



HUMAN CAPITAL
MANAGEMENT INSTITUTE

Sales Training ROI - Delivering Value with Analytics

HCFI Case Study - Sales Training ROI

Background

Imperial Services Corporation is a retail organization with 21,000 employees and over 18,000 locations worldwide. Over their 40 year history, Imperial has realized consistent revenue growth through geographic expansion and a strategy of growth by acquisition. However, over the last several years same store sales have remained relatively flat. Furthermore, due to Imperial's disparate business model, sales production can vary significantly across locations depending on the individual market. Imperial's sales force consists of approximately 12,000 associates and generated \$2.3 Billion in revenue in 2011.

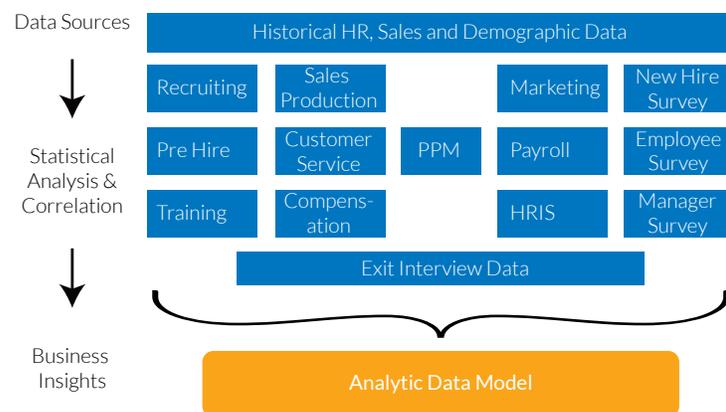
While conventional wisdom pointed to location and market as the primary drivers of sales production, top management launched an initiative across all locations to identify best practices and profile top performing sales associates. The following case study outlines Human Capital Management Institute's analysis and findings in partnership with Imperial Services Corporation, and quantifies the value creation identified based on recommended interventions.

Key Questions:

- What are the key historical drivers of retention, productivity and performance?
- What is the profile of a high performing employee? Is average candidate quality increasing or decreasing?
- How do new hires perform after 3, 6, and 12 months? At what rate are they retained?
- Does management directly increase employee retention and productivity?
- Does associate training increase employee retention and productivity?

Data Model and Analysis

- Analysis conducted over a 5 year period for sales associates and sales management across all 18,000 locations, segmented by prime, mid, and emerging markets based on average level of sales production.
- Sales production correlated with key workforce and business elements including sales manager, demographics, survey, performance, turnover, tenure, customer service, payroll, recruiting, pre-hire, training, product mix, profitability and exit interview data.



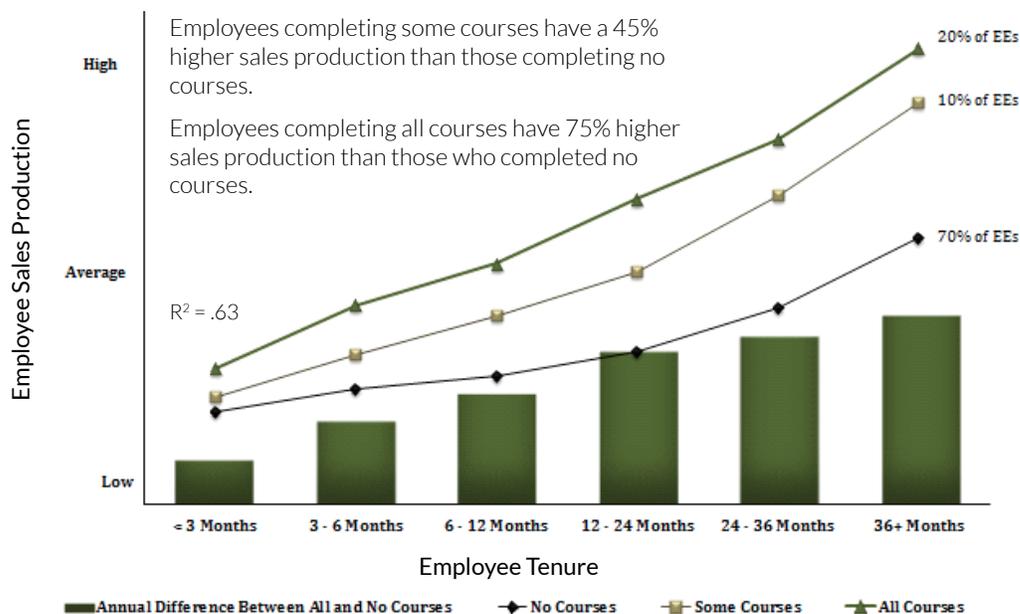
Primary Findings

1. While many of the above elements impacted sales production, a key linkage identified between manager job shadowing training and increased associate sales production.
2. Surprisingly manager job shadowing training was not a mandatory program. In fact, it was delivered at the sales manager's discretion, and only 30% of sales associates completed some or all of this valuable training.

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- On average, associates completing the manager job shadowing program produce over \$250,000 more revenue annually than those with no training.
- However, the cost of delivering training is minimal, at only \$10,000 per associate.
- Courses completed do not correlate with tenure; many tenured associates did not complete the manager job shadowing program.
- While prime locations consistently produced higher revenue, top performing sales associates were normally distributed across all locations.



Conclusion

Imperial Services Corporation estimated an additional \$180 million per year in increased sales production based on Human Capital Management Institute's analysis. As a result, management implemented mandatory manager job shadowing training across all locations. Imperial is currently tracking the corresponding increase in same store sales, and engaging top performing sales managers to share best practices.

“During 2012, we continued to focus on enhanced training for sales management and sales counselors”

- Excerpt from Imperial Services Corporation's Annual Report

In addition to definitively linking training to sales performance and disproving conventional wisdom that sales production is primarily a function of location, a critical discovery was the immense value from combining business, financial and workforce data across multiple systems. Going forward, data driven decision making for the workforce has become an integral component of Imperial Services Corporation's strategic focus.



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About Human Capital Management Institute

HCMI (Human Capital Management Institute) is a workforce analytics software and services firm that provides organizations with powerful software, actionable intelligence and deep analytics expertise to deliver better business results through smarter workforce spending. Since our founding in 2008, HCMI continues to lead in human capital analytics capabilities with our SOLVE™ workforce intelligence platform, unique Human Capital Financial Statements HCF\$™ and the world's largest workforce productivity benchmark database. Our mission is to enable organizations to leverage their workforce as a source of transformational value creation.