



The Never-Ending Quest for Time

Consultants have a tendency to be optimists, viewing challenges as opportunities to achieve objectives. In fact, one client says that the word "challenges" is our favorite word.

In designing our Channel Challenges survey, we sensed some of the areas that would be of interest. Training was one of them. Many channel partners talk about the need for more and improved training while others lament their inability to develop effective training, or worse, getting their people to participate in training. Everyone sees the value, but the return on investment is frequently questioned.

Training is an area fraught with challenges, but opportunities exist to maximize its benefits if manufacturers, distributors and reps channel their energies. Unfortunately, as we stated in our last article, success can only be achieved "a distributor at a time" as the effort needs to be lead by distribution.

To identify training challenges, we asked manufacturers, reps and distributors a few questions. Essentially they were:

- What percentage of time should be spent on training?
- How important is online training?
- What do you see as training challenges?
- How would you address these challenges?

Time Commitment

Recognizing that most people attempt to work a 40 hour week and that distributors and reps are responsible for a multitude of lines, we felt it important to understand how much of a time commitment the channel feels should be allocated to training.

Surprisingly, responses were pretty consistent:

% of time	Weekly Hours	Mfgs	Reps	Dist
1-5%	2 hours	5.8%	14.8%	21.2%
6-10%	4 hours	23.1%	31.6%	42.5%
11-15%	6 hours	34.6%	26.7%	24.2%
16-20%	8 hours	19.2%	15.4%	9.1%
21-25%	10 hours	13.5%	8.9%	3.0%
26+%	10+ hours	3.8%	2.6%	0.0%

Reps and distributors feel that 2-4 hours per week, on average, may be reasonable, whereas manufacturers prefer that salespeople spend 6 hours per week. The differential comes from ones perspective. Reps and distributors focus on the lines that are important to them. Manufacturers, however, only need to focus on their line and product categories.

This, unfortunately, is where much of the training challenge emanates...which product categories to seek training on and which lines to select for that training, especially when a distributor carries multiple lines in the same product category? Should distributors consider that all products in the same category can benefit from comparable training, or do they need to get training from each supplier? And who makes the decision about the quality of the training from the supplier?

We also asked manufacturers and reps how much time should be devoted to "manufacturer training" (i.e. for their reps)

	Mfgs	Reps
1-5%	3.8%	13.8%
6-10%	34.6%	36.2%
11-15%	30.8%	25.9%
16-20%	19.2%	15.5%
21-25%	9.6%	5.2%
26+%	1.9%	3.4%

It is interesting to note that manufacturers feel that their sales organizations need to spend less time being trained than distributor salespeople, especially since they need to be trained in order to train distributors! Perhaps this is recognition that reps are commission-based and that they, and the manufacturers, want them maximizing their sales time. In fact, according to a rep in the Southwest, "we schedule training time with our distributors around other sales opportunities with



them. If we can schedule joint sales calls, time with purchasing or the project department, we'll then come in early for a breakfast training meeting or conduct a lunch 'n learn. If not, we'll reschedule training for another time and spend our time with another distributor. It's all about monetizing our time."

Online is Part of the Answer

Providing online training has the ability to answer some of the challenge. Manufacturers are moving more of their training online, supporting BlueVolt and NAED's Learning Center, as well as posting it on their website. The availability of this training is becoming more important to reps and distributors.

	Not Important	Nice to Have	Somewhat Important	Very Important	Required Service	Rating Average
Manufacturers	9.6%	11.5%	19.2%	46.2%	13.5%	3.42
Reps	3.4%	10.2%	22.0%	47.5%	16.9%	3.64
Distributors	0.0%	18.2%	30.3%	45.5%	6.1%	3.39

Each audience rates online training as important, however, the slightly lower rating by distributors probably correlates to the continued challenge of finding time to take training. For one Rockwell distributor, " For lines that border on being "commodity-like" and may have marginal pay back on training for us, we have gone to 45-65% online training. In certain instances Blue Volt has been a blessing." In the words of one rep, "web training, in my opinion, is a good thing for both the distributor and myself. It leaves me with more time to sell and make joint calls."

BlueVolt has gained significant traction through its relationship with IMARK and A-D, a high-profile marketing strategy, and by offering end-user Code training that can be integrated into a distributor's website. As of October, 2007, BlueVolt delivered over 180,000 training courses to 30,000 users. IMARK and A-D also endorse NAED's Learning Center.

Training Challenges

The challenges expressed by manufacturers, reps and distributors were very similar, with time commitments being the biggest challenge (and most difficult to address!)

Manufacturer challenges included:

Time to deliver & people scheduling to take	51.2%
Distributor management commitment	9.8%
Need for a variety of delivery methods	9.8%
Why people are taking the training: want to, told to, being compensated	9.8%
Ability to adapt content to audience & market	4.9%
Cost to develop training materials	4.9%
Inconsistent quality & delivery	4.9%
ROI Concerns / Payback	4.9%

Manufacturer comments included:

- Getting distributor management to take a strong stance on personnel training can be frustrating.
- They (*distributors*) say "yes" but don't implement.
- Having the correct information for different participants is time consuming.
- Efficient delivery in a very fragmented industry structure is costly.
- There are a multitude of formats and delivery methods that are needed. And training our salespeople is a nightmare.
- Ability to consistently provide training that is both worthwhile and informational.
- There is only so much time out of the field reps can afford.
- Distributors carry so many lines, that only some have time for training.
- I understand that distributors need to allocate their training time, but what does that say about their commitment to my line?

Reps view their training challenges as:

Time to deliver & people scheduling to take	42.5%
Varying quality of manufacturer content	7.5%
The need to retraining distributor personnel due to turnover	7.5%
Extended / additional travel commitments & logistics	7.5%
Distributor management commitment	5.0%
Ability to adapt content to audience & market	5.0%
Their costs to conduct training	5.0%
Need for a variety of delivery methods	5.0%
Low sales attendance	5.0%
Scheduling of training	5.0%
Spending time on training vs. sales	5.0%

Additional rep input included:



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- More new products / services are introduced each year by manufacturers than can be processed and passed on to distribution and end-users. Manufacturers expect instant mashed potatoes regarding success due to their investment but the sales force is not brought in until the product is ready to push.
- Getting the right people to attend training meetings is always a challenge. Something always comes up.
- Some manufacturers have on-line training, and they all say it only takes twenty minutes of your time. While true, multiply that by our sales force of ten guys and it adds up.
- Different training at different levels of experience is important, but time consuming.
- The expense and time away from their job is killing us. We live on commissions.
- Sharing costs with manufacturers needs to be considered

Distributor challenges were more dispersed. Over 50% of distributors cited time as an issue. A Midwest distributor commented "More often than not we have issues pop up that need to be addressed and we end up putting off training." Other issues included the breadth of their product offering; the number of manufacturers that wanted to offer training; the quality of presentation materials and the presenter (rep); the need for the content to be tailored to the audience and their experience level; a need to balance sales/customer time vs. training time and the value, or effectiveness, of the training.

Specifically, distributors also mentioned.

- Developing economical/effective training methods and allowing the time for completion
- Balancing time spent with the importance of training
- Specialization is becoming the watchword. We're developing product champions / specialists vs. training everyone.
- Effectiveness evaluation. We're trying to measure the value of the training.

A West Coast distributor summed up the challenge for many, "For many lines it is a profit vs. time spent issue. They need to show us what the payback will be, especially given that the

percentage of our sales for the specific product will be low."

Some Solutions

Manufacturers and reps perceive that much of the training challenge can be addressed through increased usage of online training, providing various incentives/compensation for partaking in training and increased distributor management commitment to training – to the point of making it a requirement of a position.

Specifically, manufacturer ideas included:

- Spiffs for attending online training, conducting "activities" centered around training
- More online training with incentives when they meet their goals.
- Link training to compensation
- Making it a requirement for reps. Possible incentives for distributors.
- Develop training databases with tracking, and ranking, and reward systems
- Consider pricing benefits based on qualification or make it an element of a rebate / "preferred distributor" program
- Make it a requirement for a position
- Distributors and manufacturers understanding of the benefits

In the words of one manufacturer, "Distributors need a paradigm adjustment and need to figure out how to use what we are trying to give them. Otherwise everything will be price-based and the national chains will win with their transaction-based model." Another manufacturer responded "I am not sure what needs to be done but they need to get committed or they'll go out of business in the long term."

Reps provided the following ideas:

- Distributors need to recognize the value of training and commit the necessary time and resources
- Most important - give a salesman the information he needs to SELL the product. He needs to know enough to sell it, and nothing more.



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- Distributors need to make a bigger commitment to train their own people
- Manufacturers should consider policy changes and link training to rebate programs
- Distributors should consider a minimum mandatory training requirement for each branch
- If sales can receive advanced notification of new products, pre-training and samples for both product knowledge and application would help set up a more favorable early return.
- A legitimate understanding that the manufacturers need does not necessarily coincide with the need or focus of the distributor or the end user.

A New England rep is becoming more selective in his training endeavors, saying, "Most of my training time now is spent with independent distributors who I think are not going to be bought, that basically want to move inventory and that I feel will support my lines even when I don't have a 'new' product for them."

Distributors, on the other hand, added a few thoughts:

- We need some method of evaluating individual employee training needs and the effectiveness of our training initiatives. We need to stop spending time in meetings if they don't produce sales.
- Develop a comprehensive training checklist to ensure training is a success
- Prescreen what is going to be presented
- Add hours to the day!

Conclusion:

In working with distributors, those who are most successful in managing the training conundrum have:

- Made training a corporate priority and have allocated resources and time, including senior management time.
- Assigned the training role to an individual, or hired someone to coordinate training (supplier, skills, corporate)
- Developed some of their own training, using in-house resources to develop and present

- Sourced learning systems, typically BlueVolt, with some using elements of NAED's Learning Center.
- Developed a training reward and recognition system.
- Continuously communicate their training opportunities and proactively "guide" individuals to specific training.
- Sales, purchasing and marketing work closely with the trainer to determine needs and supplier resources.
- Leverage marketing group training opportunities.

A trained staff has the ability to differentiate you from your competition as customers prefer to work with knowledgeable people. While there is always going to be concern that a trained person may be more valuable to your competition, creating the right environment, equitable compensation and a challenging, motivational work environment can help to keep them happy.

Distributors that invest in training will capture sales, and profit, opportunities. If you are an optimist and are planning on the longer term, an investment in training will deliver dividends.

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