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The Flawed Current State of Sales Coaching - and Where AI is Taking Sales Coaching

Many companies are not getting a good return on their investment in sales coaching. Here's how you can improve.

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Companies today are spending an average of \$2,020 per salesperson on sales training each year. Yet, Gartner reports that sales reps forget 70% of the information they learn within a week of the training. The historical trend is that between 85% and 90% of sales training has no lasting impact after 120 days. Clearly, there's something wrong with the way most sales training is being done.

On the other hand, <u>research by Gartner</u> shows that when sales coaching is done effectively, it improves sales performance by 19%. So, what's the difference? What distinguishes the type of sales training that simply dissipates within three months from the coaching that consistently yields significant and lasting improvements in sales reps' performance? Let's take a look.

Why Traditional Sales Training Doesn't Work

Sales training has a long history—<u>according to Dave Stein</u>, founder and CEO of ES Research Group, forward-looking companies recognized the usefulness of formal sales training programs as long ago as the 1870s. But throughout most of that history, traditional sales training has been beset by some common patterns that limit its effectiveness.

For example, the typical corporate sales training program revolves around multi-day sales kickoff events or on-site training sessions that focus on imparting information and highlighting best practices. As Stein puts it, "Much of the in-house training curricula is product-, market- and company-centric and focuses on basic sales skills."

There are two basic problems with this approach. First, as we've seen, when the focus is on imparting information, even if the information is highly relevant to the selling process, reps simply won't remember most of it after a few weeks.

Many training programs attempt to overcome this issue by providing aids to retention such as worksheets, videos, and role-playing. But that approach suffers from a failure to take the 70-20-10 rule into account. According to this principle, 70% of employee learning comes from on-the-job experiences, 20% from interactions with others, and only 10% from the formal educational events that characterize the typical sales training program.

More importantly, the information-centric focus of traditional sales training misses the most important factor in sales effectiveness. According to a study by Stanford Research Institute and Carnegie-Mellon, 75% of long-term job success depends on people skills and only 25% on technical knowledge. That's especially true in the sales arena. In a recent Forbes article, Madhukar Govindaraju highlights that reality this way:

"Sales training programs may also not be effective because they are often seen as exercises needed to help the salesforce focus on learning about the product or improving prospecting skills... Helping sales teams hone their power skills, such as empathy, critical thinking, strategic thinking, self-motivation and the like, and developing their consultative skills to create high-quality touches, go a long way to lead [to] successful sales training outcomes."

Finally, building a company's training regime on events that sales teams participate in several times during the year is an inherently limited approach. As Govindaraju puts it:

"One of the most compelling reasons why sales training programs fail is that there isn't enough reinforcement in the form of coaching to make the training stick... In the absence of a people network and coaching-based reinforcement, salespeople forget the skills and knowledge they have gleaned."

So, why don't traditional sales training programs work? It's because they typically:

- are information-oriented
- fail to prioritize people or "soft" skills
- don't provide ongoing coaching and reinforcement

Training vs Coaching

The real issue with traditional sales training is that it usually has more to do with education than coaching. What's the difference? Education is essentially about imparting the knowledge, skills, and best practices that are fundamental to the selling process. Acquiring that kind of information is a necessary first step in producing an effective sales rep, but it's not enough.

While sales training focuses on imparting *information*, sales coaching is about changing *behavior*. A sales coach monitors the behaviors exhibited by reps as they relate to customers and provides customized guidance and feedback to help them rewire those behavioral habits for maximum effectiveness. And it works. According to Forrester, <u>62% of sales reps</u> say that the coaching and feedback they receive have helped them improve their performance.

Such coaching is necessarily highly personal, as it must be keyed to the individual strengths and weaknesses of each rep. That's why coaching is essentially a one-on-one activity, in contrast to training which often involves many people at once.

Related: Sales Managing vs. Training vs. Coaching: What's the Difference?

Challenges of Effective Sales Coaching

Many companies today recognize the importance of effective sales coaching. But successfully implementing it isn't easy. According to one survey, <u>only about 15% of sales managers</u> believe their companies provide adequate sales coaching for their sales staff. Why is it so difficult for companies to effectively coach their sales reps? Let's take a look at some of the major sales coaching challenges:

1. Sales managers don't have enough time in their days to effectively coach their teams

According to Indeed, sales managers have many responsibilities, including preparing sales budgets and projections, tracking and analyzing sales statistics, resolving customer complaints, setting sales quotas and goals, ensuring that those goals are met, and overseeing the overall performance of the sales team. And, somewhere in that mix, they're also expected to attend to the professional development of each of the sales reps on their team.

With such a packed work week, it's no wonder that almost half (47%) of sales managers spend less than a half hour per week coaching each of their reps. According to Gartner, the average sales manager should be spending about 36% of their time in coaching. In reality, they're devoting less than 10% of their time to that responsibility. As a result, most coaching tends to happen as a reaction to the situation reps are currently facing on the ground rather than as part of a carefully planned proactive program of professional development.

2. Sales managers aren't trained for the coaching role

Jennifer Bullock, Principal Analyst at Forrester, <u>highlights the problem</u> of who coaches the coaches:

"The issue we commonly see is that sales leaders and managers are held accountable for developing their teams through 'coaching,' but few are taught coaching skills or know effective ways to coach."

Most sales managers are promoted to that position because they were outstanding sales reps. But being a great seller doesn't necessarily translate to being able to mentor others to attain similar levels of success.

One problem is that because sales managers are used to being evaluated based on sales results, they often tend to focus on those metrics when coaching their reps, rather than on developing the soft skills that are so necessary for ongoing sales success. And, according to Nick Kane,

managing partner at Janek Performance Group, that focus on results can have destructive consequences:

"Putting the spotlight on outcomes results in reactive so-called coaching that nitpicks the negatives. In one experiment, when a group of veteran sales managers were asked to watch and comment on a balance of good and bad points, 82 percent of the comments were about the negatives. This mindset leads to a demoralized sales force."

3. There's no way to objectively measure soft skills to identify performance baselines or improvements

<u>Soft skills have been defined as</u> "the ability to interact in a socially acceptable way, communicate effectively, listen, manage time effectively, and exhibit empathy." But how can sales managers measure such imprecise qualities? As management expert <u>Peter Drucker</u> famously said:

"If you can't measure it, you can't manage it."

If you can't measure where a sales rep stands regarding a particular soft skill (that is, establish a baseline regarding that skill) how can you identify the areas in which that individual needs improvement or know how much improvement has occurred due to the coaching process?

4. Sales managers have no means of continuously reinforcing behavioral change

Because, as Nick Kane notes, many sales managers only meet individually with their reps once a month, it's just not possible for them to provide the regular coaching reinforcement that's required for new behaviors to become firmly rooted and permanent. Madhukar Govindaraju puts it this way:

"In the absence of a people network and coaching-based reinforcement, salespeople forget the skills and knowledge they have gleaned. They forget the inspiration they felt. They forget how motivated they were. And it is because of this that learning or sales training often fails to translate into action."

Leveraging the Power of AI in Sales Coaching

How can the challenges that have limited the effectiveness of sales coaching in many organizations be overcome? AI-enabled coaching platforms are proving to be game-changers in this area. As <u>Gartner</u> reports,

"Introducing artificial intelligence (AI) to sales training and coaching can provide a more individualized learning experience that can scale across the organization... The use of complex machine learning algorithms and AI can guide reps and sales managers with recommendations for training and coaching based on their learning style."

AI can be instrumental in overcoming all of the sales coaching challenges we identified above:

- While human coaches have tight constraints on the time they can spend with each sales rep, AI coaches can devote literally all their time to observing individual reps in action and providing them with the personalized feedback and guidance they need to improve.
- AI platforms are comprehensively "trained" (that's a machine learning term of art) to observe a rep's behaviors in true-to-life selling scenarios, compare those behaviors to previously established ideals, and provide the rep with specific, personalized, quantified feedback to help them improve.
- For AI platforms, objectively measuring soft skills to identify performance baselines and improvements is easy. As one research report puts it, "Overall, AI coaches' hard data computation skills suggest their relative advantages over human managers in generating feedback for sales agents."
- Because workers can access an AI platform on their own schedule without having to wait until a human coach is available, AI coaches are the perfect solution to the problem of continuously reinforcing specific behavioral changes.

Related: Conversation Intelligence Software: Is It Worth the Investment?

The Quantified Simulator: the Ideal AI Sales Coach

As we've seen, sales managers simply don't have enough time in their work week to review hours of recorded sales calls, create true-to-life scenarios for reps to practice with, and provide personalized feedback to guide the behavioral changes that can propel a rep to greater sales success. But the Quantified Simulator AI-based sales coaching platform can do all that and more.

The Simulator uses AI to analyze video or audio recordings of customer interactions in real or highly realistic simulated scenarios. It objectively evaluates a rep's vocal delivery, visual delivery, and message content, along with the customer's response. The platform uses your product, customer, and conversation data, plus questions you want the simulated customer to ask, to create a typical sales conversation.

And it's fun! We know that training that users perceive as boring will be ineffective. So, we built an AI replica of a customer that you customize and that your reps access in a Zoom call where they can make a pitch and measure their skills before they engage with an actual customer. We use a realistic AI avatar that's trained to act and react like a real customer would, asking and responding to questions to prepare reps for the real thing.

Plus, our avatars get smarter over time. We train our Simulator on the conversations your reps are having via a Zoom or Teams integration. If a rep asks a question the avatar can't answer, we log it and educate her, making her more intelligent with every simulated conversation.

The Simulator gives users instant performance feedback after each conversation, providing specific scores for dozens of attributes and pinpointing specific strengths and weaknesses. We then generate suggestions concerning which skills need more development.

The Quantified Simulator is not just great for the reps who use it, but for managers as well. It allows leaders to easily monitor who is participating in ongoing training and how often, to assess their progress, and to decide when they're ready to "go live" with a real customer.

To see how behavioral science, experiential learning, realistic simulations, and AI can work together to enable better conversations for better outcomes, <u>request a demo today</u>.