

Training the Sales Channel - *What Works?* (Jul 06)

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We estimate that sales channel training alone makes up more than \$6 Billion in products and services. All product companies, from software companies to medical device manufacturers to beverage bottlers, have sales channels to train. These "extended enterprise" sales forces must be regularly trained on new products, promotions, service and support procedures, and general selling skills.

E-Learning has had a major impact on channel training. In fact today channel training is one of the fastest growing segments in the application of online learning technologies. It is driving adoption of LMS systems, new forms of content, rapid e-learning, online certification programs, and new delivery and incentive models.

Channel Training Challenges

Training a sales channel, meaning any type of distribution network--be it a wholesaler, retailer, or something in between has historically been challenging for several reasons:

1. Distributed Location.

One of the primary benefits of a sales channel is that they often cover a location or geography that may not otherwise be accessible to a company directly. Channel sales locations include retail outlets, distribution centers, remote locations, distant countries, or specific vertical market segments. Many of these individuals also work at home, on the road, or in small workgroups, so they are not necessarily clustered into a regional office. For training purposes, this distributed location has made training very difficult: company trainers had to travel extensively or force channel sales people to take time away from work to attend regional training activities.

2. Lack of Control.

Channel distribution networks are usually separate companies that have their own business priorities and in many cases represent a multitude of products and services. While they want extensive support and help in selling the manufacturer's products, they have many different products and services to sell. It is often difficult to encourage them to take the time out to attend training events. Some industries (e.g. manufacturing, technology) require training as a condition of the business relationship -- but even then it is very challenging for the manufacturer to keep up with the thousands of individuals that must maintain current certifications.

3. The Time Factor.

Finally, the third major issue which we hear again and again is competition for the channel sales person's time. These organizations carry multiple products and often offer many other services. Unless the the training is easily accessible and rapidly available, the time it takes to train a channel translates into lost sales opportunities.

Enter E-Learning: A Perfect Solution

Online training has made a significant dent in all of these challenges. Many channel training programs are already online and most channel training organizations are now building blended programs. Many organizations (technology companies are early adopters) have been automating channel training for several years and have many great ideas to share with others (more on this in a moment).

But some of the more interesting aspects of automating channel training deal with the business, process, and delivery options that become available. In conducting our research on this topic we discovered the following best practices that you may need to consider even if you've automated the distribution of your content.

Best Practices and Keys to Success

1. New Pricing Models. Pricing for training varies across industry and type of channel. Most channel sales training is provided at no cost to encourage participation. In cases where there is a fee for training, online programs, which are perceived as having lower value (accurate or not) may need to be priced according to what partners are willing to pay. Since the training has much lower delivery cost, the reduction in price may be justified and even desirable for both parties. But there is another interesting option that our research revealed that is especially applicable to business that profit from channel training. Some companies are packaging training up into smaller modules for just-in-time access, making them free, and charging for training options with more value such as entire online courses or classroom instruction. One organization was able to increase training revenue by 10% with this strategy.

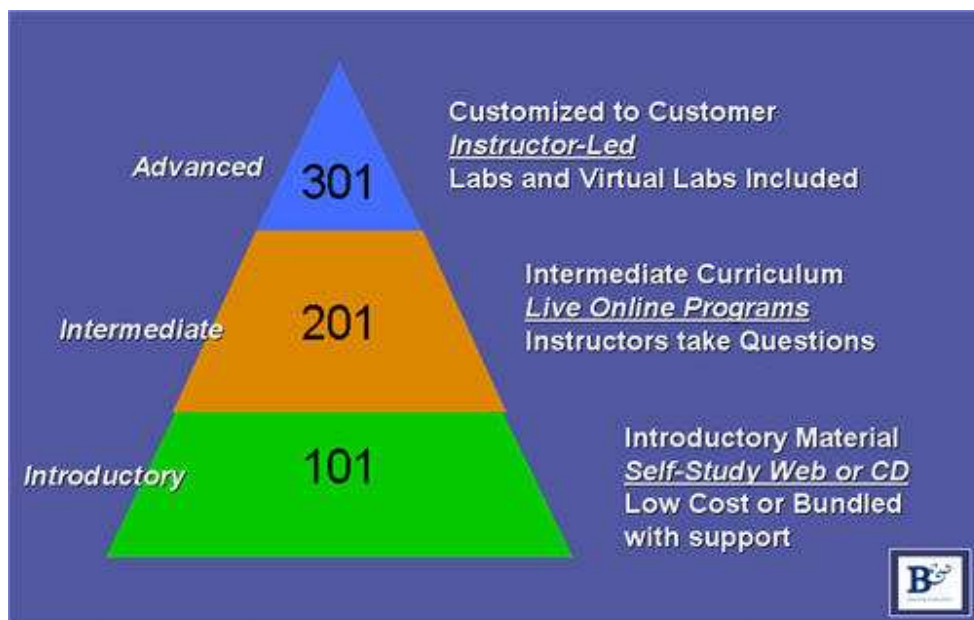


Figure 1: Example of 3-tier channel training module for IT equipment manufacturer, with low cost online programs and higher value, higher priced advanced curriculum.

2. Consider Just-in-time Support. As with many aspects of training, a key trend is the move toward smaller, more accessible bites of information. Sales channels are a good fit for this

application since limited time and mindshare is available for training. And the technology for making it happen is becoming more practical. New products such as Participate from OutStart and SupportPoint from Panviva are addressing these challenges with search and support systems that facilitate the migration to just-in-time access. Other organizations have developed content management architectures (e.g. LCMs or CMSs) that are designed for building easily accessible (and reusable) information.

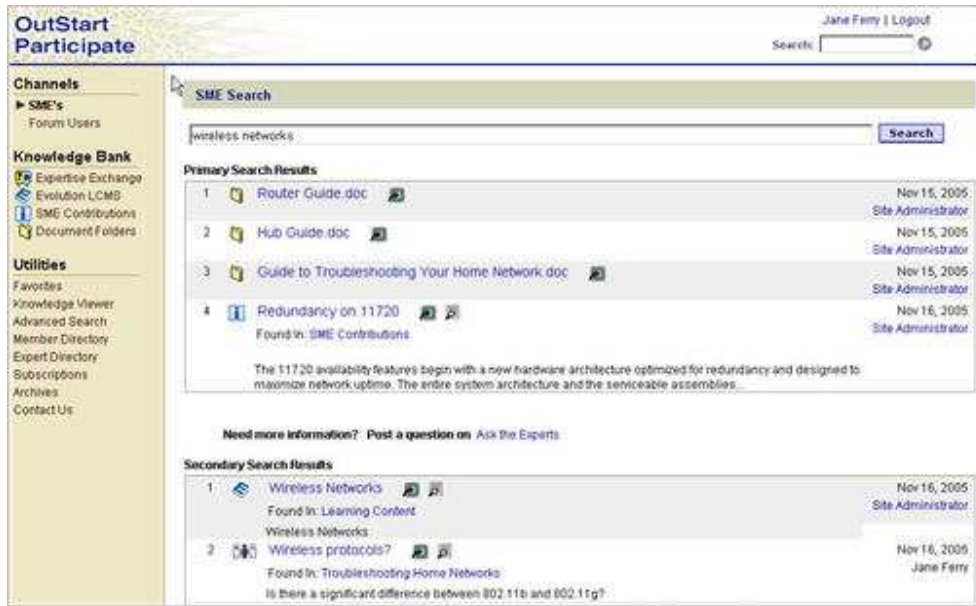


Figure 2: Self-Help Portal for channel sales reps (Outstart Participate)



Figure 3: "Ask the Experts" Portal for channel sales reps

3. Develop a Program "Architecture". The choice of media and delivery type can make it difficult to determine how to communicate to a sales channel. Do you use presentations, formal courses, classrooms, rapid tools, documents, virtual classrooms? The choices seem endless. One approach to making sense of all this is to create a framework for making these decisions based, for example, on learning objectives and a defined set of structured tools. Perhaps a job aid is created for quick access to handling customer objections while a structured course is used for those with no knowledge of a product or solution. And perhaps an annual sales event is used to communicate key directions. Our featured case study this month, [A Framework for Channel Training](#), provides an example of how Symantec is using such an approach.

4. Actively Manage an Advisory Board. These decisions are all made easier with input from key partners. Some of our research participants indicated that all key training decisions from which learning management system to select to the type of training needed are all made with input from partners and customers. A partner advisory board is a great avenue to gather this information.

Companies that heavily rely on a sales channel have used these ideas to dramatically decrease training costs and increase the revenue produced from their channels.

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