

October, 2009

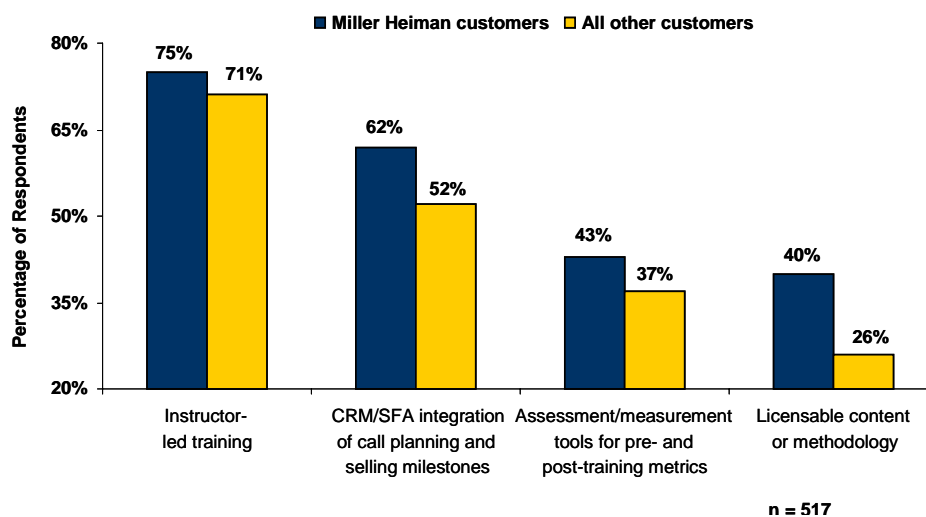
Miller Heiman Customers Derive Measurable Value from Sales Training

With a variety of options available for training their revenue-seeking professionals, today's sales leaders need to carefully select the methodology and solution provider that will most directly impact their bottom line. Aberdeen research conducted in July and August, 2009 of over 500 corporate sales teams has yielded extensive findings and recommendations for measurable performance results, now published in the Benchmark Report, *Sales Training: Translating Tribal Selling Knowledge into Bottom-Line Productivity*. Further analysis of 30 end-user organizations currently deploying Miller Heiman as their training vendor shows these sales practitioners out-perform other companies in adopting Best-in-Class practices, which are defined in this Analyst Insight.

Deconstructing Best-in-Class Sales Training Deployments

Among the 517 sales organizations researched by Aberdeen, 30 named Miller Heiman as their prime vendor for sales training; this represented the highest customer total within the data set. These end-users (see sidebar) provided extensive insight into both their current and year-over-year performance, as well as how they respond to business pressures by deploying various capabilities and enablers.

Figure 1: Best-in-Class Capabilities and Enablers Adopted by Miller Heiman Customers vs. All Other Companies



Source: Aberdeen Group, September 2009

Analyst Insight

Aberdeen's Insights provide the analyst perspective of the research as drawn from an aggregated view of the research surveys, interviews, and data analysis

Survey Demographics

In July and August, 2009, Aberdeen surveyed 517 organizations, of which 447 reported providing formal sales training to their staff. These companies' demographics are as follows:

- ✓ **Job Title:** job titles: CEO / President (16%); EVP / SVP / VP (14%); Director (18%); Manager (22%); Consultant (7%); Account Executive (9%); and other (14%).
- ✓ **Department/Function:** sales (37%), business development (26%), marketing (9%), human resources (5%), operations (5%) and other (18%).
- ✓ **Industry:** software / hardware (20%), IT consulting and services (12%), other high tech (11%), and finance / banking / accounting (5%); plus 4% each for telecommunications, healthcare, education, general manufacturing and general transportation / logistics; and other (27%).

continued

As illustrated in Figure 1, Miller Heiman customers have implemented a number of protocols on average 24% more frequently than the customers of all other sales training solution providers.

Table 1: Top Performers Earn Best-in-Class Status

Definition of Maturity Class	Mean Class Performance
Best-in-Class: Top 20% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ On average, 83% of sales reps achieved annual quota. ▪ Average deal size/contract value has increased year-over-year by 7% ▪ Average annual revenue has increased year-over-year by 11%
Industry Average: Middle 50% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ On average, 65% of sales reps achieved annual quota. ▪ Average deal size/contract value has remained the same year-over-year ▪ Average annual revenue has <u>decreased</u> year-over-year by 2%
Laggard: Bottom 30% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ On average, 50% of sales reps achieved annual quota. ▪ Average deal size/contract value has <u>decreased</u> year-over-year by 11% ▪ Average annual revenue has <u>decreased</u> year-over-year by 9%

Source: Aberdeen Group, September 2009

The following are detailed explanations of each of these capabilities and enablers, in the context of the Best-in-Class performance by all companies evaluated in the study, which is explained in Table 1.

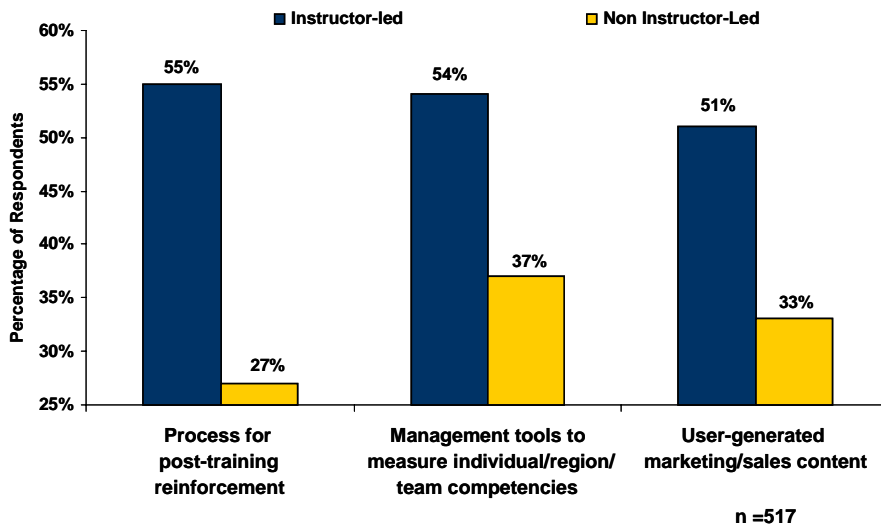
Instructor-Led Training: According to research published in the [Sales Training: Instructor-Led Options for Best-in-Class Performance](#) report, sales organizations that deploy instructor-led environments as a component of their training methodology achieve strong Best-in-Class results (see Table 1), such as a 14% better number of sales reps achieving annual quota, compared to companies that do not. The concept of “instructor-led” is focused on two important tenets: 1) effective sales-oriented learning remains a highly personal and interactive process; and 2) an expert-level professional communicator / coach can provide the best insight, instruction and reinforcement of best practices for sales representatives and their leaders. Figure 2 illustrates some key foundational elements that are most closely aligned with instructor-led training and provide much needed support in both the application and reinforcement of sales training.

Miller Heiman provides extensive instructor-led learning, though usually on a privately contracted as opposed to public-facing basis. Their customers are often understandably constricted by travel budgets, and are provided with online, “synchronous learning” modalities that complement the traditional classroom setting.

Survey Demographics (continued)

- √ **Geography:** The majority of respondents (82%) were from the Americas. Remaining respondents were from the EMEA region (12%) and Asia-Pacific (6%).
- √ **Company size:** 23% of respondents were from large enterprises (annual revenues above US \$1 billion); 28% were from midsize enterprises (annual revenues between \$50 million and \$1 billion); and 49% of respondents were from small businesses (annual revenues of \$50 million or less).
- √ **Headcount:** 34% of respondents were from large enterprises (headcount greater than 1,000 employees); 25% were from midsize enterprises (headcount between 100 and 999 employees); and 41% of respondents were from small businesses (headcount between 1 and 99 employees).

Figure 2: Capabilities that Support and Reinforce Sales Training



Source: Aberdeen Group, September 2009

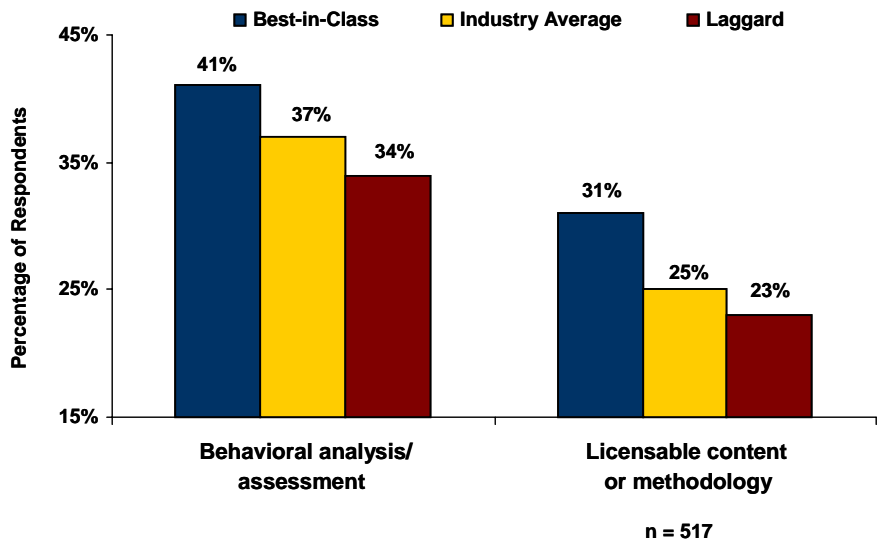
“We have ambitious sales targets, and carefully measure the success of our ability to do so. The gut feeling of our entire leadership team is that this is absolutely how we have to operate and it’s the right investment for us and our clients.”

~ Byron Matthews, Global Head of Sales, Mercer

CRM/SFA Integration: Miller Heiman customers place more emphasis on integrating their Customer Relationship Management (CRM) or Sales Force Automation (SFA) technology with sales training staples such as call planning and the defining of selling milestones. As Aberdeen research has shown in [The 2009 Sales Automation Report – Best-in-Class Strategies for Increasing Returns on SFA Investments](#), 82% of Best-in-Class companies report an average sales rep use of their CRM / SFA tool of up to three hours per day, contrasted with 47% of all other companies. Building an organized time management approach into regular use of these technology platforms, complemented by defining and achieving recognized stages of individual deal pursuit trajectories, allows Miller Heiman clientele to use the vendor's traditional "blue / green / gold sheets" as communications vehicles in addition to personal organizational efficiencies.

Assessment/Management Tools: Miller Heiman customers are also provided with "sales excellence assessment tools," customized to individual company needs, which add a consulting element to the traditional sales training content. Just as defining individual sales job role competencies has proven to be worthwhile to the Best-in-Class, so too does the practice of deploying formal assessments and / or behavioral analyses of their sales team, both before and post-training (Figure 3). Identifying which individuals are best suited to particular roles can align the skills, talents and personalities best aligned with sales positions and engender a more efficient use of territory assignments, inside / outside sales partnering, and even career path development within the sales organization.

Figure 3: Best-in-Class Service Enablers



Source: Aberdeen Group, September 2009

Licensable Content: Extending training content itself beyond the enterprise firewall to outside or channel selling partners, as well as licensing the best practices and content from the solution provider, represent additional ways in which Best-in-Class companies successfully deploy the offerings of their sales training solution providers (Figure 3). Acquiring a proven selling methodology and the materials or presentation content through which it is effectively delivered can have the effect of permanent, positive change within the sales force for the long-term. Plus, a formal certification of channel partners by the OEM will ensure that external selling partners have achieved baseline comprehension of products, services, and key competitive differentiators. In the case of Miller Heiman customers, the individuals who typically train their sales team are former Vice Presidents of Sales, who are formally licensed by Miller Heiman to present their patented materials and recommendations.

Case in Point

Consider the case of Mercer, the global provider of consulting, outsourcing and investing services. According to Byron Matthews, Global Sales Leader, while Mercer does employ a small number of dedicated sales professionals, the focus of his sales training engagement with Miller Heiman was on the 5,000 senior practitioners at the partner and consultant level around the world, who both “feed and water current customers, as well as network and hunt for new engagements.” When Matthews joined the company in 2007 as a global sales operations leader, he explains that, “We had recently changed the entire organizational design, which previously saw various lines of business operating in a totally disparate fashion regarding sales processes, strategies and nomenclatures.” A new CRM system had also recently been deployed, but was not yet highly embraced by the various business units.”

With Miller Heiman, Mercer first analyzed their sales processes to design a set of corporate standards that would nevertheless extend to each unit's individual needs. "I wanted to increase our win rates in an environment showing much tighter competition for discretionary customer spending," Matthews explains. "We need to differentiate ourselves with the first customer-facing conversation, and simultaneously to build pipeline at a more accelerated rate." Choosing a vendor that, "could understand our specific needs, our business process and our funnel, and ultimately teach our team strategic selling as a process of conceptual communications," was key, according to Matthews.

Mercer took a bold approach with sales training, rolling out both instructor-led and online methodologies to the entire professional services organization, and the stakes were high. Matthews says that, "We have very aggressive sales targets, and carefully measure the success of our ability to do so. The gut feeling of our entire leadership team is, this is absolutely how we have to operate and it's a no-brainer investment." On a more measurable level, Matthews reports, shortly after the first phase of training, he chose one full day to randomly call Mercer colleagues in various markets, and found no fewer than 10 recently won deals that had been directly influenced by the Miller Heiman training process. "I found enough deals that one day's contribution to our bottom line paid for an entire year's worth of consulting, training and reinforcement. The ROI question is completely resolved."

"I found enough deals that one day's contribution to our bottom line and the value we ultimately provided to our clients removed any question regarding ROI."

~ Byron Matthews, Global
Head of Sales, Mercer

Key Takeaways

The sales training challenge for many companies today, given the constricted economy, often defaults to how to do more with less. This is particularly true when travel budgets, support staff and enabling technologies such as mobile SFA / CRM access are typically under tight financial controls. Yet few companies, even those recently required to trim the number of full-time employee sales staff, would hesitate to invest in training solutions, technologies, or methodologies that present a compelling case for a fast and measurable return on investment, as seen through revenue- and quota-centric Key Performance Indicators (KPIs). This commitment would be further supported by a training offering that could demonstrate cost-effectiveness by migrating their day-to-day business from transactions to solutions, from direct to partner / channel selling; or to cross-selling that results in a higher share of each customer's wallet.

Conclusion

Ultimately, companies that want to succeed in the post-millennial B2B economy will need to empower their front-line sales staff with customized knowledge, process and communication skills to sustain revenue and profitability through both recessionary and boom cycles, as they seek to source and win more deals from both competitors and the dreaded "no decision." Following the example of Miller Heiman's customers, companies should reap the benefits of establishing measurable, manageable training

sales methodologies; all end-users should deploy sales training best practices with an eye toward achieving better collaboration between marketing and sales teams, more accurate corporate revenue forecasting, and better career path development from inside to field selling.

For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

[Sales Training: Translating Tribal Selling Knowledge Into Bottom-Line Productivity](#); September 2009

[Sales Training: Tracking Best-in-Class Deployments](#); July 2009

[Sales Training: Instructor-Led Options for Best-in-Class Performance](#); September 2009

[Sales Intelligence: The Secret to Sales Nirvana](#); January, 2009

[Sales Effectiveness: Pathways to Productivity](#); September, 2008

[Sales Analytics: Hitting the Forecast Bulls-Eye](#); July, 2008

[Sales Effectiveness: Leveraging Content to Close Deals](#), November, 2007

[Sales Effectiveness: Getting Sales Back to Selling](#); June, 2007

[Sales 2.0: Social Media for Knowledge Management and Sales Collaboration](#); September, 2008

[Users of Sales and Marketing Solutions Display a Significant Lack of KPI Awareness](#); August, 2008

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