The Economics Of SE Training

How About $1m Per Sales Enginee?!

For many years, pre-sales organizations have been trying to quantify the impact of professional skills training on their overall sales results. Professional skills meaning presentation, demonstration, discovery and general technical selling skills as opposed to deep technical product training.

The results are in! Thanks to one of my customers we managed to get some quantitative measurements on the impact of training.

The Situation.

The study group was a regional team of 13 presales engineers and 2 managers based in the United States who went through MTS training and fully embraced the philosophy. They were compared to three other similar regions in the Americas who did not take presales training. During the six month study period there was little organizational change. Turnover in the entire organization sales and presales organization was low, no competitors joined or left the market segment, and no company launched a major sales initiative or released a major product update. Basically – as many things as possible were kept constant.

The Changes.

The team went through a 2-day Mastering Technical Sales workshop and a subsequent 1-day "fine-tuning" class three months later. The philosophy was completely embraced with the willing assistance of Product Marketing. Demos were completely rewritten and simplified, PowerPoint's were radically altered, a Key Business Issues sheet was introduced for Discovery and each SE maximized their use of the White Board in live customer situations.

Measurements

The company tracked variations of time, revenue, sales cycle changes, sales feedback and numerous other factors. Twelve of the highest profile numbers are shown here. The comparison is nine months in 2010 compared to the same nine month period in 2011. Metrics for the other presales

teams are shown as a "do-nothing" base case to account for increased productivity due to length of time in job, improved internal processes etc.

COMPARISON TABLE: 2010 v 2011 and base "do-nothing" comparison

Metric	2010 Base Case	2011 Results	Delta	2011 Other Regions
District Ranking	#3	#1		
License / Head	$1,600,000	$2,100,000	+$500,000	$1,800,000
Services Attach Rate	40%	70%	+ 30%	47%
Services Delivered/Head	$300,000	$600,000	+$300,000	$420,000
POC Win Rate	42%	59%	+17%	38%
Avg Length of Demo	85 minutes	65 minutes	-20 minutes	82 minutes
Rep Demo Rating	B	A-		B
Sales Cycle	119 days	96 days	23 days	114 days
Multi-Solution Sales	14%	26%	+12%	19%
Retention	13/15	15/15	Perfect	39/47
Overall Rev/Head	$2,200,000	$3,100,000	+ $900,000	$2,600,000

Overall revenue per presales head increased by $900,000. Multiply that by 13 team members and you get **an incremental $12,000,000 in revenue** delivered by the team, as it moved from #3 in the Americas to #1 not only in the Americas, but Worldwide.

One other interesting statistic is that sales "mulligans" (defined as when you had to re-explain, re-demo or redo a POC for a customer) decreased by an amazing 91%!

Can all this increase be attributed to SE training? Probably not – but no matter how you look at it – the ROI is amazing.

Disclosure Note: The training referred to in this study is mine – based upon Mastering Technical Sales. Naturally, I have a vested interest in making the numbers sound good, which is balanced by the neutrality of the Presales Operations Director at my client. This information is released in this format with their permission, although the company has been anonymized as much as possible. They have also asked that other than presenting the data I conduct no further public analysis of the information.

Talking Points is a monthly column authored by John Care, Managing Director of Mastering Technical Sales. For more information on this and other Sales Engineering topics visit the website at www.masteringtechnicalsales.com.