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Sales Training Program for Sales Executives

Multinational Automotive Company

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T his case was prepared to serve as a basis for discussion rather than an illustration of either effective or ineffective administrative and management practices. All names, dates, places, and data may have been disguised at the request of the author or the organization.

Abstract

This case study describes how an automotive company evaluated a sales training process to demonstrate value, using data that were already available in the organization. This approach is powerful. The key to success was building trust in the process to enable a high level of response to the surveys. Multinational Automotive Company (MAC) had been operating a sales training program for at least five years. With the business becoming increasingly competitive and budgets for learning being squeezed, it was important to be able to demonstrate the ROI of the training program. The program was usually conducted five to six times per year and this evaluation runs for the total year. The programs included in the analysis were conducted in the period from May 2010 to May 2011, with each full program typically lasting 10 weeks. Lever Learning was contacted to perform an ROI analysis on the sales training program.

PROGRAM DESCRIPTION

A four-day sales training is run for MAC sales executives. It is essential for the skills to be transferred to the workplace, so the four-day training program is accompanied with a Turning Learning Into Action® program, which includes four 45-minute telephone coaching sessions to secure the learning transfer to the workplace. In total, the program and the telephone follow-up take place over a period of 10 to 12 weeks.

Why ROI?

For each program the Level 1, Level 2, and Level 3 data are already collected. The program receives good feedback and change occurs in the business consistently. However, to be able to show some financial benefit conclusively would be valuable for the training department to maintain support and funding.

PLANNING FOR ROI EVALUATION

Data Collection Plan

Figure 5-1 shows the completed data collection plan. It was decided that data would be leveraged that had already been collected by the business. Focus groups, interviews, and observation in the field were considered too expensive or inappropriate. Questionnaires at different stages of the program, including three months after the participants had completed the classroom element of the program, were used.

Access to sales data at a participant level was available, but because it was preferable to compare the before and after data and many of the participants were new to the business, a comparison could only be created for some of the attendees. For those that were new to the business it was impossible to isolate the data on the program.

ROI Analysis Plan

As data were collected, an ROI analysis plan was developed, as shown in Figure 5-2.

Levels 1 and 2 Data

Level 1 data (reaction) and Level 2 data (learning) are consistently collected for every program. A 100 percent response rate was achieved for the Level 1 survey, as this is completed at the end of the four-day training program before the participants leave the training venue.

The Level 2 data (knowledge and demonstration of new skills) are tested twice during the program, during role-plays observed by coaches. Coaches complete the Level 2 data forms. If a participant is not able to demonstrate the skills, he receives additional coaching to bring him up to the required standard. The role-play evaluation form is shown in Figure 5-3.

FIGURE 5-1. Data Collection Plan

Level	Broad Program Objectives	Measures	Data Collection Method/ Instruments	Data Sources	Timing	Responsibilities
1.	**Reaction, Satisfaction and Planned Action** • Positive reaction to the program • Recommend improvements collected	• Average rating of at least 4 on a 5-point scale • Percent of people who completed an action plan	• Reaction/feedback questionnaire • Action plan document	• Participants	• End of day 4 of the program	• Reaction/feedback questionnaire: Lead facilitator • Action plan: Consultant to collate
2.	**Learning** • Acquisition of skills including AUSS, WWW, using customer profiles	• Scale of 1 to 5 for each skill observed in live role-plays	• Coaches recording on an observation feedback form • Videos of role-play shared with participants to verify ratings	• Coaches observing participants	• During role-plays, days 2 and 4 of training	• Role-play coaches
3.	**Application/ Implementation** • Use of skills learned • Application of skills learned	• 4 telephone coaching conversations discussing progress, end valuation form collected 3-4 months after the 4-day program • Aim for 60% of participants to offer feedback	• Evaluation form including scale of meeting objectives, what changes have you made, what benefits have you made	• Participants	• After the final coaching call typically 2-3 months after the 4-day program	• Telephone coach to distribute • Consultant to collate info on to dashboard

Figure 5-1 continued.

4.	**Business Impact** • Sales increase • Changes made for business benefits	• Percent sales increase in units 6 months after the 4-day program compared to the 6 months before the 4-day program. Analysis completed for any participant who was in the business for 6 months before attending the program • Impact questions on evaluation form re: changes and benefits, estimated completed by 60% of people	• Sales taken from reports	• Reports	• 6 months after the end of the 4-day program	• Consultant to collate report on dashboard
5.	**ROI** • Target ROI	• Target ROI is greater than 20%	Baseline Data: Comments:			

Figure 5-2. ROI Analysis Plan

Data Items (Usually Level 4)	Methods for Isolating the Effects of the Program	Methods of Converting Data to Monetary Value	Cost Categories	Intangible Benefits	Communication Targets for Final Report	Other Influences/ Issues During Application	Comments
• Sales per participant • Questionnaire 3 months post program: "What benefits have the program brought for the business?"	• Trend-line analysis • Comparing pre-program and post-program uplift compared to companywide uplift	• Use an average gross per vehicle to convert sales to money. • Only convert if specific numbers are included by participant; otherwise move to intangible and show in word cloud.	• Facilitator costs • Turning learning into action costs • Travel costs (flights/accommodation) • Administrative costs • Participant time	• Recorded through questions on questionnaire • Examples: NPS word clouds, changes in Level 3, and benefits in Level 4	• Create dashboard and distribute to senior teams • ROI figures to distribute to key stakeholders during stage 1	• Due to many of the participants having no historical sales, the pre- and post-program comparison cannot be made and therefore benefits are only available for some participants.	• Using the pre and post and comparing to overall business should discount seasonal changes.

FIGURE 5-3. Role-Play 2: Qualification/Objection Handling/Close

Name: _____ **Coach:** _____
Role-play: _____

Negative Behavior	Rating	Positive Behavior
Clearly unaware of customer pace/focus type. Does not change pace or focus to customer type. Continues "on a track" in spite of verbal/nonverbal signals. Speaks down to customer. Clear lack of 'customer type' understanding. Frequently uses 'motor trade' jargon.	Establishing pace and focus - - - + + +	Establishes customer pace/focus type. Demonstrates behavior appropriate to customer's pace/focus. Adapts qualification process to customer's stated needs. Speaks customer language. Avoids jargon.
Asks lots of closed, long, or assumptive questions. Does not probe when questioning. Changes subject abruptly. Never summarizes or paraphrases. Fails to record answers. Frequently asks for the same information. Clearly has no pattern or theme to questions.	Understanding needs - - - + + +	Seeks to obtain information at early stage of the process. Uses range of questions to establish need. Identifies key information, e.g., current vehicle, buying plans. Summarizes what customer has said to check understanding. Logically builds on line of questioning.
Stiff or stilted conversation. Disinterested or detached manner. Rambles; ignores questions; talks over customer. No indication of active listening. Poor body language and ignores nonverbal signals. Fails to indicate positive and personalized benefits. 'Feature dumps.'	Building rapport - - - + + +	Easy and natural conversation style. Attentive, calm, confident, and polite. Displays interest in customer. Observes and actively listens. Positive body language throughout. Matches benefits of product to customer need. Relates to customer's hobbies, interests, or family.
Unstructured in approach to objections. Shows a lack of sensitivity to points raised by the customer. Ignores/overrides objections. Does not establish cause of objection. Interrupts or contradicts the customer. Does not offer options. Leaves customer unhappy with outcome.	Handling objections - - - + + +	Effectively deals with customer objections. Uses a process. Always acknowledges objections. Asks probing questions. Paraphrases. Never directly disagrees/contradicts customer. Explores options. Seeks mutually agreeable outcome.

Fails to close or gain a commitment. Does not ask direct questions to close sale/gain commitment. Gets upset, irritated, or put off if rebuffed. Lacks variation in approach. Unclear on agreement/next steps. Makes excessive, unwise, or no concessions.	Gaining commitment - - - + + +	Attempts to close at an appropriate point in the conversation. Asks direct questions to close sale/gain commitment. Reacts calmly and confidently if rebuffed. Shows subtle persistence in rebuilding another closing opportunity. Precise and accurate about agreement reached. Acts commercially.
Customer feels uncomfortable/unwelcome. Salesperson clearly lacks basic knowledge of products and brand. Fails to summarize. Conversation finishes abruptly. Salesperson is not someone you would want to go back to or recommend to another person.	Overall - - - + + +	Helps customer feel relaxed and natural. Credible and knowledgeable about products. Summarizes agreed results. Ends on a positive note. Salesperson is someone you 'want to do business with.' You would recommend a friend to this salesperson.

☹   ☺

Fell below ☐   **Met** ☐   **Exceeded** ☐

Observations regarding attitude/behavior/representing the brand:

_____

_____

_____

_____

Figure 5-3 continued.

For Accreditation Summary:	
Role-play 2:	
😐	🙂
Attitude/behavior/representing the brand:	
😐	🙂
Delegate Action Plan	

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The Level 1 data are collected, but are only used to highlight major challenges or disenchanted participants. On a regular basis, over 85 percent of responses to questions are at a five on a five-point scale. While this is rewarding for the trainer and the program content, it does not indicate business outcomes. It communicates that the program is of high quality, and that if a return is not realized, it is because of a problem further down the line, probably in the transfer of the learning. Figure 5-4 shows the questionnaire used for collecting data at Levels 1 and 2.

FIGURE 5-4. Level 1 and Level 2 Course Evaluation

Name: Dealership: Position:	Course Title: MAC Sales Training Instructor: Date:

We would appreciate your evaluation of this course. Please tick the relevant rating boxes.

Objectives: As a result of this training course I am able to:	Strongly Disagree 1	Mostly Disagree 2	Neither Agree nor Disagree 3	Mostly Agree 4	Strongly Agree 5
Make a clear distinction between premium selling and other forms of selling.					
Describe the expectations of a customer buying a MAC brand.					
Explain the skills required by a successful sales consultant.					
Give and receive feedback and use feedback for self-development.					
Explain to others my personal strengths and development areas.					
Show how to make a good first impression and its importance in sales.					
Demonstrate the range of questions and techniques that can be used in sales.					
Explain the difference between emotional and rational focus of the customer.					
Practice active listening.					
Use positive body language and other nonverbal signals.					
Deliver a variety of closing techniques.					
Instructor Evaluation	**1**	**2**	**3**	**4**	**5**
The instructors demonstrated a thorough knowledge of the subject(s).					
The instructors' explanations were easy to understand.					
Course Evaluation	**1**	**2**	**3**	**4**	**5**
The course content was relevant to my role in the dealership.					
The course materials were easy to understand.					
The course provided me with adequate opportunity for involvement.					

Figure 5-4 Continued.

What changes, if any, should we make to this training course?
What did you find to be of the most value in this training course?
General comments:
Action Plan: When you return to the dealership, what initial steps will you take to apply your knowledge/skills?

Levels 3 and 4 Data

The Level 3 and Level 4 data are of most interest to the head office executives. These data describe the changes in terms of what participants have achieved after returning from the training program. Level 4 captures the impact this has had on the business. Specifically for this program, a sales increase is the goal, but the open questions on the survey will capture intangible benefits also. An 85 percent response rate for the survey was attained. The survey was conducted two to three months after the initial four-day training and at the end of the Turning Learning Into Action telephone coaching process.

This high response rate is achieved because the telephone coaching process is one-on-one and the coach builds rapport and trust with the participants and stresses the importance of responding. The script used for the phone conversation is as follows.

"Because everything that we have covered in the past four telephone coaching sessions is confidential, it is essential that the feedback forms are submitted to the automotive company. It is the only opportunity the automotive company has to know that you and I haven't just discussed the weather during our conversations. It should only take five minutes to complete and I will send it across to you by email this afternoon. It is an online form."

The survey is online and is created via a survey design program in our own bespoke system. It enables generation of Excel spreadsheets with the collected data for easy analysis. Also included are some Level 1 data on the coaching program itself and the NPS (Net Promoter Score), which is widely acknowledged to be useful in assessing client satisfaction, a Level 1 measure. This is interesting but does not contribute to the evaluation of program outcomes.

Information is collected on progress toward the goals that the participants have set at the end of training program and the level to which they have achieved them. In terms of commentary the following questions are asked:

- What changes have you put into place?
- What benefits or results have the changes created for the business?
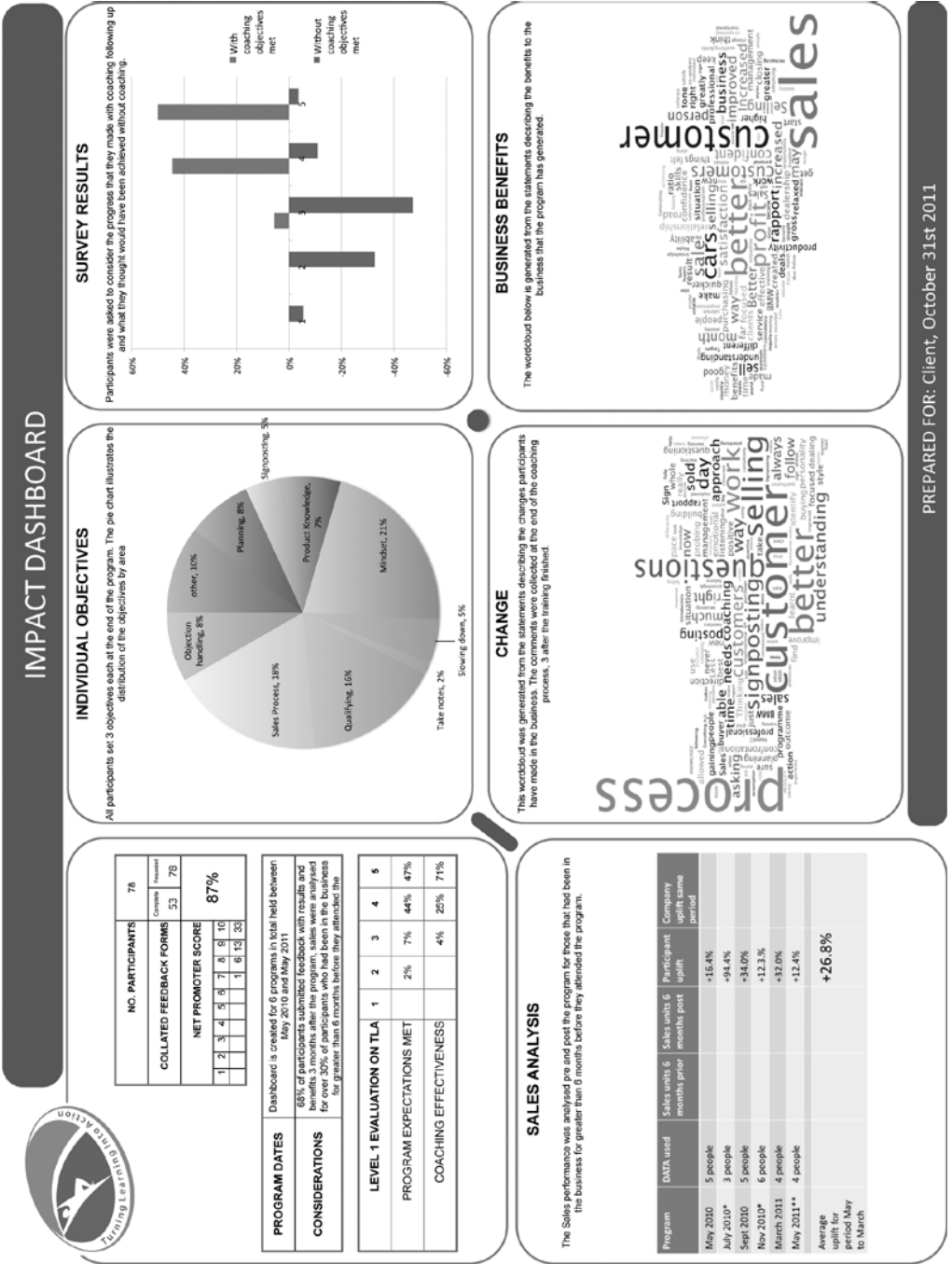
IMPACT DASHBOARDS

Figure 5-5 illustrates an impact dashboard, which Lever Learning uses to display data at the impact level. The dashboard represents the program between May 2010 and May 2011 with 78 participants. It includes the detail of the sales; however, certain information was removed as it was too commercially sensitive to distribute across the business.

Clients enjoy the dashboards that are created. The dashboard gives them a tangible way to illustrate results even though it doesn't actually generate the results. Turning Learning Into Action, the learning transfer process, generates the results and the dashboard allows a manager, CEO, or learning and development professional to showcase the results. Until the creation of the impact dashboard, the person going through the changes knew how well the program worked, and sometimes the manager did as well, but results were not reported across the TLA program. When the dashboard was introduced, it gave the CEO or manager a birds-eye view of just how effective the program had been collectively. Figure 5-6 shows the questionnaire used for creation of the dashboard.

FIGURE 5-6. Questionnaire for Creation of Dashboard

Name: Program: Date program completed:
1. Your calibration for goal 3 at the end of training program was:
2. For goal 3, where do you calibrate yourself now, at the end of the coaching? (Scale: 1 low—10 high)
3. Given your goals above—To what degree were your expectations of coaching as a transfer of training tool met? (1 low—5 high)
4. Given your goals above—To what degree have the objectives you set at the end of the training program been met? (1 low—5 high)
5. Given your goals above—To what degree, do you believe, would the objectives in your Action Plan have been met WITHOUT coaching? (1 not met—5 fully met without coaching)
6. Effectiveness of coaching—How useful was the coaching in ensuring that you followed through on your Action Plan? (1 not useful—5 essential)
7. What changes have you already made specifically as a result of the program and follow-up?
8. What benefits or results have these changes created for you or the business?
9. In an ideal world, what specifically would you like in the future to help you develop further in your role?
10. Any additional comments?

Figure 5-5. Impact Dashboard

IMPACT DASHBOARD

SURVEY RESULTS

Participants were asked to consider the progress that they made with coaching following up and what they thought would have been achieved without coaching.

- With coaching objectives met
- Without coaching objectives met

BUSINESS BENEFITS

The wordcloud below is generated from the statements describing the benefits to the business that the program has generated.

INDIVIDUAL OBJECTIVES

All participants set 3 objectives each at the end of the program. The pie chart illustrates the distribution of the objectives by area

- Mindset, 21%
- Product Knowledge, 7%
- Planning, 8%
- other, 10%
- Objection handling, 8%
- Sales Process, 18%
- Qualifying, 16%
- Take notes, 2%
- Slowing down, 5%
- Signposting, 5%

CHANGE

This wordcloud was generated from the statements describing the changes participants have made in the business. The comments were collected at the end of the coaching process, 3 after the training finished.

| PROGRAM DATES | Dashboard is created for 6 programs in total held between May 2010 and May 2011 |
| CONSIDERATIONS | 68% of participants submitted feedback with results and benefits 3 months after the program, sales were analysed for over 30% of participants who had been in the business for greater than 6 months before they attended the |

NO. PARTICIPANTS	78
COLLATED FEEDBACK FORMS	Complete 53	Returned 78
NET PROMOTER SCORE	87%

	1	2	3	4	5	6	7	8	9	10
	1	2	3	4	5	1	6	13	33

LEVEL 1 EVALUATION ON TLA	1	2	3	4	5
PROGRAM EXPECTATIONS MET		2%	7%	44%	47%
COACHING EFFECTIVENESS			4%	25%	71%

SALES ANALYSIS

The Sales performance was analysed pre and post the program for those that had been in the business for greater than 6 months before they attended the program.

Program	DATA used	Sales units 6 months prior	Sales units 6 months post	Participant uplift	Company uplift same period
May 2010	5 people			+16.4%	
July 2010*	3 people			+94.4%	
Sept 2010	5 people			+34.0%	
Nov 2010*	6 people			+12.3%	
March 2011	4 people			+32.0%	
May 2011**	4 people			+12.4%	
Average uplift for period May to March				+26.8%	

Turning Learning into Action

Program Details

The program details box in the top left box of the dashboard offers the reader an immediate overview of the program the results relate to. As shown in Figure 5-5, 78 participants went through the TLA program and were asked to complete survey feedback. Of the 78 requested feedback forms, 53 people completed the feedback and the results in the impact dashboard relate to that feedback. Where the client is familiar with Net Promoter Score (NPS), the dashboard also includes this popular metric. The NPS is the score derived from asking customers one question: "How likely is it that you would recommend our company to a friend or colleague?" The theory is that the more "promoters" a company has, the greater the loyalty and impact and ultimately the greater the growth. It is a standardized way to gauge customer satisfaction.

The program details box also specifies the dates of the TLA programs and any considerations that need to be appreciated to interpret the dashboard effectively, such as people who have left the business or had extended leave.

This section also provides Level 1, reaction-based evaluation data. The data allow the reader of the dashboard to establish on a scale of 1–5 whether the participant's expectations of the program were met. It also demonstrates on the same scale of 1–5 whether participants considered the coaching effective in supporting their transfer of learning.

Remember, Level 1 evaluation is only interested in the reaction of participants to the process. While the most useful evaluations are Level 3 (application), Level 4 (impact), and Level 5 (ROI), this measure is a good indication to a manager what his or her people actually thought of the program. It gives a sense of participants' first impressions of the program and flushes out any major problems.

Individual Objectives

At the end of a training program everyone in the program commits to three actions that they detail in their TLA plan. The pie chart in the top middle box of the dashboard is a visual representation of the distribution of objectives by topic or area. Everyone's objectives are then grouped under relevant subheadings to create relevant categories. When this square is coupled with the top right box it becomes a Level 3 measure, as it captures what the participant puts into place back in the business by recording the goals set and the progress that they have made.

This offers managers a quick snapshot of the key themes or types of actions that participants have focused on during the change process, and most of the time these key themes will relate to the content of the training program. This is a quick way to see what issues were the most popular for participants to implement and work on during the TLA process.

Facilitators find this information useful because it tells them what parts of the training the participants think is most relevant to their daily job responsibilities. It

offers insights about how to improve the training for maximum impact and it may even offer insights on how to create future training solutions. This information is also very useful for the head of learning and development for similar reasons. If this pie chart indicates that participants are using one topic or section of the training more than others, it may influence future content.

Survey Results

In the feedback process, all participants in the TLA program are asked to answer the following two questions:

1. On a scale of 1–5, to what level did you meet the objectives that you set at the end of the program?
2. On a scale of 1–5, what level do you think you would have met those objectives without coaching?

These questions allow participants to reflect on how far they have come in the TLA process and what they think would have happened had they not had that coaching support.

This box in the top right of the dashboard represents all actions for all participants, so it offers a big picture view of how effective participants have considered the process, and shows the manager how relevant the participant considers the TLA process to be. It has been determined over many years that when people are asked to self-score from 1–5, they view themselves in three ways:

- low level of objectives met (1–2)
- average level of objectives met (3)
- high level of objectives met (4–5).

If a participant gives herself a three, she is saying she is average, and we know that average in the context of learning transfer is about 20 percent implementation. If someone self-scores a one or a two, it means he is going to do nothing.

Around 10 percent of people believe they would have met their goals without coaching, which is generally true, as 10 percent of learners are typically focused enough to create their own change. This section in the impact dashboard provides the first Level 3 evaluation and indicates whether or not real behavioral change has occurred, if objectives have been met, and what knowledge people have applied.

Sales Analysis/Results Section

This is the box that is most tailored to each client, and the information that appears here will often depend on the type of training that was undertaken. In our example, it was sales training. This box details the results of the training and TLA program on sales uplift for each group of participants who went through the program.

For some clients, this dashboard results section looks at the individual goals set in the program and how far the participants have come in achieving those goals during the coaching. Participants are asked to rate themselves on a score of 1–10 on their objectives when they set that objective and then again after the coaching. For example, if a participant set a goal of generating more leads, he would be asked to rate himself on generating leads before the coaching and again after the coaching, and this results section would illustrate those improvements.

Much of the feedback displayed in this section of the impact dashboard is received from the TLA participants themselves. This is because it is the participant who knows her role best and therefore knows what she has achieved (or not). In Phillips' terms, we are using expert estimation, with the participant as the expert.

To add an additional level of validity to these results so that managers and leaders can be confident that they reflect real-world results and are not just wishful thinking by the participant, this section can include a manager's corroboration score. When the participants send the feedback on how they have done on the program and what changes they have made, the information is relayed to their manager, who is asked to verify their score. The manager is asked, "On a scale of 1–10 how confident are you that you have seen this level of change?" The answer is documented on the impact dashboard as the manager's corroboration score. The higher the score, the more the managers agree with the participants' assessments of their performance.

This section of the impact dashboard provides more in-depth Level 3 evaluation by exploring the real-world changes that have occurred in the business as a result of the training and TLA process.

Change

In the bottom middle section, the word cloud is generated around all the anecdotal information received in the feedback forms. Participants are asked, "What changes have you put into place?" and their responses generate the word cloud.

Word clouds or tag clouds were developed in the mid-1990s. They are a basic visualization method for text data; originally they were used to depict keyword metadata on websites. The importance of each "word" is shown in terms of size or color. Software developed in 2008 is used more widely to visualize word frequency in free-form natural language sets, which are great for analysis of individual changes made due to training. For purposes of creating the word cloud, www.wordle.net is used.

In the example shown, the words "process," "customer," "better," "questions," and "selling" are larger than "listening" or "positive" because the larger words appeared more often in the way the participants described the changes they had implemented following the TLA process.

This information can be useful to get a sense of what participants are really taking from the experience and what is actually changing. The larger words will reflect the

content of the training and the genuine real-world changes that the participants have made in the workplace.

This section of the impact dashboard provides an additional perspective on Level 3 evaluation by describing the changes that have occurred as a result of the training and TLA process.

Business Benefits

The last section of the impact dashboard, the bottom right, contains another word cloud. This time it is generated using all the answers received from participants to the question, "What benefits have your changes created?"

Again, the larger words represent the words or descriptors most often used to describe the business benefits achieved as a result of the TLA process. This business benefits word cloud provides a Level 4 evaluation and explores the impact the training and TLA process has had on the business.

Intangible Benefits

Intangible benefits are those benefits that cannot be converted to monetary values credibly, with a reasonable amount of resources. Many intangibles were realized through the development of the word clouds such as better rapport with customers, improved customer satisfaction, better understanding, better focus and attitude, and enhanced knowledge.

COLLECTING THE LEVEL 4 SALES DATA

Seventy-eight participants completed the program between May 2010 and May 2011. The program was run six times with the average participants per program being 13. For each individual program, the sales history and data for the year, by month, needed to be collected.

When examining the participants' reasons that the data were not available or could not be used, explanations included:

- **Not in a sales role:** Some of the participants in the program were not in a direct sales role. They could have been sales managers who did not have sales directly attributed to themselves or they could have been cadets who were not yet fully selling but were being trained to sell. Their sales figures, therefore, had no pre- and post-sales and could not be used.
- **Left the business:** Likewise, sales managers who have left the business part of the way through the program cannot have the data included in the analysis.
- **No comparison data:** Those sales executives who had just joined the business before they attended the training program had no sales before the training

program and therefore could not be included in the analysis to create the business uplift comparison, or be included in the total benefits of the program.

- **Exceptions:** For some sales executives, even though they had been within the business for three months before and after the training program, their roles had significantly changed during the time period and they had not had an opportunity to use the new skills in their roles. The roles had changed to special vehicles in one case, and from used cars to new cars in the other case, where the volumes are completely different and therefore would skew the comparison.

Finally, the data were being collected from the incentive rewards program for the company. On investigation, one of the dealerships was not included in the incentive rewards program and therefore they had inaccurate data on the system. For the data from this particular dealership, the dealership was contacted directly and asked to manually collate the data for the two sales executives involved in the program.

Isolating the Benefits

To isolate the benefits of the program for each individual participant, we collected the total sales for the six months before the program and the total sales for the six months after.

Using the total number of people per sample, we calculated the average sales per consultant for six months before and then the six months after the program, enabling calculation of the additional cars sold per participant after the program. The company sales trend for the same period was then calculated for the six months before and six months after the program. For each program, those that had attended training had a higher uplift than the company average, as Table 5-1 shows. This difference illustrates a business benefit. The technique is often labeled control group analysis, where the trained group is the experimental group and the rest of the sales team is the control group.

TABLE 5-1. Participant and Company Sales Uplift

Program	Data Used	Sales Units 6 Months Prior	Sales Units 6 Months Post	Participant Uplift	Company Uplift Same Period
May 2010	5 people	176	205	+16.4%	+11.7%
July 2010	3 people	77	150	+94.4%	+7.8%
Sept. 2010	5 people	120	161	+34.0%	+3.6%
Nov. 2010	6 people	178	190	+12.3%	+3.2%
March 2011	4 people	107	142	+32.0%	+5.4%
May 2011	4 people	113	127	+12.4%	-32.7%

Having demonstrated business impact to create the ROI for the program it is important to convert the additional sales to money and then compare this to the cost of the program. This was accomplished by:

- Using the percentage uplift from the program, calculate this to the additional number of units sold.
- Using the percentage uplift from across the business at this time, calculate which of these sales were additional sales due to the sales training program.
- Using an average gross margin per unit, calculate the additional sales for the six months.

Costs

Fully loaded costs for the program were calculated by considering expenses for flights and accommodations, participants' salaries, trainer costs, administrative costs, and others, as shown in Table 5-2.

TABLE 5-2. Fully Loaded Costs

Category of Spend for Participants	Amount	For 13 Participants	% of Participants	Total Cost
Accommodation per person	$200	$2600	70%	$1820
Flights per person	$350	$4550	67%	$3048
Average wage package per	$2200 per person	$28,600	100%	$28,600
TLA cost per participant	$931	$12,103	100%	$12,103
Admin per participant	$50	$650	100%	$650
Other Categories of Spend				**Total Cost**
Cost for trainer		$2250 per day x 4 days		$9000
Program development costs*				
TOTAL				$55,221
Total cost for 6 programs				$331,326

*Program development costs were not included as the program was designed at least six years before. All development costs have by now been covered by previous programs.

ROI Calculation

$$\text{ROI (\%)} = \frac{\text{Monetary Benefits} - \text{Total Program Costs}}{\text{Total Program Costs}} \times 100$$

$$\text{ROI (\%)} = \frac{\$469,397 - \$333,326}{\$333,326} \quad 40.8 \times 100 = 40.8\%$$

Remembering the 40.8 percent ROI is generated:

- only using the monetary benefits accrued in the six months immediately after the program, for each participant
- only 27 out of the 78 participants had data available to contribute to the ROI analysis.

From this, the business can easily see that the benefits from the program have been realized and the investment is worthwhile.

This can also be expressed as a benefit-cost ratio:

$$\text{BCR} = \frac{\text{Monetary Benefits}}{\text{Total Program Costs}}$$

$$\text{BCR} = \frac{\$469,397}{\$333,326} = 1.40{:}1$$

COMMUNICATION STRATEGY

Due to an internal change in the head of the training department, it was important that ownership was taken for communicating the results to the business. The thoroughness and commitment of the training department to take the program to the level of ROI demonstrated that they were serious in wanting to make a real return to the business and were very conscious of business costs.

The department head communicated the results on a one-on-one basis to the key stakeholders involved and got their buy-in for the figures and the process. The report was received positively; but more importantly, the commitment to measurement set a new benchmark for the department.

POST-ROI ANALYSIS

Another automotive company department that is running a new recruitment process has asked for an ROI project to measure the effectiveness of the new process to be rolled out during the second half of 2012.

LESSONS LEARNED

The client was pleased with the study and outcome; however, with the benefit of hindsight two changes would be made for similar studies in future:

1. The comparison control group of the total company comparison wasn't ideal; for future programs we would try and isolate a smaller control group of a similar size and geographic location of the group attending the program. In addition, where sales consultants didn't have any sales history prior to attending the program, these participants would be matched with those of equal tenure in a control group.
2. In the costs section of the analysis, no costs were attributed to the ROI analysis itself; in future programs this would need to be budgeted for and included in the fully loaded costs.

QUESTIONS FOR DISCUSSION

1. What, if anything, could have been done to make the control group arrangement more reliable?
2. Telephone coaching was used in this study and helped achieve a high response rate. Could this be feasible in your organization? Why or why not?
3. Why do you think the clients had such a favorable reaction to the dashboards? To whom should these dashboards be presented?
4. Only six months of data were used in the analysis. Should a year of data be used? Why or why not?
5. Do you have enough data to fully understand the monetary benefits? If not, what do you need?

ABOUT THE AUTHOR

Emma Weber is the founder and director of Lever Learning. Prior to running her own business, she worked as a buying and merchandising specialist with leading U.K. retailers such as Next PLC and Debenhams, where she acted as a strategist and coach to her team. Under her leadership the team exceeded their performance expectations and achieved sales results well above their £10 million budget.

Since developing the Turning Learning Into Action coaching process, Emma has spoken internationally on the subject of learning transfer and is currently writing a book on Turning Learning Into Action and advanced coaching.

Lever Learning takes a unique approach to learning and business results. Cited as a training company that doesn't deliver any training, they focus solely on learning transfer and evaluation, ensuring that what is learned in a training environment or development program is transferred into behavioral change in the workplace. They then work with the client to evaluate the program to a level that meets the needs of the business, whether it is through a full ROI evaluation using the Phillips Methodology, or learning dashboards and supplementary case studies.

The company is based in Sydney, Australia but has an international team with Lever Learning, working on projects across Europe, Asia, and Australasia. Emma can be reached at emma@leverlearning.com.