



White Paper

Direct Path to Negotiation Training ROI



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INTRODUCTION

You are a Vice President of Sales, and you have decided that your sales force would benefit from some new and innovative negotiations training. You look for this type of training online or perhaps you ask your training department for recommendations. You select a course and arrange for your staff to attend. They spend two days attending the course and come back to the office with lots of enthusiasm and confirm to you that the course was highly enjoyable and contained good ideas for improving results. The team has been trained and this can only be good news for the business. Or is it?

This process could apply to a HR Manager looking for communication or influence training; or a procurement department in need of tactical negotiation training; a VP wishing his/her customer service reps would be better at converting everyday interactions into more sales opportunities, and countless other scenarios.

In any case, management expects to see an immediate business impact as a result of the training and if it does not happen quickly (and often automatically), management eventually comes to the conclusion that the training was a waste of time and money. Typically, a year or two later the cycle starts over again.

Importance to Employees:

70% of people say that training and development opportunities influence their decision to stay with a company.



RESULTS

In SNI's experience working with global organizations, this scenario outlines the typical approach that many managers and companies have historically adopted when it comes to sales and negotiations training. Sales are down (or not growing as expected). Managers and trainers work to identify a skill deficiency, then build or find a course with the "right" learning objectives. Salespeople are pulled from the field to attend the course, and then it is assumed everything is now fixed – yet it rarely is.

Goal of this White Paper:

This white paper outlines a five-step process that will help your organization track the true impact of sales, negotiation, or influence training.



Sales Statistics:

- Top sales people outperform the low producers by 10:1
- Customers say "no" 6 times before they say "yes"
- 65% of sales professionals stop at the second "no"
- 75% of new leads never receive a sales call



To successfully design and implement a training program that delivers strong Return on Investment (ROI) for your organization, we recommend the following steps:

1. Assess Your Key Performance Indicators

Select the Right KPI:

For example, a typical sales KPI is sales revenue. Others can be profitability, speed to close, prospect to close ratio or new business revenue (usually measured year over year). Tailoring the training to specific business KPI is critical for accurately assessing the impact of your training investment.



Assess KPIs Based on Current Practices:

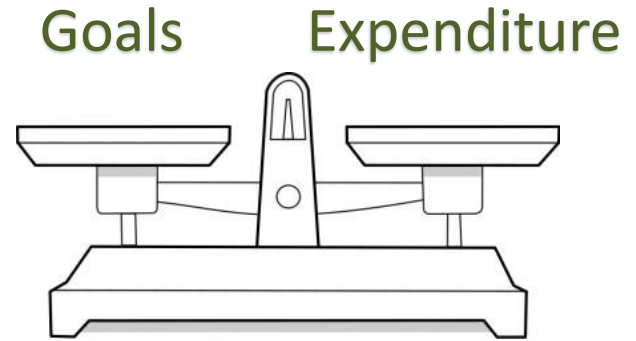
The best training organizations take the time to observe performance in the field, and then compare this objective analysis to best practices for your specific industry. Examples of Personal KPI for negotiations include preparation practices, questioning techniques, proposal habits, listening for cross-sell opportunities and asking for business. The key is to identify *behaviors that tie most directly to the business KPI*. If your business KPI is margin growth, then the best negotiations training will address the behaviors that drive margins (aiming high, avoiding concessions, and exchanging value for value).



2. Align Your Solution with Corporate Strategy

Align Goals with Expenditure:

Training investment can produce a very high ROI but costs can (and should) be controlled in an era of stable, accessible training technology to support instructor-led events. Leverage your existing technology (LMS or CRM) systems to reinforce and track training results.



Centralize Accountability for Producing High Impact:

Hold training organizations accountable for producing results beyond having happy attendees by tracking expense, business results, and behavior change. Some companies tie their trainer's performance reviews to desired business outcomes.

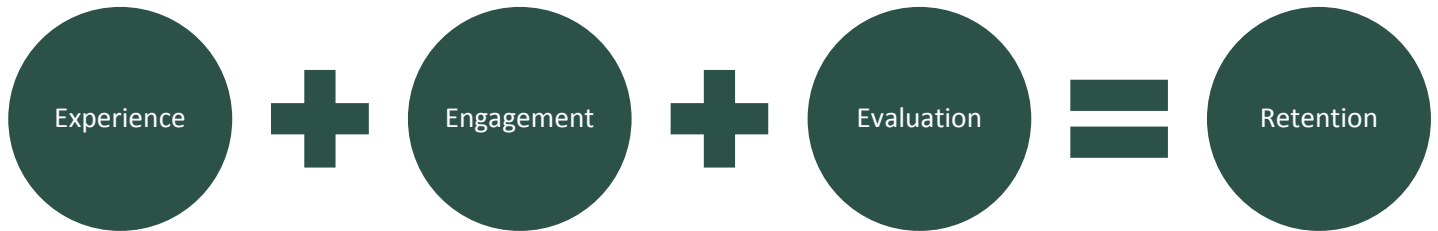
Accountability Leads to Application:

Surveys have found that only 12% of employees who participate in training programs actually apply what they learn. Accountability and focused programs help boost that percentage.



3. Deliver Active Learning

The best training solutions apply the principles of adult learning and respect the needs, limits and strengths of the participants. Active learning requires:



- a) Experience: Courses should be highly customized and reflect experiences from outside the classroom while creating relevant simulated experiences within the classroom.
- b) Engagement: Courses must be designed using a variety of teaching methods and media, and be entertaining to prevent boredom.
- c) Evaluation: Learners must have opportunities to give and receive feedback on their progress throughout the learning experience to maximize application and retention.

Training Retention:

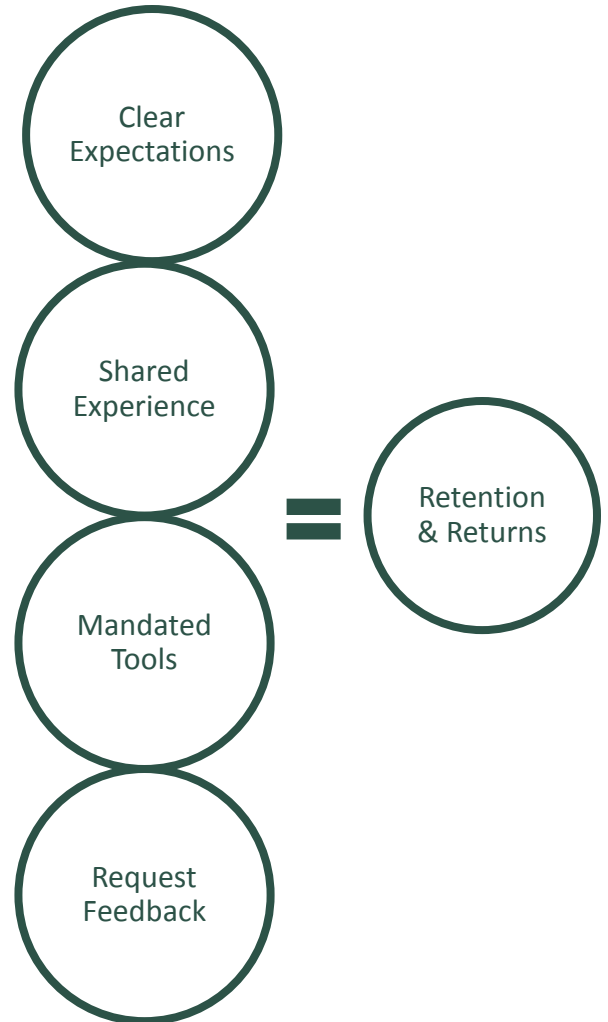
Within 24 hours, without active reinforcement, as much as 70% of what you learn today can be forgotten.



4. Hold Learners and Managers Accountable

Increase Participant Accountability:

- Making expectations/desired results clear to management and participants prior to training.
- Having managers attend the training with their reports to create a shared learning experience.
- Promoting post-training reinforcement by mandating the use of the tools, skills and knowledge delivered in the training.
- Tracking results and providing prompt, specific feedback on participant performance after training.



Training Retention:

Up to 90% of people who attend a training course do not look at or review their course notes or materials when they return to the office.



5. Analyze Results and Calculate ROI

The Five Levels of Analysis:

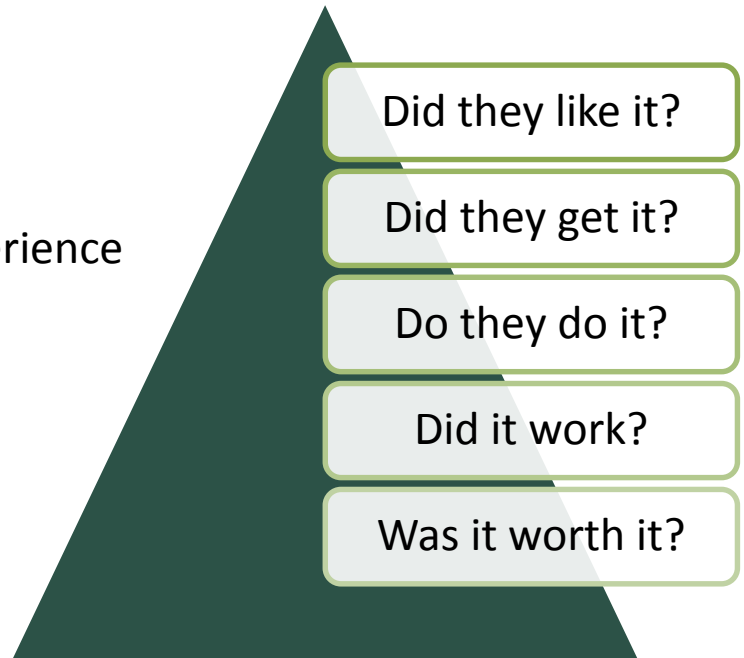
Level 1: Reactions to the training experience

Level 2: Knowledge transfer

Level 3: Transfer to job

Level 4: Business impact

Level 5: Return on Investment



A few tips...

- At a minimum, a robust assessment of Levels 1 - 3 should be conducted for all training to ensure participant satisfaction and that, at the conclusion of training, the new skills and information were delivered and understood. For complex skills or to guarantee compliance, a Level 3 analysis will measure behavioral KPI change and assess to what extent the new information and skills have been transferred from the classroom to the field.
- Level 4 & 5 Analysis: It is unwise to attempt a Level 5 analysis for every training program. We recommend that one or two high profile, high-impact programs that are close to the bottom line are selected each year for a complete Level 4 (business KPI impact) and Level 5 (financial ROI) analysis.



CONCLUSION

Regardless of the type of training your organization is looking to implement, following this five-step process increases the probability that it will be effective and have a significant impact on your organization's bottom line and business behavior.

Five Steps to Maximize Training Results

1) Assess Key Performance Indicators (KPIs)

2) Align solution with corporate strategy

3) Deliver active learning

4) Hold learners & managers accountable

5) Analyze results & apply findings

ABOUT SNI

SNI is a premier global provider of sales, negotiation, and influence training and consulting. SNI focuses on maximizing our clients' ability to create mutually beneficial and profitable long-term relationships with peers, vendors, and customers both internal and external to the organization. We dig into specific industry and client challenges, so our tools and techniques can be used immediately and repeated with precision.

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