



Ten Pound
Hammer

The clear connections
between training and sales.

Dealers send out a cry for help.

Ten Pound Hammer
2018 Survey of Kitchen and Bath Dealers

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INTRODUCTION

Training helps professionals become better communicators, more effective managers, or more profitable salespeople. In most companies, at every level, individuals can agree that training is a worthwhile investment. The problem is getting agreement on whose budget should fund it and to what level training should be implemented—or deciding it should be implemented at all. These problems arise from the belief that training is a one-and-done box to check. But it's not. Training is the connection between your people, your products, and your customers that ensures a return on time and financial investment.

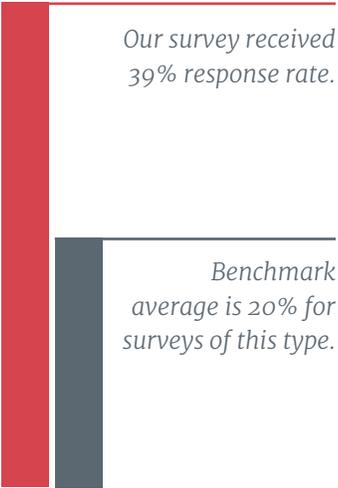
Training is marketing. It is an extension of your brand. And it is critical to your success.

Ten Pound Hammer took on the project of asking dealers in the custom kitchen and bath industry about the issue of training. We had the assistance of two major brands that shared our curiosity. The brands will remain anonymous, as will the individual responses. We received 350 responses from across the US from roughly 900 dealers, giving us a 39% response rate—significantly higher than the optimistic 20% we generally hope for with this type of study. The high level of participation and the extensive number of open-ended responses indicate that this is a topic about which custom kitchen and bath dealers feel strongly.

SUMMARY

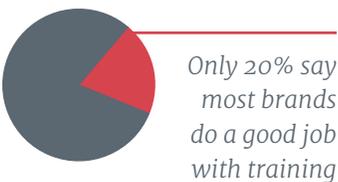
The primary learning goals of this research were to determine (1) dealer attitude toward training, (2) the most important training issues, and (3) preferred training delivery methods. The questions were intentionally broad to create an overview that filled in some blanks in the big picture of training activities. Here is a summary of key findings:

The only thing more expensive than training is not training. When asked about the costs that occur with inadequate training, results clearly point to a cycle. Inadequate training begets incorrect product ordering, which causes installation issues, more service calls, and delays—leading to poor customer satisfaction. The cycle ends in a death spiral of lack of referrals. But there is additional fallout: Many dealers note that a lack of training means they miss upselling opportunities, leaving potential sales—and revenue—untapped.



Our survey received
39% response rate.

Benchmark
average is 20% for
surveys of this type.



TRAINING MEANS REVENUE

The most striking result (in terms of clarity, not surprise) is the clear connection between training and sales and profit. Of the dealer respondents, 83% denote that improved training will make them more profitable, 78% believe it would help them sell more product, and 87% say it would give them more confidence in a brand.

More complexity demands more training.

This fact is not surprising. When asked about the most important product categories, dealers responded that the more complicated the product, the more that training was needed. Custom cabinets were cited by 89% of respondents as a top category in which dealers desire brand training, while semi-custom cabinets and appliances were selected by 38% and 35% of dealers, respectively. We also analyzed 229 open-ended responses that elaborated on these categories.

Industry change necessitates training.

The exponential rate of change in today's world is reflected in the kitchen and bath industry. Products are becoming more complex. Dealers rely on training to stay up to date on changing products, new technology, and innovative offerings. 80% currently use training to stay current on the changing product offerings, while 78% use training as a reference when placing manufacturer orders. These telling responses underscore product complexity. Text comments in this category express an overarching tone of anxiety around the continuous expansion of technology into what has historically been a low-tech construction business. This is important: if dealers are the least bit confused or uncertain, then they will naturally avoid specifying a product. They will default to a product they are comfortable with, meaning you lose sales. Keep in mind, the dealer as the trusted expert will carry far more weight with the end customer than any brand marketing messages. Or put another way, if you dealer isn't comfortable with your product they can easily render your marketing efforts moot.

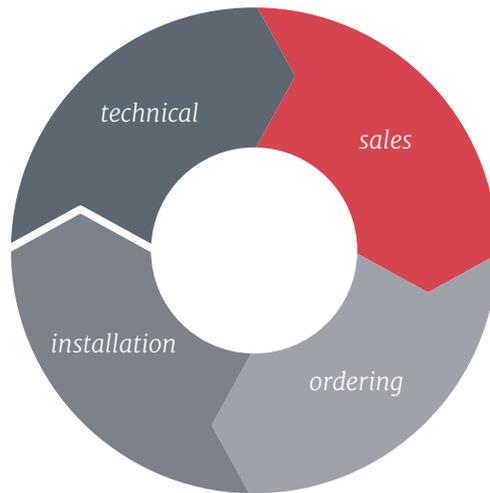
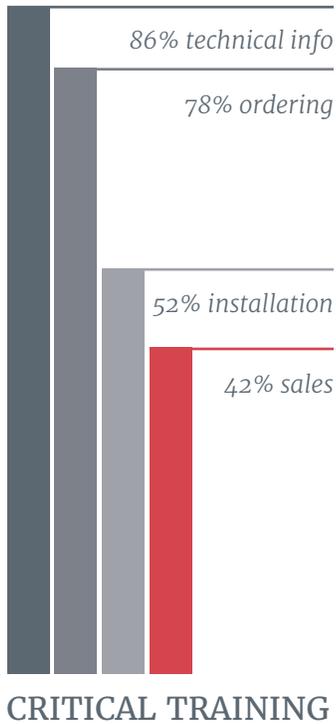
Brands need to do better.

Only 20% of dealers said that most brands do a good job with training. Eight percent of respondents indicated that they either get no training, or that the training they are provided with is worthless. Teasing apart these answers leads to the conclusion that dealers, overall, are tepid regarding training tools that brands offer them.

EXPRESSED NEEDS AND WANTS

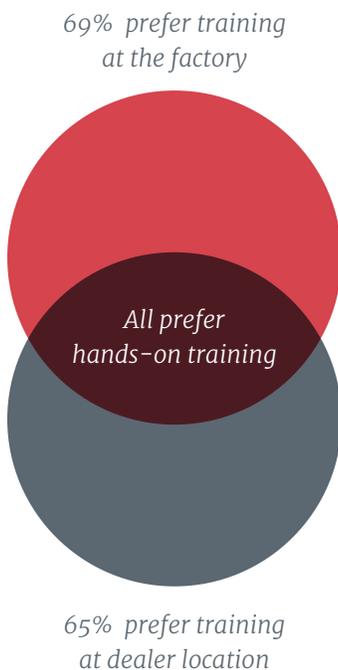
Training needs are varied, but the same.

One of the perplexing issues around training is that, ideally, it covers everything, including technical product information (cited as critical by 86% of dealers), ordering (78%), installation (52%), and sales (42%). Although seemingly unique categories, in reality all these pieces are connected, evidenced by the survey comments. Responses clearly suggest that technical knowledge leads to more accurate ordering and smoother installation, resulting in a better customer experience and more sales. So when asked by a brand, “Do you need technical, ordering, installation, sales, troubleshooting, or warranty training?” The resounding dealer response is, “Yes!”



Dealers want a hands-on training experience.

When asked how they want to receive training, 69% of responding dealers indicated a preference for hands-on training at the factory. And for this offsite, at-the-factory experience, two-thirds of participants believe that two to three days would suffice, except for educational events covering a new product line, in which case participants requested more training time. Although not specifically asked, dealers also commented that they expect brands to cover all training costs.



A close second to offsite, dealer location training is preferred by 65% of respondents. However, no single training platform showed itself to be a clear favorite. Dealers equally desire eLearning, printed materials, and how-to videos, with each of these methods being selected by 40-50% of participants. The bottom line from these findings is that dealers expect experiential training, as well as ongoing training in multiple formats for every stage of their business.

TRAINING EFFECTIVENESS INSIGHTS

The channel is only as good as the training materials.

Over and over, dealers mentioned the need for quality training materials. Similar to a sales-and-marketing mindset, training materials must be engaging. And no matter what format they were commenting about, dealers agree that boring, confusing, or incomplete material is not helpful and therefore altogether unnecessary. Moreover, outdated materials created significant frustration because that incorrect information translates to misinforming customers—and ultimate embarrassment for the dealer.

E-learning tools are double-edged swords.

Although many of those surveyed selected a preference for eLearning (48%), the associated comments voiced significant trepidation about the platform. Dealers have had negative experiences, expressly pointing to the need for better material. Another commonly mentioned drawback to eLearning was the inability to have a question-and-answer portion of the training. But they did note as a benefit the ability to go at one's own pace through the materials, pausing and repeating sections as needed. Respondents also strongly support eLearning as a tool that allowed for continued reference after the initial training sessions were completed.

Time is often the enemy.

Per the survey results, dealers overwhelmingly prefer hands-on training, and event-style training at the manufacturer is considered the gold standard. However, they are conflicted about the cost in both time and money associated with this ideal training format. Dealers can't afford to spend valuable time away from their business, and they have only a limited number of staff that could participate. Moreover, they recognize that onsite training at their own showroom entails too many disruptions. Providing additional training elements that are less time-intensive is critical to any dealer-focused program.

Common threads of effectiveness

Frequency – Many times across the entire survey, dealers asked for training to be provided more regularly.

Variety and flexibility – Dealers expressed the need for training in many forms, across multiple functions.

Respondents strongly support eLearning as a tool for continued reference after completion of initial training sessions.

Provide different levels – Dealers don't just want information; they want to feel like they've progressed to a more advanced level. More senior-level designers frequently mentioned the need for more advanced training.

Access to experts – Another common survey theme is that the knowledge (and efficacy) of the trainer is critical to training success. Dealers need product and category experts they can question and confidently trust.

SALES REPS AND RELATIONSHIP DRAMA

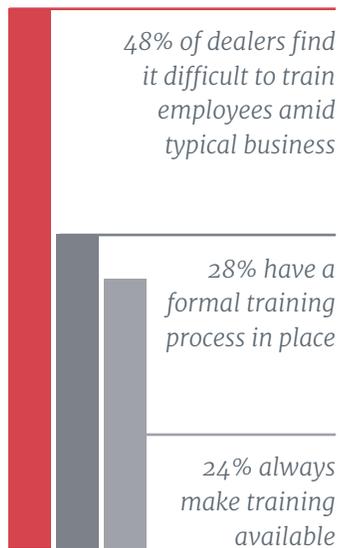
The struggle is real.

In looking internally to the dealers' own commitment to training, respondents are evenly split, with 28% denoting that they have a formal training process in place. Another 24% indicate that they make sure training is available at all times as an employee resource. The remaining 48% of dealers responded that they have difficulty finding the time amid typical business to train employees. These insights can be seen as a symptom of a larger issue that can also be applied to brands: There's a reluctance to commit the time needed to maintain a consistent approach to training because it is hard to prioritize something when you don't see a direct connection to revenue.

Relationships and revenue.

In the kitchen and bath industry there often exists a level between the dealer and the brand—the independent rep agency. In fact, only 32% of respondents indicated that they get training directly from the manufacturer. The majority of training is provided by the sales rep or the rep agency. This is where brands have relinquished their dealer relationship to the sales rep. In some cases, this is a good thing. In other cases, it isn't.

Ten Pound Hammer works with a diverse group of clients that sell through independent dealers. In our experience, there is no other vertical market that puts the burden of training dealers onto their sales force. True, a good salesperson must be able to educate a dealer on products, services, and processes. But their job is to sell, so they often sacrifice long-term benefits of training for short-term revenue. Previous research indicates that the quality of the sales rep determines a dealer's view of a brand. This is significant. When a dealer has a great rep (either internal or independent), that dealer loves the brand. A bad rep, however, creates a filter through which the dealer views the brand they sell—and it's not good. This scenario is negative enough from a marketing perspective, but



when brands abdicate control of training to sales staff, the long-term ramifications can be dismal.

NEXT STEPS IN THE RIGHT DIRECTION

All this information conveys good news.

Our training survey provides a clearer understanding of the situation. This means we (dealers, brands, sales reps, and marketing professionals involved in this unique industry) can start working towards improving the areas that fall below par. The statistics do show that there is a lot of good training out there that dealers appreciate. So, what are the conclusions and logical next steps for any brand that wants to optimize their dealer training efforts?

1. Assess the ROI of training programs.

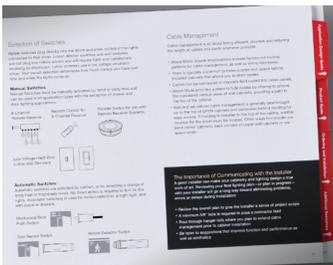
The survey confirms that dealers feel more confident in brands that provide training, resulting in an increased tendency to recommend those brands. And that equals sales. At the end of the day (or fiscal quarter), sales is the only metric that matters. Often, it needs to be measured over a long period of time and sales don't instantly drop off when training efforts are cut. For those manufacturers skeptical of the correlation between training to sales, here's a clear example where the ROI was unmistakable.

• Case Study: ROI of Training

Introducing Häfele LED lighting to Wood-Mode Custom Cabinetry dealers. Häfele and Wood-Mode partnered on the effort, hiring Ten Pound Hammer to create the materials.

Most of the credit for the success of this effort belongs to the leadership of both brands who recognized LED lighting as a new area for designers and dealers. Working with it required dealers and designers to learn a new way of thinking about design and installation. The result: Wood-Mode won a product innovation award at KBIS 2018, and Häfele saw a 30% increase in LED sales through Wood-Mode dealers.

While LED lighting is not a challenging sale to the end consumer, it is to the kitchen designer who is often intimidated by the process. Historically, lighting was added on at the end of the process. LED must be considered as you design a kitchen. Customers see it, love it, and want it, but designers tended to avoid it, even though it was an opportunity for increased incremental sales, to the point of steering customers away to avoid the process impact.



*Häfele LED Lighting
Design Guide for
Wood-Mode custom
cabinetry dealers*

10 Pound Hammer considered a digital tool, but realized kitchen designers work in a digital platform, so that would require them to toggle back and forth between our resource guide and their program on the same screen. While an online resource would have been cheaper, it would not have been used and as such, would have been a waste of money and resources. We designed a tabbed, wire-bound reference book that designers could leave open in front of them and utilize continuously while they worked on their computer, in their design application platform.

The resource guide for designers walked them through the lighting design process, making it easier to incorporate LED lighting earlier in the process, satisfying the customer and increasing the sale.

2. Different objectives require different tools.

One of the clear findings from this survey is that there needs to be a variety of training approaches, platforms, and resources. Dealers need a specific training tool at each point along the product journey. They need a big-picture understanding to talk about the product and sell it to customers. They also need to know the design implications and have installation training. A repeated theme throughout the dealer text responses is the need to know and understand product limitations. Any uncertainty due to lack of training or familiarity will lead to a general recommendation, rather than dealers specifically offering your product. Finally, dealers must have tools to help manage the ordering system.

3. Understand the need for an ongoing commitment.

The key to a successful training program is a long-term, intentional commitment. The significant danger is to create a program to support a big product launch, and then ignore training of any kind until the next big marketing event, essentially making your initial launch investment a waste of money.

4. Training is just one part of the dealer relationship.

When brands consider their relationship with the dealer channel, regardless of the vertical market, they must view it as a fragile relationship that needs constant attention. It's all about building brand loyalty. But everything hinges on the brand's ability to communicate effectively with dealers.

5. Remember, training is marketing.

Training is the communication of ideas designed to create some change in behavior. That is why it's critical to approach training with the same discipline and long-term perspective used in any marketing campaign.

You can't figure out where you need to go until you know where you are.

Starting to determine next steps for your training brings to mind the old adage, "how do you eat an elephant?" Having eaten a few elephants, we've developed a few ways to get started.

Complete assessment and plan: \$6,000

- Review of existing materials and process
- Online survey of dealers
- 8 in-depth interviews made up of dealers and brand personnel
- 6 dealer site visits and in-person interviews (does not include travel)
- Report of findings and recommendations for improvement
- Outline of complete training program and schedule

Limited assessment and plan: \$2,500

- Review of existing materials and process
- Online survey of dealers
- 8 in-depth interviews made up of dealers and brand personnel
- Report of findings and recommendations for improvement
- Outline of additional training materials and programs needed

Basic assessment: \$1,000

- Review of existing materials and process
- Online survey of dealers
- Report of findings and recommendations for improvement

Ten Pound Hammer is a marketing firm with expertise in building training programs and materials that improve dealer relationships and increase sales. To start improving your training ROI, contact Gary Thompson. gary@10poundhammer.com