



URBAN SCIENCE



## Effectiveness of Automobile Salesperson Training

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# Topics for Discussion

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**The Training problem**

**Available Data**

**Data Issues**

**Analysis**

**Estimates**

# The Training Problem

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**Variation in Training Programs**

**Variation in Market**

**Variation in Salespeople**

**Experience**

**Training Record**

# Available Data

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**Who was trained by which method and when?**

**Training Programs – Type, Start and End Dates, Performance**

**Sales performance over time**

**Market Conditions**

# Data Issues

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**Training program data integrity**

**Salespeople data integrity**

**Sale performance data integrity**

**Control groups?**

# Analysis

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**Time coordination**

**Sales performance over time**

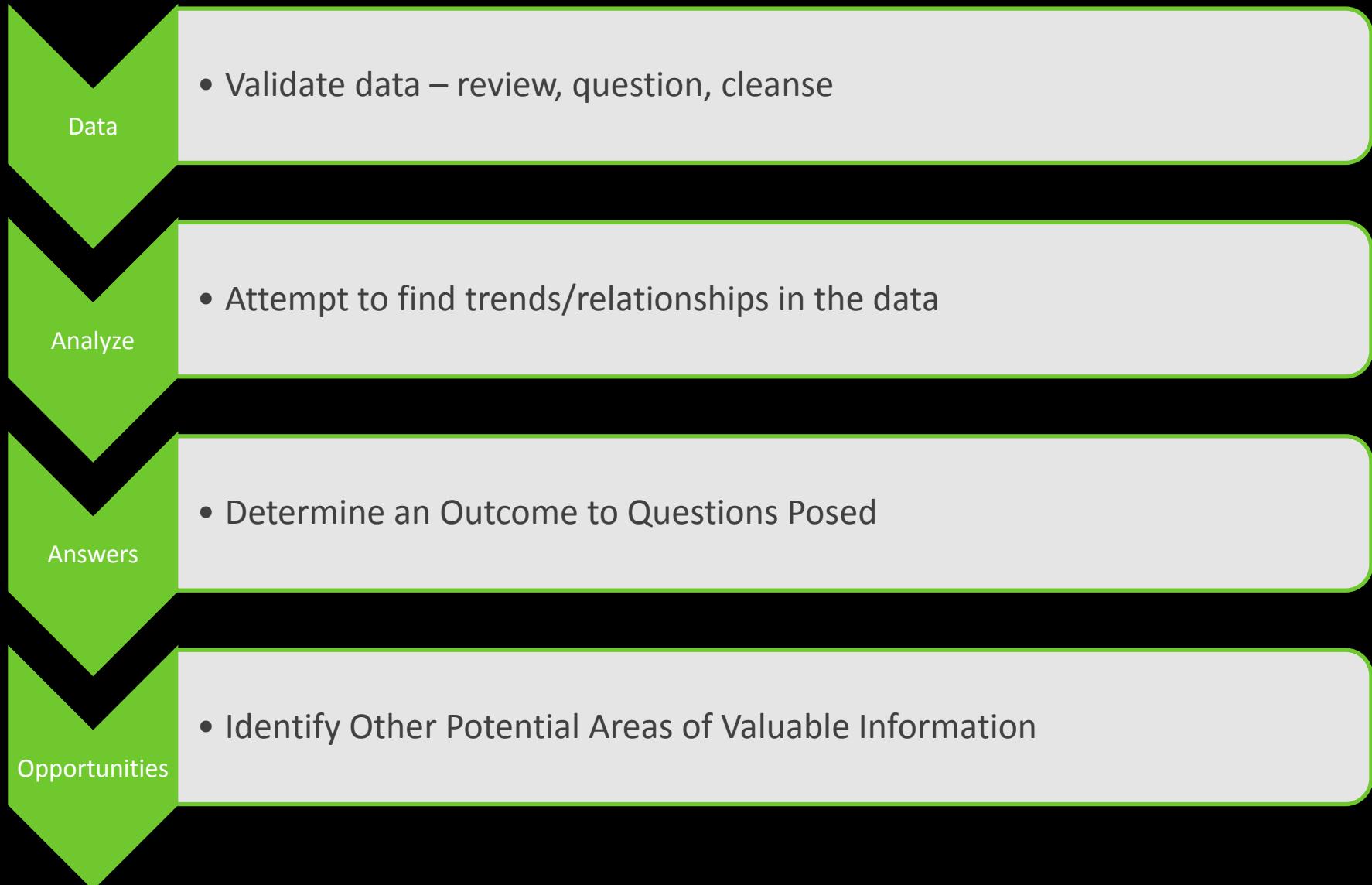
**Training over time**

**Before, during and after training**

**Descriptive Statistics**

## **Sales per salesperson per month**

# Assessment Methodology



# Recommendations/Considerations

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Analyze the impact in these dimensions by region/market

Isolate specific classes for analysis

As people take more courses, the time range must expand

Data is suspect – missing quantities for training dates;  
unknown work histories

May be salesperson selection bias  
(good employees get more training)

Training value will depend on training costs  
small increases of sales at high training may not be valuable

Training is on-going – hard to determine specific impact

# Question 1 – Training Impact

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## 1. When is training impactful?

- When in a salesperson's career is training the most impactful?
- Class A 3-5 years after versus Class B 6-18 months after – what is the course's impact?
- The comparison is based upon % of all manufacturer sales before training to % of all manufacturer sales after training

### Additional Considerations:

- Using only Class B, compare three groups before and after, 0-6 months, 6-18 months and 18 months +

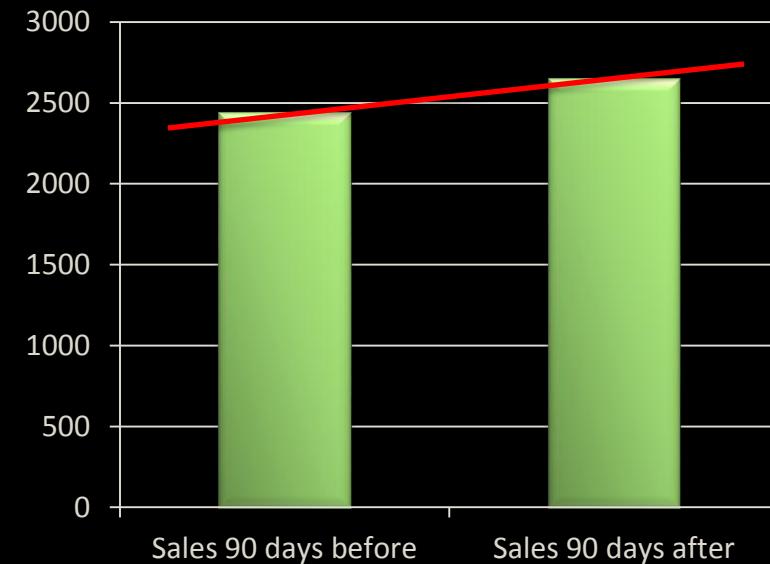
# Findings – When is Training Impactful?

## Class B vs. the Class A

**The Impact of the Class B  
course**



**The Impact of the Class A  
course**



Over a 200 unit increase (>8%) was realized in the period following the Class A course, but no increase was seen after Class B

# Findings – When is Training Impactful?

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The long term impact of the Class B course appears to be significant

# Question 2 – Training Volume

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## 2. How much training is most impactful?

- How much training results in an optimal return for the dealer
- Compare those with a specific mix of training in higher quantities to those that have not
- Analyze different training or training types

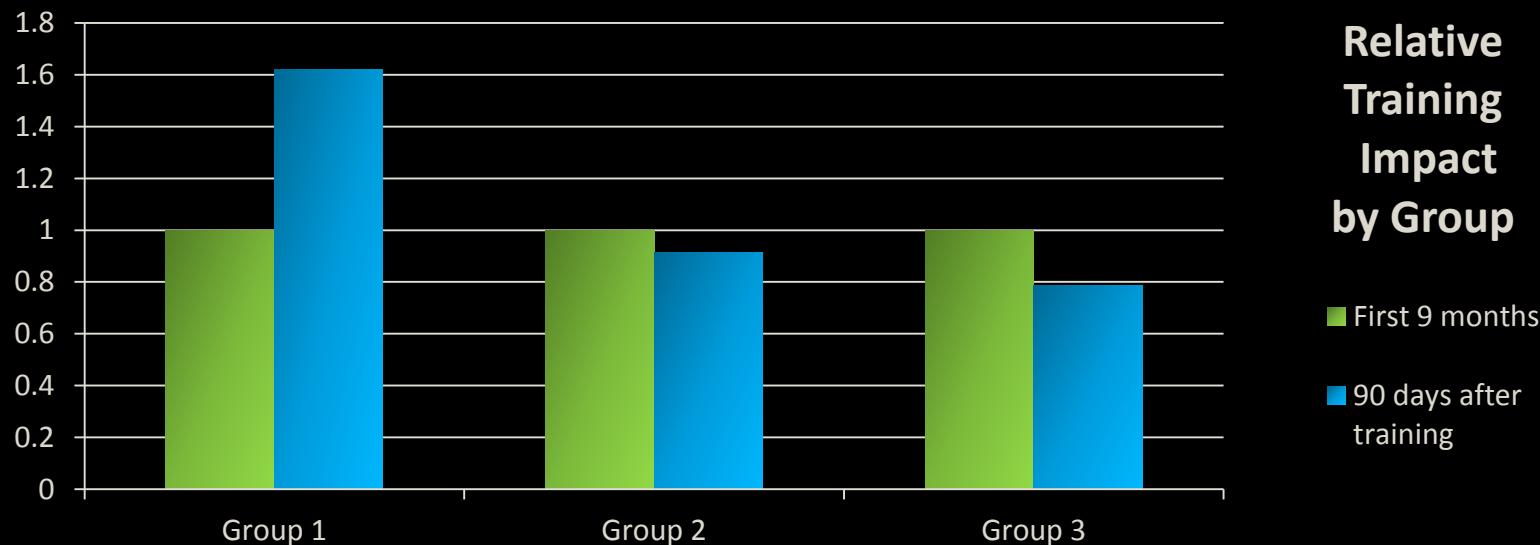
### Additional Considerations:

- Cut the data finer - Basically a web vs. instructor set, knowing that there will be overlap.
  - Have a 0 group – i.e. no training at all
  - 1 instructor only, 2 instructor courses only, 3 instructor courses only
  - 1-5 web courses
  - 6-14 web courses
  - 15+
- Keep these same groups as displayed, only add a 0 group as well
- Average retention time after the 12 months displayed. (i.e. Group 1 employees were employed an average of 20 months after the analysis period group 2 were employed an average of 10 months etc.)

# Findings – How Much Training is Most Impactful?

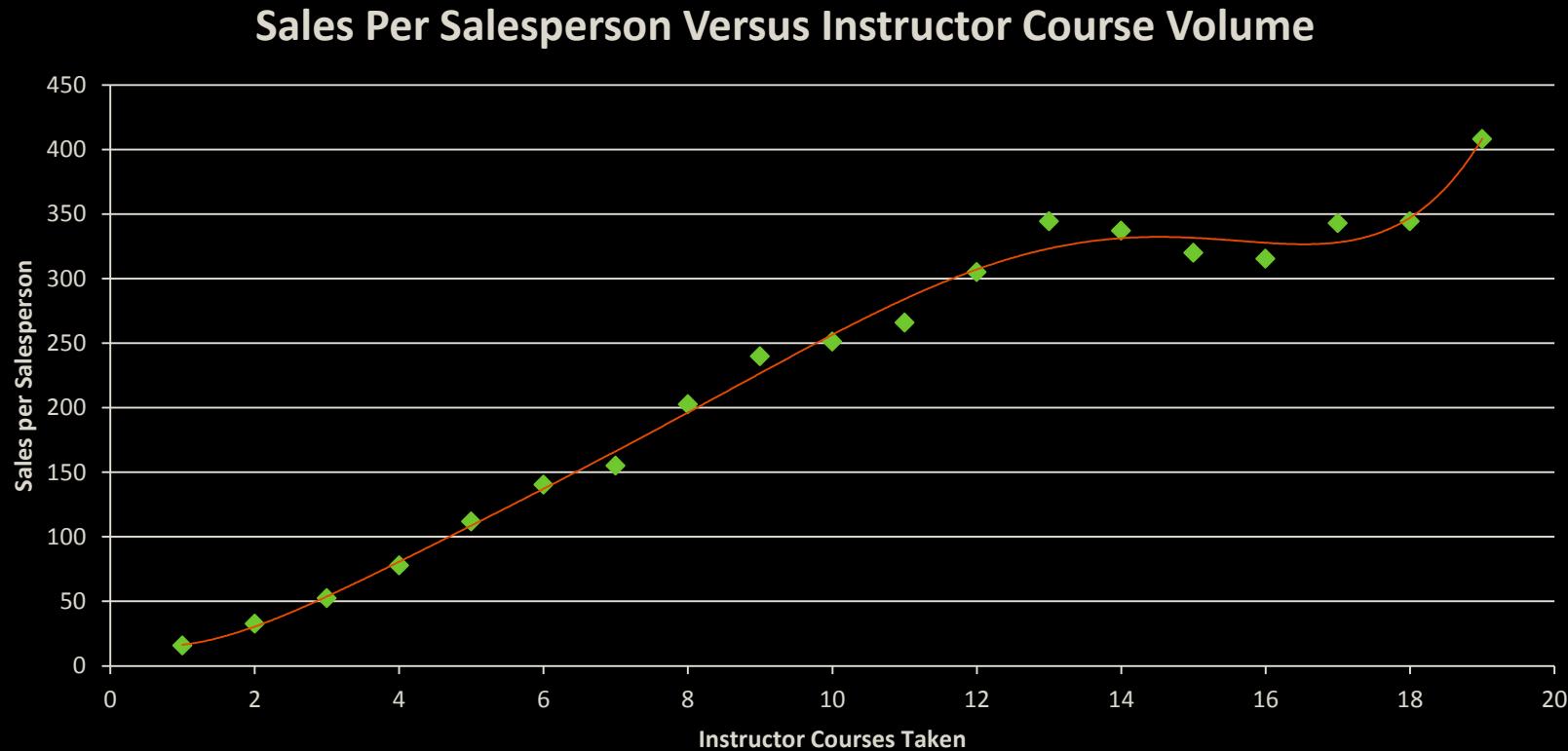
Three Groups:

- Group 1 = 0 or 1 instructor in the first 9 months and 0-5 web courses
- Group 2 = 2 instructor courses in the first 9 months and 6-14 web courses
- Group 3 = 3 or more instructor courses in the first 9 months and 15+ web courses



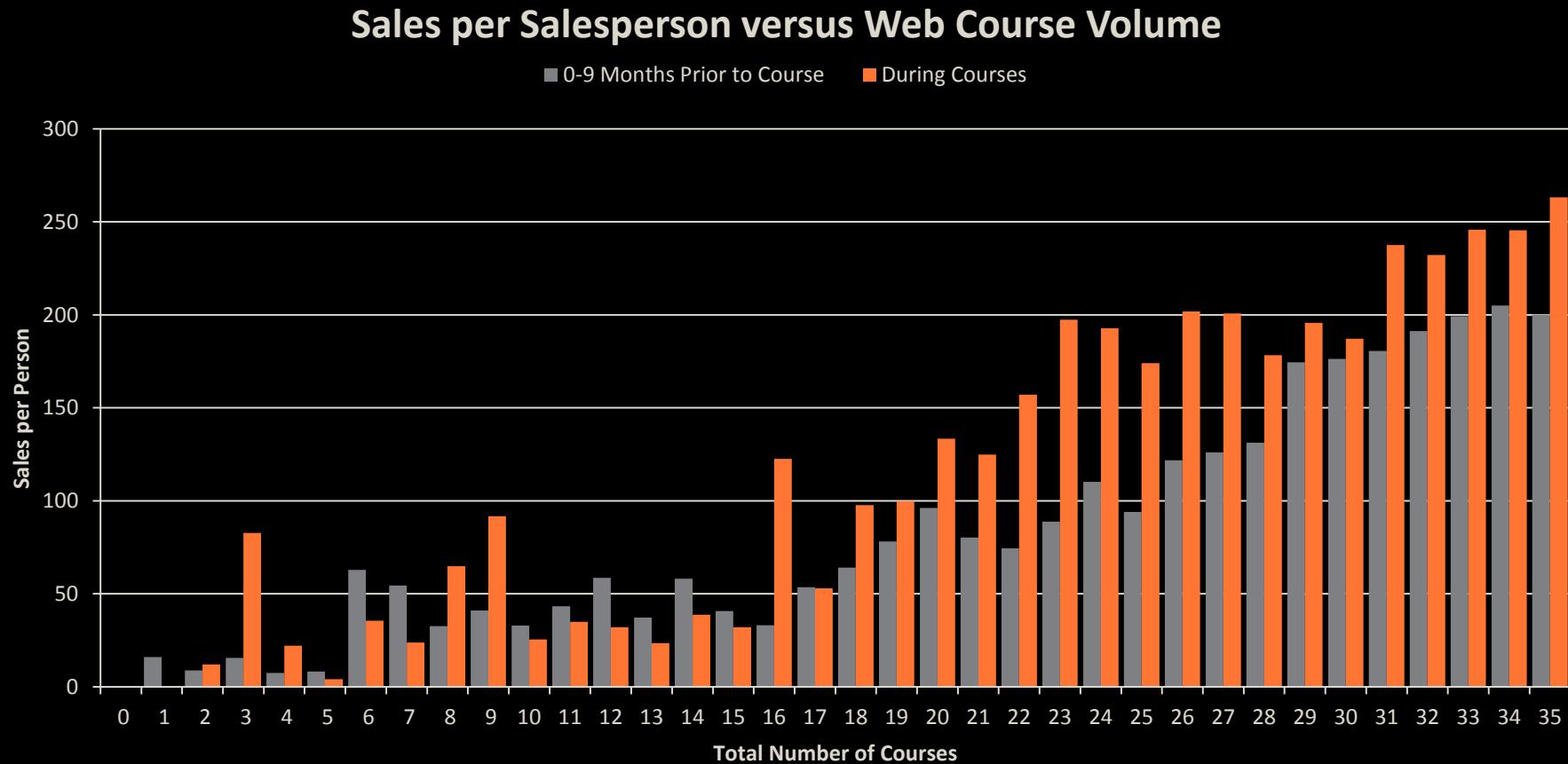
Could too much training be wasteful or take up too much salesperson time?  
How are the people in these groups selected?

# Findings – How Much Training is Most Impactful?



It appears that more instructor training results in more sales per salesperson; however, over 13 courses appears to not have quite the same impact.

# Findings – How Much Training is Most Impactful?



Having less than 18 web courses is uncertain to have a positive impact on performance. Over 22 course, the average rises above 150 sales.

# Question 3 – Training Type

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## 3. What method of training is the most impactful?

- Determine what combination of delivery methods drive the best results
- Compare those taking only web vs. only instructor vs. those with a mix

### Additional Considerations:

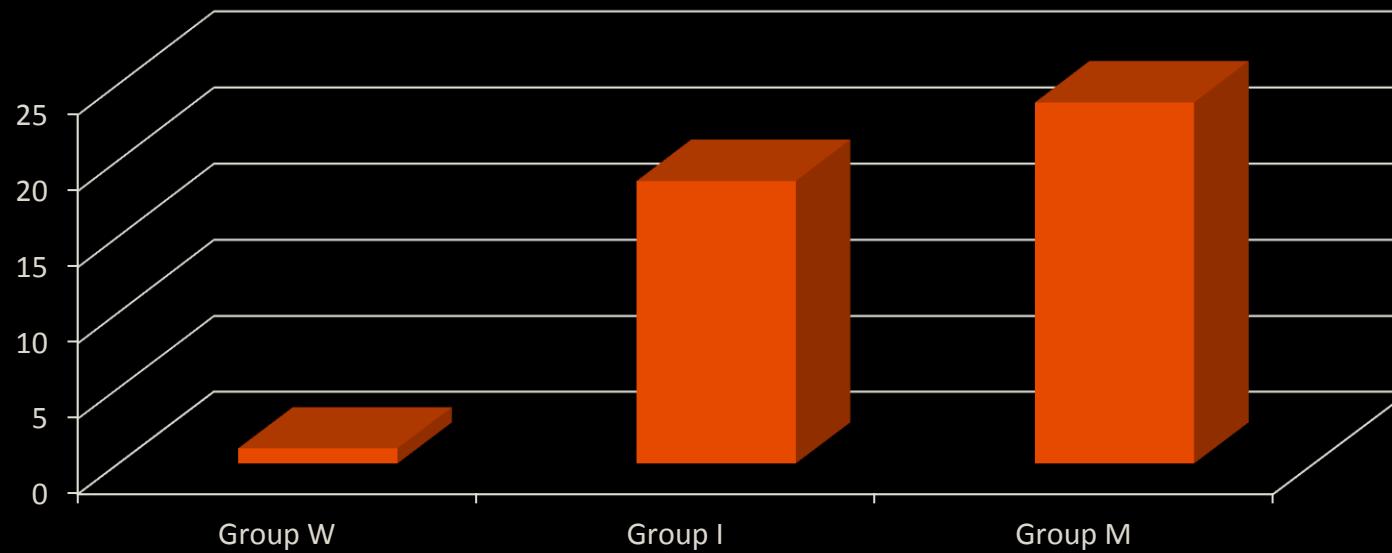
- Show numbers/volumes
- Can we add a tutoring component?

# Findings – What Training Method is Most Impactful?

For employees that were employed at least 360 days after hire date:

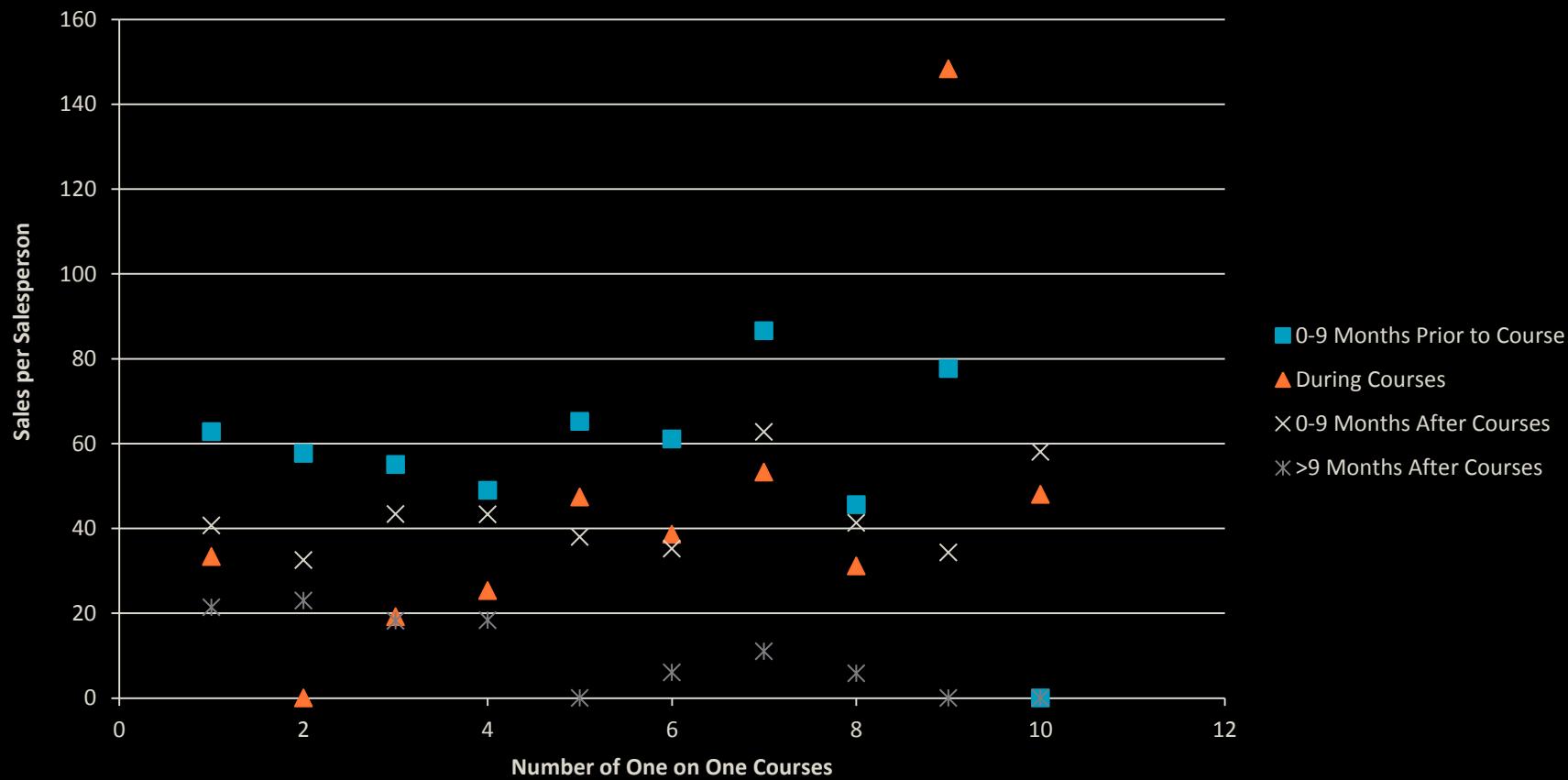
- Group W = Participated in web courses ONLY (655)
- Group I = Participated in instructor courses ONLY (697)
- Group M = Participated in a mix of instructor and web courses (2666)

**Relative sales volumes, comparing before and after classes**



# Findings – One on One Impact

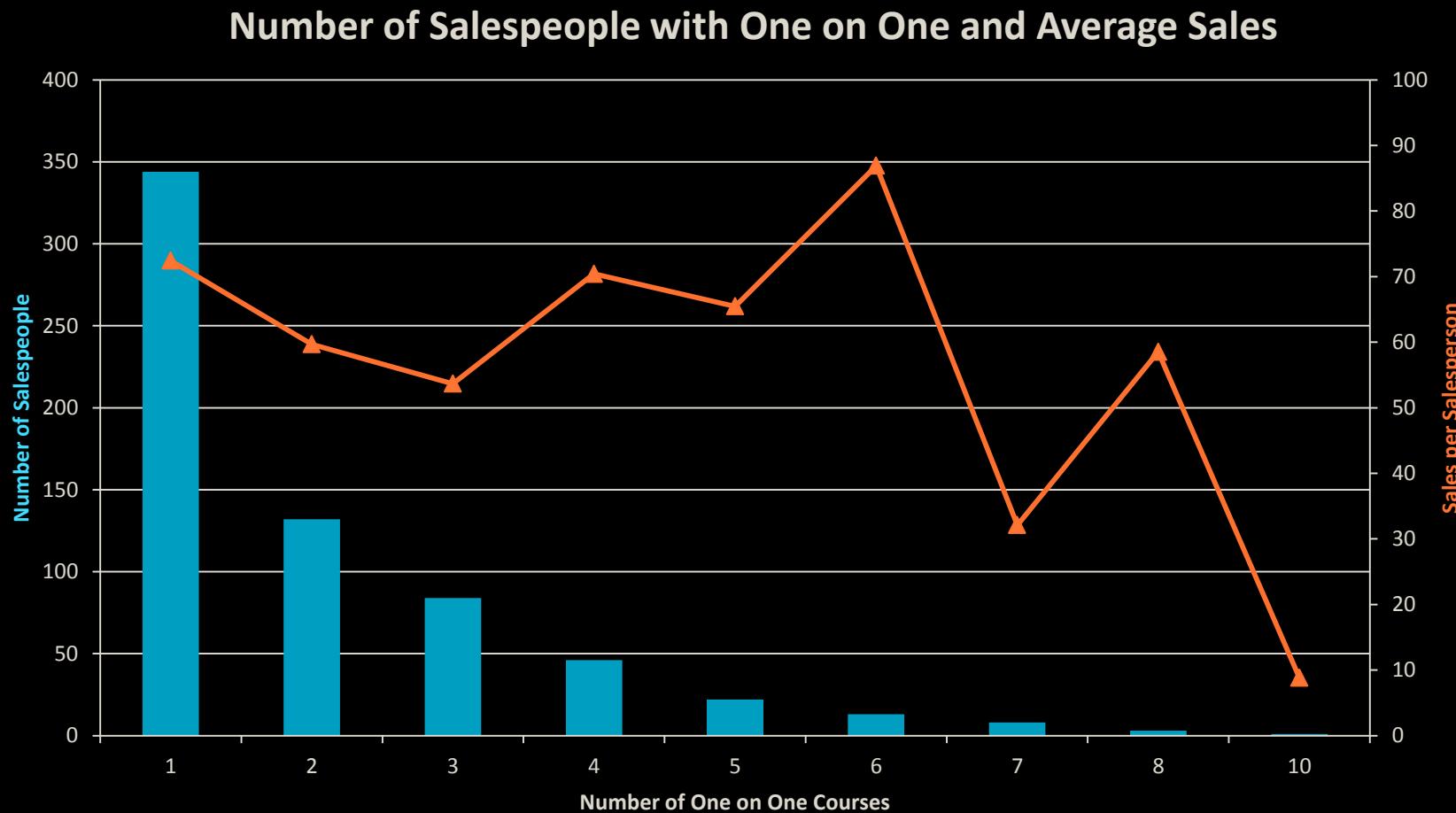
## Sales per Salesperson versus Number of One on One Courses



Before/after one on one analysis is inconclusive without a control group.

There is no obvious improvement after being tutored.

# Findings – One on One Impact



Six One on One Courses appears to provide the ideal result of sales per salesperson. Few people took more than that but those that did had fewer sales.

# Question 4 – Training Financial Impact

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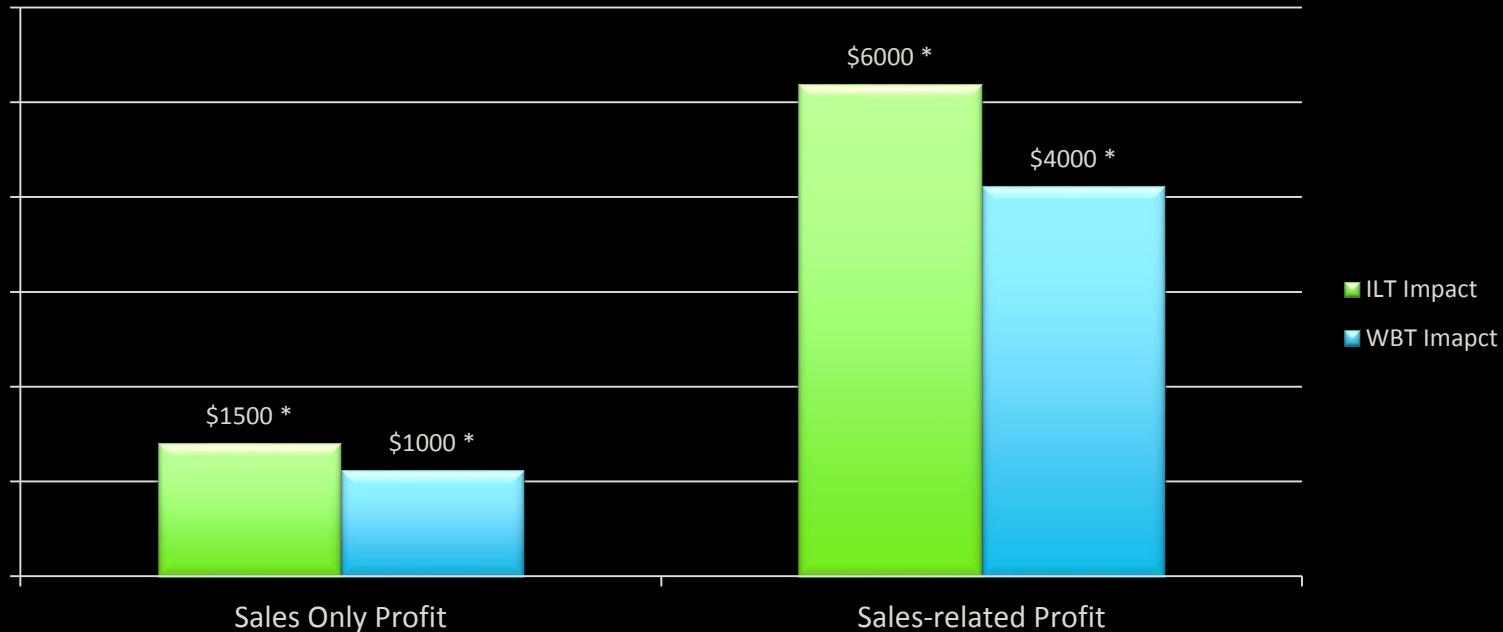
## 4. What is the financial value of training?

- Determine a dollar value on training to market it as an investment
- Identify increases in sales as a result of training scenario mix (timing, form, and volume)
- Apply National composite Gross Profit per New Vehicle Revenue for sales \$\$

# Findings – What is the Financial Value of Training?

## VALUE OF TRAINING TO DEALERS

### TOTAL Incremental Profit for Dealers Due to Training



\* - Dollar values have been changed from the actual study result numbers

- Per incremental instructor course: approximately 3 sales per month = \$6000 \* total; \$1500 \* sales only
- Per incremental web course: over 22 courses, approximately 2 sales per month = \$4000 \* total; \$1000 \* for sales only

# Findings – What is the Financial Value of Training?

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## *Financial Impact Assumptions*

- Every vehicle sold has a long-term impact that covers many different aspects
  - Gross profit on the new manufacturer vehicle sale
  - Holdback
  - Manufacturer Performance Bonuses
  - Finance and Insurance and other items related to the new vehicle sale
- Therefore, the total estimate on each incremental vehicle sold is \$1,000 \* all inclusive or \$300 \* just for the sale itself

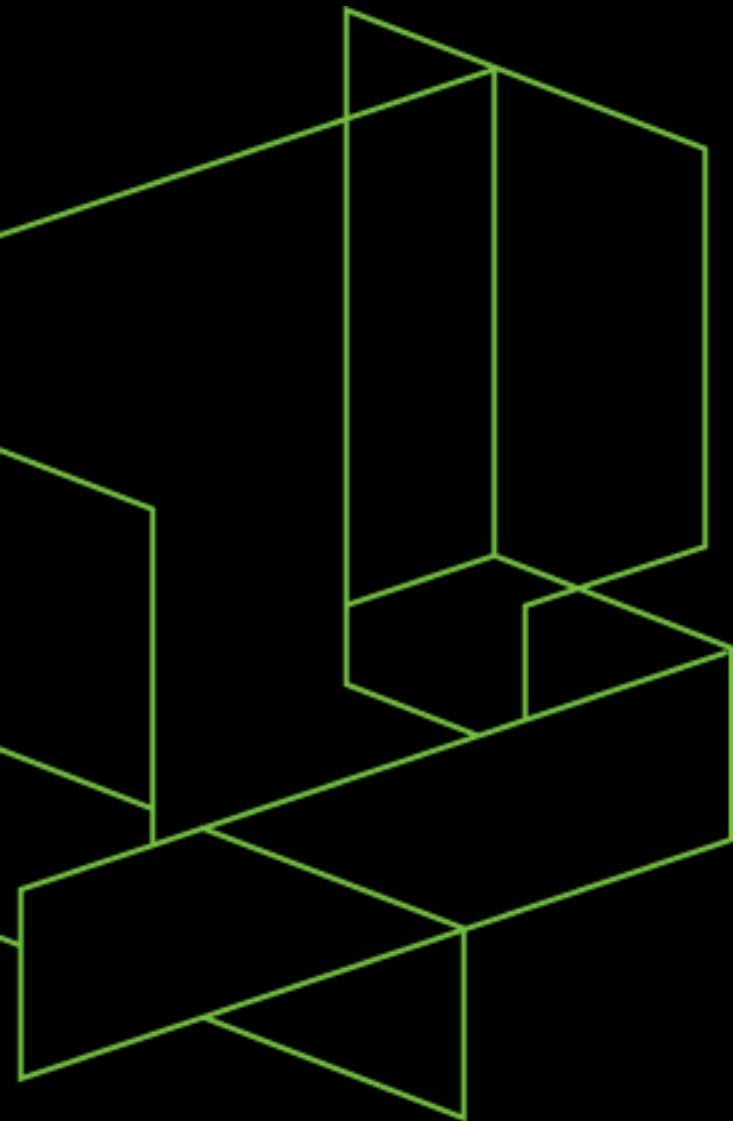
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# Findings – What is the Financial Value of Training?

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## *OPTIMAL TRAINING SCENARIO*

- Number of web courses: 23
  - and
- Number of instructor courses: 13 (6 with one on one)
- When to take Training:
  - Start with several web courses to obtain enough understanding to be effective (>22)
  - Tutor those that will be impacted by that form of instruction (up to 6 courses over the time period of data provided for this analysis)
  - Provide consistent instructor courses over time but do not overburden salespeople with them (less than 14 over time period of data provided for this analysis)
  - Allow for web courses to be taken approximately monthly to keep training fresh



**Thank you!**



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