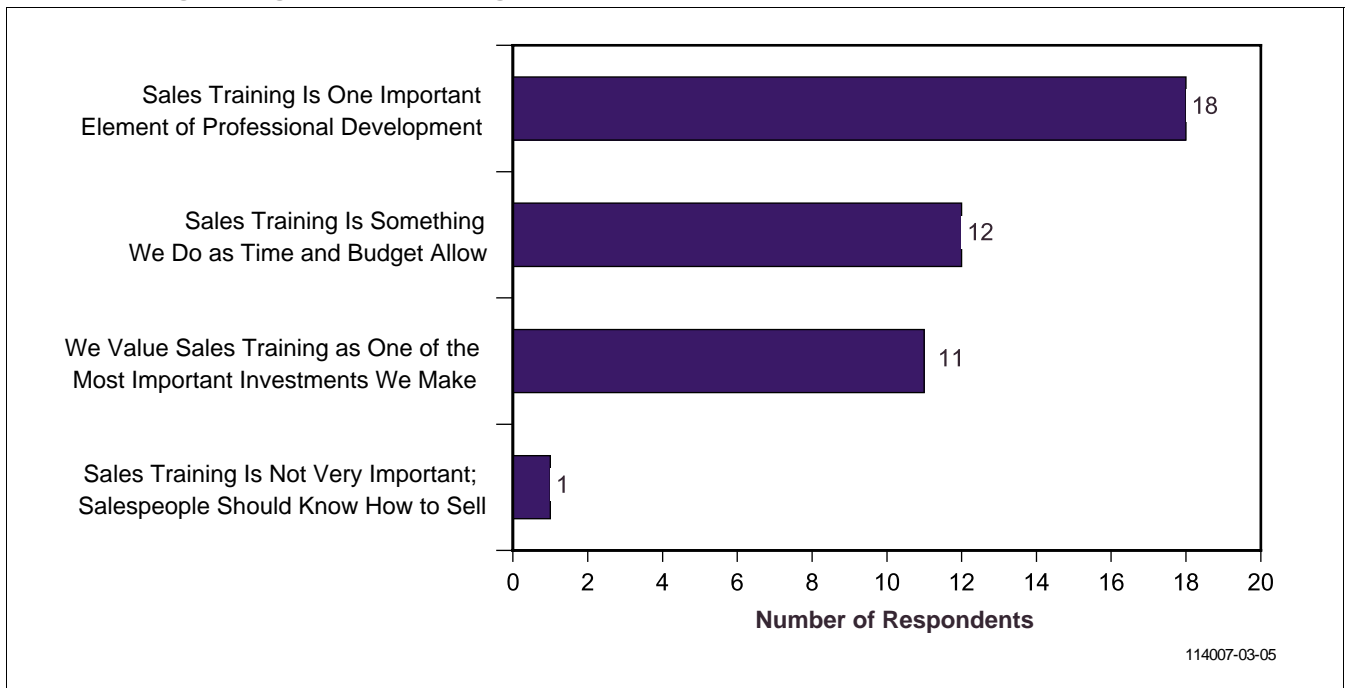
- Selling skills require a business focus now, where a few years ago the sales skill focus was more technology-focused, requiring a new approach to training and recruitment.
- The most valuable training happens through coaching and feedback in the field. Thus, tools, methodologies and practices are required formalize informal learning and skills development

The final question in this series targeted the attitudes of participating companies regarding sales training. Figure 3-5 shows that the prevalent aggregate attitude among the participating companies is "sales training is one important element of professional development" (43 percent of responses). Interestingly, the second most cited attitude was "sales training is something we do as time and budget allow" (29 percent). Only 26 percent of the respondents to this question indicated that the attitude regarding sales training within their company is "we value sales training as one of the most important investments we make." The responses indicate that sales training is somewhat of a cultural issue, and a significant number of respondents do not place a high degree of importance on it.

When analyzed by size of company, the findings indicate that the majority of midsize companies express the "we value sales training as one of the most important investments we make" attitude. Large companies are evenly dispersed among the three attitude categories, and small companies overwhelmingly see sales training as "one important element of professional development." The only company that indicated that it does not see sales training as very important was a small company.

When analyzed by type of company, VARs more prevalently see sales training as something they do as time and budget allow, while vendors and service providers primarily express attitudes in the two higher-valued categories. The VAR responses to this question are not surprising because many of the participating VARs are smaller companies with limited training budgets and sales forces that are still somewhat product-focused and transactional in nature.

**Figure 3-5**  
**Attitude Regarding Sales Training**



Source: Gartner Dataquest (March 2003)

## Which External Sales Training Companies Are Used?

The next series of questions in this survey intended to identify the external sales training companies used by the participating IT services companies and the training companies that were used to address and impact certain specific selling skills. Also, this set of questions also sought to determine how the participants find and choose external sales training companies.

As shown in Table 3-2, participants cited more than 40 different training companies for use, but only six were cited by multiple respondents.

The two companies that are most frequently cited as the companies used by the participating companies for providing external sales training are IT providers (IBM and Siebel). In addition, other traditional technology providers were also cited as being providers of sales training that is used by the participants, including HP, Microsoft, Ingram Micro (a technology distributor) and a category called miscellaneous OEMs. Gartner Dataquest believes that these technology companies have either excelled at sales training internally and subsequently offered this competency as a service outside their company (IBM, HP and Microsoft), or have solutions that focus on the selling process (Siebel) and have developed a sales training arm around this homegrown expertise. Either way, sales training is becoming a measurable and valuable business offering within these companies. This finding has historical precedence. For years, Xerox was recognized as developing and delivering some of the best sales training in the industry. Interestingly, none of the participants in this research project cited Xerox as an external company they now use for sales training.

**Table 3-2**  
**External Sales Training Companies Used**

| <b>Company</b>               | <b>Number of Times Cited</b> | <b>How Long Used (Average Years)</b> | <b>Percentage of External Training (Average)</b> | <b>Level of Satisfaction (Average)</b> |
|------------------------------|------------------------------|--------------------------------------|--|--|
| Siebel                       | 7                            | 3.9                                  | 43   | 5.7                                    |
| IBM                          | 4                            | 11.5                                 | 70   | 6.5                                    |
| Acclivus                     | 2                            | 2                                    | 40   | 4.5                                    |
| Miller Heiman                | 2                            | 1                                    | 20   | 4.5                                    |
| Sandler Sales                | 2                            | 2                                    | 10   | 3.5                                    |
| KLA Group                    | 2                            | 3.25                                 | 54   | 5.7                                    |
| HP                           | 1                            | 10                                   | 60   | 6                                      |
| SMA                          | 1                            | 1                                    | 100  | 5                                      |
| Microsoft                    | 1                            | 1                                    | 50   | 6                                      |
| Bold Approach                | 1                            | 2                                    | 90   | 7                                      |
| Holden Principals            | 1                            | 5                                    | 10   | 4                                      |
| Adventace                    | 1                            | 1                                    | 100  | 5                                      |
| Franklin-Covey               | 1                            | 2                                    | 60   | 7                                      |
| Selling @ C-Level            | 1                            | 1                                    | 20   | 5                                      |
| Masi Motivational            | 1                            | 1                                    | 20   | 4                                      |
| Ingram Micro                 | 1                            | 2                                    | 50   | 6                                      |
| Warren Belkin                | 1                            | 2                                    | 50   | 7                                      |
| Performance Methods          | 1                            | 0.75                                 | 75   | 7                                      |
| Complete Selling             | 1                            | 1                                    | 30   | 5                                      |
| DSG Consulting               | 1                            | 5                                    | 50   | 6                                      |
| Infomentis                   | 1                            | NA                                   | NA   | 5                                      |
| The Executive Conversation   | 1                            | 4                                    | 5  | 7                                      |
| The Summit Group             | 1                            | 5                                    | 8  | 6                                      |
| Achieve Global               | 1                            | 10                                   | 10   | 5                                      |
| Bay Group                    | 1                            | 15                                   | 5  | 7                                      |
| Dale Carnegie                | 1                            | NA                                   | NA   | 4                                      |
| Executive 12                 | 1                            | 2                                    | 100  | 5                                      |
| Rx Consulting                | 1                            | 2                                    | 50   | 7                                      |
| Karrass                      | 1                            | 1                                    | 10   | 5                                      |
| Corporate Visions            | 1                            | 3                                    | 15   | 6                                      |
| Best Software                | 1                            | 1                                    | 100  | 5                                      |
| Jack B. Keenan               | 1                            | 2                                    | 75   | 6                                      |
| Mandel Communications        | 1                            | 2                                    | 10   | 6                                      |
| The Whitewater Group         | 1                            | 0.67                                 | 5  | 4                                      |
| Rogen                        | 1                            | 1                                    | 10   | 4                                      |
| LORE International Institute | 1                            | Less Than 1                          | 100  | 7                                      |
| Links Development            | 1                            | 1                                    | 75   | 7                                      |
| Write Effect                 | 1                            | 3                                    | 25   | 7                                      |
| Tom Hopkins                  | 1                            | 1                                    | 5  | 7                                      |
| Speakeasy                    | 1                            | 2                                    | 20   | 6                                      |
| Learning International       | 1                            | 5                                    | 50   | 3                                      |

Note: Ratings for level of satisfaction are based on a scale of 1 to 7, where 1 = very dissatisfied and 7 = very satisfied  
Source: Gartner Dataquest (March 2003)

Follow-up interviews to this question sought additional insight into the reasons that IT services companies may have recently changed the sales training companies they use. Two of the four companies interviewed have made recent changes. One company changed providers because the incumbent did not offer training to address changing selling skill needs. The other changed to add a specific training competency (negotiation) to the training mix.

The follow-up to the previous question sought to determine which training companies are used by the research participants to address a variety of specific selling skills (see Table 3-3).

**Table 3-3**  
**External Sales Training Companies Used by Selling Skill**

| Selling Skill                               | Company  |
|---|--|
| Business Acumen and Knowledge               | McKenzie, IBM (2), Bold Approach, Holden, F-C, IM, The Exec. Conversation, Kirby/Arnold/Danfield Computer Associates, Best, Siebel, JBK  |
| Basic Sales Training Skills                 | DSG Consulting, IBM, Bold Approach, Acclivus, F-C, IM, Apple Computer, Siebel (2), Achieve Global, Lisa Contini, Dale Carnegie, Executive 12, Corp. Visions, JBK, Whitewater Group, LORE, Links, Tom Hopkins, Learning International, MS |
| Complex Selling Skills                      | IBM Signature Selling (3), KLA Group, Bold Approach, Adventace, F-C, WB, Infomentis, Siebel (4), Holden, JBK, Links  |
| Strategic Selling Method                    | SMA, Critical Path Strategies, KLA Group, IBM(3), Bold Approach, Adventace, F-C, WB, Performance Methods, MH, DSG, Siebel (4), Holden, Best, JBK, LORE   |
| Major Account Selling                       | IBM Signature Selling (5), Bold Approach, Miller Heiman, F-C, WB, Performance Methods, Sun, Cisco, HP, Intel, DSG, Siebel (5), Holden, Best, JBK   |
| Sales Process/Opportunity Management Skills | IBM Signature Selling (2), Siebel (7), KLA Group, Bold Approach, Adventace, F-C, WB, Performance Methods, DSG, Holden, Best, JBK, LORE, Tom Hopkins, MS  |
| Services Selling Skills                     | IBM (3), Sandler, F-C, IM (2), MH, Infomentis, KLA Group, Siebel (2), JBK, LORE, Links   |
| Negotiation                                 | IBM, Bold Approach, F-C, WB, MH, DSG, Bay Group, Karrass, Acclivus, JBK, Whitewater Group, MS  |
| Sales Management or Coaching                | DSG Consulting, KLA Group, IBM, Bold Approach, Adventace, F-C, WB, Performance Methods, Complete, DSG, Siebel (2), JBK, Links, MS, Acclivus  |
| Telephone or Customer Service Skills        | IBM, Bold Approach, Siebel, Sandler, JBK, Tom Hopkins, MS  |
| Presentation Skills                         | IBM(2), Bold Approach, Toastmasters International, Infomentis, Dale Carnegie, Corp. Visions, Best, Siebel, Sandler, Mandel Communications, Rogen, Speakeasy  |
| Proposal Writing Skills                     | IBM, Bold Approach, Sandler, Shipley, Corp Visions, Siebel (2), LORE, Write Effect, MS   |
| Others                                      | Critical Path Strategies, KLA (Cross Biz), Summit Group (Create Biz Value), RxConsulting   |

Legend: F-C = Franklin-Covey, IM = Ingram Micro, WB = Warren Belkin, MH = Miller Heiman, JBK = Jack B. Keenan

Note: Numbers in parentheses indicate the number of times the company was cited in responses.

Source: Gartner Dataquest (March 2003)

Among the selling skills cited in the "others" category were account planning, building cross-business solutions, creating business value, technology knowledge, and adoption management. Tables 3-2 and 3-3 represent the responses given by the participating companies and do not represent endorsements on the part of Gartner.

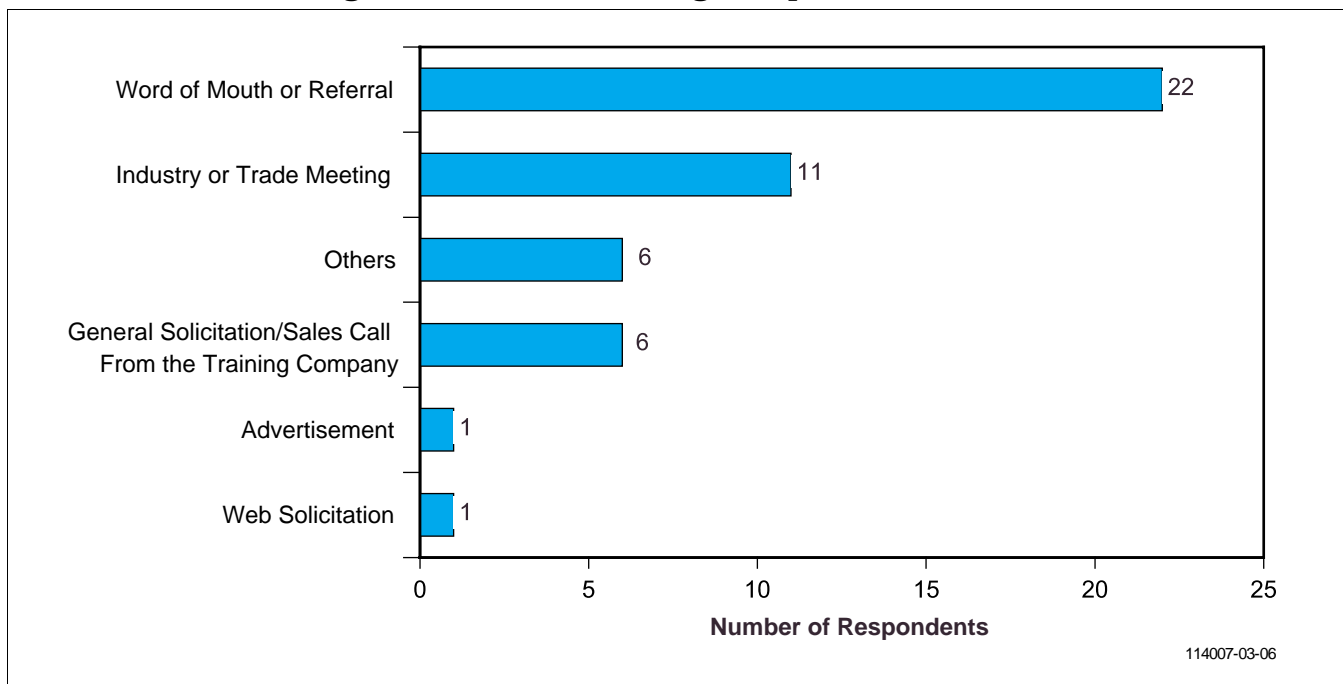
The respondents were next asked to document the methods they use to identify and discover the external sales training companies that they use. Word of mouth or referrals are by far the most prevalent means used to identify sales training companies (see Figure 3-6).

The second most popular source for identifying potential sales training companies is at industry or trade meetings. The "others" category included the following identification factors:

- Used them previously at other companies
- Magazine article
- Partner referral
- Already in use at our company
- Asked sales management to recommend
- Offered as part of being a business partner to them

When analyzed by size of company, the responses were generally the same. Small participants tended to rely on trade or industry meetings more than other sources, while midsize companies almost exclusively rely on referrals for identifying sales training companies. When analyzed by type of company, VARs tend to rely on trade or industry meetings to identify potential training companies, while vendors and service providers rely primarily on word of mouth or referrals.

**Figure 3-6**  
**Methods of Discovering External Sales Training Companies**



Source: Gartner Dataquest (March 2003)

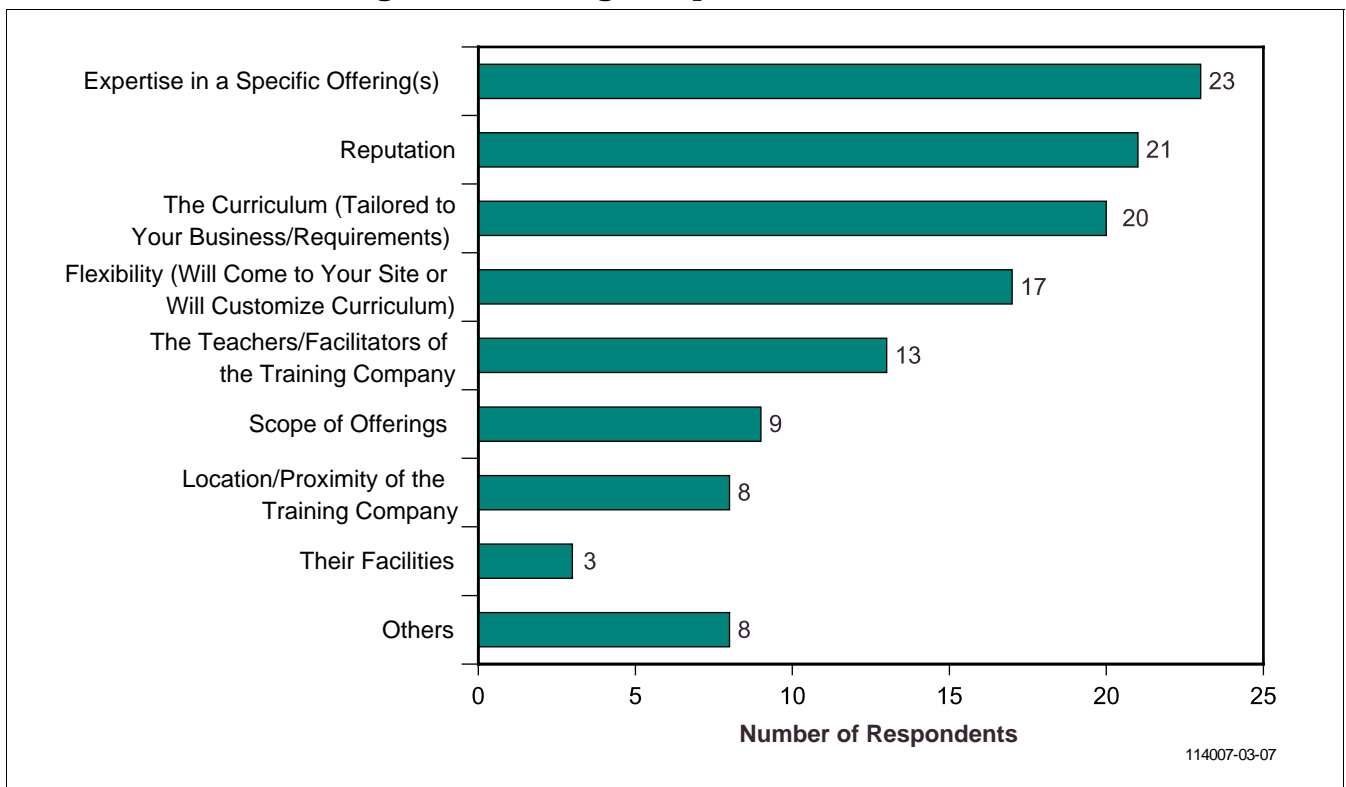
Once potential external sales training companies are identified, the selection process begins. Therefore, respondents were next asked to indicate the criteria used by their company to select specific sales training companies. The aggregate responses to this question are shown in Figure 3-7.

Three criteria stand out as those most employed by the participating companies: expertise in a specific offerings, reputation and the curriculum (being tailored to the business or specific requirements).

When analyzed by size of company, these responses were generally consistent, except that midsize companies also cited flexibility (will come to your site or will customize curriculum) as an equally important criteria. When evaluated by type of company, vendors cited "the teachers/facilitators of the training company" as a leading criterion. In addition to the three leading aggregate criterion responses, VARs also cited location as important, and service providers also cited flexibility as important.

The final question in this series asked the respondents whether they believe that there is adequate sales training available in the market to address their needs. Seventy-nine percent of the respondents answered "yes." When segmented by company size and type, the majority of each also responded with a "yes" answer.

**Figure 3-7**  
**Criteria Used for Selecting Sales Training Companies**



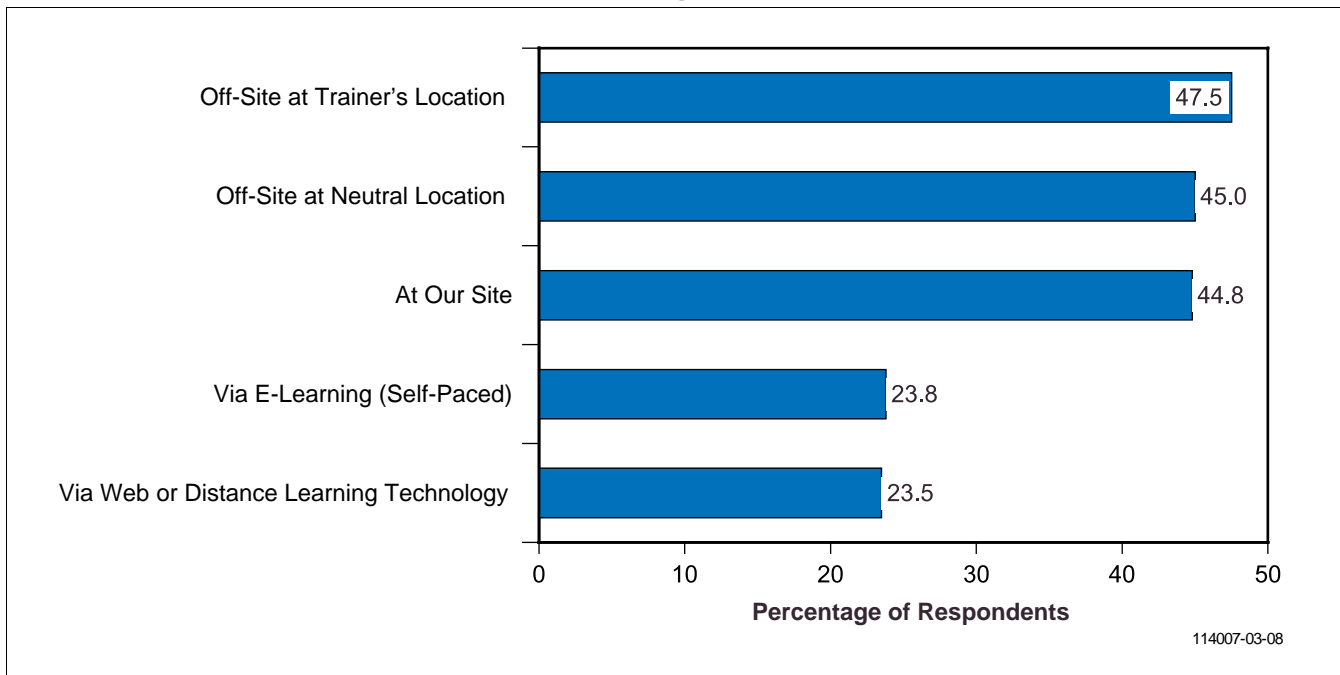
Source: Gartner Dataquest (March 2003)

## External Sales Training Metrics

The next series of questions focused on various metrics related to the use of sales training, including frequency of attendance and the investments made in external sales training.

The first question in this series sought to identify where external sales training is conducted. Figure 3-8 shows that the participating companies favor three locations.

**Figure 3-8**  
**Preferred Locations for External Sales Training**



Source: Gartner Dataquest (March 2003)

The results reported in Figure 3-8 represent the average percentage of external training conducted at each venue by the respondents that use that venue. The two most prevalent sites are off-site locations, either at the training provider's location or at a neutral location, such as a hotel or meeting center. The other venue that is significantly used by the respondents is bringing the external sales training company to their own site.

Analyzing the responses to this question by company size reveals some interesting divergence from the aggregated average responses. Small participants overwhelmingly favor "off-site at the trainer's location" (average response of 63 percent), and also show strong use of Web learning and self-paced training. Midsize companies almost exclusively prefer either "off-site at a neutral location" or "at our site." Large companies leading response was "at our site," but also indicated significant use of all the venues illustrated in Figure 3-8. When analyzed by type of company, vendors indicated a strong preference for "off-site at the trainers location" (72 percent), while VARs leading preference was for "at our site" (45 percent). VARs also indicated measurable use in all of the categories. Finally, service providers aligned closely to the aggregate average responses described previously.

One interesting finding is that the technology-based training delivery alternatives, such as e-learning, Web-based training and distance learning, were cited less than a quarter of the time as a preferred training delivery vehicle. Follow-up interviews provided valuable insight into the reason for this low degree of use of technology-based or delivered sales training. The respondents indicated that their companies use technology-based training alternatives for sale training applications related to product knowledge, beginner sales-level training (basics needed prior to attending a class on a complex topic), skills refreshment, or general client or market knowledge. All of the companies interviewed felt that sales training on complex issues requires hands-on and collaborative elements that can only be optimized in a face-to-face classroom environment.

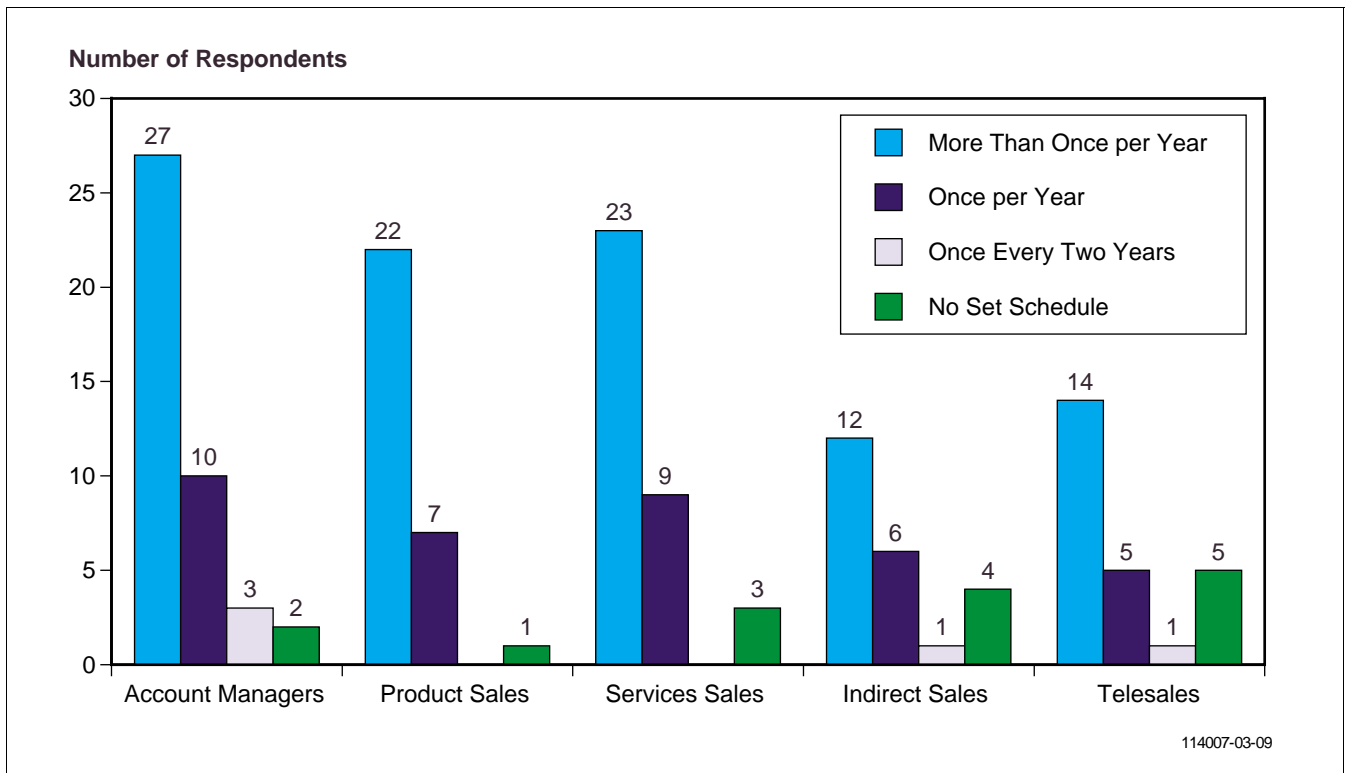
It is difficult to conduct real-life, case study-based and team-oriented complex sales training without having the participants physically together. One of the participants has found a notable way to use the Web as a part of sales training — it is an emerging best practice. In this company, the Web is used to conduct net-conferences for salespeople who have attended specific classes. During these conferences, learned skills are reinforced and practiced among the salespeople who worked together during a previous face-to-face class. This venue is also used to enhance the skills that were learned in class. This practice ensures that skills are effectively reinforced and incorporated into the selling practice and culture at a cost that is far below that of bringing these salespeople back to class, physically, several times a year merely for skills reinforcement and practice.

The next question sought to discover how often different sales forces attend training. Figure 3-9 shows the responses.

Nearly all sales forces attend sales training more than once per year in the respondents. One notable finding was the measurable number of companies that do not have a planned frequency for sales training, but rather schedule sales training on an ad-hoc basis. Gartner Dataquest believes that this practice may indicate a sales culture that does not highly embrace training. If so, the risk is that the sales force will not adequately build required selling skills and will likely be far from optimally productive.

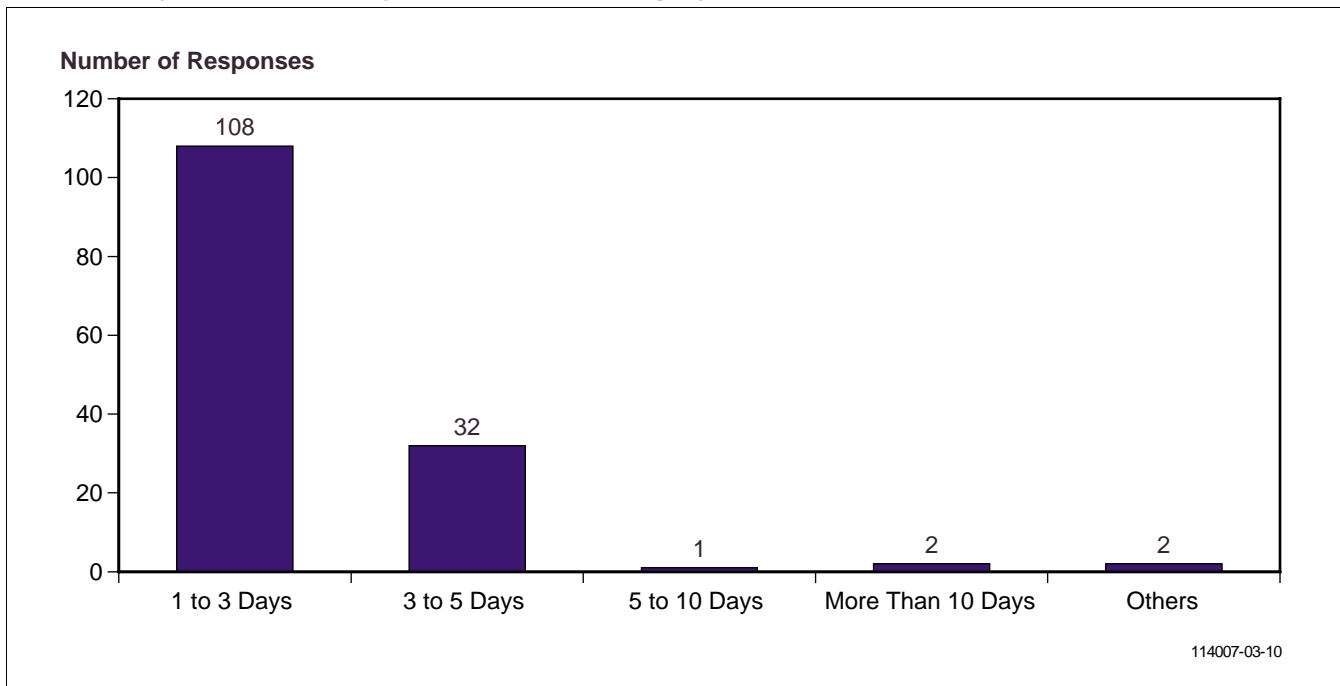
The next question followed up the frequency with inquiry into the amount of time, on average, each sales force is away from the territory when attending training. As shown in Figure 3-10, the overwhelming response was "one to three days."

**Figure 3-9**  
**Frequency of Sales Training Attendance by Sales Force**



Source: Gartner Dataquest (March 2003)

**Figure 3-10**  
**Time Away From Territory When in Training by Sales Force**



Note: Multiple responses allowed.

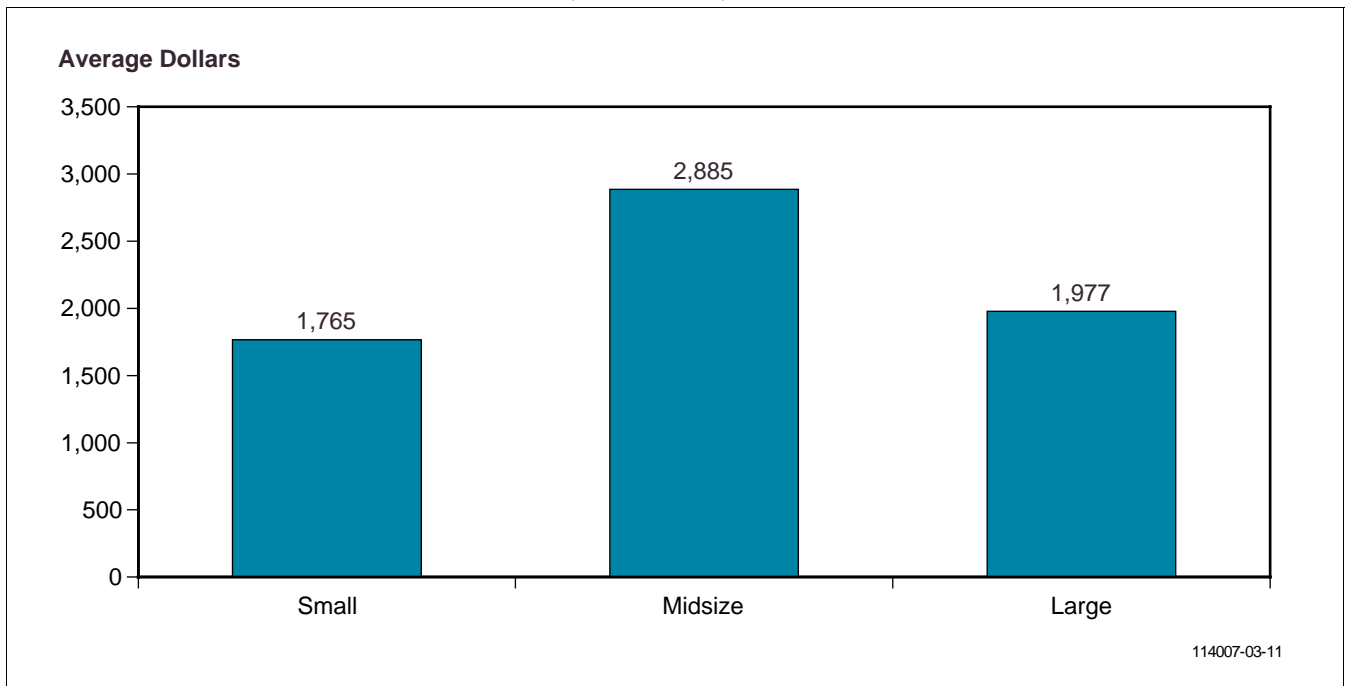
Source: Gartner Dataquest (March 2003)

A small percentage of responses indicated instances of each sales force being in training for three to five days per training occurrence. Finally, the only sales forces that were mentioned as ever being away from the territory for more than 10 days were account managers and services sales forces. Since these two sales teams tend to concentrate on high-level relationship management and complex solution selling to a greater extent than other sales forces. Discussions with other IT solution providers regarding their sales strategies support this finding. Also, many large vendors have historically sent new, top-level salespeople to "sales camp" at the beginning of their tenure with the company. During these camps, the salesperson is trained for a month or more to receive orientation and instruction on a broad host of issues.

The next question in this series sought to determine the amount spent, on average, for each student per class, for sales training. This figure includes include tuition, materials, travel and lodging. The average for all respondents was \$2,222. However, the average expenditure are more revealing when examined by size of participating company and by type of participating company. Figure 3-11 depicts the results by size of company and Figure 3-12 by type of company.

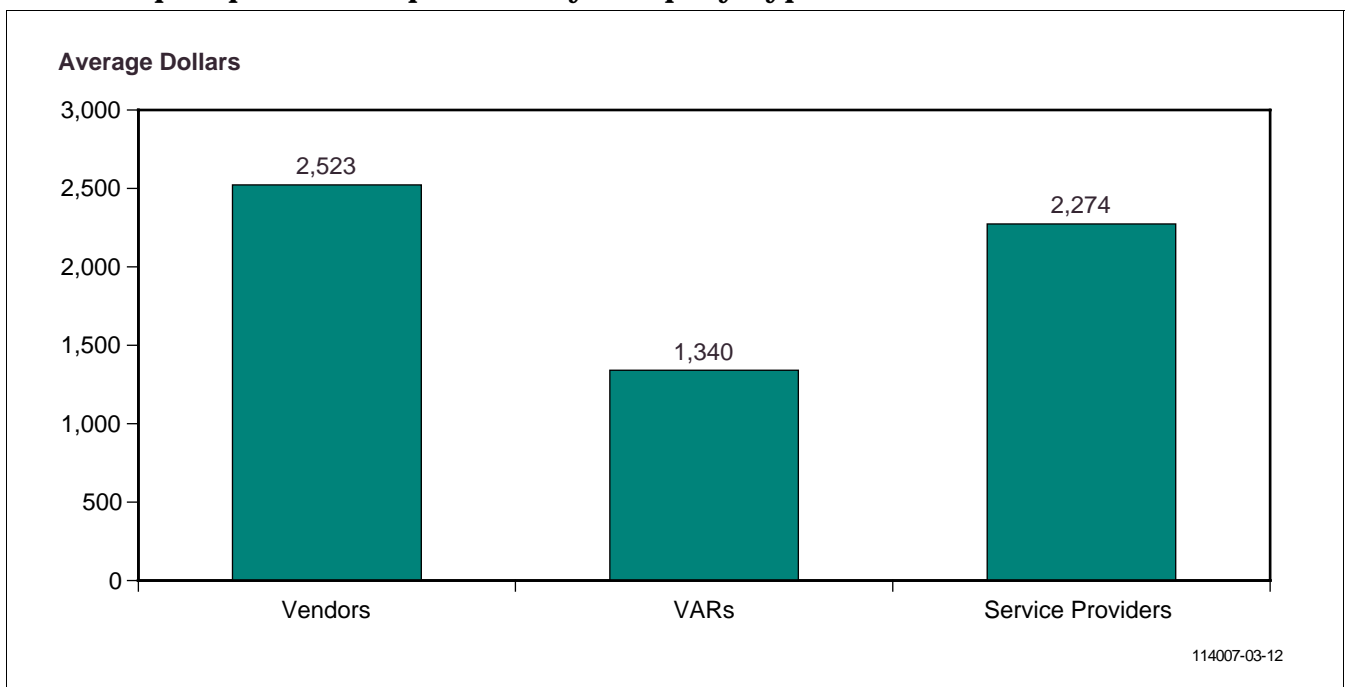
Interestingly, midsize participants indicated a much larger investment per student per class than did the other size participants. Midsize companies tend to send salespeople off-site to neutral locations for training far more often than the other two company sizes. This method tends to be more expensive than other methods because of the cost of paying to use the location. When analyzed by type of company, VARs spend far less than the other two types of companies. This is because many VARs use earned MDF and other channel program incentive funds earned for selling products to pay for or offset the expense of training. Thus, their actual, out-of-pocket costs are relatively low. This will be further highlighted in the next section that analyzes the total annual sales training expenditure of the participating companies.

**Figure 3-11**  
**Amount Spent per Student per Class by Company Size**



Source: Gartner Dataquest (March 2003)

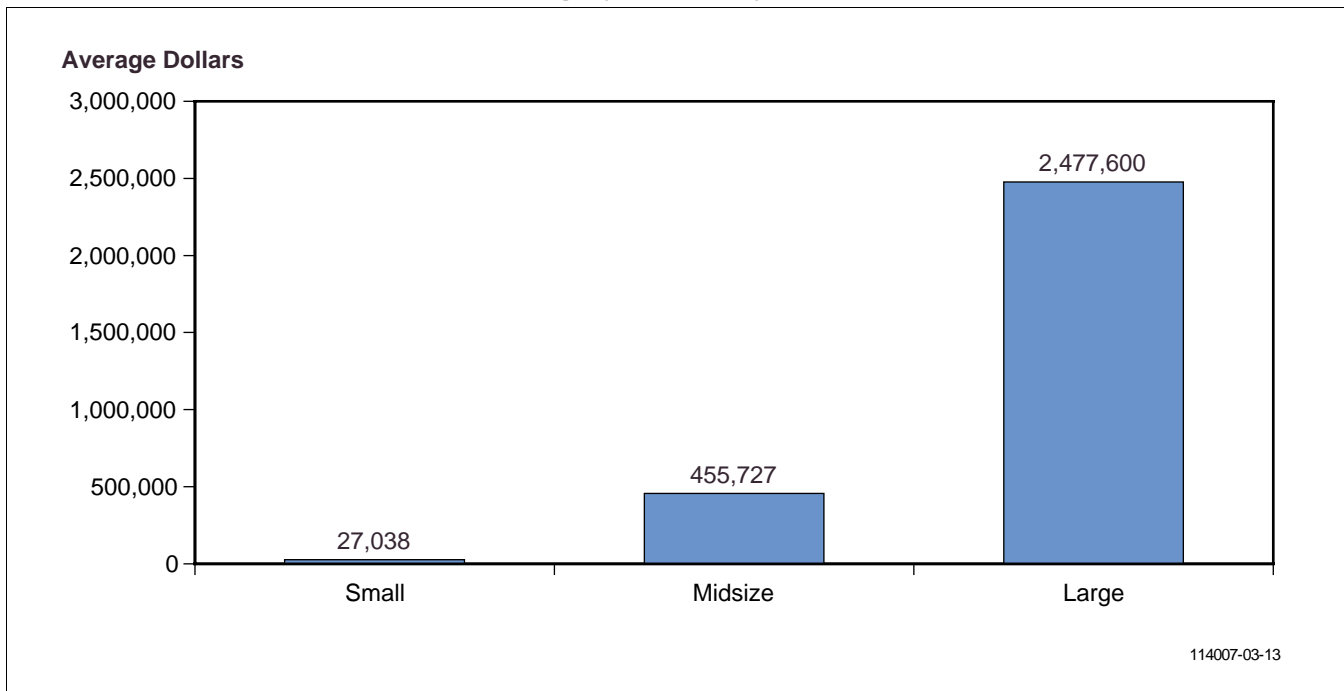
**Figure 3-12**  
**Amount Spent per Student per Class by Company Type**



Source: Gartner Dataquest (March 2003)

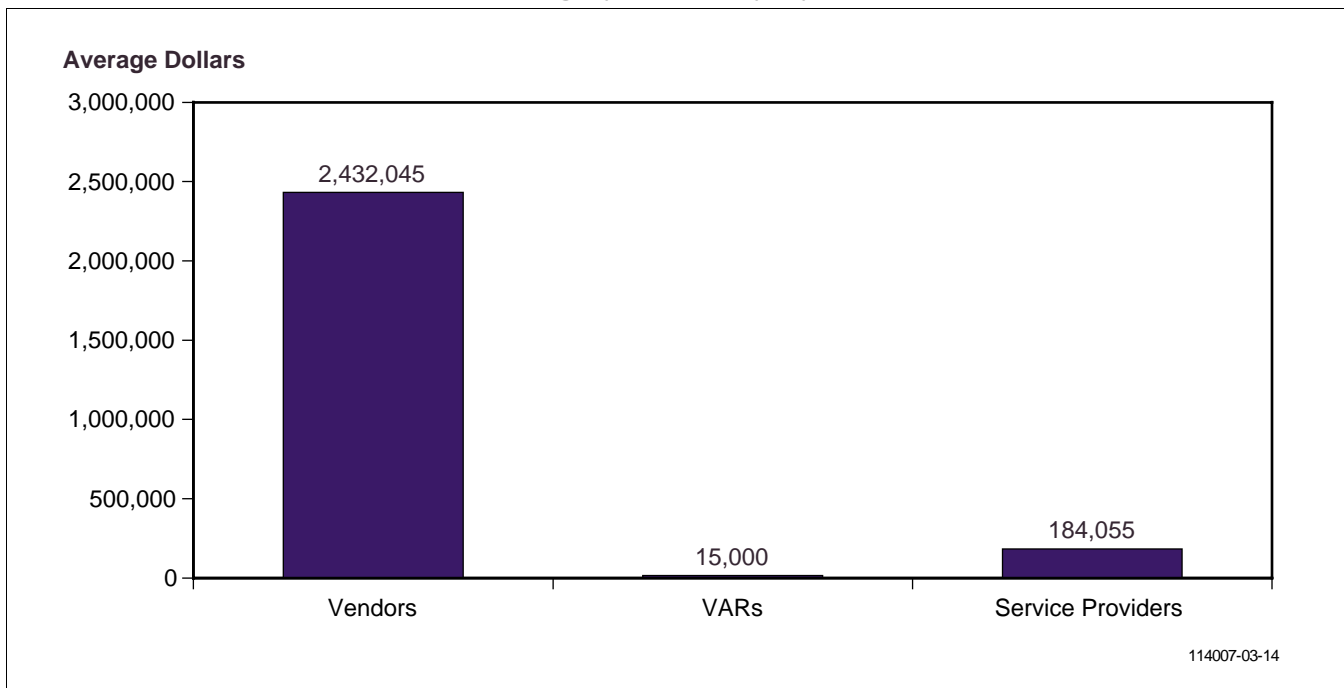
The next question sought to determine the annual expenditure made on sales training by the participating companies. The aggregate average of all the participants was \$886,471. But, as with the previous question that looked at cost, students and class, the responses are significantly more revealing when examined by size and type of participating company (see Figures 3-13 and 3-14).

**Figure 3-13**  
**Annual Expenditure for Sales Training by Company Size**



Source: Gartner Dataquest (March 2003)

**Figure 3-14**  
**Annual Expenditure for Sales Training by Company Type**

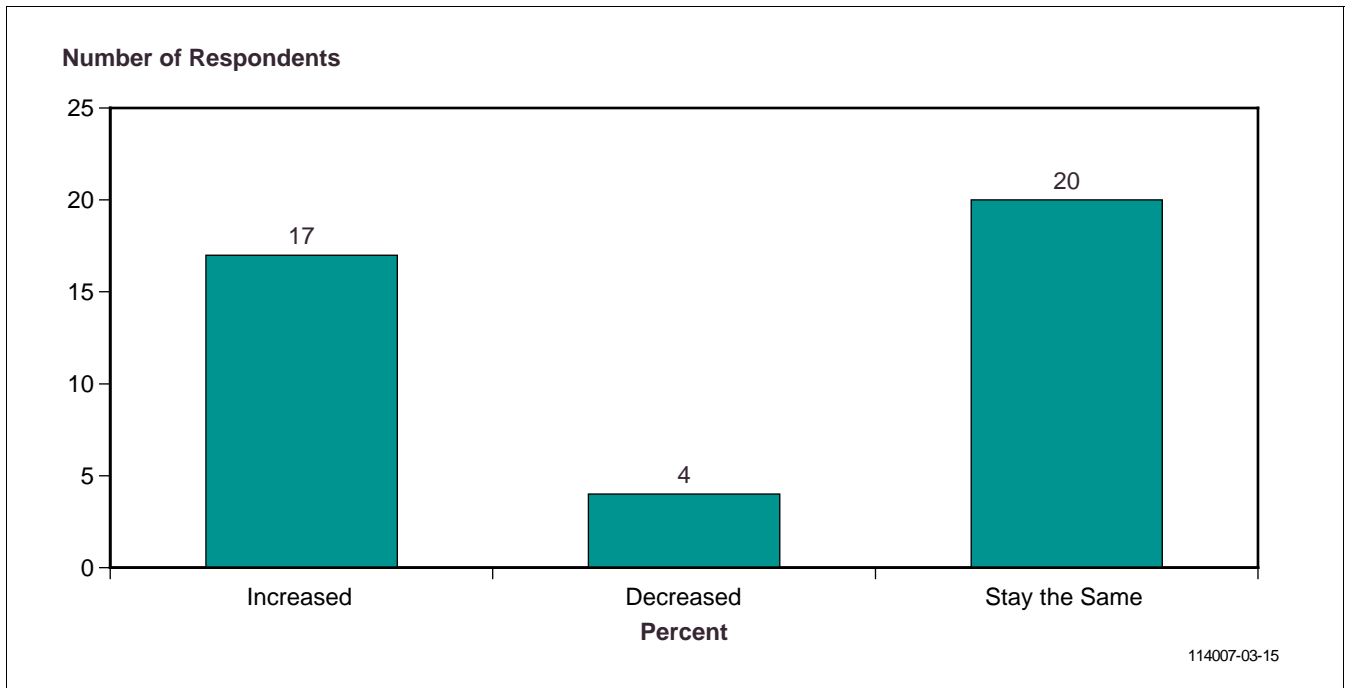


Source: Gartner Dataquest (March 2003)

The total annual sales training budgets by size of company reflect the proportional difference in the size of sales forces in these companies, generally. In addition, many of the small companies participating were VARs that offset a great deal of training expense with vendor channel program incentive funds. This phenomenon is also evident when analyzing the results by type of company. In this analysis, VARs indicate a very low annual average expenditure on sales training. In contrast, vendor participants, made up mostly of large companies with large sales forces, spend by far the most annually on sales training.

The next question in this series probed into the changes in sales training budgets/investments among the participating companies over the past two years of economic stagnation and increased sales challenges in the IT market. As seen in Figure 3-15, the majority of respondents have either kept sales training budgets at the same level (48.8 percent) or have increased them (41.5 percent). Less than 10 percent of the respondents have decreased sales training budgets. Also, the only segment of respondents that decreased sales training budgets nearly as much as increased or stayed the same were midsize companies. Finally, the service providers segment was the only one that increased budgets more than it decreased them or kept them the same. Flat or reduced training budgets are certainly an expected response to cost pressures. However, Gartner Dataquest believes that IT companies that make strong investments in sales training initiatives during flat or negative economic periods are in a good position to leverage enhanced selling skills for competitive advantage when economic conditions improve.

**Figure 3-15**  
**Changes in Sales Training Investments During the Past Two Years**



Source: Gartner Dataquest (March 2003)

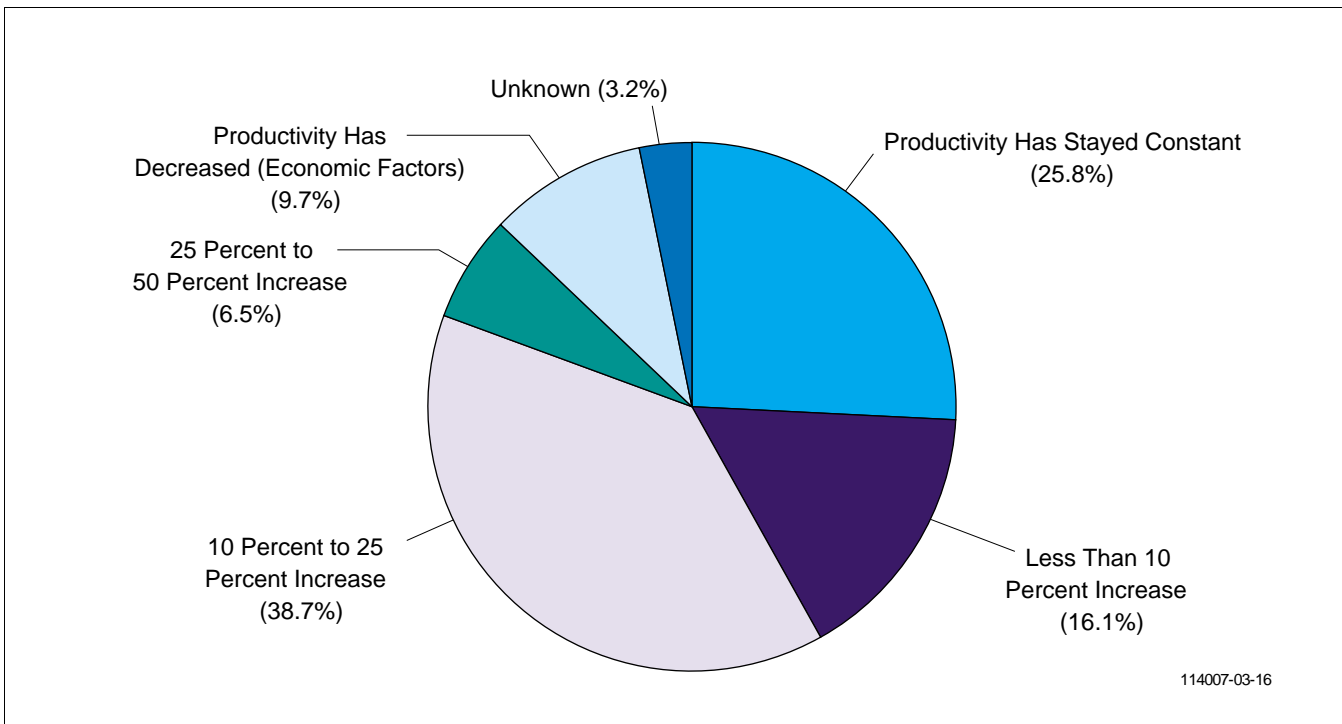
For the respondents that increased sales training budgets, the average increase was 62.3 percent over the two-year period. This reflects a healthy increase during challenging economic times. For the few that decreased sales training budgets, the average decrease was 34 percent over the two-year period.

Follow-up interviews asked the respondents to discuss the sales training budget changes expected in the next one to two years. Three of the four companies interviewed indicated that sales training budgets will increase (in one company by as much as 50 percent). In these companies, this increase is being driven by the implementation of new sales training projects. These include sales management training programs and training reinforcement programs. In the fourth company, the level is expected to remain the same as the sales training department is being called on to justify the value and ROI of established sales training programs.

The final question in this series asked the participating companies to identify the impact on sales productivity as a result of sales training initiatives that they have deployed (see Figure 3-16).

Nearly 40 percent (38.7 percent) of the respondents have experienced a 10 percent to 25 percent increase in sales productivity as a result of sales training initiatives, while 25.8 percent of respondents indicated that productivity had stayed constant. Less than 10 percent indicated that sales productivity had decreased. Another view of the responses to this question is that 61.3 percent experienced sales productivity increases (nearly two-thirds), while 38.7 percent stayed the same, decreased or did not know.

**Figure 3-16**  
**Impact on Sales Productivity From Sales Training Initiatives**



Source: Gartner Dataquest (March 2003)

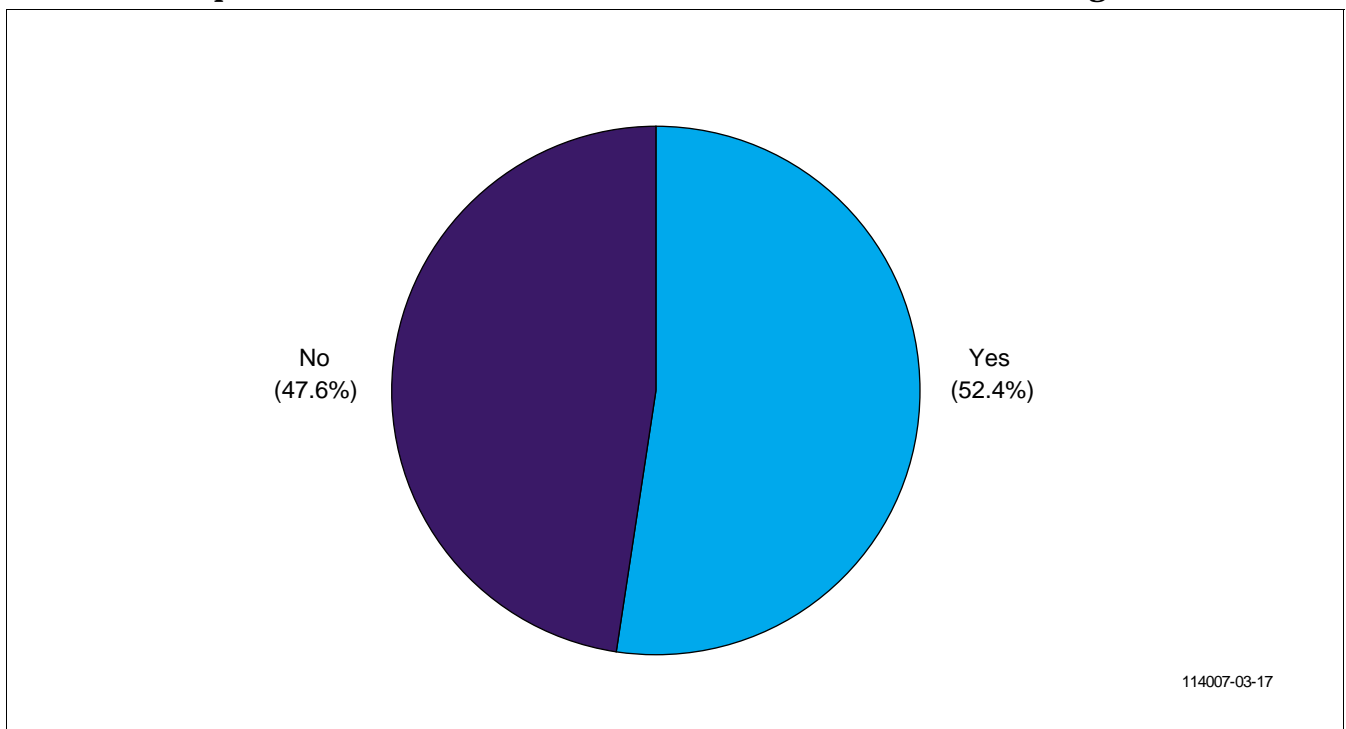
Follow-up interviews sought to determine why sales training programs and initiatives have not resulted in even larger sales productivity gains. One reason cited by nearly all respondents is that the recessed economic environment and increased competitive environment has made the ability to drive sales productivity gains very difficult. In essence, the respondents feel that small gains against receding competitors are actually a positive result. Others indicated that the reason for lack of more solid gains is because sales managers do not attend the training classes that their salespeople do, thereby making it hard to reinforce skills of salespeople that will lead to productivity gains. Others indicated lack of benchmarks as a contributor.

## Measuring the Results and Impact of Sales Training

The next series of questions addressed the degree to which the participating companies measure the results of sales training, what skills they measure and how often they measure. The responses were alarming.

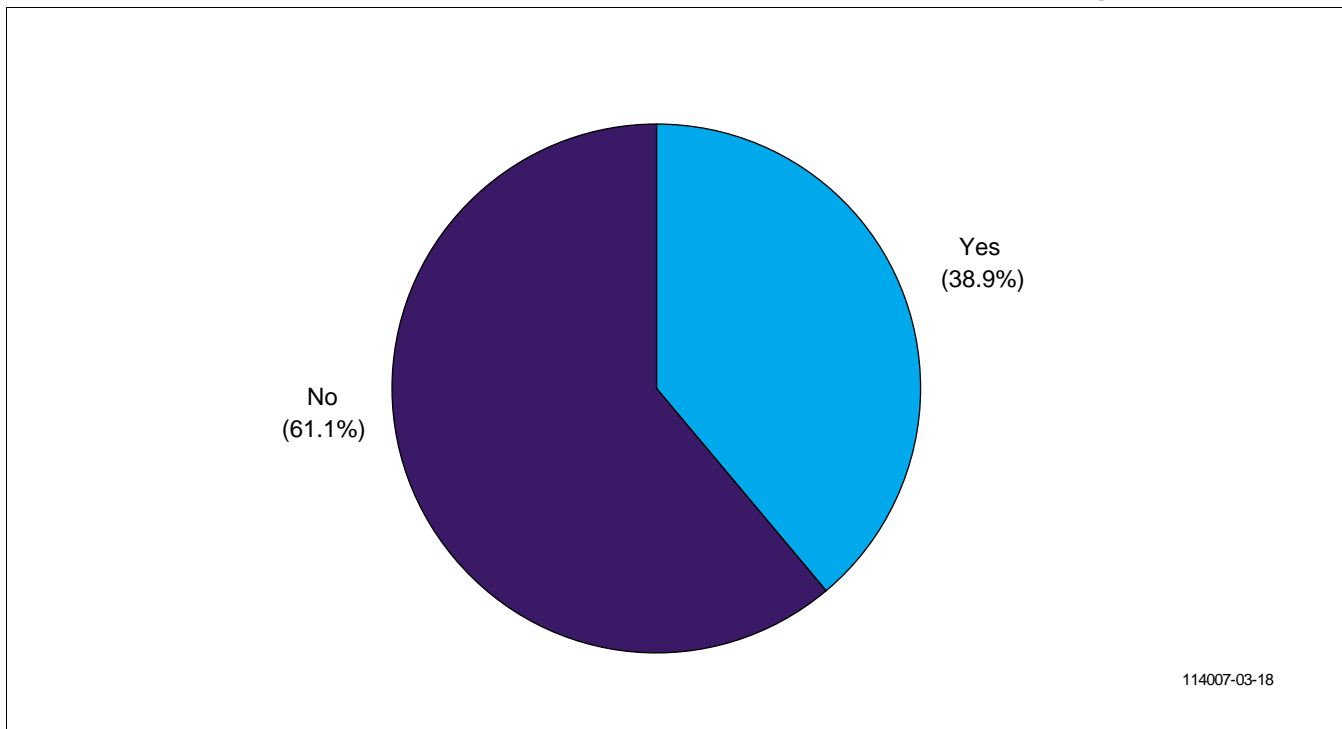
The first question in this series asked the participating companies whether they measure the results of their sales training initiatives. The aggregate responses for internally conducted sales training are shown in Figure 3-17, and for externally conducted sales training results are shown in Figure 3-18.

**Figure 3-17**  
**Portion of Respondents That Measure Results From Internal Sales Training**



Source: Gartner Dataquest (March 2003)

**Figure 3-18**  
**Portion of Respondents That Measure Results From External Sales Training**



Source: Gartner Dataquest (March 2003)

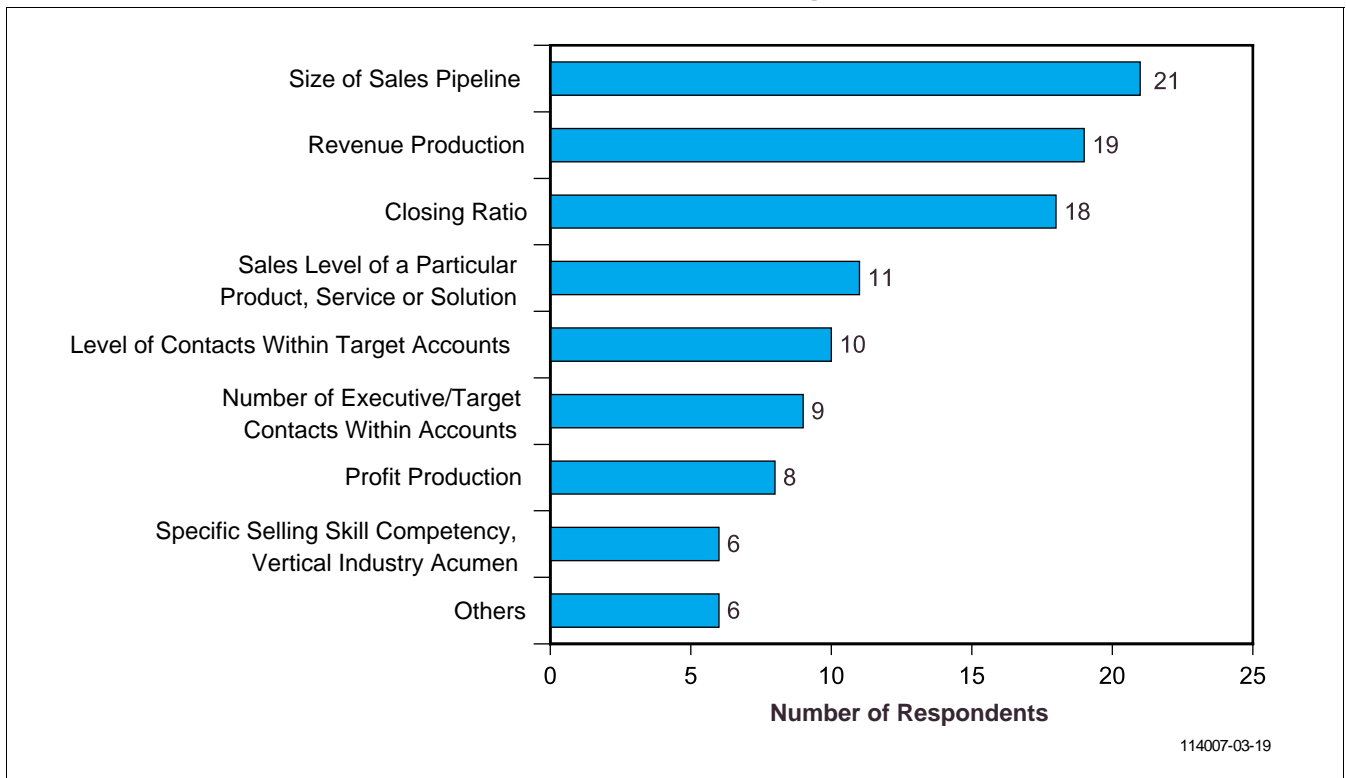
For internally conducted sales training, just slightly more than half of the respondents measure the results of the training efforts. When analyzed by size of companies, the majority of small respondents do not measure results, while the majority of midsize and large companies do measure internal sales training results. When evaluated by type of company, only VARs indicate that fewer companies measure results of internal training than do not measure results.

The results for external training were even more surprising. More than 60 percent of the participating companies do not measure the results of sales training. As with internal sales training, only midsize companies indicated a higher portion of companies that do measure results than do not measure. Also, none of the three types of participating companies have a majority of respondents that measure the results of sales training. This finding indicates a lack of measurement effort for sales training. It is even more surprising for externally conducted sales training than for internally conducted because many external sales training companies offer their clients tools and processes that assist with measurement and follow-up from training courses after the salespeople have returned to the territory.

The respondents that measure the results were next asked to identify the sales skills that are used by their companies as baseline measurement criteria. Figure 3-19 shows that the leading three responses were size of sales pipeline, revenue production and closing ratio.

When analyzed by size of company, large IT services companies tend to more evenly measure the skills identified in Figure 3-19, while small and midsize participant responses aligned closely to the three leading skills mentioned previously. When analyzed by type of company, VARs and service providers primarily identified the same three most cited skills. Vendors cited "sales level of a particular product, service or solution" as the third most common skill that is measured.

**Figure 3-19**  
**Baseline Skills Used for Measurement of Sales Training Results**



Source: Gartner Dataquest (March 2003)

The more difficult skills and activities to measure, such as "level of contact" and "specific skill competency," were not frequently cited as baseline skills for measurement of the effectiveness of sales training. Gartner Dataquest believes that those skills tend to be the kinds of skills that the training is intended to impact (such as complex selling, strategic selling or negotiation) and that these skills should be measured to make real sales progress.

The last question in this series asked the companies that measure the results and impact of sales training initiatives how often they measure the results. Figure 3-20 illustrates the responses by size of company and Figure 3-21 by type of company.

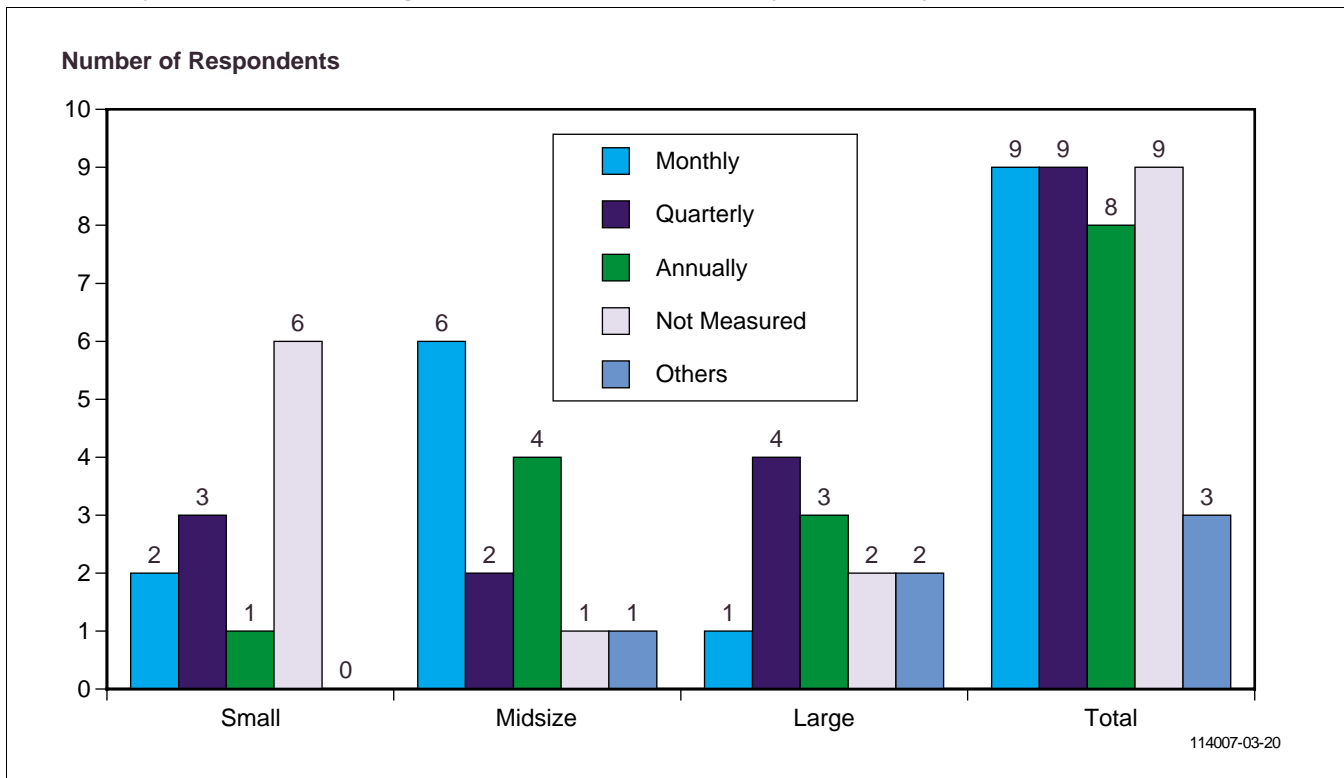
The aggregate responses of all the companies that responded to this question indicated a nearly even distribution between the monthly, quarterly, and annually and not measured responses. Midsize companies measure monthly most prevalently, while small and large participants most prevalently measure quarterly. When analyzed by type of company, Vendors most frequently cited annual measurement, VARs were evenly distributed in their responses, and service providers most often cite monthly as their frequency of measurement.

## Selling Skills and the Effect of Training

The final series of questions focused on following:

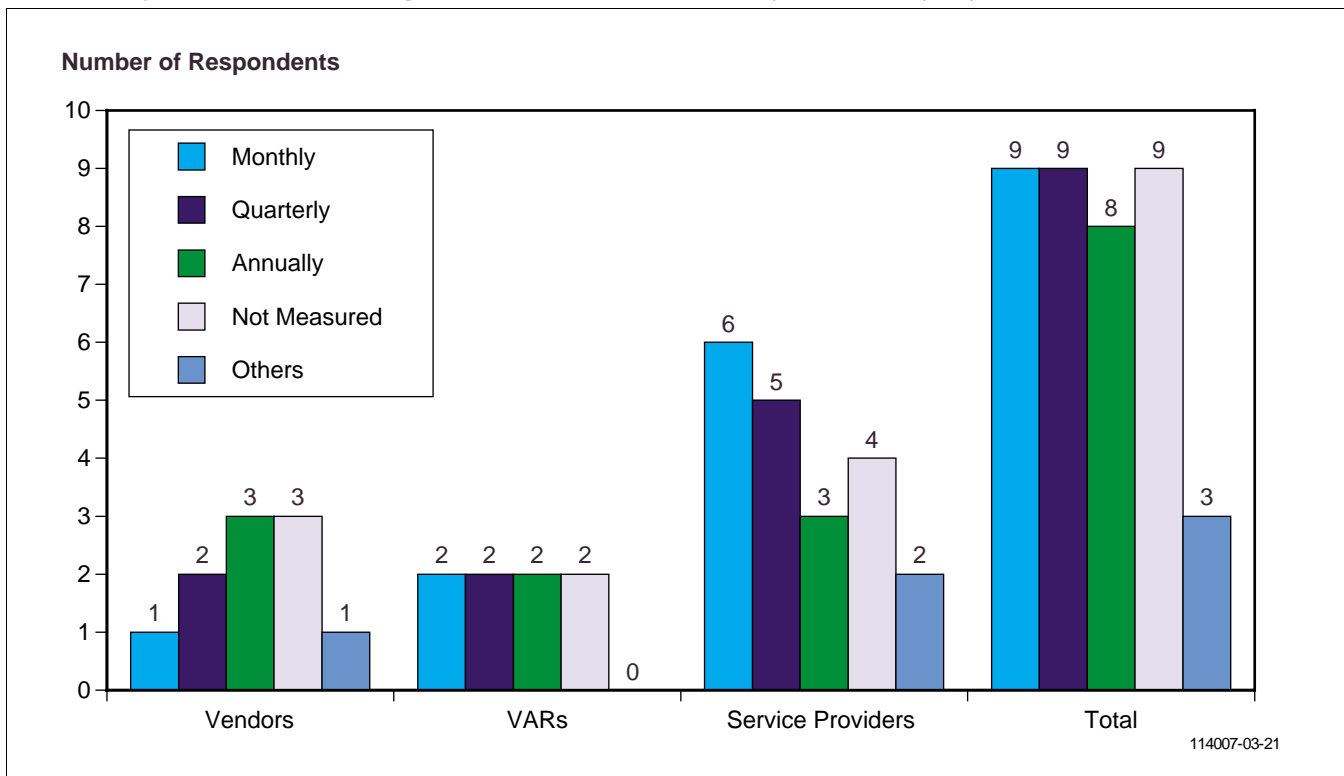
- Actual selling skills that the participating IT services companies believe are important proficiencies for their salespeople
- The best means to develop these skills
- The skills where their salespeople are most deficient
- The degree to which sales training can contribute to closing the gap between needs and deficiencies

**Figure 3-20**  
**Frequency of Sales Training Results Measurement by Company Size**



Source: Gartner Dataquest (March 2003)

**Figure 3-21**  
**Frequency of Sales Training Results Measurement by Company Type**



Source: Gartner Dataquest (March 2003)

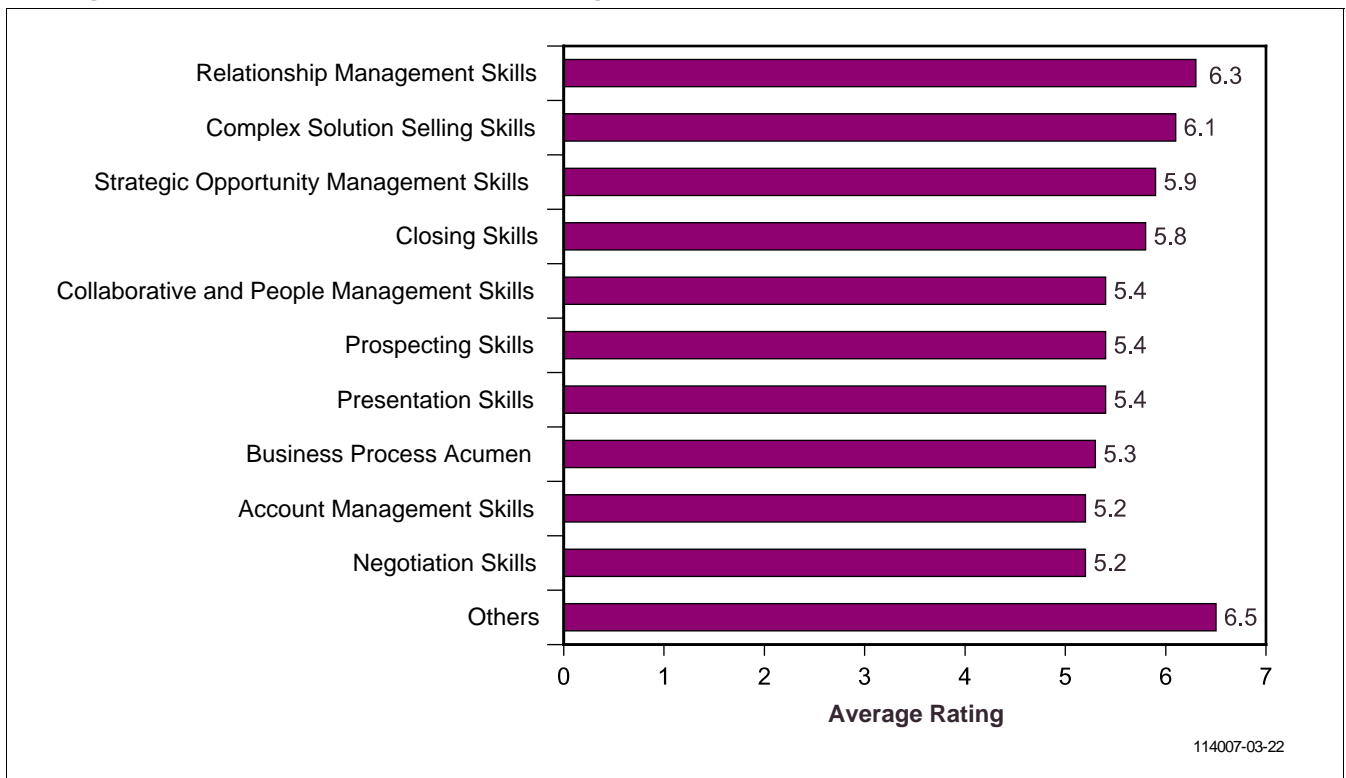
The first question in this series asked the respondents to rate a number of selling skills on a scale of 1 to 7, in which a rating of 1 indicated that the skill is not important, and a rating of 7 indicated extremely important. The aggregate rates, by selling skill, are shown in Figure 3-22, and the number of times that the participants cited each skill is illustrated in Figure 3-23.

The "others" category received the highest aggregate rating (6.5). The following represents some of the responses under the "others" category:

- Ability to understand the clients business problems and their impacts
- Ability to align appropriate solutions to the clients business problem
- Pursuit team management
- Executive selling
- Value proposition development
- Active listening
- Industry knowledge
- Understanding technology
- Communication skills (written and oral)
- Problem-solving skills

Evidently, the skills needed for managing business and industry issues in the sales process is becoming an important requirement. The other two skills that received a rating of 6 or higher were "relationship management skills" and "complex solution selling skills." All of the skill choices received an average rating greater than 5, which indicates that the participating companies believe all of these skills are important for sales success.

**Figure 3-22**  
**Ratings of Importance of Specific Selling Skills**



Note: Ratings are based on a scale of 1 to 7, in which 1 = not important and 7 = extremely important.  
Source: Gartner Dataquest (March 2003)

**Figure 3-23**  
**Required Selling Skills, Number of Times Cited**



Source: Gartner Dataquest (March 2003)

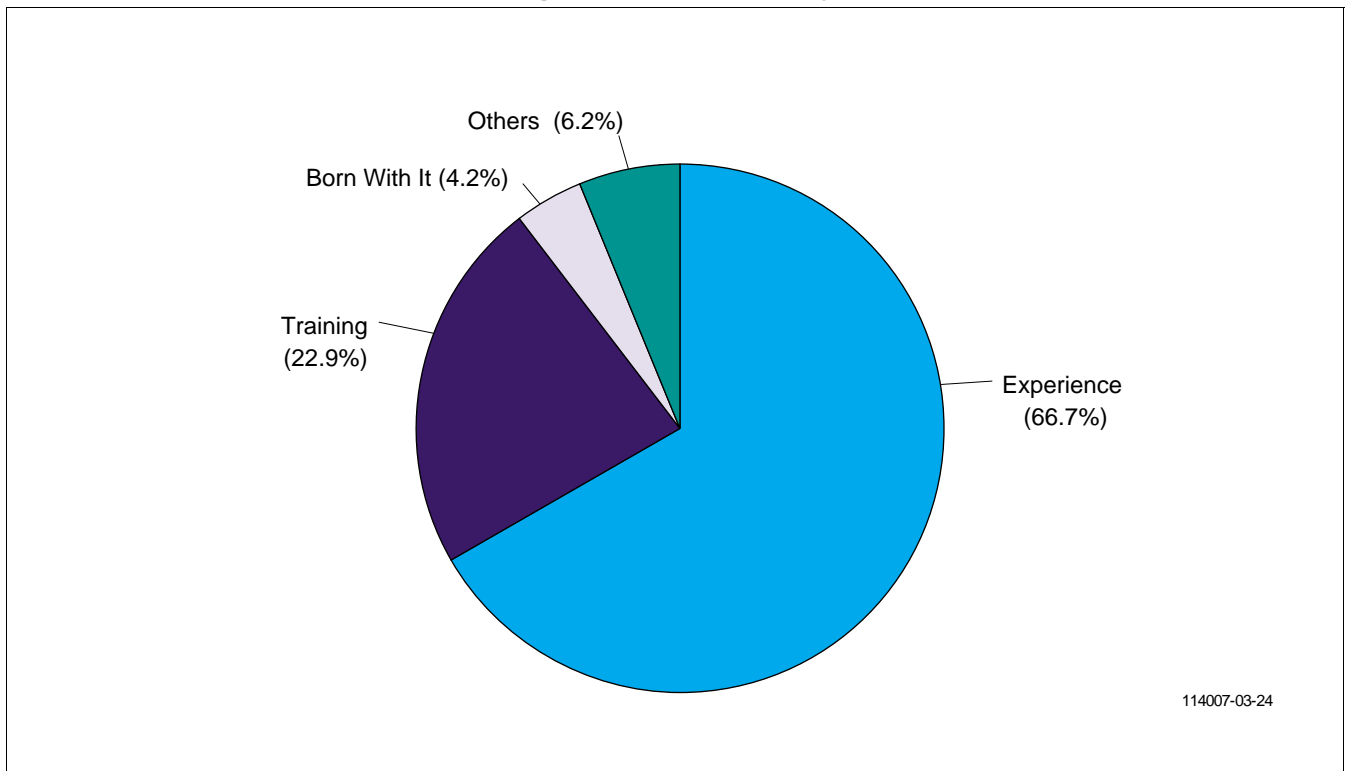
Also, all of the skills were cited for a rating by nearly all of the respondents, but the skills that were cited most often were "collaborative and people management skills," "presentation skills," "closing skills" and "business process acumen."

Follow-up interviews sought to determine how respondents see required selling skills shifting and how they are reacting to address these shifts. Feedback included the following:

- Sales skills need to enable salespeople to migrate from "catching demand" to "creating demand." This requires the ability to communicate in business terms, and to a great degree, recruiting efforts will be required more than training.
- Skills need to include the ability to analyze a business, including financial news, annual reports and analyst reports. This capability must be incorporated into training curriculum.
- In addition to building business acumen, selling skills must incorporate the ability to develop ROI models for proposed solutions, as well as net value financial justification. Recruiting must change to find salespeople with these competencies, and compensation models must be revisited to accommodate this talent.
- Requirements for business acumen and enhanced relationship management skills are driving the adoption of improved assessment programs to validate competencies of candidates.

The next question in this series sought to determine what the respondents believe are the best means to attain competency in these selling skills. Figure 3-24 shows that two-thirds of respondents believe that "experience" is the most effective means.

**Figure 3-24**  
**Most Effective Means to Gain Selling Skills Competency**



Source: Gartner Dataquest (March 2003)

Less than a quarter (22.9 percent) believe that training is the best method to achieve competency in these skills. The "others" category included the response "coaching via modeling in the field."

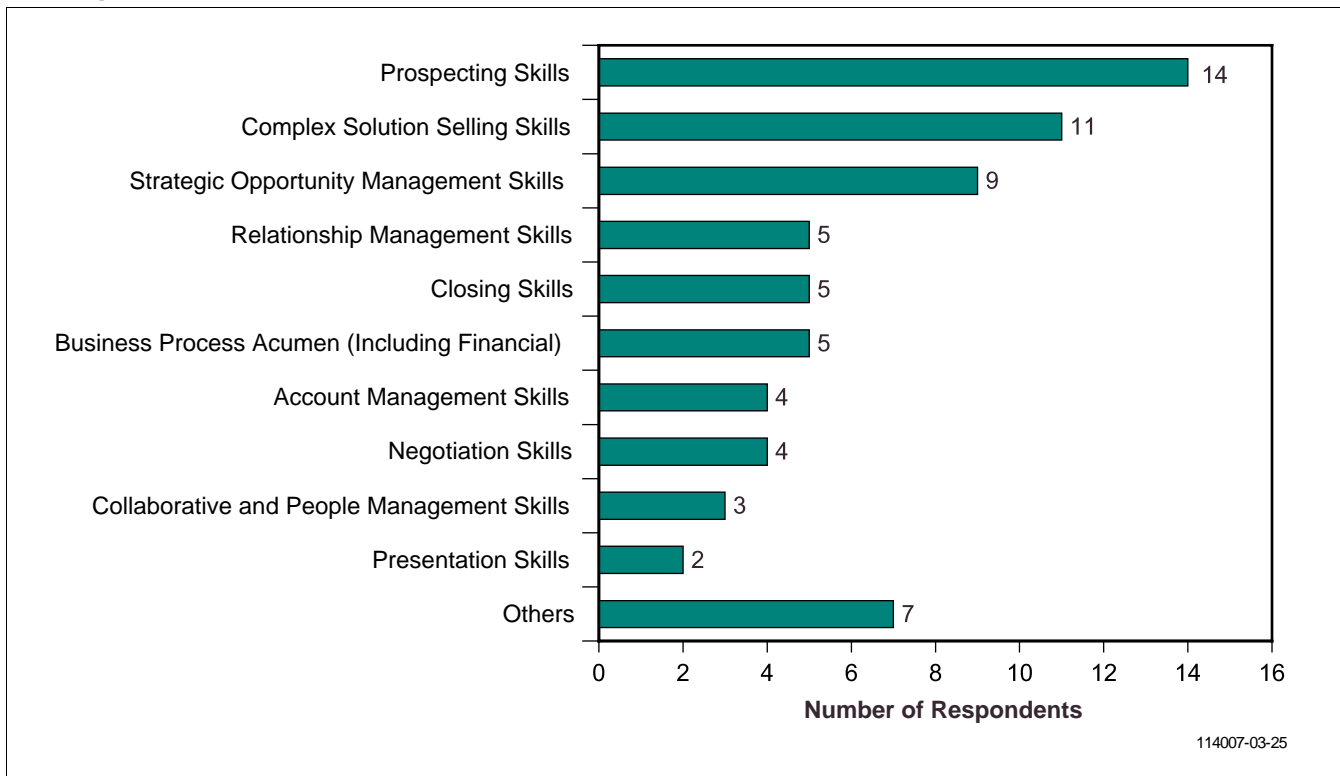
The next question sought insight relative to the selling skills that the respondents feel are most deficient within their companies (see Figure 3-25).

The three skills deficiencies most frequently cited (in descending order) are as follows:

- Prospecting skills
- Complex solution selling skills
- Strategic opportunity management skills

An interesting finding is that business acumen was not frequently cited, but was prevalent among the skills requirements. Yet, in informal conversations that Gartner Dataquest has recently had with IT services providers, this skill is one that is expressed as lacking and needed. IT services companies, for the most part, are just starting to realize the need for salespeople to be competent in business issues, business processes and related issues for targeted vertical markets (see "Wanted: Salespeople With Business Experience," ITSV-WW-DP-0449).

**Figure 3-25**  
**Selling Skills That Are Most Deficient Within IT Services Companies**



Source: Gartner Dataquest (March 2003)

The final question asked the respondents if they believe that sales training can address the selling skill gaps that they cited. The overwhelmingly majority (91 percent) believe that training initiatives can close the skills gaps and significantly contribute to their salespeople achieving a satisfactory level of competency. This response was consistent for all types and sizes of company. One caveat to this optimistic response is that 85 percent of the respondents were either in sales management or training management positions in their companies, and thus need, by the nature of their jobs, to believe that sales training can have a positive impact on selling skill competency.

## Chapter 4

# Sales Training in Perspective

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The selling skills required to succeed in the IT services and solutions marketplace vary significantly from just a few short years ago. Basic selling skills are no longer an acceptable baseline for potential success. A number of enhanced selling skills are required, in addition to relationship skills and an above-average degree of business or industry acumen. Sales training is a key element, though not the only element, that IT services companies must leverage to develop the skills that are required for success.

As a result, IT services and solutions companies must alter their approach to, and emphasis on, sales training. Instead of being periodic and unmeasured (as it is in many IT companies), sales training must become a key competency — one with adequate executive sponsorship, funding, resource and measurement to generate optimal impact and cultural adoption. The ability of each member of the sales force to engage successfully across multiple competencies is becoming a critical success factor for the company. Programs and offerings must change to accommodate the changing needs of the business.

### Key Findings and Recommendations

Based on the feedback gained in this research, combined with regular and ongoing dialogue with IT services and solutions companies related to sales training issues, Gartner Dataquest offers a number of findings and recommendations.

IT companies have always sought to improve sales productivity by enhancing the selling skills of their salespeople. As customer demand has evolved toward increasingly complex, critical and business-focused IT solutions, IT providers have had to answer changing customer demand dynamics with enhanced sales skills and business knowledge required to address customer requirements. There is no lack of sales training available in the market. However, the sales training initiatives of IT providers vary. Some providers are embracing sales training culturally. These companies are incorporating the best available training solution to each required skill, and they also tend to apply adequate budget to obtain the best return from sales training. At the same time, these providers realize that training is only one component that is contributing to the optimal sales organization and are balancing training efforts with recruiting efforts to develop the best sales team possible. Other companies are approaching sales training with far less importance. In their push to "hit their numbers" monthly or quarterly, they see sales training as something they will get to as time and budget allow. Unfortunately, many of these companies take the same approach to recruiting. In the end, these companies should not be surprised when the selling skills of their sales team fall behind those required to compete effectively in an increasingly complex marketplace.

### Motivating Factors for Sales Training Efforts Evolve

#### Finding

Survey respondents are motivated to conduct sales training primarily to develop advanced selling skills, and services or solutions selling skills.

## Recommendation

Though these are important skills for development and indicate focus beyond basic sales courses, a different approach is required for success. IT services companies must carefully assess what customers expect of them and what key areas of focus will result in the best market opportunity during the next one to three years. Based on this assessment and planning exercise, a set of selling skills will emerge that will be required to achieve optimal success. These skills should motivate and dictate where sales training investments are made. Skills that are likely to emerge from these assessments include leadership skills, business and industry acumen, collaborative skills, and relationship management skills.

## Too Much Sales Training Being Conducted Internally

### Finding

Most of respondents' sales training (66 percent) is conducted internally. Much of this internal training is conducted for cost reasons by people whose best competency is not training (for instance, sales managers). For sales training that is conducted externally, a wide variety of providers were cited; two technology providers, Siebel and IBM, received the greatest number of mentions.

### Recommendation

IT services companies must quickly assess the balance of the internal vs. external sales training mix. The responses to this research imply that a great deal of sales training is being conducted internally solely to manage costs. Many IT services companies lack an actual training department, so sales training is not formalized and strategic. For many of the participating companies that try to conduct sales training internally, training is far from a core competency, which means that efforts will be far from optimal. Gartner Dataquest recommends that IT services companies conduct a careful assessment of sales training requirements and deploy the best available alternative training option (usually from or with an external company with a core competency in training that skill) to ensure that the sales force can develop and execute the competency.

## Increased Sales Training Budgets Will Lead to Market Gains

### Finding

On average, survey respondents spend \$2,222 per student, per class, for external sales training. The participating companies' average annual budget for sales training was \$886,000. Annual budgets ranged from \$27,000 for small participants to nearly \$2.5 million for large participants. Annual sales training budgets also varied widely by type of participant. The annual investment for most is expected to remain the same in the near term. Companies that plan a sales training budget increase predict average increases of 62.3 percent.

### Recommendation

IT services companies must increase investments and budgets for sales training. This is imperative for companies that want to emerge from this recessed economic period in a stronger competitive position and that wish to be best poised to capture larger market share when the economy rebounds. Build the skills and competencies that are required to successfully sell in more complex and competitive circumstances now and allocate larger budgets to ensure that the sales force is ready to capture the optimal share of future opportunity.

To experience maximum and sustainable impact, IT services companies should consider sales training budget increases of over 25 percent annually for the next two years. In some companies, this will be a big selling job. Therefore, evidence of sales training ROI must be gathered and documented to justify the investment with senior management.

## **Measurement and Reinforcement Sorely Lacking**

### **Finding**

More than half of sales training initiatives are not subsequently measured, assessed and formally reinforced after the training is completed (and more than 60 percent for external training initiatives are not measured). IT services companies that do perform measurement and reinforcement indicate that the primary skills that are measured are the size of the sales pipeline, revenue production and the closing ratio.

### **Recommendation**

This is an appalling finding. Any business initiative worth pursuing must be measured, monitored and assessed for results and change. Sales training is a business initiative that is more critical to the success of IT services companies than in the past. The companies that have no intention to develop measurement plans and methodologies or to adjust programs based on that measurement should abandon sales training efforts (and consider abandoning the industry before it abandons them). Another reason cited for lack of follow-up and reinforcement is that the sales managers are not being required to attend the classes that the salespeople attend. Therefore, they are unaware of which skills are being taught and how they need to be reinforced and further developed in the field. IT solution providers must insist that sales management participate in training with the salespeople they manage to be prepared to optimize the application and impact of the training investment.

## **Sales Training Leads to Gains During an Economic Recession**

### **Finding**

Two-thirds of the IT services provider respondents experienced a sales productivity increase as a result of sales training efforts. Most companies that saw increases in productivity indicate that the increase was in the 10 percent to 25 percent range.

### **Recommendation**

Even in challenging economic times, certain companies historically seem to increase sales results and gain market share while others retrench and struggle to survive. There are many reasons for this success. Many simply take advantage of competitors' loss of focus and invest in an aggressive strategy for market growth. Gartner Dataquest observes that one critical component of these strategies is often a sales skill enhancement strategy that contains elements of recruiting and training. IT solution providers that wish to make market share gains should learn from history and make bold investments in training and other selling competency enhancement programs. The gains may only be slight near term as the economy and general demand for IT solutions remain stagnant. But, once economic activity and demand for IT solutions rebounds, the gains will likely outstrip those of competitors that have not initiated such efforts.

## Experience and Training Needed to Close Skills Gaps

### Finding

The selling skills that are reported to be most deficient within the participating companies are prospecting, complex selling and strategic selling. Two-thirds of the respondents believe that experience, not training, is the best source for these skills, even though 91 percent believe that sales training can significantly contribute to closing the gap in selling skills deficiencies within their companies.

### Recommendation

Retooling a sales organization for optimal impact and success requires more than training. Many salespeople, even with the best training, will not be able to succeed in a more demanding and complex sales environment. IT services companies must balance recruiting programs with training programs to develop a sales force with the skills, competencies and experience required to compete in today's IT services and solutions marketplace.

### Final Recommendations

Sales training must take on more importance within IT services provider organizations if the sales organization is expected to develop the skills required to compete in the marketplace. Executive management must sponsor and endorse the sales training program and back it with adequate funding to deliver measurable and sustainable impact. Also, the entire sales organization must participate in training and execute the skills being taught if these programs are to effectively permeate the culture of the organizations.

Finally, Gartner Dataquest recommends that sales managers be trained on advanced sales coaching and strategic opportunity management skills. Gartner Dataquest believes that sales managers who are well-schooled on the actual training programs, and are adept at coaching and strategy, can significantly contribute to the success of salespeople and post-training. Also they are in the best position to ensure optimal impact from sales training investments.

# Appendix A

## Glossary of Terms

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Table A-1 defines the acronyms and abbreviations used in this report.

**Table A-1**  
**Report Glossary**

| <b>Acronym/Abbreviation</b> | <b>Definition</b>           |
|-----------------------------|-----------------------------|
| MDF                         | marketing development funds |
| NA                          | not applicable              |
| ROI                         | return on investment        |
| VAR                         | value-added reseller        |

Source: Gartner Dataquest (April 2003)

