



WHAT THE BEST COMPANIES DO

SALES, MARKETING, AND COMMUNICATIONS PRACTICE
INTEGRATED SALES EXECUTIVE COUNCIL

Building a World-Class Sales Academy

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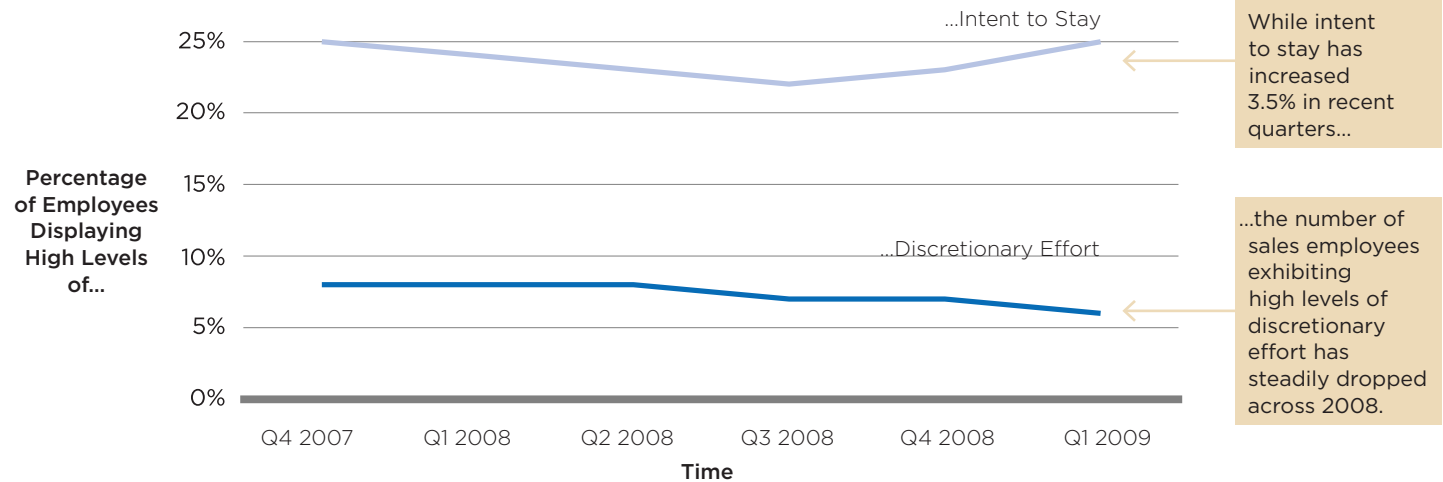


The current economic crisis raises the stakes of retaining stars and developing core performers before recovery begins.

- Low-performing, disengaged employees are 24% less likely to quit in 2008 than they were in 2006.
- Star performers, on the other hand, are in just as high demand as ever, and are more likely to seek jobs elsewhere.
- As a result of this combination of trends, firms risk losing their stars while retaining increasingly disengaged core reps.

A LOOMING CRISIS IN SALES TALENT

Sales Employee Engagement Trends
2007-2009



A DROP IN PRODUCTIVITY
The decline in employee engagement is decreasing overall productivity by 3-5%.

Source: Engagement Survey and Analysis Tool; Corporate Leadership Council research.

Implications for 2009

- PERFORMANCE IS DECLINING**
 Every 6% decline in effort reduces an employee's performance by two percentile points.
- ONE IN FOUR STARS PLANS TO QUIT**
 In spite of the tough job market, high performers continue to be 10% more likely to leave than the general employee population.
- TALENT DEVELOPMENT MUST BE A TOP PRIORITY**
 Without investing in talent development now, firms risk losing their stars and coming out of the downturn with core employees who lack key skills.

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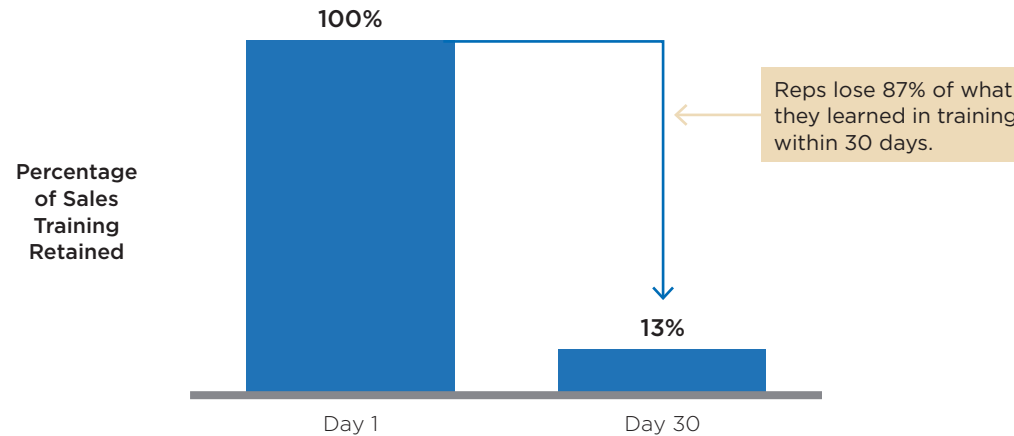


Most training dollars are wasted on programs that neither drive behavior change nor satisfy reps.

- Sales training consumes a large majority of firms' learning and development expenses, and yet only 13% of that training is retained on the job.
- Few sales reps are satisfied with their companies' investment in their development.

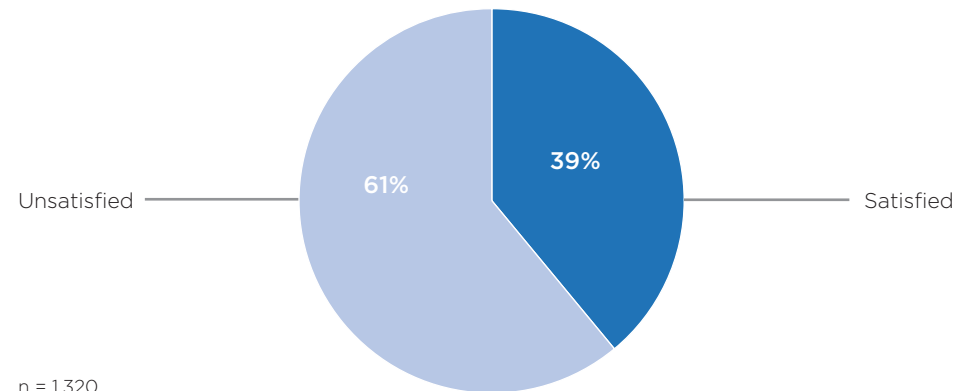
FAILED DEVELOPMENT PROGRAMS

Sales Training's Impact Over Time



Rep Satisfaction with Development Programs

"How satisfied are you with your company's programs to improve business and sales skills?"



n = 1,320.

Source: Integrated Sales Executive Council research.

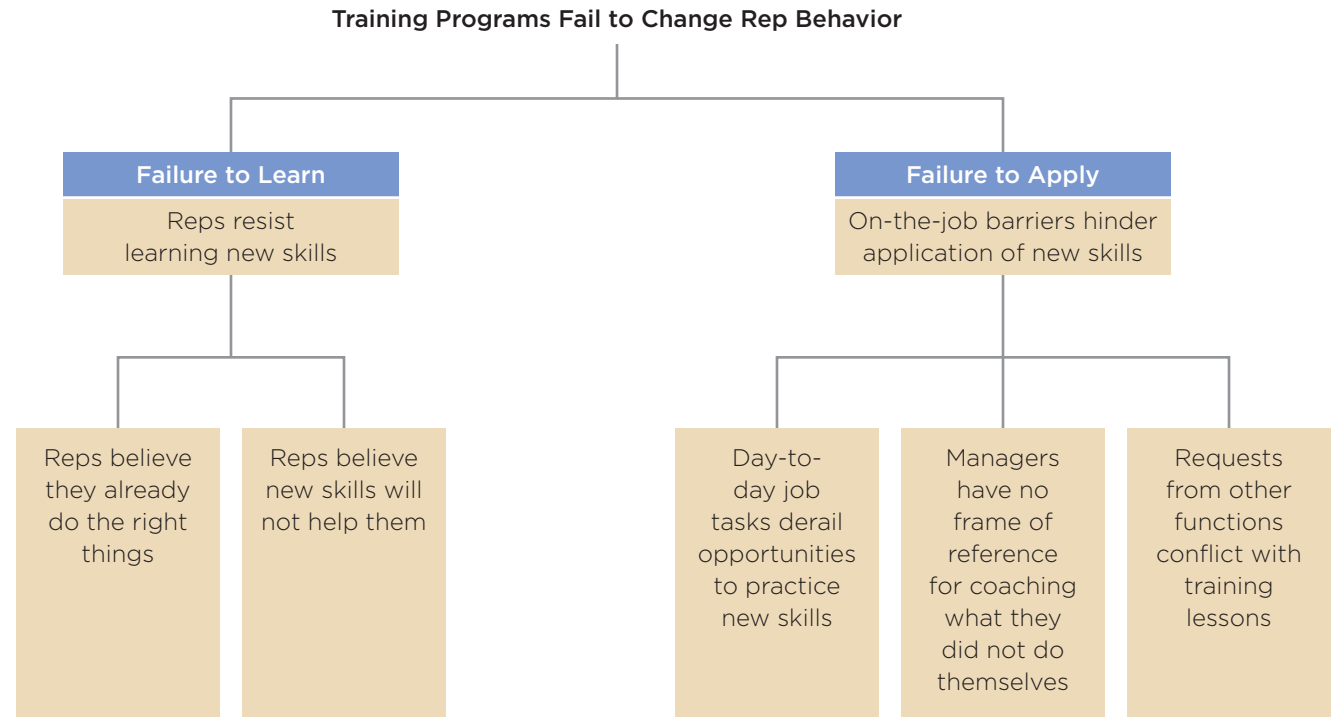


Traditional training fails because of rep resistance and barriers to applying lessons on the job.

- Many sales training programs fail because they neglect the simple step of convincing reps they need improvement in the first place.
- Rather than poorly designed training content, the biggest barrier to improved performance lies in barriers to applying new skills on the job.
- Reps may leave training excited to try out new skills, but then panic in-the-moment and revert to familiar tactics.
- While companies expect managers to reinforce reps' new skills learned in training, managers often did not practice these same sales approaches and thus are unfamiliar with how to coach them.

IN ONE EAR, OUT THE OTHER

Reasons Most Training Fails to Drive Behavior Change



Source: Integrated Sales Executive Council research.

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Building next-order sales skills requires experience and repeated practice, unified under a common framework.

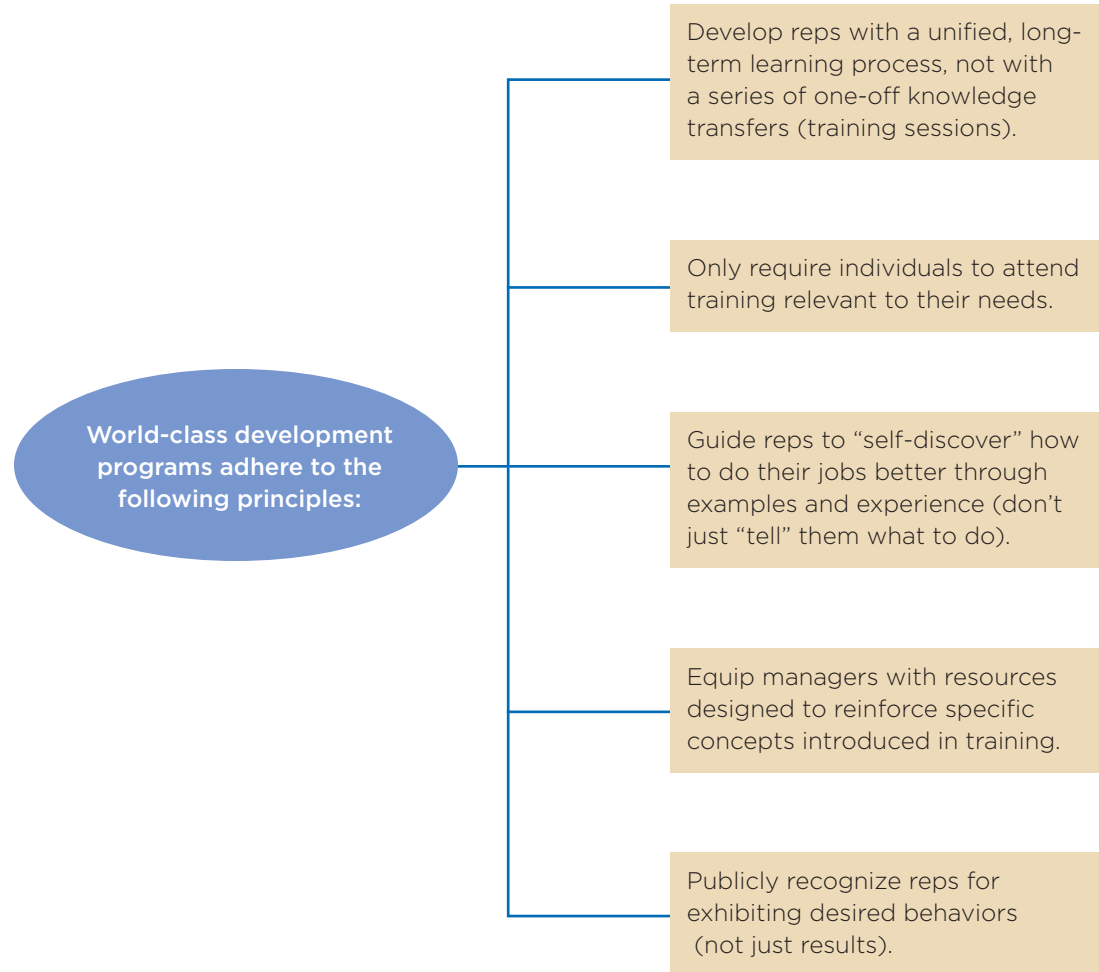
- Although tacit skills such as business acumen require base knowledge (e.g., difference between income and cash flow statement), the real learning happens by applying that knowledge in multiple situations over time.
- Because tacit skills cannot be reduced to discreet, repeatable steps, reps must learn by doing, “discovering” for themselves what works and what does not.
- A “sales university” is the best way of developing reps because it links all stages of development together under the same framework.

Sales University: A development organization within a firm that houses the firm’s training, assesses individuals’ capability in order to prescribe appropriate training, structures post-training coaching and skill application, and tracks progress.

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THE SOLUTION

Principles of World-Class Sales Development Programs



Source: Integrated Sales Executive Council research.

SALES ACADEMY (GEN-I)

OVERVIEW

Gen-i develops sales talent through a comprehensive learning process spanning classroom training, on-the-job application and coaching, and formal certification.

SOLUTION HIGHLIGHTS

Unified learning framework

“Prepare, Learn, Apply, Perfect” framework links all stages of the learning process from start to finish.

Learning through self-discovery

Training in which reps improve work brought in from their jobs, and follow with immediate application and coaching in the field, drives learning.

Need-driven training

Sending reps only through training their managers deem they need removes rep excuses that training is irrelevant.

Incentives to learn

Graduation from the Sales Academy is tied to career advancement and MBA credits, motivating participation.

SCENARIO

- Gen-i ramps up training efforts on business acumen, but after years of training finds little discernible behavior change.
- Trainers discover that some reps dismiss training as irrelevant, while others struggle to apply what they have learned in their jobs.

COMPANY SNAPSHOT

Gen-i Australasia

Industry: Telecommunications

2007 Sales: U.S. \$1.6 B

Employees: 3,000

Gen-i is the business-to-business solutions division of Telecom Corporation of New Zealand Ltd.

Source: Gen-i Australasia; Integrated Sales Executive Council research.

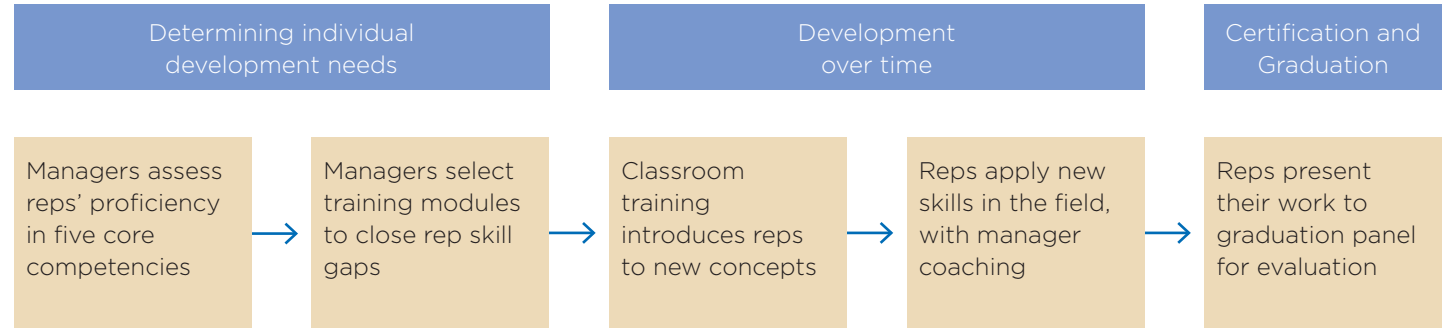


Gen-i's Sales Academy spans all stages of employee development.

- Before presenting to a graduation panel, a rep must be certified by her manager as having “mastered” all five competencies.

SALES ACADEMY

Mechanics of Gen-i's Sales Academy



Gen-i's sales competencies

- Sales Planning
- Business Acumen
- Team Leadership
- Product Knowledge
- Selling Skills

Details

- Each competency has a defined development track, with training and coaching modules, for each role
- Reps bring projects from their jobs into training to work on

Panel members

- CEO or GM
- Head of Sales Academy
- Regional Head of Sales
- Head of Human Resources

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Source: Gen-i Australasia; Integrated Sales Executive Council research.

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Element #1: Gen-i links all stages of the learning process under a start-to-finish framework.

- Unlike most development programs, classroom training constitutes only a small portion of the overall Sales Academy framework.
- Most of the actual learning and skill improvement happens as reps repeatedly “apply” and “perfect” new knowledge and skills on the job.
- Linking development under the same framework, with common metrics, language, and materials, prevents elements of the learning process from falling through the cracks over time.

START TO FINISH

Gen-i’s Sales Academy Learning Process



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Source: Gen-i Australasia; Integrated Sales Executive Council research.



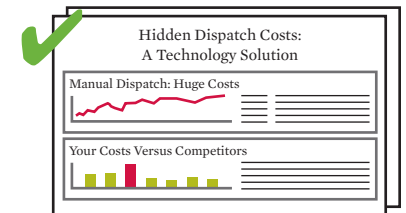
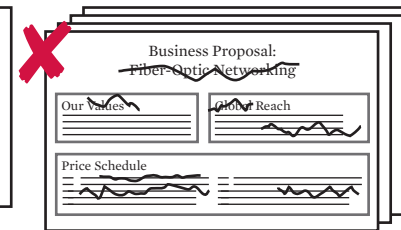
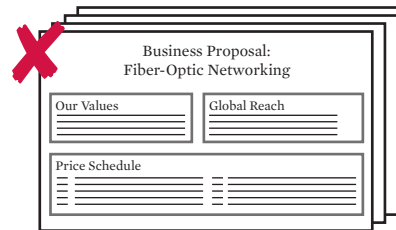
Element #2: Rather than teaching reps exactly what to do, Gen-i leads reps to self-discover better ways of doing their jobs.

- Rather than merely explaining benefits of training logically, Gen-i leads reps to discover through experience why they need to improve skills.
- Bringing actual work from their daily jobs to training allows facilitators to draw reps' beliefs about what constitutes "good" out into the open before challenging those beliefs.
- During training, reps apply new learnings toward improving the work they brought in, and execute the improved versions in the field post-training.
- Experiencing both current approaches' failure and new methods' success powerfully creates receptivity to learning and applying new skills.

"AHA" MOMENTS

Stages of Rep Self-Discovery

	Receptivity to learning new approach	Initial experience using new approach	Success applying new approach in real world
Conditions necessary for self-discovery to occur	<ul style="list-style-type: none"> ▪ No excuse for own work not measuring up to the accepted standard. ▪ Recognition that current behavior cannot achieve acceptable results. 	<ul style="list-style-type: none"> ▪ Recognition that training directly improves what they do on the job. ▪ Learning occurs through doing, not just being told. 	<ul style="list-style-type: none"> ▪ Repeated application of new skills or tools on the job. ▪ Reps attribute newfound success to new skills or tools.
How Gen-i does it	<ul style="list-style-type: none"> ▪ Reps bring a current project for a commercial interaction to training. ▪ Facilitator contrasts project with example of the accepted standard. 	<ul style="list-style-type: none"> ▪ Reps work to bring their projects in line with accepted standard under facilitator's guidance. 	<ul style="list-style-type: none"> ▪ Reps execute improved projects in the field with manager coaching. ▪ Reps and managers identify further opportunities to apply new skills.





Element #3: Reps take only the courses they need, and only when a critical mass of reps need the training.

- While most companies send all reps through the same training programs, Gen-i trains individuals only in skills that need improvement.
- Managers and reps agree on goals and targets for post-training skill improvement, giving reps a clear sense of what they want to accomplish and how they will measure success.
- A training course is only offered when enough reps have been identified as having a need for it, keeping costs down.



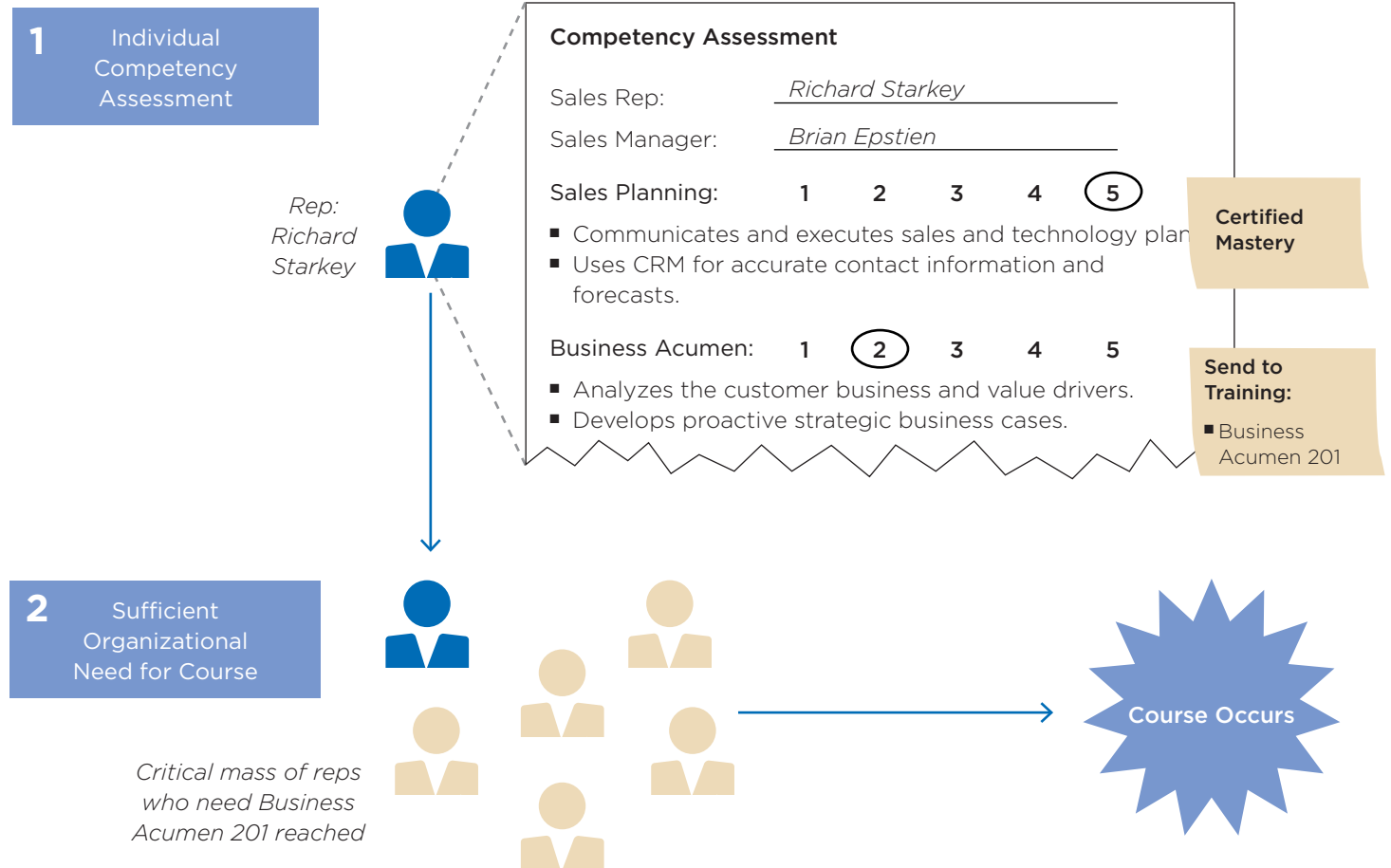
Assessment Tip

Keep assessments simple to boost manager participation:

- Limited number of competencies
- 3-5 point rating scale
- Assess two times per year

DEMAND-DRIVEN TRAINING

Matching Training to Individual and Organizational Need



Source: Gen-i Australasia; Integrated Sales Executive Council research.

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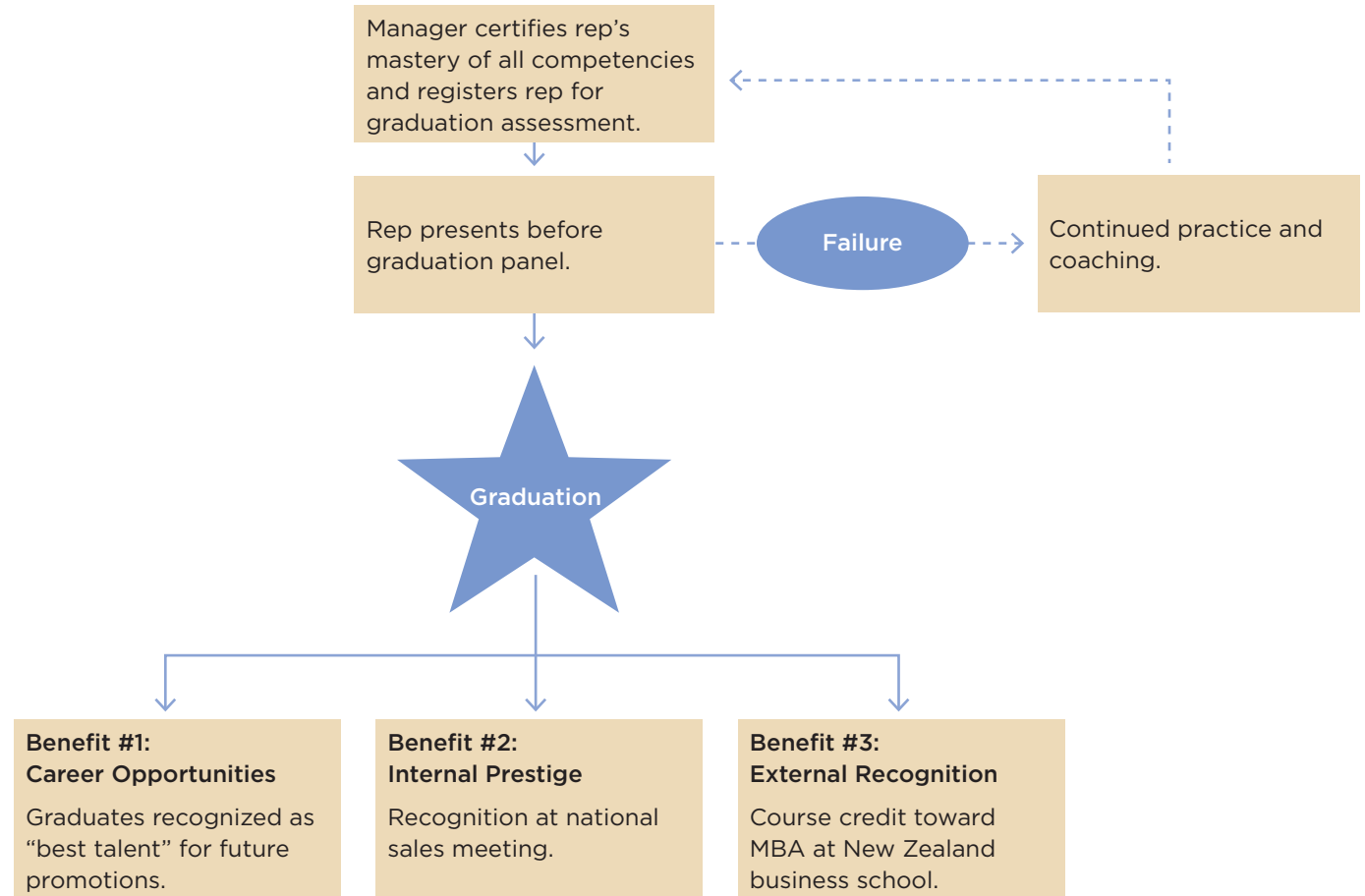


Element #4: Opportunities for career advancement and recognition motivate sales professionals to undertake the Sales Academy.

- As reps perfect each target competency, managers certify them as having achieved “mastery.”
- When reps reach mastery in all required competencies, their managers nominate them to go before a graduation panel for final assessment.
- This “pre-certification” step prevents reps from going before the graduation panel before they are ready, while avoiding a one-size-fits-all development timeframe.

MAKING IT WORTHWHILE

Incentives for Completing the Sales Academy



Source: Gen-i Australasia; Integrated Sales Executive Council research.

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Gen-i's Sales Academy framework upgrades the company's sales talent profile.

- Managers' assessments of rep capability have increased each year since the Sales Academy was launched in late 2004.



"One new hire told us he signed with us for \$20,000 less than our direct competitor because of the opportunity for development offered by the Sales Academy."

Manager, Sales Academy
Gen-i Australasia

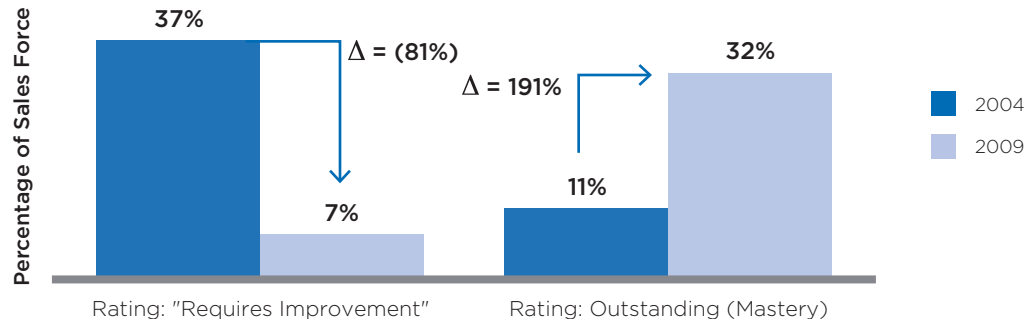
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RESULTS

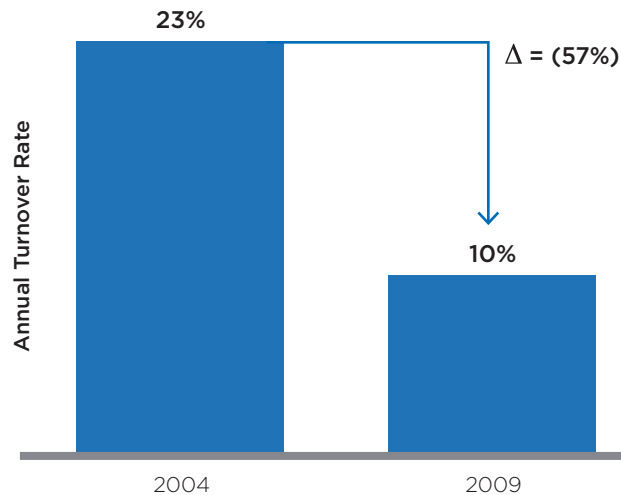
Benefit #1: Rep Skill Improvement

Manager Assessment of Direct Reports' Sales Capability



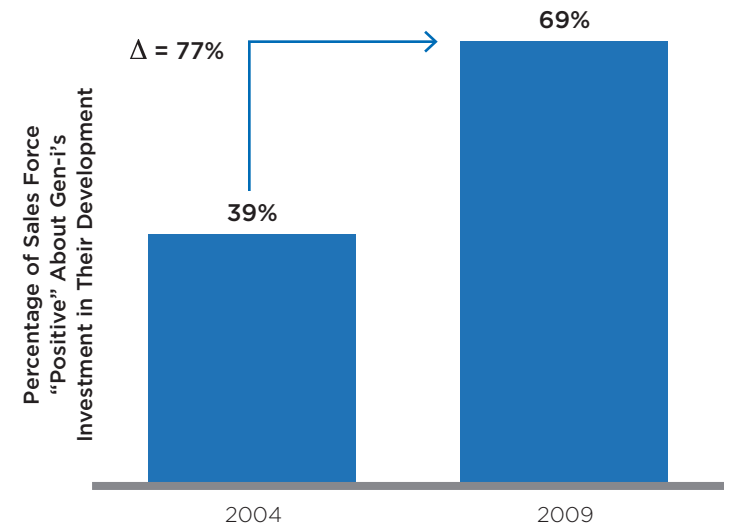
Benefit #2: Talent Retention and Engagement

Sales Force Turnover



Source: Gen-i Australasia; Integrated Sales Executive Council research.

Employee Engagement





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