

How to Sell Your CFO on Sales Training

When in Rome Do as the Romans Do

Ask any CFO what their first impression is when they hear the words Sales Training and they might communicate back their Real-world vocabulary of un-accountable and un-measurable. Simply put, they know they're wasting at least half their sales training budget dollars; the problem is they don't know which half.

And from a sales management perspective, if you don't use your training budget, you'll lose it.

Learn an approach your CFO will embrace.

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One effective way for a sales executive to approach the fiscal level of their organization is with an offer a fiscal person can't refuse. Not the Godfather type of offer, but a business offer tied to a measurable revenue outcome and accountable to the overall profit objective of the organization.

Doing so effectively can take the budget constraints out of the equation.

If you're in sales, you already understand how to speak to a potential customer in line with their personality type, business needs and personal wants. But many of us don't know how to effectively sell internally to our own organization. Let's take a look at a diagnostic way to go about it.

Step 1: Diagnose your current sales Key Performance Indicators (KPIs)

Sales executives and Chief Financial officers have one thing in common.

Both are accountable to the bottom of the scorecard at month-end, because numbers don't lie. They can be your best friend or your worst enemy.

When preparing a sales training proposal for your upper management, put on your CFO hat and speak to relevant Key Performance Indicators (KPI); individual gateways that directly affect the outcome of your process.

A KPI example in the sales process might be how many times you advance the first sales appointment to the next phase, whether that's a demonstration, a site visit, a survey or a proposal. Another KPI is how many times you gain a new customer once the first gateway is passed. And when you do gain a new customer, what's the average revenue you achieve? That's certainly an important KPI. Because if your average

revenue per sale is 40% less than the average peer KPI, you might want to find out why and take focused action to improve it, as you're leaving money on the table.

Sales cycle in days and 1st appointment generation are 2 additional KPIs to measure.

Never rely on a subjective approach when promoting a sales training program to Upper Management. Define and determine where to ask for training dollars by identifying your Key Performance Indicators and finding out where you're the weakest in line with your established revenue goals. That takes the guesswork out of it and will report back the quickest way to a measurable training return.

Step 2: Propose ROI sales training systems to turn traditional Cost Center expenses into revenue generators

From a CFO's perspective sales training is within the spreadsheet of Cost Centers, those departments that incur expenses but don't generate revenue. That's why most sales training departments fall under the Human resource (HR) jurisdiction, as HR is traditionally a Cost Center line item.

Sales management can lead by taking an objective approach to diagnosing where to put their annual training dollars and articulate the CFO language of turning traditional Cost Centers into profit centers that create measurable returns in 'Hard' dollars.

Here's a good example as it relates to a new sales employee; New-hire sales training programs. CFOs think of new-hire sales training as a necessary evil, not a profit generator with a specific Delta and ROI. That's the opportunity.

Because when I ask sales and training executives What is your #1 objective in line with your new-hire sales training program? I seldom get a definitive answer.

So, I rephrase my question and ask them Does your new-hire sales training program provide a successful ramp-to-Quota in a Pre-determined amount of time? The answer normally is Not really.

Because if you can reduce the time it takes a new-hire sales rep to Ramp to quota it will provide a measurable ROI, something you and your CFO can actually put your finger on. You'll be talking the same language. And you have your KPI data to support your decision on the type of pin-point sales training.

For instance, let's take a look at a sales organization that hires 50 new reps per year with a quota of \$5,000 per month, an average term agreement of 24 months and the average 'Sub-Quota' revenue per month during ramp of \$2000.

Reducing the time, it takes to achieve Quota by just 1 month will provide an annual ROI of \$3.6 M.

All you need to do is to back out the training costs for the bottom line ROI.

(See Resource box below to calculate your Ramp-to-Quota numbers)

Step 3: Recommend training initiatives for only one sales competency at a time, with a defined training goal in measurable terms. Individual competency training versus all-encompassing soup-to-nuts training will lead to the best overall result and the quickest training ROI. And it will continue to place deposits in the CFO relationship Bank.

Are you willing to state to your CFO and CEO?

- (1) The total cost of developing or outsourcing an effective learning system?
- (2) A benchmark competency improvement as the training objective?
- (2) The time in calendar days it will take to attain the benchmark objective?
- (3) The estimated training Delta/ROI based off of current KPIs?
- (4) The projected annual Delta/ROI based off benchmark competency improvement?
- (5) The risk factors and contingency plans

Because if you're not, go find an outsource company that trains to your relevant KPI improvement objective that will.

Because sales performance training should provide a measurable ROI Just ask your CFO.

The most successful businesses and certainly, sales departments have identified their Key Performance Indicators (KPI); individual gateways that directly affect the outcome of a process. Then they measure the competency ratios in line with them.

And if an individual sales KPI is below a satisfactory level, applying timely sales training to it alone, first and foremost will provide the quickest path to a measurable training result.

Remember that Trust is reliability over time.

Develop or outsource a single KPI training system, coach the skill-set to work the system, lead the Discipline to routinely do it and measure and report the results. That will permit you to sell future pin-point KPI sales training effectively and routinely to the folks on the top floor holding the purse-strings.