



Four Ways to Quantify ROI from Sales Training Technology



Why Your ROI Story Is Stronger Than You Think

Annually, American companies spend over \$20 billion on sales learning, with 16% of \$750M+ revenue firms spending more than \$20,000 per rep.¹

If you're in charge of training a sales team, you know how hard it is to ensure they properly receive and retain training while in the field. But since organizations often treat sales training as an unavoidable cost of doing business, you may find it even harder to justify investing in technology that would improve your learning program.

Sales, sales enablement, and sales training leaders often don't realize how much investing in sales training technology contributes to a stronger ROI. That's because most companies haven't instituted best practices for identifying the business impact of better sales learning. Most limit their tracking to activity metrics like usage and adoption, or they capture anecdotes about how a recent training contributed to closing a specific deal.

Quantifying the full return on your sales training investments helps you more effectively champion your initiatives and win more resources. That way, you can improve your team's performance and create a virtuous cycle of continuous improvement.

Here are four sources of ROI you're already delivering that you should capture to demonstrate how sales training contributes to the bottom line of your organization.

¹ Sources: American Society of Training and Development, Sirius Decisions



1 Eliminate Costs that Drag You Down

How much have companies saved annually by adopting sales training technology?

\$80,000 – Clarabridge speeds up its sales boot camp by 1 week for 40 reps.

\$300,000 – Apptio decreases travel to corporate when training its 150-person sales team.

\$190,000 – BD eliminates travel expenses for new launches for 55 of its thousands of reps through an initial rollout of sales training technology.

\$4,100,000 – A medical device maker saves millions in travel-related training costs.

The easiest ROI component to capture and quantify is cost reduction. Good sales training technologies make sales learning more efficient and effective. Fewer, shorter in-person meetings lower the price tags of onboarding, certifications, launches, and national sales meetings.

Make sure your ROI analysis includes these components:

- Travel.** Remote or recorded sessions can reduce travel by \$2000 per person.² Don't forget to include SMEs and facilitators in your count.
- Facilities and materials.** Offsites start at \$2500 or more, plus about \$100/person for each day. Even an onsite training can still cost over \$1000.
- Lost selling time.** How much is your sellers' time worth? Saving 2 out of 200 selling days would be worth 1% of each rep's average annual production. For reps selling \$1M/year, that \$10k/rep adds up quickly.³
- Trainer/SME hours.** Outside experts can charge anywhere from \$3500 to \$25,000 daily. Even internal training resources and SMEs have a cost that goes beyond their salary: think about what else they could be accomplishing with their time, with greater reach, instead of onboarding or coaching smaller groups.

Sales enablement technologies that lower these costs are already paying for themselves.

²Source: Allego internal research with prospects and clients

³Source: Carol Leaman, "Three Ways to Make Sales Training Really Work," Selling Power



2 Reduce Risks that Threaten Success

How can better sales training technology reduce risks?

From 23% to 0% – MFS reduced the need for remedial training for almost a quarter of its reps.

100% – Clarabridge now certifies all employees on information security procedures.

Zero – number of problems an Insurance company had after certifying 300 users on Personal Injury Protection.

Sales training costs money, but poor or absent sales training also has costs, in the form of risks. Though harder to measure, those risks can have even greater implications for the organization. Consider these risk factors when assembling your ROI story:

-  **Execution risk.** How much does it cost to launch and market your products? For instance, developing a new medical device costs \$94 million.⁴ In pharmaceuticals, a new drug can cost \$1.4 billion.⁵ With so much riding on these investments, business plans rely on sales execution – sellers staying on message, armed with the right content – to hit their targets.
-  **Planning risk.** Similarly, business plans can go off track if products aren't competitive, don't satisfy customer pain points, or have complex, hard-to-articulate messages – feedback that strong sales learning programs can report back from the field faster.
-  **Regulatory and compliance risk.** In regulated industries, compliance violations, for example off-message reps “practicing” with real customers, generate hefty fines and settlements. Calculate your company's annual cost by multiplying your incidents per year by the average expense of each. Then estimate how much an improved training program might reduce that number.
-  **Brand and reputation risk.** What's the value of your firm's brand? Public relations disasters cost United Airlines \$770M in market cap, and Johnson & Johnson's Tylenol scare cost them \$665M in over-the-counter sales. Recognize that your in-person sales interactions account for 74% of your B2B brand equity, overshadowing elements like product quality or marketing.⁶

The right sales enablement technology will improve the quality of your sales learning so you can reduce costs associated with business risks.

⁴Source: Medical Device Manufacturing Association

⁵Source: Journal of Health Economics, Tufts Center for the Study of Drug Development

⁶Source: Journal of Product and Brand Management



3 Accelerate Your Revenue Growth

How did investing in sales training technology affect revenue growth?

50% certification acceleration.
Vertex finished preparing reps to sell a key drug in half the time.

55% faster new rep productivity. *Apptio decreased time to first deal for new reps from 9 months to 5 months.*

41% improvement. *A medical device firm saw year-over-year performance growth for mid- and low-performing sales regions vs. control groups.*

The first two components focused on cost reduction, but the way to really juice your ROI is by growing revenue through higher performing sellers. The right sales training technology accelerates proficiency with new content as well as reinforces skills and knowledge for long-term mastery. Sales learning platforms also provide better access to timely knowledge, making just-in-time and context-specific content available on demand. Tightening coaching and feedback loops speeds up the performance improvement cycle.

To measure revenue growth from these factors, however, you must go beyond collecting anecdotal evidence. Measure before and after improvements to baseline metrics such as quota attainment or revenue per rep. Split your sales team into a control group and an experimental group, and run a short pilot program to see how new sales training technology improves over the control group's baseline. Find correlations between activity metrics and sales metrics: at one company, the rep who most often used their new technology surpassed his first-year year quota despite being hired in Q1.

Sustainable revenue growth comes not only by fueling your top sellers but also by identifying and correcting underperforming sellers. As far as value, consider the sales performance spread between your top vs. weaker salespersons. How much of the quota not being filled could you recover if you lifted below average reps to average?

Sales learning technology should raise performance by creating more proficient, competent sellers with timely access to knowledge.



4 Engage Your Best Sales People

How did sales training technology create more engagement with teams?

30 minutes/week more time for a wealth management firm's reps to sell, after making weekly calls more efficient.

Vertex saw 110% more coaching interactions.

A Red Hat employee survey showed hunger for more individual coaching and professional development.

You might not associate an ROI with the wellbeing of your employees, but this component has intrinsic value and far-reaching business benefits.

Highly engaged employees perform 20% better and are up to 87% less likely to leave the organization.⁷ Besides the direct cost of attrition – at least 25% of the employee's salary – there's the indirect cost of lost selling time.

Good sales learning technologies can keep a remote team more connected and build a stronger culture. For instance, managers can do more coaching in less time, requiring fewer in-person ride-alongs or classroom sessions. Millennials, in particular, prefer more modern sales learning practices: 12% want less in-class learning, 18% want more coaching, and 33% want more roleplaying with managers.⁸ Successfully creating a coaching culture can increase the impact of the other ROI components: reducing costs, decreasing risks, and increasing productivity.

Sales enablement technology that empowers reps to help themselves, help each other, and be recognized for their efforts will keep your sales people engaged and reduce your turnover.

⁷ Source: Corporate Leadership Council

⁸ Source: [Salesperson Learning Preferences research from Allego and The Sales Management Association](#)



Justify Your Investment in Sales Training

Your sales learning program is a major contributor to your company's bottom line performance, in ways that your organization may not fully appreciate. By comprehensively demonstrating the full value of your sales training efforts, you can earn more resources to invest into your programs, so you can outperform your metric goals.

A mobile video sales learning platform from Allego provides an ROI on all four of these components:

-  **Reduce costs.** Record, share and give feedback on video presentations to lower travel, facilities, and trainer expenses while keeping your sellers in the field.
-  **Reduce risks.** Certify your remote sales team and keep them on message by having them create their own pitch videos for your evaluation.
-  **Increase revenue.** Accelerate mastery of new content and reinforce your coaching with accessible videos available when your sales force needs them.
-  **Boost employee wellbeing.** Retain talent by increasing engagement with your far-flung teams, thanks to a culture of coaching and sharing through peer-created videos.

To learn more, visit www.allego.com/sales-training-roi

"Allego is critical for us in helping our sales reps practice what they've learned, to have a safe environment where they can talk about how they help to solve customer problems. Now the first time they're articulating that message isn't in front of a customer, and they're confident and competent in what they're saying."

David Somers,
Director, Global Sales Enablement and
Development Programs, RedHat



About Allego

Harnessing the convenience and power of mobile, video and peer learning, Allego's sales learning platform reinvents traditional sales training to help teams accelerate time to competency, accurately deliver on message, confidently handle objections and effectively articulate value. Enabling better performance for tens of thousands of sales professionals across high tech, financial services, medical device/life sciences and other industries made Allego the 5th fastest growing software company on the 2017 Inc. 500 list. Explore further at www.allego.com.