

ROI MODEL

Backed by survey data

SANDLER TRAINING

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Executive Summary



Mission

- Validation of the extent to which Sandler Training improves revenue generating outcomes for their clients with the use of various analytical tools
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Findings

- **Average ROI of 1.8** with top 3: Retail (20.3), Legal (10.7), and Healthcare (6)
 - **Companies with \$2M+ revenue** achieve on average **8 times more ROI**
 - **Hard ROI forecast model** with **~70% accuracy**
 - **Soft ROI analysis:**
 - Increase in sales team speed and efficiency if \$7.5K+ invested
 - Increase in customer satisfaction if \$32K+ invested
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Recommendations

- Lead with ROI analysis when marketing for companies with \$2M+ revenues, or the ones from Retail, Legal, and Healthcare sectors
- Highlight increase in customer satisfaction as well as sales team speed and efficiency during marketing to showcase the outcomes of the trainings for current and future clients

Project Mission

To validate the extent in which Sandler Training improves revenue generating outcomes for their clients with the use of various analytical tools

Effect of ROI on:

- Revenue
- Customer satisfaction
- Speed and efficiency of sales team

ROI Definitions

- ROI is an abbreviation for return on investment
- Measures the amount of return on a particular investment
- Evaluates the efficiency or profitability of an investment
- Compares the efficiency of different investments

Sandler ROI Formula



$$\frac{(\text{Revenue AT}^* - \text{Revenue BT}^{**}) - \text{training cost}}{\text{training cost}} = \text{ROI}$$



*AT – after training

**BT – before training

ROI Definitions: Hard vs. Soft

Hard ROI

- Essential
- Clear measurements of actions
- Easy to quantify
- Examples:
 - Revenue
 - Training cost

Soft ROI

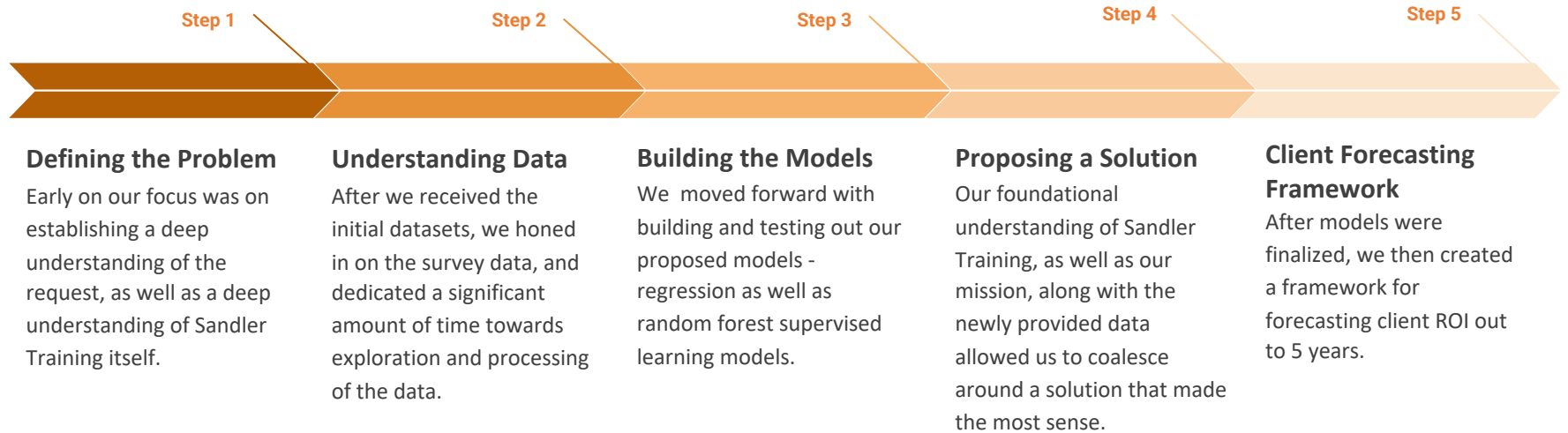
- Addition to Hard ROI
- Measures return on intangible elements
- Examples:
 - Improvement in customer satisfaction
 - Improvement in salesforce speed & efficiency

Business Implications

What we've created is not a silver bullet, but a tool in the already robust toolkit that Sandler Training uses to convert prospects to clients - below are the **4 key business impacts** we view this 'tool' enabling



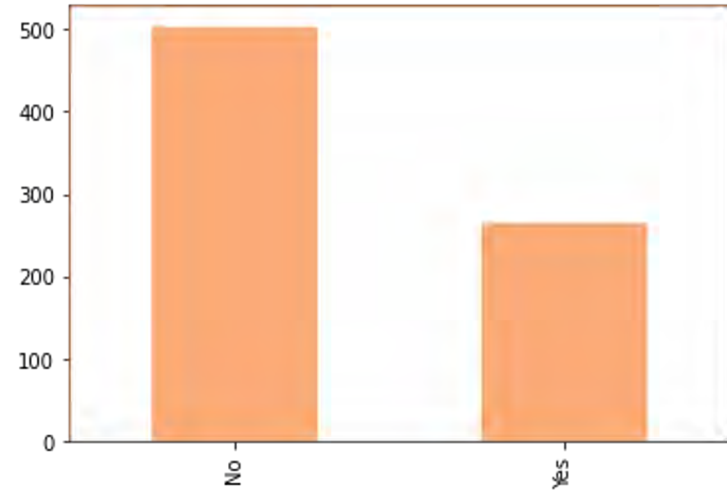
Our Approach



Dataset

- Applied Analytics Performance Corporation survey dataset
 - Financial
 - Demographics
 - Psychographics
- 752 observations to 190 observations
- Deleted outliers and excessive data
 - Observations with <\$100 in revenue before training
 - Companies that never had training with Sandler

Client vs. non-client



ROI Analysis: Variables

DEMOGRAPHICS



1. Industry
2. Years in business
3. State
4. Purpose to engage in Sales Training

PSYCHOGRAPHICS



1. Improvement in customer satisfaction
2. Improvement in salesforce speed & efficiency

FINANCIALS



1. Revenue
2. Training cost
3. Number of salespeople trained
4. ROI
5. Marketing process that generates highest leads

Soft ROI: Important Variables

Percentage increase in **customer satisfaction**

Predicted Model:	Decision Trees
Model Accuracy:	58.6%
Variable Highlight	
Marketing Process: <ul style="list-style-type: none">• Website• Customer Referrals	
Years in operation: > 7 years	
Investment in Sales Training 2021: > \$32,000	
Specific Training: <ul style="list-style-type: none">• Improving Sales Accountability• Increasing Closing Ratios	

Percentage increase in **sales team speed and efficiency**

Predicted Model:	Decision Trees
Model Accuracy:	44.8%
Variable Highlight	
Investment in Sales Training 2021: > \$7,500	
Marketing Process: Vendor Referrals	
Specific Training: <ul style="list-style-type: none">• Improving Sales Management• Improving Sales Accountability	
# Years in operation: > 4 years	
Industry: <ul style="list-style-type: none">• Technology• Consulting	

Adjusted ROI Approach

Purpose: Single out Sandler's Training's effect on ROI from other possible drivers

Models Used

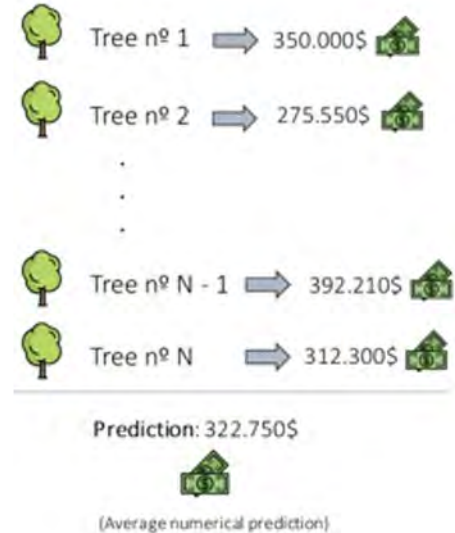
- Random Forest
- Decision Tree
- Lasso
- Ridge

Chosen Model and Improvements Made

- Random Forest
 - Cross Validation
 - Hyperparameters Grid Search

Model Evaluation

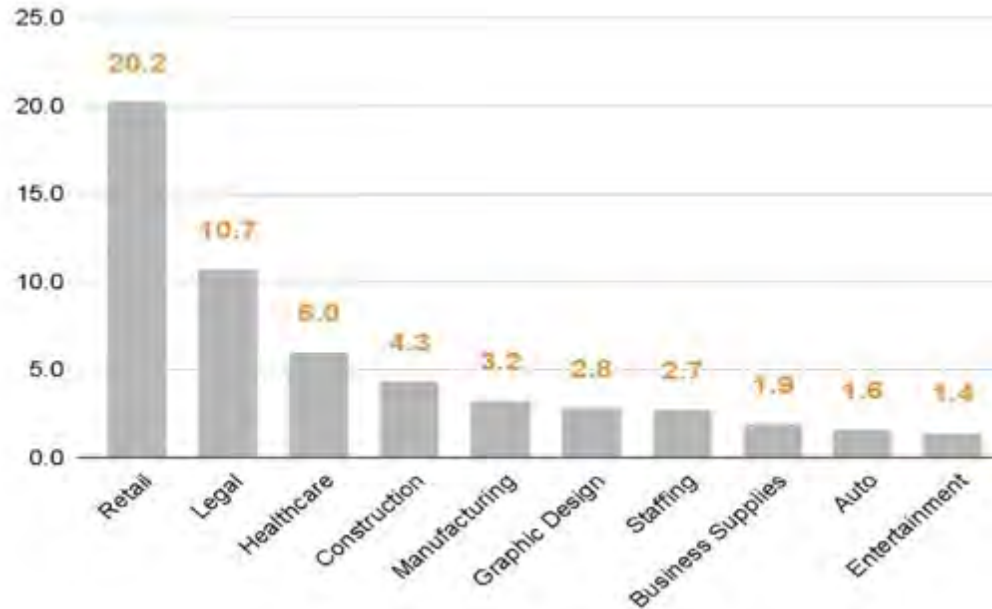
- Accuracy: 69.8%



Model Result for Current Clients

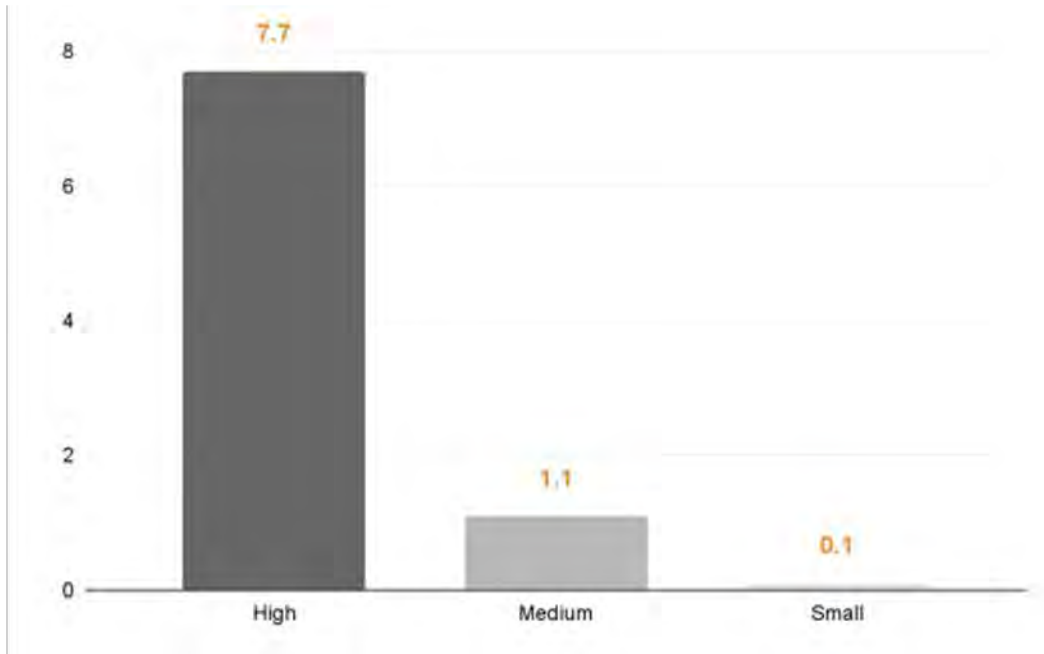
Average ROI: 1.8

ROI by Industry: Retail, Legal, and Healthcare customers on average achieve more returns than others



ROI by Revenue Size

High-revenue companies perform better with Sandler



Companies with revenue **\$2M+** earn
8 TIMES MORE
return than other companies

ROI Forecast

Client Input Data

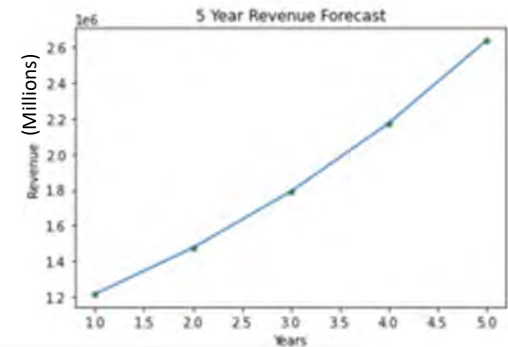
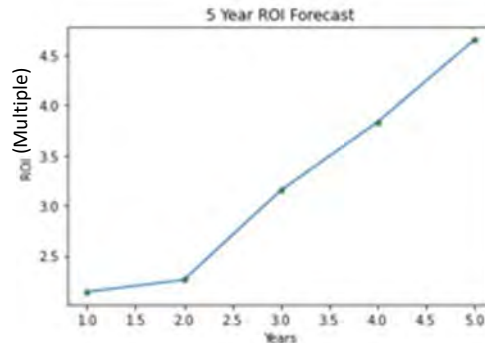
Survey the prospective client of their current revenue, training investment, and drivers of the model that affect ROI introduced before. A data frame will be generated

Years In Business	State	Primary Industry	Specific Training Needed	Greatest Percentage Leads	Second Highest Percentage Leads	Change Of Sales Employed	Change Of Sales Teams Employed	Change Of Investment
10	Texas	Technology	Improving Sales Accountability	Customer Referrals	Vendor Referrals	0.2	0.2	0.1

Model Calculates ROI

Fit the data frame to the model to forecast revenue and ROI

Generates Graphs for 5 years of Return



Recommendations

Lead with ROI analysis when marketing for companies with \$2M+ revenue

Deepen relationships with clients
Quarterly ROI presentations for clients, Pre- and post-training interview (collect data)



Lead with ROI analysis when marketing for retail, legal, and healthcare companies

Highlight increase in customer satisfaction as well as sales team speed and efficiency

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