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The ROI Of SE Professional Skills Training

How About Over $350k Per Sales Engineer?

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 updated results are in[i]! 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 global team of 48 presales engineers (and some managers) based in the United States and 9 other countries throughout Europe, Middle East & Africa, and Asia-Pacific. We conducted three separate workshop sessions in English and covered the principles of Business Value Discovery and White Boarding / Visual Selling. The SEs worked in a variety of markets and geographies, and were all targeted towards the larger/enterprise/strategic accounts rather than SMB. Individual SE experience level ranged from 14 months to 17 years and they were randomly chosen for the program.

They were compared to their immediate geographic regional peers who did not take any form of presales professional skills training. During the 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 one smaller competitor launched a major sales initiative around the release of a major product update. Basically – as many things as possible were kept constant.

The Changes.

The team went through a 3-day Mastering Technical Sales workshop and two subsequent virtual "booster shot" classes 10-15 weeks later. The philosophy was passively accepted[ii] by Marketing. Demos were completely rewritten and simplified, PowerPoint's were slightly simplified and restructured, a Key Business Issues sheet was introduced for Discovery and each SE maximized their use of the White Board in live customer situations. Each SE was provided with a SE Manager or senior mentor to provide both local guidance and accountability.

Measurements

The subject company has considerable background in analytics and data capture around sales and presales activities. Fortunately they were able to measure a number of extremely interesting metrics and tie them back to time, money or people.

1. Percentage of Poor Sales Calls. The SEs were asked to subjectively grade their sales calls on a scale of A through F. A's and B's represented good calls, C, D and F represented poor calls. Over a 12 month period the percentage number dropped from 42% to 25% for field based SEs and from 68% to 45% for inside SEs. (You may think those numbers are high, yet they are fairly representative of the industry). Instant productivity gain and focus on deals that close.

2. Comfort With the Process and Skills. The SE's were rated on a scale of 1 to 5 by their managers. Skill level moved from 2.2 to 3.7 after the initial sessions and up to 4.35 after 12 months.

3. Ability to "train" Sales Partner to Run Appropriate Discovery Calls. Increased from a 1.7 to a 3.2 (out of 5). This resulted in SEs attending fewer initial calls which could easily be handled by the account exec. Also contributed to the decrease in "poor calls" and resultant productivity gain.

4. Sales Mulligans per Quarter (SM/Q). A Mulligan is a golf term loosely applied to ignoring a really bad shot and not counting it in the overall score. In sales it applies to a sales call so bad it needs to be repeated – usually because of wrong people, product or positioning. SM/Q decreased from 5 per SE to 2. Productivity increase.

5. Additional Leads Generated or Upsells per SE each Quarter. The number of leads or opportunities driven by the SE challenging or expanding the deal with the rep and the customer. As tracked by salesforce this increased from 0.5 to 2.5.

6. Sales Opportunities Won or Accelerated by SE Competency. As reported by account executive or partner. This amounted to 3.27 per SE per year.

7. Professional Services Opportunities. Average PSO per SE tripled from $119k to 360k, as measured by salesforce.

8. SE Attrition Rate. Only 1 SE left the organization as a regrettable resignation – a 2% attrition. Prior years attrition rates were 9%, 14% and 12.5%.

9. Trusted Client Advisor Relationships per SE. Increased from 2 to 5

Overall Outcomes – Per Sales Engineer

Increase in Revenue due to SE Competency	$ 218,000
Increase in Revenue due to Lead Generation	$ 201,000
Increase in Revenue due to Better Focus & Productivity	$ 222,000
Increase in Professional Services Revenue	$ 239,000
Overall Revenue Gain Per Sales Engineer	$ 880,000

"Overall we felt these increases reflected upon the attitude and existing skills of the 48 SEs who self-selected for inclusion in the program. They were willing and enthusiastic participants. Allowing for scaling and a distribution curve of effectiveness **we'd conservatively estimate $350k per SE**"

Overall Outcomes – Organizationally

Recruitment Savings	$ 160,000
Saving on No Decrease in Effectiveness Due to New SEs	$ 1,600,000

Can this entire increase be attributed to SE Professional Skills training? Probably not – but no matter how you look at it – the ROI is amazing. Taken to the simplest form of the calculation, if all you do is assume that every SE in a 16 person workshop wins or finds one more deal in a year than they did before – the ROI is (16 * Average Selling Price) / 30k.

Disclosure Note: The training referred to in this study is ours – based upon Mastering Technical Sales. Naturally, we have a stake in making the numbers sound good, balanced by the neutrality of the Sales and Presales Operations Directors at the 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 we 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.

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[i] We ran a different study with another company in 2015 that showed $850k per Sales Engineer!
[ii] Marketing said "you can do what you wish with the materials as long as the basic branding and messaging remains unchanged."