



# Increasing the ability to sell by training the sales persons

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Thesis  
May 2015  
Strategic Leadership of  
Technology Based Business

*Any fact is not as important as our attitude towards it,  
for that determines our success or failure*

(Norman Vincent Peale)

## TIIVISTELMÄ

Tampereen ammattikorkeakoulu  
Teknologiaosaamisen johtaminen

Petri Niemistö  
Increasing the ability to sell by training the sales persons

Opinnäytetyö 57 sivua, joista liitteitä 13 sivua  
Toukokuu 2015

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Kaivoslaitteiden valmistajien kilpailu on viime vuosina kiristynyt johtuen meneillään olevasta talouskriisistä, kaivoslaitteisiin kohdistuvista uusista vaatimuksista ja uusista kilpailijoista markkinoilla. Jo yli 40 000 jatkunut kaivostoiminta sinänsä tulee jatku-  
maan myös tulevaisuudessa, sillä mineraalien kysyntä on taattua maailman väkiluvun  
yhä kasvaessa. Maailmanlaajuinen suuntaus on se, että hyödynnettävät malmit sijait-  
sevat yhä syvemmillä sekä yhä vaikeammassa olosuhteissa, kuten ikeroudan alueella.  
Kaivoslaitteiden myyminen tällaiseen olosuhteisiin vaatii räätälöityjä tuotteita ja erityi-  
sesti osaavan myyntihenkilöstön.

Tämän YAMK – opinnäytetyön tavoitteena oli tutkia miten Sandvikin maanalaisten  
kaivoslaitteiden myyntiä voidaan kehittää kouluttamalla myyntihenkilökuntaa. Opin-  
näytetyön teoriaosuudessa paneuduttiin siihen, että mistä hyvä myynti koostuu, millaisia  
ominaisuuksia hyvällä myyjällä tavallisesti on ja käytiin läpi myynnin eri tasoja. Tämän  
lisäksi tutkimus käsitteli myyntikoulutusta monipuolisesti, työssä käsiteltiin mm. erilai-  
set koulutusmenetelmät ja koulutuksen onnistumisen arviointi.

Myynnin kehittämiseen keskittyvässä opinnäytetyössä käytettiin konstruktivistista tutki-  
musta. Vuoden 2015 tammikuussa järjestettiin Sandvikin maanalaisten poralaitteiden  
myyntikoulutus, johon osallistui 11 myynnin parissa työskentelevää henkilöä myynti-  
alueilta IVY ja Länsi-Afrikka. Konstruktivistisen tutkimuksen tiedonkeruumenetelmänä  
käytettiin pääasiallisesti havainnointia siitä, mitkä osuudet myyntikoulutuksesta onnistui  
ja toisaalta missä on kehitettävää. Havaintojen lisäksi koulutukseen osallistuneilta kerät-  
tiin analysoitava numeerinen palaute myyntikoulutukseen liittyvistä odotuksista, sen  
lisäksi heti myyntikoulutuksen jälkeen kerättiin numeerinen palaute myyntikoulutuksen  
onnistumisesta. Noin 10 viikkoa koulutuksesta kerättiin sanallinen palaute koulutukses-  
sa opitun tiedon käytettävyydestä ja käytöstä myyntityössä. Lisäksi myyntikoulutukseen  
osallistuneille toteutettiin kysely syistä, miksi Sandvikin maanalaisten poralaitteiden  
myynti onnistuu ja epäonnistuu. Kyselyt antavat lisätietoa siitä, että miten myyntikoulu-  
tusta tulisi kehittää.

Järjestetyn myyntikoulutuksen havaintojen sekä analysoitujen palautteiden pohjalta  
Sandvikin maanalaisten poralaitteiden myyntikoulutusta tullaan kehittämään. Myynti-  
koulutuksen kehittämien perustuu tämän opinnäytetyön suosituksiin.

Opinnäytetyö sisältää luottamuksellista tietoa ja näin ollen opinnäytetyön julkaistavan  
version laajuutta rajoitetaan.

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Asiasanat: kaivostoiminta, myynti, myynnin koulutus, kompetenssi, HR

## **ABSTRACT**

Tampereen ammattikorkeakoulu  
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The competition among mining equipment manufacturers has increased in the last few years. The reasons for tighten competition are ongoing economic crisis, new requirements concerning mining equipment and new competitors are sharing the mining markets. Human mining activities have more than 40 000 year old history and mining continues in the future. The number of world population is growing and more minerals are need. A global trend is to have deeper underground mines as mines are located in the remote areas, for example in permafrost locations. Those kinds of environments require mass-tailored products and competent sales persons.

The purpose of this thesis was to study how Sandvik Underground mining drill rigs sales can be increased by training the sales persons. The Theory of the study covers the fundamentals of successful selling, proven characteristic of good salesperson and the different levels of sales. In addition sales training theory is covered extensively including sales training methods and sales training evaluation.

In January 2015 sales training for 11 sales persons from the CIS and West-Africa sales areas was organized. Observations were done during the sales training week. Additionally the trainees were asked about their expectations of the training and feedback after the training about the end result. Furthermore after 10 weeks written feedback was requested about how the salespersons have utilized the learned information from the sales training. A questionnaire about the won and lost tenders was done during the training. The gathered information was used on the constructive research approach on this thesis.

All the data from the observations, feedbacks and queries support the development of sales training program of Sandvik's underground mining drilling rigs. The recommendations of this thesis give a road map for the future sales trainings.

Thesis includes confidential material and therefore its distribution is limited.

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Key words: mining, sales trainings, competence, sales, HR

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**ABBREVIATIONS**

BOM	Bill Of Material
CRM	Customer Relationship Management
HRM	Human Resource Management
KPI	Key Performance Indicators
OEM	Original Equipment Manufacturer
PDM	Product Data Management
ROI	Return on Investment
ST	Sales Tools. The IBM Notes based database for sales

# 1 INTRODUCTION

The idea to apply to the Master of Engineering studies in Strategic leadership in a technology based business was born in the spring 2014. I had graduated three years earlier from the Tampere University of applied sciences and had been working in different roles at Sandvik Mining and Construction Oy. My previous thesis, about PDM-based configuration development for mining jumbos, was done for Sandvik Mining and Construction Oy. In the spring of 2014 I felt that it was the right time to make a second thesis study for Sandvik, but this time concentrating on sales people. I studied mass customizing solutions in the first thesis and the second thesis leads me, and you as the reader, to a few steps backward – to sales people.

Just two weeks before starting the Master of Engineering studies in autumn 2014 I was promoted to the role of Sales Support Manager in underground mining drilling rigs for the sales areas Europe and CIS-countries. It increased my enthusiasm considerably to improve sales people's ability to sell more and as such increase company revenue.

The Swedish company Sandvik was founded in 1862 by Göran Fredrik Göransson, who was the first in the world to succeed in using the Bessemer method for steel production on an industrial scale. Nowadays Sandvik has around 47000 employees with subsidiaries in over 60 countries and representations in more than 130 countries. In 2014 sales were about 88,900 MSEK.(Sandvik Intranet 2015.) The Sandvik group consists of the five business areas which can be seen in Figure 1.

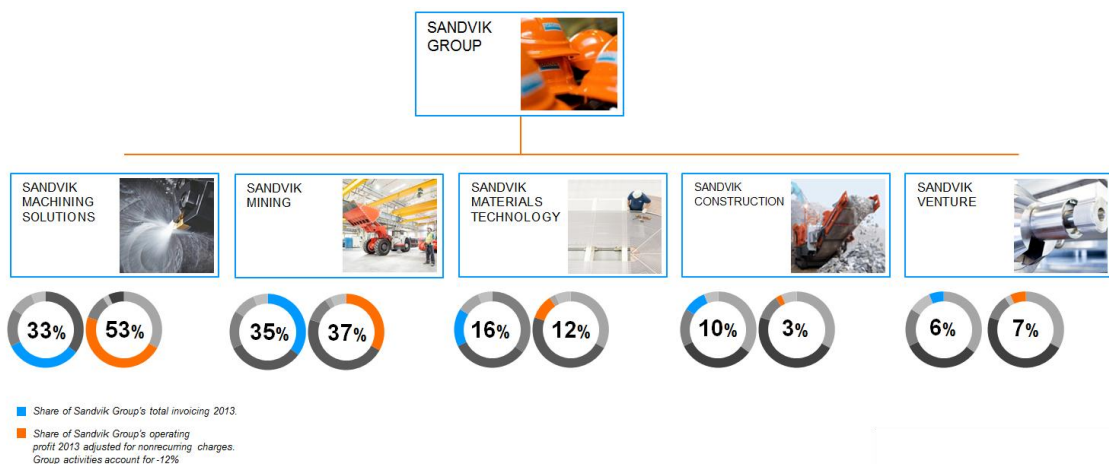


Figure 1. Sandvik business areas (Sandvik Intranet 2015)

Sandvik Mining has roughly 35% share of Sandvik Group's total invoicing. In 2014 the number of employees was approximately 11800 and sales were about 26 800 MSEK. Sandvik Mining has 8 product families that can be seen in Figure 2. (Sandvik Intranet 2015.)

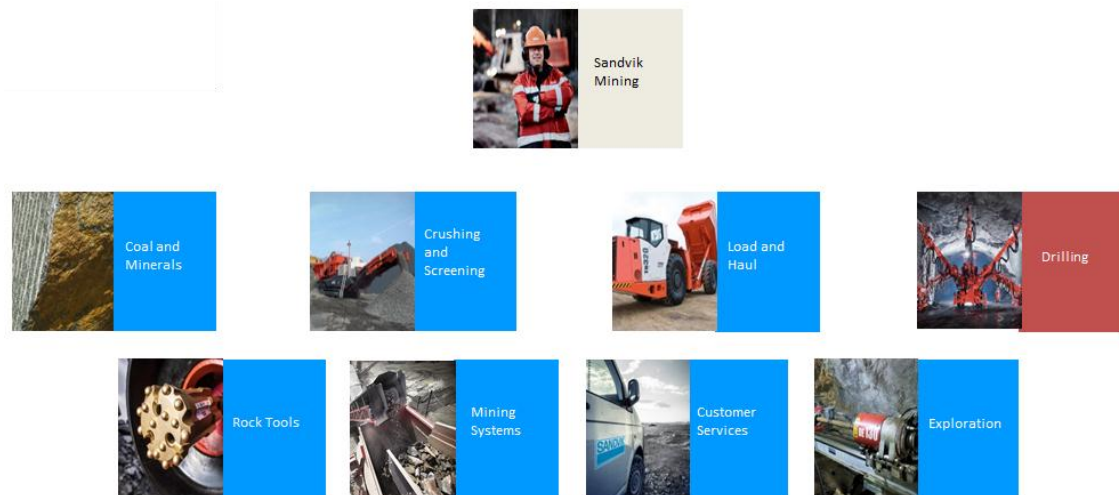


Figure 2. Sandvik Mining product families (Sandvik Intranet 2015)

This thesis is done in order to support the needs of Sandvik product family, 'Drilling'. My workplace is located in Tampere factory in Finland. Other Sandvik factories for drilling rigs manufacturing are located in Lyon (France) and Winnipeg (Canada). My responsibility is to be sales support for Europe and CIS for the underground drilling rigs, which are manufactured in Sandvik factories in Tampere, Lyon and Winnipeg. Sales support managers give detailed technical and pricing support for sales area account managers, key account managers, business line managers and product line sales area managers. Sales support managers co-operate with various stakeholders in a product area to support the sales area in their business. Improving sales is an essential part Sales Support team's targets.



## 1.1 Background

Mankind has mined the earth for more than 40 000 years, and the consequences can be seen in everyday life. The ability to exploit reserve deposits of valuable ore depends on market prices and production costs, thus the situation that all the ore will be depleted in the future is unlikely.

Certain future global trends predict that next generations will have to deal with population growth, increase in urbanization, global warming and the increasing need for fresh water.

These trends have a strong influence on the mining industry. In the future mining will be done in more challenging environments and in deeper underground mines. At the same time emissions need to be decreased, but efficiency and safety of the processes and mining machines must be improved. This will require proven technology and automation from the mining machine manufacturers. (Hakapää&Lappalainen 2011, 383–386.)

Because of the global financial crisis and market challenges the mining companies have cut their budgets for investing in new machines. Fierce price competition is globally going on among the various manufacturers. At the moment it is challenging to sell mining machines to underground mines, because the mining customers are heavily focusing on reducing costs and improving efficiency. (Deloitte 2013, 3-7.)

Sandvik Mining and Construction is facing challenges of tough sales competition globally as well. This study concentrates on the business area of mining and product family of drilling. The sales support team has set high priority targets to increase sales in sales turnover and profit. Investing in the salespeople is the path to win good deals in the future.

Nowadays many articles in business newspapers are concentrating on selling value and the training of salespeople. Business seminars are popular among both entrepreneurs and company management teams. Month by month new books are being published about selling and sales management and how to succeed in competitive markets. This study is topical.

## **1.2 Target of the study**

Investigating the alternatives about how salespeople could increase their ability to sell is highly important for a company that wants to increase market share or just gets higher revenue with the same amount of working hours. Generally speaking this is a common target for every company. This study concentrates on possible ways to improve sales of customized underground mining drills.

There is increasing competition in the market of underground mining drilling rigs. Selling value is the key to success but highly tailored products are more challenging to sell, especially when salespeople are located around the world.

Also for salespeople it is a challenge to handle a large product portfolio and dozens of customizations. Rarely can two drilling rig units be identical unless they are sold to the same customer. The opportunity to increase the number of won tenders is to increase the technical knowledge of salespeople and develop the desire to sell Sandvik mining products. The target of this study is to develop sales training.

## **1.3 Structure of the thesis**

The second and third chapters are theoretical topics that relate to competence development of salespeople. These two chapters establish the foundation for the practical part of the study. The second chapter is based on sales in general. It clarifies what successful selling means and what it includes. The second chapter also covers characteristics of a successful salesperson's and also the idea of dividing selling into different sales levels. The third chapter of the thesis is all about sales training. The theoretical background covers sales training, the different sales training methods and sales training evaluation.

The fourth chapter covers the observations of the sales training pilot which was organized in January 2015. The sales training background and required preparations are described. It answers the following questions: what part of the training went well, what part of the training was poor and how to improve in the next training. Competence of sales people is covered by a test and questionnaire about the won and lost tenders.

The last chapter summarizes the study by going through the observations and feedbacks. The recommendations are given for the sales training development and improvement.

#### **1.4 Carrying out the work of the thesis**

For this thesis constructive research approach is used. I, as Sales Support Manager for CIS and Europe organized sales training for 11 sales persons in January 2015. Ten of the salesperson were from CIS-countries (8 from Russia, one from Kazakhstan and one from Ukraine) and one from Ghana. Before the sales training a questionnaire (appendix 1) about trainee's expectations for the sales training was sent to the trainees and each trainee selected the topics in order of importance. The expectation questionnaire was based on the topics of the sales training agenda (appendix 2). After the training a similar feedback questionnaire was filled by the participants (appendix 3). Additionally, a query about how the salespeople have utilized the new knowledge and improved sales skills addressed during the sales training was done 10 weeks after the sales training (appendix 4). All the gathered information is used for analyzing the importance of each sales training topic.

During the sales training product knowledge and ability to sell Sandvik's underground mining drilling rigs were tested by means of a survey consisting of 80 questions. The pilot test covered technical questions but also questions related to the sales process and selling tool. The test was held two times; on the first day of the training and after the training.

The reasons why the Sandvik underground mining drilling rigs tenders are won or lost was studied using a questionnaire (appendix 5). The sample was rather small but it gave some ideas on which topics to concentrate on during the next, improved sales training.

All the questionnaires were translated into Russian. In the appendix only the English versions are given. The translation was carried out quickly by the sales area CIS human resource management team.

The competence development manager for Sandvik underground mining drilling rigs also participated in the training. Information was collected by observing the sales training but also by the responses to the questionnaires of the training expectation, training feedback and finally by the study about the won and lost tenders. There were two different types of observers in the sales training Hirsjärvi et al. (2007, 209). The first observer, researcher, took part in the training as trainer and organizer. Another observer, the competence development manager for Sandvik underground mining drilling rigs, participated as an observer. According to Hirsjärvi et al. (2007, 212) it is important to keep observations and own interpretations clearly separated.

## **2 THEORY ABOUT THE SALES PERFORMANCE**

In any business salespeople are the key to success. The most sophisticated company will not survive in competition if they have incapable salespeople although their product itself is good. Their major target is to make profit and the profits are used for taxes to finance governmental services as welfare, education, medical care, and infrastructure on an appreciated level. (Tracy 2004, 1-2.)

All the positions within the company depend on the success of sales. Salespeople need to serve three objectives: for the employee to ensure continued revenue to run the business, for the customer to fulfill needs and help their business to grow and for themselves earn a living today and in the future. Regardless of selling challenges salespeople must maintain a positive long-term relationship with their customers, because usually approximately 80% of the future sales of many companies come from present customers (loyalty). (Futrell2009, 7.)

The sales personnel are the single most important link with the customer. Often for the customer the sales person is the face of the company. In modern selling the personnel need to have wide array of skills, such as concentrating on the right customers, database and knowledge management, customer relationship management, proper marketing of the company products, problem solving, system selling and adding value. Companies are ready to pay high sums for recruiting and training sales people and often that investment is promptly paid back (Jobber & Lancaster 2009, 4-7.)

### **2.1 Ability to succeed in selling**

One does not need to be born a successful salesperson. Abilities and skills can be learned. The person who wants to acquire selling skills will find the ways. The person who doesn't want to find the ways to learn how to sell, finds excuses to justify his/her inability to sell successfully (Rubanovitsch& Aalto 2007, 15.)

Successful selling consists for 80% on the attitude and motivation of the selling person and for only 20% on his knowledge. Same 80/20 rule can also be found in the sales process, in which 20% is so called sales technique and 80% is interaction with customer.

The personality of the salesperson has a large role in selling. The best salespeople have positive way of thinking, their self-esteem is in balance and they see a lot of possibilities around. Customers like to share time with a salesperson and do not feel like participating in the sales process. (Selin, 2007.)

Most people in modern societies have opinions about salespeople. Most often cars- and insurance salespeople can be found at the lowest positions in ranking of honesty and ethical conduct of selling. A research study by Brooks group (Sales and Sales management training commercial enterprise) showed that more than 80% of customers in general have a negative view of all salespeople. Salespeople have a bad reputation, among other things because they do not listen what the customer has to say and at end of the day the customer is unsatisfied whether he or she purchases a product or not. To build a successful sales career it is important to focus on the customer, not too much on the products. Understanding customer needs is the key when selling him or her value. In order to understand customer need it is essential to ask series of questions and also read non-verbal signals at the same time. Most likely a sales person will succeed in sales when the discussion between customer and salesperson is as communicative as with the family members. (Foley.)

### **2.1.1 Successful selling**

What is successful selling? Nowadays salespersons in business field are not just selling products but more and more offering broad solutions and value adding processes in combination with the product. From the customer viewpoint an investment is valuable when it improves productivity, increases profits and reduces employee turnover. Aforementioned is relevant in business to business, but not usually so much when selling to private persons.

Developing a product strategy goes together with the development of selling strategy and philosophy. Product strategy mainly concentrates on the product with value adding benefits for each customer and also ensures that product knowledge is sufficient. Relationship strategy includes the idea of a win-win philosophy where customer and selling company both win as well as maintaining high ethical standards. Selling philosophy consist of selling skills and most of all attitude. (Manning & Reece 2007, 130-133.)

As mentioned earlier, selling is a strategic activity in which the sale is made with the aim of building and developing a long-term relationship. Therefore, the salesperson is more and more acting as a relationship manager rather than as the traditional order-taker. (Kotler et al. 2006.) Together with selling value adding products, salespeople usually offer credit solution, update/upgrade agreements, services, additional warranties, risk management solutions, spare parts and other accessories. The company that can offer comprehensive solutions will usually be ahead of the competition. Guaranteeing cash flow is an important benefit when selling more than just a product. Salesperson should always pass information and feedback from the customer to product or service development to ensure competitiveness also in the future. (Rubanovitsh& Aalto 2007, 16.)

Salespeople and especially sales managers need to be aware of coming tenders and give accurate forecasting about sales. Accurate forecasting is essential information for budgeting and production planning. In case of forecasting too few products that need to be manufactured; deliveries times and supply chain face difficulties. On the other hand if the sales forecasting is done too positively there will be issues with overproduction and consequently net working capital is high. Forecasting is often divided into three categories: short-term (up to three months), medium-term (one year) and long-term (over three years). Long-term forecasting is used to review the existing resources and also market trends. Short-and medium-term forecasts are mainly used for near future production planning. (Jobber& Lancaster 2009, 460,484.)

Making additional sales after sales the product itself provides continuous income for companies. In 1999 AMR Research stated that 45% of gross profits are from aftermarket sales, although it accounts for only 24% in revenue. Now, 16 years later, aftermarket business has increased substantially. Aftermarket usually means spare parts, consumables, service contracts and upgrades of the software or the earlier sold products themselves. A salesperson needs to be active in the customer interface and also have skills to provide customer support quickly and accurately for a variety of different organizations. (Cohen et al, 2006.)Selling is often very passionate and time intensive work - keeping work and personal life in balance is particularly difficult in sales. Salespeopletravel often and work outside office hours and without sufficient self-discipline may lead to health problems, neglect of family or burn out. These problems usually affect negatively

a salesperson's concentration and selling ability. A salesperson should frequently go through their personal life values and discuss about them with close friends and loved ones. salespeople with good health, balanced personal life and ambitious work related targets are often top sellers within companies. (Care&Bohling 2014, 362-363.)

### **2.1.2 Skills for successful selling**

When a salesperson wants to be successful in sales, often he or she will need to reorganize his or her thoughts, manners and priorities. A salesperson needs to be honest to him or herself. Most often it is not about making more working hours, but use the working hours more efficiently. After understanding sales process from the beginning to the end, the salesperson can work more efficiently and systematically, often in addition to reducing necessary working hours. (Rubanovitsch& Aalto 2007, 9.)

The basic qualities that determine the success or failure in selling are mental. The average salesperson uses about 10 percent of his potential and 90 percent of potential is untapped. The best salespeople can utilize much more than 10 percent of the potential and that is why it is important to learn from the best and become one of them. To achieve a high result in sales the most important single thing is mental balance. The so-called self-concept, which includes all of a person's beliefs in every area of life, need to be in place. (Tracy 2004, 8-10.)

The characteristics of successful salespersons have some similarities. In selling, it is important to establish a long term business relationship than to aim at one time selling. That requires the characteristic of truly caring for customers and experiencing the joy of helping them. Patience is one of the key factors in long-term relationship building. No one likes to be pressured into making a quick decision and bad decisions are often made in a hurry. Honest willingness to help the customer makes the customer perceive the salesperson as a kind and morally ethical person. When the customer can trust what the salesperson says and does, faithfulness and fairness of the salesperson are demonstrated and business deals can proceed. One of the most important but also most challenging traits of a salesperson is mastering his or her emotions, passion and desires when communicating with the customer. Salespeople should always demonstrate that the customer comes first, even when the customer is not a pleasant person or the salesperson has



some other ongoing challenges. A lot of discipline is needed in the salesperson life and time management. Unfortunately, many salespeople often prioritize their job over their family, often to the extent of break down their families. Good discipline and regular reviewing of personal values help the salespeople to combine work and family life more successfully. The respected characteristics of a salesperson are shown on the figure 3. (Futrell 2009, 19-21.)



Figure 3. Salesperson characteristic needed for goodsales and long-term business relationship building (Futrell 2009, 21)

Positioning of salesperson and his representing products is one of the most essential components in professional selling. As mentioned earlier, a salesperson is often the face of the the company and its products. Thus the salesperson's personality communicates a perception of the products themselves. Company's values, attitudes and trust goes along with sales person's personality. Customer usually compares competitors' salespersons, evaluating who is reliable, has more technical and economic knowledge, is a pleasant person, pay attention to customer's needs. Mostly people listen to the person whom he/she perceive as having something important to say to him/her, because it brings some

value to them. It works also in sales. Often successful salespeople have plenty of different roles in sales process. They take the role of the industrial experts, advisors, advocates, authors, coaches, consultants, unpaid team members or one-of-kind assets. These tend to build a lot of trust between salespeople and customers. The salesperson can bring a lot of value to the relationship and often save plenty of the customers' expenditure. Customers appreciate the expertise of good salesperson and seek for cooperation to achieve cost-effective solutions. Many times products or services come just along with the business relationship. The salesperson's personal positioning determines how he or she is perceived by the customer. The perception of a salesperson can be divided to three levels: macro, micro and mini. The Macro level consists of the salespersons' knowledge level, for example as an expert or an advisor. The Micro level consists of the salesperson's manners perception, for example time management. Mini level is a more facile perception, for example what kind of clothes salesperson wears. (Brooks 2004, 20-22.)

As mentioned in the previous paragraph it is not enough for a salesperson to introduce products, but he or she should convincingly and truthfully be able to play the role of a consultant and industrial expert. Nowadays value selling should be one of the key abilities of a salesperson. It means that the salesperson is not only selling a product, service or solution to the customer, but just as well value that increases customers' profits. Successful and multi-skilled salespeople are closer to general managers than salespeople in the traditional sense. Good customer relations require more study and work in value selling, so for a salesperson it requires good instincts about potentially profitable customers. (Kaario et al. 2003, 9-10.)

### **2.1.3 Training or hiring salespeople**

Often, it is more cost-effective to recruit new, successful sales persons than training the existing ones if they should have other tasks in addition to working in sales. (Manning, Reece 2007, 424). A salesperson without the ability to sell efficiently is expensive – both in terms of time and money. But any competent sales organization fights to retain persons who have the blend of technical knowledge, business acumen and the capability to converse in complete sentences. The hiring and recruiting of suitable sales people

should be approached as regular project with a project plan outlining how to find such a person, with a clear criteria for finding an ideal candidate. (Care & Bohling 2014, 335-336.)

## 2.2 Value selling in customized products

Many products are currently customized to the customers' needs. At the same time customers expect the same delivery time, quality and price as mass-produced products. This trend is increasing. For the companies to produce mass-customized products the key elements are market strategy (what and whom), modularization of the products and IT-programs and processes to support selling customized products. (Hvam et al. 2008, 1.)

The number of items is high, both in mass production and in mass customization. Items in this context mean individual material, for example an engine. Although the number of items is high in mass production; the number of different finished products is small. In the project orders number of different finished products can be high but usually number or items is small. (Hvam et al. 2008, 24-25.) Figure 4 below illustrates the above-mentioned.

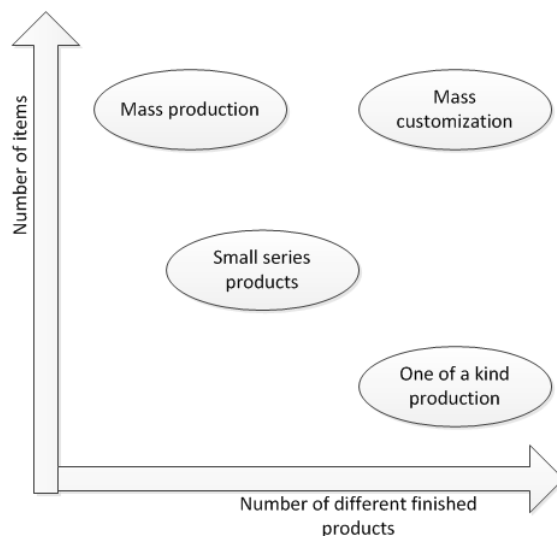


Figure 4. Different types of industrial companies by manufacturing volume.

(Hvam et al. 2008, 25)

Companies that manufacture complex products are often utilizing product configurators to build customer-oriented product specifications. Often the product configurator is an

IT-program in which all the product variations are presented with configuration rules about the feasibility of the variation. In some companies, excel tables are also used with proper formula. Pre-designed modules with interfaces to each other are essential when using product configuration. (Niemistö 2011, 21-24.)

There are three different selling strategies: product selling strategy, solution selling strategy and value selling strategy. Product sales mainly concentrate on sales arguments about product features and the competitive advantage that can be achieved through product superiority and pricing. A salesperson needs to understand the right sales arguments related to the product to win the deals. Customers usually have good product knowledge and they do not need consulting about the product utilization. Solution selling includes additions to the product, most often services or software. The salesperson needs to understand the customer's business needs in solution selling. The customer's interest is in the total cost and that is why solution selling is more comprehensive; including usually installation and maintenance/service of the total solution. The value selling is the most comprehensive and far reaching level of the sales strategies. The salesperson needs to make a positive impact on the customer's business results, so for the salesperson, it is necessary to understand what drives the customer's business and how the customer's profits can be increased. The salesperson is in that case closer to a consultant and should act as process developer behind the products. In solution selling the salesperson needs to co-operate with business management in order to be able to sell right solutions at the same time, in value selling, it is essential for the sales person to co-operate with top management to sell better processes to the customer. For the sales person, the key is to understand the value drivers for the customer and develop better processes to be able to offer the competitive total cost of ownership for customer. Figure 5 below shows all three levels of the above mentioned sales strategies with explanations. (Kaario et al. 2003, 27-33.)

	"Self sufficient"	Need for expertise	Need for value
<b>Knowledge of products &amp; application</b>	Customer has sufficient knowledge of products and application	Supplier has superior knowledge in product area	Supplier has superior knowledge of application usage & financial impact
<b>Price orientation</b>	Focus on product cost	Focus on total cost	Focus on total cost in longer term & EVA
<b>View on supply-side operation</b>	Arms length attitude	Co-operative attitude in specific field of application	Open attitude - willing to utilize supplier's expertise in a broad sense
<b>Trust in supplier</b>	Trust in product	Trust in supplier	Trust in supplier as partner for several functions
<b>Openness to share key business issues</b>	Closed	Restricted to certain function	Willing to share in expectation of good return

↓	↓	↓
<b>Product purchaser</b>	<b>Solution seeker</b>	<b>Value seeker</b>

Figure 5. Three sales strategies from customer point of view  
(Kaario et al. 2003, 28)

### 3 TRAINING OF THE SALESPEOPLE

#### 3.1 Sales training to meet salespeople's needs

The purpose of the sales training is to improve the performance of the Performance of salespeople by increasing sales (volumes and profits), reduce costs for customers and implement better working practices. The sales trainings covers topics that could enable them to be more effective in the selling process, gives vital information about the best sales arguments, strengthen and sometimes also correct knowledge about the products. (Donaldson 2007, 206-207). Salespeople should never stop learning new things in training. The topics of sales trainings should vary, depending on the salesperson's experiences and roles within the company. The most successful salespeople participate in sales training in most of the companies, as it usually reinforces successful sales practices. (Futrell 2009, 511.) In Table 1 the most popular targets for sales objectives are listed.

<b>Benefit</b>	<b>Description</b>
Enhanced skill level	Training in needs analysis, presentation and demonstration, negotiation, objection handling, closing and relationship management will enhance skill levels, and lead to greater customer orientation
Improved motivation	Vroom suggests that motivation is dependent on a salesperson's belief that increased effort will lead to higher performance. Increasing skill levels through training should strengthen that belief.
Improved self-confidence	Training improves self-confidence, which has been shown to be related to improve sales performance.
Reduced costs	Training in self-management and journey planning should reduce costs. Higher skills should mean fewer call back to close the sale. Better use of technology should also reduce costs (e.g. using email rather than site visit where appropriate)
Fewer complaints	Better meeting of customer needs and higher service levels should reduce the number of customer complaints
Lower staff turnover	Training shows staff that the company is willing to invest in them raising morale and loyalty
Reduced management support	Well trained salespeople require less managerial support as they can manage their own activities
Higher job satisfaction	The confidence and success which accompanies higher skill levels developed during training lead to higher job satisfaction.
Higher sales and profits	The result of the above advantages of training is that sales should be higher and costs lower resulting in higher company profits

Table 1. Sales training objectives (Jobber & Lancaster 2009, 426)

### 3.1.1 What kind of the sales training is needed?

Without an active sales manager the salespeople may easily focus on wrong things, for example non-profitable customers, inefficient processes or do not use enough time for detailed customer-needs assessments. A sales manager needs to lead his or her team towards success. (Selling power 2015). For new sales employee the induction about business operations should be offered before the person begins work. The orientation for a new salesperson should include the company's history, core values and targets, business policies, compensation plan and all the other relevant information. After the welcome orientation the new salesperson should have a training plan to follow. (Manning & Reece 2007, 427.) Sales training should cover the gap between what a salesperson needs to know and the salesperson knowledge, skills and attitude level at present. (Donaldson 2007,208.). Evaluation of salespeople's training needs is presented in the scheme in figure 6.

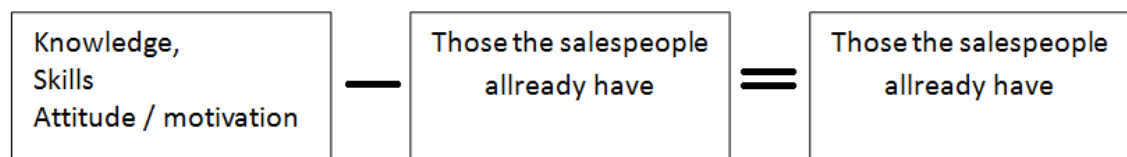


Figure 6. The kind of training the salespeople require. (Donaldson 2007, 208)

The gap of essential skills for salespeople becomes apparent when:

- new sales people are recruited
- a salesperson takes on a new sales area, product area, position or organization
- new products are launched
- new business or new market segments are introduced
- new company procedures or policies are implemented
- selling is down
- ways of selling are dysfunctional

There is variety of circumstances, different backgrounds of salespeople and their experience mean that there is significant variety of training needs that is why the content of sales training programs is seldom standardized. (Donaldson 2007, 208.)

Sales managers should be aware of their team's training needs and customize a generic sales training model for the team. Also, sales managers should join the sales training with the sales team in order to ensure having the latest knowledge. All the key persons, for example project engineers, should also participate in the training, because they often co-operate more with the customer than the sales person. A culture of ongoing learning in the sales teams is desirable. (Frederick 2014). In planning the sales training the sales manager should consider the mixture of sales related skills within the sales team. (Noonan 1998, 146-147). Those are presented in figure 7.

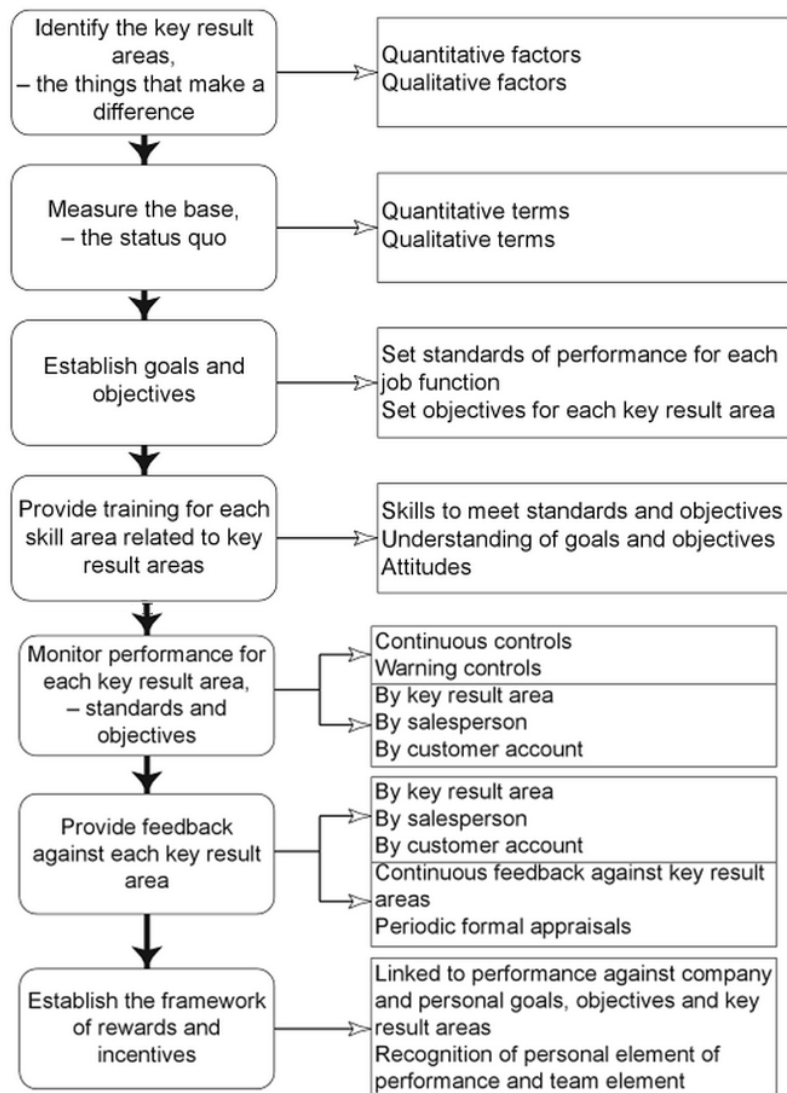


Figure 7. Sales manager's study of the needed sales training for the sales team (Noonan 1998, 147)



### 3.1.2 Where should the sales training take place?

The three most common variants locations for sales training are: an internal single location (home office), a centralized external location (training facilities) and a decentralized location (on-the-job). Trainers can also be divided into three categories: internal specialist, external specialist and experienced salesperson. (Donaldson 2007, 210.) This provides nine variants to consider, as shown in Figure 8.

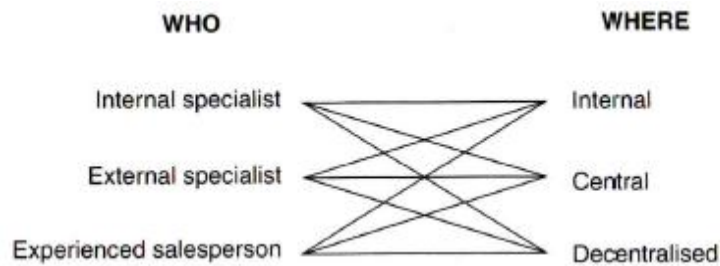


Figure 8. Sales Training variants: Who and Where (Donaldson 2007, 210)

Centralized training is typically held near the home office or manufacturing plant - sometimes also in resorts. Salespeople arrive from all geographical areas far are away from home, providing a conducive atmosphere for better concentration on the sales training. Trainees also get to know each other and also corporate executives present. One benefit of centralized training is to change opinions and ideas among sales people. Usually a centralized training program can offer state of the art facilities with a good class room, modern equipment and sometimes also sales laboratories for sales role playing. Competence development of the sales force can be somehow standardized with a centralized training program. Disadvantage of centralized training is high costs and possibility to lose sales because of travelling abroad. (Futrell 2009, 514.)

Decentralized training can be conducted anywhere. But usually it is held in the branch office. Costs of the training are usually much lower than in the centralized training. Salespeople from the particular sales area often see one other only in the training programs. Both centralized training and decentralized training provide as much motivation and knowledge to the salespeople from colleagues as in regular training.

A potential disadvantage can be that a branch manager may not be an able trainer. (Futrell 2009, 514.) The training can also occur in real-life situations under actual market conditions, thus it is named on-the-job training. Training is effective only when knowledge and skills are put into practice. Usually, the trainer is a sales manager and he or she tells the salesperson what to do, show him or her how to do it, and make sure the salesperson practices what they have been told and shown, assesses what the process and coach when necessary. (Donaldson 2007, 211.)

### **3.1.3 Forms of the sales training**

Classic sales training is a boot camp with dozens of presentations from dusk till dawn. It is often held in company's headquarters and different people give presentations about corporate and products overview, competitive data, sales strategy, contracts and pricing. Many gigabytes of training material are thrown at attendees and after training they feel like death by MS PowerPoints. To make the sales training more interesting, it could include more interaction, quizzes and tests. In addition, a restriction to using a maximum of six slides per presentation could be required from all presenters. (Care &Bohling 2014, 317.) Even for sales professionals it is impossible to learn, retain and apply more than a small percentage of what is often offered in a sales training boot camp. A systematic reinforcement approach across an extended period of time supports learning. (Kear et al. 2013.)

Lectures are a traditional way of training many people with relatively low cost. Usually sales training lectures are accompanied by other back-up methods such as presentations, videos and data tables. Often trainees are passive during lectures, because those are not dynamic and can't create similar situations in selling job. (Donaldson 2007, 211.)

Role-playing in sales training is acting like in a real, actual sales situation. The trainer acts usually as a customer or potential buyer, and the salesperson needs to convince the trainer to purchase. The only reason why role-playing in sales training is ineffective is because the trainees do not take the training method seriously.(Sheridan 2014.) Role-playing should include a lot of alternatives, from the elevator pitch to cold calls to the corporate presentation and negotiations (Martin 2012). Video recording and playback is widely used as a learning technique. Advantages of role-playing are to involve the train-

ees and highlighting weaknesses in sales material and also identifying opportunities. (Donaldson 2007, 211.)

Discussions of sales related topics are vital during sales trainings. Top salespeople should be interviewed in a panel-type arrangement about their sales strategy, secrets about how they win the deals and a committed audience should have the opportunity to ask questions. (Martin 2012.) The use of pre-planned discussion topics, sales case studies or brain-storming sessions helps salespersons to learn from each other and to seek individual advice. Despite the fact that such groups are difficult to lead, control and evaluate, they usually build good team spirit simultaneously. (Donaldson 2007, 211.)

In today's hasty working environment it can be problematic to take days off and travel to sales training. E-learning is often an inexpensive solution, by packaging a lot of essential sales-related information to sophisticated portal. E-learning allows training to take place independent of a salesperson's actual location and at a time which fits in with his or her schedule. (Jobber & Lancaster 2009, 426.) Printed handouts or a catalog of the product gives post-training reference points (Noonan 1998, 156-157).

On-the-job learning is one of the training types at a decentralized location. Context-base learning can nowadays easily be supported by Customer Relationship Management (CRM) technology which is used in most of the sales organizations on a daily basis. Essential sales tips and sales learning material can be integrated directly into the process of working on an active opportunity. This kind of 'instant advice' saves time in searching for the right learning content, and also helps to reinforce a new selling process and methodology. (Kear et al. 2013.)

When planning sales training differences between cultures need to be paid attention to a selling approach that is appropriate in one culture may not be applicable in others. For example, with Japanese and Chinese trainees the trainer should avoid situations where they could suffer "loss of face". (Jobber & Lancaster 2009, 421.) Leading an international team requires special efforts because of these differences in cultures. A strategy should be fitting for the whole sales team and understanding different cultures helps to avoid some of the most common problems with multicultural teams. (Mäkilouko 2003,11.) In figure 9 alternatives for sales training are presented.



Figure 9. (Noonan 1998, 147)

### 3.2 Sales training evaluation

An essential indicator of an effective salespeople training program is evaluation. The main goal of the evaluation is to find out if the training has directly impacted professional selling as defined by sales volume, sales people performance as well as other KPI's (Key Performance Indicators). The purpose of sales training evaluation is to find corrective actions to improve the training program. (Tan & Newman 2012.) The best known evaluation methodology about sales learning related processes is Donald Kirkpatrick's Four Level Evaluation Model. It was first published as a series of articles in 1959 in the Journal of American Society of Training Directors (nowadays named as T+D Magazine). The series of articles was later gathered and published as one article, *Techniques for Evaluating Training Programs*, in a book Kirkpatrick edited, titled: *Evaluating Training Programs*(1975). However it was not until the year 1994 that his book was finally published, and that the four levels became popular. Today, his four levels remain a cornerstone in the learning industry. (Donald& Clark 2002.) Kim Tan and Eric Newman published an article about training evaluation in the Journal of Business & Economics Research on February 2012. They present Kirkpatrick's idea about the Four Level Training evaluation model in a more compact way. According to Kirkpatrick the levels are: Level 1. Reactions, Level 2. Learning, Level 3. Behavior and Level 4. Results. (Tan, Newman 2012.) Those four evaluation levels are listed in order, from the easiest to the most difficult to accomplish (Attia, Honeycutt, Fakhr 2013).

Level one measures how salespeople have reacted to the training, including trainers, material and the learning environment. In every sales training program at least this level should be evaluated to gather information regarding the trainees' perceptions and reactions towards the sales training. Even more important is it to gain knowledge if the training is well organized and relevant for their work role, because negative attitudes during training reduce the possibility of learning. (Tan, Newman 2012.)

Level two measures what participants have learned from the training and it also evaluates the extent to which sales people have advanced in knowledge, skills and attitudes. Thus trainers can affect three cognitive areas during sales training. *Therefore, when measuring effectiveness of learning, the training evaluation should determine if one or more of the following has occurred: Was knowledge learned or gained?*

*Were new skills or ways to improve existing skills gained? Were attitudes changed?*  
(Tan, Newman 2012.)

Level three focuses on behavior and measures whether what was learned is being applied on the job. The trainee's ability to transfer the learning to field or where it is actually needed is evaluated. So in the real world achievements are evaluated. (Tan, Newman 2012.)

Level four measures whether the organized training has achieved quantifiable financial results. The results are usually KPIs as increased sales, decreased costs, improved quality, higher profits or training return on investment. (Tan, Newman 2012.)

The fifth Level Training evaluation is expanded from the fourth level. It is made by developing a framework for evaluating sales training effectiveness, which is also called utility analysis (Honeycutt et al. 2001.) Table 1 shows how each sales training evaluation level and method is associated with the time period of the evaluation.

Levels	Before Training	During Training	After Training
Level 1 (Reaction)		-Evaluating Trainee Reaction - Trainer Reaction	-Evaluating Trainee Reaction - Trainer Reaction
Level 2 (Learning)	-Evaluating Trainee Learning (Pre-Test: Standardized or tailored test)	- Evaluating Trainee Learning (for role playing or learner's evaluation)	- Evaluating Trainee Learning (for learner's evaluation)  - Evaluating Trainee Learning (Post-Test: Standardized or tailored test)
Level 3 (Behavior)	- Trainee Self-Evaluation (Behavior Improvement) - Trainee Supervisory-Evaluation (Behavior Improvement)		Trainee Self-Evaluation (Behavior Improvement) - Trainee Supervisory-Evaluation (Behavior Improvement)
Level 4 (Operational Results)	- Trainee Self-Evaluation (Operational Results Improvement) -Trainee Supervisory-Evaluation (Operational Results Improvement)		- Trainee Self-Evaluation (Operational Results Improvement) - Trainee Supervisory-Evaluation (Operational Results Improvement)
Level 5 (Financial Value)			Utility Analysis (relying on Levels 3 and 4 before and after training scores)

Table 1 Sales Training Evaluation with methods and time period (Ashfrad et al. 2013,36)

Most of all, the aim of sales training is to make salespeople more successful in their job. Many studies from various industries, including banking and healthcare confirm the necessity of sales training to improve sales force productivity. In United States firms annually invest more than 30 billion dollars and 15 billion work hours to sales training efforts. (Ashraf et al. 2005, 253-259.) The effectiveness of sales training efforts is not usually evaluated, because approximately 80% of companies do not measure their ROI (Return on Investment) on training (Marone&Blauth, 2011). The time-saving and inexpensive training evaluation tool is worth of developing. It should cover the evaluation necessitating additional time, money and effort. (Kirkpatrick 1994.)

## **4 INCREASING THE ABILITY TO SELL BY TRAINING THE SALES PERSONS**

### **4.1 Current status of sales training**

### **4.2 Pilot sales training**

#### **4.2.1 Preliminary work for the sales training**

#### **4.2.2 Trainees**

#### **4.2.3 Sales training week**

#### **4.2.4 10 weeks after the sales training evaluation**

### **4.3 Sales people competence**

#### **4.3.1 Reasons to win and lose tenders**

#### **4.3.2 Testing the sales knowledge and skills**



## 5 SUMMARY AND RECOMMENDATIONS

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**APPENDIX**

## Appendix 1. The Sales Training expectations

Appendix 2. The Sales training agenda on week 4 of 2015

### Appendix 3. Training feedback form

Appendix 4. Sales training results evaluation



Appendix 5. Questionnaire for won and lost tenders

Appendix 6. The revised sales training agenda draft