

CASE STUDY

Chart Learning Solutions &
Green Mountain Coffee Roasters



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Objectives

For core sales skills training, we use a blended learning solution centered on a product developed by Chart Learning Solutions. It is a web-based system that includes multimedia tutorials, online quizzes, Application Activities and—important for translating knowledge into action and action into business results—accountability. Accountability is achieved through one-on-one or group Coaching and reporting.

Section 1: Fit to Needs

Introducing the Green Mountain Coffee AFH Development Team

Green Mountain Coffee Roasters is a leader in the specialty coffee industry for its award-winning coffees, innovative brewing technology and socially responsible business practices. There are two business divisions: Green Mountain Coffee and Keurig. Green Mountain Coffee sells direct to consumers, to grocery and supermarket for at home consumption and to businesses that brew and serve coffee for consumption away from home.

The blended learning solution is for the Away-From-Home (AFH) sales team of 90 direct salespeople.

Roughly a third of the AFH team is long tenured salespeople in the northeast who have experienced our growth from \$30 million in revenue to \$160 million. A third is based outside the northeast and has been with us more than 5 years. A third is new, most of whom are based in the South and West.

In our core northeast markets, we sell direct to bagel shops, bakeries, convenience stores, country stores, delis, hotels, restaurants, specialty food shops and food service operators in healthcare, education and business & industry. AFH has a rapidly growing nationwide business selling single-cup coffee for the Keurig® system. This is sold to distributors largely for office coffee. Most of our growth has been by approaching the market in familiar ways and by adding geography with proven approaches.

We are changing gears.

The National Development Team in AFH Sales is charged with improving revenue per sales person by 70 percent over the next three years. This includes working with larger customers; developing smart, easy to execute programs that distributors want; training our direct sales people and distributors to deliver them; and succession planning. In the area of succession planning, we are responsible for core skill training including sales, financial, communication, general business and leadership.

We offer learning in a variety of modes: instructor-led courses, on-line self-paced training and blended learning solutions, though most of what we do is instructor-led. For core sales skill training, we use a blended learning solution centered on a product developed by Chart Learning Solutions. It is a web-based system that includes multimedia tutorials, online quizzes, Application Activities and – important for translating knowledge into action and action into business results – accountability. Accountability is achieved through one-on-one or group Coaching and reporting.



Coaches meet with Learners who explain, discuss and demonstrate knowledge and application of skills. Learners are scored based on their ability to address Talking Points. Reporting is available on Learners' progress, completion dates and scores. We also use the online reporting to evaluate Coaches based on their Learners' progress.

Description of the "Before" Situation

Green Mountain Coffee engaged a sales training consultant to develop and deliver two curricula for our direct sales organization. One curriculum was for sales people and the other for sales managers. Both were developed collaboratively by professional course developers, sales trainers and a team of our own sales people and managers covering 3 levels in the sales organization.

The sales person training comprised competency assessments, four classroom modules, sales tools, management follow up and coaching. Over 6 weeks, we delivered the four modules (5 ½ classroom days plus travel) at our headquarters in Vermont. We covered The Role of the Salesperson, Positioning Value, Managing the Territory Business and Executing the Sales Call. Following each training session, salespeople had a week to assimilate the learning and have a coaching meeting with their manager which was intended to be documented and reported to the senior sales executives.

Sales management training included the four salesperson modules plus one for the Role of the Sales Manager and one on Coaching for Performance. Sales managers were trained two weeks ahead of the sales people to give them more time to assimilate the knowledge.

Training what then was a 50-person direct sales force took 5 ½ classroom days plus 4 travel days each (1 per module) or 475 person-days. Adding in training days for managers and development days, we totaled more than 550 equivalent days. Measured in compensation terms or "opportunity cost," this was an expensive training for us. When salespeople were not out selling, we had measurable drops in average revenue of roughly \$1,000 per salesperson per week, which was roughly \$95,000 in lost revenue. To those costs, add \$65,000 for travel, lodging and meals, keeping in mind that Vermont is an inconvenient and therefore expensive destination. Consulting fees were in excess of \$250,000. Total costs for this training were about \$410,000.

The consultants worked collaboratively with us to develop training that fit with best-practices in sales as well as our specific market of wholesale coffee sales. We identified our needs as an organization as well as assessed needs of individuals. We clarified our business needs and goals, identified behaviors to produce desired results and narrowed the lists of sales competencies to those which were more directly related to the success we envisioned.

We trained our managers in advance of our sales team and gave them the coaching tools so they could support their people. We supported the coaching sessions with evaluation documents and standards.

The pressure to deliver revenue diverted the attention to sharpen the saw. The coaching and tools did not stay top-of-mind in our sales organization. We were very disappointed that within 3 months, the training fizzled out.

Learning from Our Successes

The Development Team has been charged with improving revenue per sales person by 70% over the next three years. To do that, among other actions, we are working with



larger and more sophisticated customers. To be effective working with them, we need a more competent sales force. We had to revisit core sales skill training.

We needed solid content, scalability and repeatability as we grow, low variable cost, high availability across geography and time, accountability for learning at a personal and management level, and visibility of progress and performance. To make the sales training part of our culture, we needed to *sustain* the attention and effort over time.

Section 2: Design of the Blended Learning

Blended Solution Overview

To address both business and learning needs, the Development Team, in cooperation with our corporate Continuous Learning department, engaged Chart Learning Solutions to deliver a “blended solution” for sales cycle-management to our Sales Team.

- **Learning Objectives**

- Course content that is based on best-practice research in sales effectiveness
- Integrated curriculum that builds on itself, leveraging common models and vocabulary
- Self-directed learning to accommodate individual knowledge and pace
- Quizzes or Games and Activities to reinforce and test learning
- Accountability meetings with Coaches to test learning and strengthen Coaching relationships
- Instructor-led workshops when appropriate i.e., face-to-face and peer-to-peer contact helps
- Reinforcement in the field to ensure knowledge is translated into action
- Reporting to provide accountability for learning and timely completion for individuals and managers

- **Business Needs**

- Scalability and low variable cost through web-based e-Learning
- Modular curriculum to accommodate turnover and growth in the sales force as well as provide sufficient time between modules to put knowledge into practice
- Reduce travel time and cost
- Reduce opportunity cost of lost sales due to travel time
- Ensure that we are getting a return on the investment though accountability, reporting, and a passing score before a Learner can access the next module



Delivery Methods

The blended solution presents information to salespeople using three delivery methods: 1) online self-directed tutorials using html5 animations and video, 2) interactive Application Activities 3) live Coaching during Accountability Application Meetings. This blend accommodates different learning styles as well as providing reinforcement of learning because the same concepts are presented in different media. Learners have the convenience of on-demand access 24/7 anywhere they have web access, both during the initial learning, and to hone their skills as needed.

To improve collaboration with departments like Marketing, we have made well-targeted recommendations of specific modules on topics where we need to be well-aligned to be successful. They can audit the course without doing the Application Activities in 30 to 60 minutes per course, enabling them to learn the vocabulary and concepts.

There are 12-courses in Sales Cycle-Management. The time to complete a course is about 6-8 hours including tutorials, activities and accountability meetings. The modules cover a sales process from Prospecting to Referrals. Each course has five components:

- Five main learning objectives per course
- Information – content to learn in html5 Tutorials
- Application Assignments – completed by deadline
- Quizzes or Games to reinforce and test learning
- Accountability Application Talking Points

How Blended Learning Supported our Learning Objectives

We chose Chart Learning Solution’s Sales Cycle-Management Accountability System to address our needs for core selling skills because it is a blended learning solution that is the most effective and comprehensive learning at the best cost. The use of blended learning supported our objectives in the following ways:

1. Accountability

- a. On-line courses reduced training costs while increasing performance and productivity
- b. Learners were accountable to their live “Manager as Coach.

2. Coaching Relationship

- a. Live Accountability Application Meeting Coaching sessions at the end of each course verified transfer of learning

3. Sequential Skill Development

- a. Courses organized around the cycle of continuous learning showed the sequence of skills needed to drive desired results, not a random list of topics

4. Credibility

- a. Best-practice methodologies

5. Continuous Learning

- a. Not “event-driven,” but an on-going process of continuous learning that has become a regularly scheduled routine, building mission-critical skills

6. Motivated High-Performance



- a. Identified top performers and kept them there, moved average into top, migrated poor performers to average and eventually to top

7. Built a Common Vocabulary, Structure, & Process for Driving Results

- a. Built a unified, common language among divergent staff members
- b. Built a common sales methodology that could build on itself

8. Embraced All Learning Styles

- a. Latest interactive software in e-Learning that combined high-content with auditory (professional voice-over/music), visual (animated graphics), and kinesthetic (click experience) to embrace all learning styles

Section 3: Measurable Benefits

Levels of Learning Effectiveness

Kirkpatrick’s 4 Levels of Learning were used in measuring learning effectiveness.

4 Levels of Learning Effectiveness	How Learning Effectiveness is Measured
Level 1: Did They Like it?	Course evaluation
Level 2: Did They Learn it?	Accountability Meetings
Level 3: Are They Using it?	Observation of sales people in the field by Managers/Coaches and Development Team
Level 4: Business Impact (ROI)	\$504,000 potential savings for avoided T&E for 12-modules + \$288,000 avoided opportunity cost of lost sales due to travel days for 12-modules = \$792,000 savings



Section 4: Conclusion

Green Mountain Coffee Roasters put its best efforts into traditional instructor-led classroom sales training for core sales skills and was disappointed with the results. After getting burned, we invested our training time and money in other areas. We learned several key lessons about what worked.

Our growth plans required a dramatic increase in revenue per sales person. To work with larger, more sophisticated customers, we needed to raise the competencies of our geographically dispersed sales team. Wiser for our good and bad experiences, we chose a blended learning solution for core sales skills.

Blended learning has proven to be a cost-effective, high-performance approach to improving core selling skills in our geographically dispersed sales force. When Learners can control the pace and repetition of material presented in multiple formats – video, flash animation, Application Activities, and Accountability Meetings – they learn more effectively than when pace and agenda are managed for a group of Learners. Online learning eliminates costs related to travel, lodging and meals and the opportunity cost of lost sales on travel days. Licensing instead of developing content has also been a *significant* cost savings.

Effective learning is like a Chinese puzzle. If one piece is missing, the whole falls apart. Accountability is the last piece in the puzzle. Our blended learning system is a Sales Cycle-Management Accountability System. There is no place to hide. Individual salespeople have to “get it.” We also have visibility of Coaches/managers.

Our sales people have been very positive about the content and the approach. We have the flexibility to start new hires in the training program on their schedule instead of a trainer’s schedule. Our sales people remember the content both because of how it is presented and the requirement for them to use it in Application Activities. We have observations and anecdotes of salespeople using the techniques with customers. While it’s difficult to measure changes in our revenue curve and tie them to core sales training, we do have several concrete examples of salespeople using specific techniques like Presentation and getting dramatically better results than similar sales calls executed before the training. Furthermore, we have realized significant cost savings using this blended approach.

Managers, acting as Coaches, are involved in the development of their people. That engagement has strengthened relationships and trust, which is essential in a high-performing sales team. Managers appreciate the visibility of how their people are progressing. Managers also appreciate being held accountable for their own learning. In the rush of activity to deliver the sales numbers, they are always at risk of neglecting their own development. Our blended learning solution ensures that they, too, sharpen the saw.



Appendix A: Student Feedback

I haven't had the opportunity to tell you how good the content of the "Negotiating" MAP is. I have received feedback that its one of the strongest MAP's and that participants have gotten a lot out of it. It has been particularly useful as we are going through a price restructure right now.

As the result of the Presentation module, our customers are asking us for copies of the sales presentations!

For over a year, we have been trying to place an ad in a customer's magazine that goes out to 6,000 unit managers. After seeing the presentation in Memphis, they called us and asked if we would like to place an advertisement.

Using the "warmly confusing" technique has improved my call back rate from voice-mail messages.

Green Mountain was one of four presenting vendors at the meeting of regional managers for a national contract food services company. All 'gate keepers' from around the nation were present. There are solid leads and new account activations resulting from the work. I received a hand-written note in the mail yesterday that speaks volumes about how the team (James, Jim, Miguel, Vic, and Brian) performed. (How often do you get hand written notes from customers?!) Our presentation skills improved dramatically after taking Chart's Presenting MAP. It read as follows:

*Green Mountain Team,
You were phenomenal! The talk of the town. Can't thank you enough for your efforts in getting there and for presenting the way you did!*

Bob and Michael

