

# Top Ten Strategies for Growing Your Training Business

By Gordon L. Johnson

There's no industry quite like the training industry. The marketing strategies that work in other industries sometimes have little or no effect on training buyers. On the flip side, some strategies have proven to work exceptionally well in the training industry, and not as well others industries.

Let's take a look at what works for training. Here are the top ten:

## 10. Giveaways

Giveaways work well for training companies who sell seats in public classes. The way they do it is they run a promotion that says something like, "Take any class in December and get a free Widget". The free widget is something that has a significant value to their target customer, but costs them less than 20% of the price of the course. I've found that on average, a salesperson who sells training generally discounts 10% to 20% on a seat in a class, so if you do this, you're not actually losing margin.

For example, if your gift costs \$200, which is 10% of a \$2000 class and you sell the course at retail price, then you didn't lose any money and probably increased the size of your class. We all know that full classes are usually the most profitable classes.

Important Note: Most government employees and some employees of large corporations cannot accept gifts or are restricted to gift of under \$25. In these cases, the employee will generally decline the gift and everything will be OK.

## 9. Sweepstakes or Raffles

Doing a raffle and giving away something like a free car won't necessarily increase your sales, but it sure will grow your database. This strategy is great for companies who sell public seats, which is basically a numbers game. All things being equal, if your database is larger so that you can market more, your classes will be fuller. The key here is to create a large database of good prospects and sweepstakes are an economical way to do it.

Some disclaimers though. The quality of these leads tends to be lower than a typical lead. However, I have found them to be better than most lists that you purchase, like a magazine subscription list. So they're somewhere in the middle, but the minimal cost of acquiring them makes them a great investment.

Important Note: Be careful to think through your fine print when promoting a sweepstakes. At the very minimum, you need to mention states like Florida that do not allow sweepstakes and you need to be clear about whether the winner can substitute a cash prize instead of the sweepstakes item. For help on this, I've used Marden-Kane ([www.mardenkane.com](http://www.mardenkane.com)), who specializes in sweepstakes laws.

## 8. Increasing your lead conversion rate

Can you answer this question? How many of your leads turn into sales? Is it 10% ... 30%? It's important to know and to keep a very close watch on how it changes over time. It's even more important to go through the entire sales process and find the strengths and weaknesses in your process that lead to a high or low close ratio.

For instance, are the people who answer your phone passing leads to the right people in a timely manner? Are salespeople upselling or pushing hard for the close? I've found that there's no other place in your company where you can make a bigger impact on sales than in increasing your close ratio. Think about this. Let's say you learn that your average salesperson doesn't follow up on a lead until around one week after the lead is received? This is almost never a good thing. Let's say you make a change that reduces turnaround time to 48 hours (which should be your goal, by the way). This change increases your close rate by a conservative 10%. For most companies, this is an immediate 5% increase in sales, if half their leads are coming in over the phone or through the website. Where else can you make such a minor change that turns into a big impact on sales?

**Important Note:** An easy way to increase your lead conversion rate is to rank your leads. For instance, those leads that are referrals might be an A. Those from the house list, a B. Those from an outside list, a C, etc. Source is the best predictor of close ratio, so if your salespeople know to concentrate on the A leads, then the overall close ratio will increase without too many changes.

## 7. Case Studies

Case studies and customer testimonials are of ultra importance to almost every type of training company, but especially for training companies who sell services. The fact is that if you're selling "solutions", nothing says more about what you have to offer than case studies.

Most training-services companies find that every new client engagement is unique and not "off the shelf." In most cases, they sell combinations of many of the services that they offer. Usually the only way to explain these complex groupings of services is through case studies.

**Important Notes:** You need the customer's permission to use their name or logo, so start working on getting permission very early in the engagement. It usually takes much longer than you think, especially with larger corporations. Also, the most effective studies tend to be the ones that show the details – what went right, what went wrong and what the numbers were. The more unbiased it sounds, the more believable it will be.

## 6. eNewsletters

eNewsletters work for any type of training company. For a training services company, the articles show how smart your consultants are. For a public training company, your instructors will show off their expertise.

In addition to continuously putting you in front of your customers, eNewsletters are also great for prospecting. On the front page of your web page, you should have a place for a prospect to quickly and easily sign up for your newsletter.

**Important Note:** Be conservative about how often you plan to publish. Quarterly or bi-monthly is a realistic goal when you start out. After you've established the eNewsletter, you can move to monthly, especially when you see how well it works. Also, keep in mind that newsletters

are inexpensive, but labor intensive. Make sure you have someone who will “own it” and who can make things happen.

## 5. Integrated Direct Marketing (IDM<sup>®</sup>)

This direct marketing philosophy was pioneered by Ernan Roman and Scott Hornstein in the eighties to help increase the response of stale direct marketing campaigns. To sum up the concept, Ernan says, “IDM synchronizes multiple media to achieve double-digit response.” In other words, it combines and synchronizes direct mail, email, telemarketing, and PR to increase the overall response rate.

A simple way to immediately enhance the effectiveness of your telemarketers is to send out personalized emails every week and have them follow up with phone calls. By simply combining these two mediums you will increase your response rate. The trick here is to get proficient at synchronizing your marketing tactics and thinking of them as part of a marketing machine, not just a bunch of independent parts.

For more details on the IDM concept, pick up the book, “Integrated Direct Marketing” by Ernan Roman.

## 4. Referral Generation

Referrals make the sales world go around and sell lots of training. As a young marketer, I always wanted to control the customer, to get them to buy my product. Over the years, I realized that many customers simply come out of the woodwork. Where did they come from? Salespeople didn’t get them to call in. Marketing didn’t do anything to get them to call. So, what happened?

After talking to hundreds of customers over the years, I finally came to the conclusion that a much higher percentage of our customers were generated by referrals than by almost anything else. I’ve now witnessed this same phenomenon at seven different training companies.

So, you’re saying “that’s great, but how do we benefit from knowing this?” The answer is to get creative and find ways to encourage referrals so that you’re getting twice as many as you would get naturally. In addition to “bring a friend” promotions, you can do raffles in your classrooms in exchange for referrals. How about incenting your salespeople to ask for referrals? If you tell your biggest customer that if they get another division of their company to start using your training services, then you’ll give them both a bigger discount. Who knows, you might be able to double the size of one customer with just one phone call.

## 3. Internal Marketing

Many of your customers are in very large enterprises. They usually have big training departments and offer lots of different types of training services to their workforce. They also have one problem in common. They don’t know how to effectively market to their workforce.

A typical scenario: ABC Company just decided to reduce their training costs by switching from traditional instructor led training (ILT) to eLearning. That should save them a lot of money, right? Let’s say that the eLearning subscription costs them \$100,000 for all the courses they could possibly need, so they’re saving several hundred thousand dollars in training costs and travel costs. The problem is that after a month of using eLearning, only a couple of people have taken a

course. Alarm bells start going off and they determine that eLearning isn't very desirable to their general workforce, especially when compared to live instructor-led training.

So, what can they do? This is a job for marketing! Most training directors don't want to invest time and money in marketing, so your job as a training supplier is to help them market to their workforce. Connect your marketing person with their training director and let them figure out how they can work together. When you start seeing results from the marketing and your eLearning starts getting used, you can look forward to greater long term sales and a very loyal customer.

To learn more about "internal marketing" strategies, read my article titled "Top Ten Strategies for Marketing Training to Your Workforce" at [www.howtomarkettraining.com](http://www.howtomarkettraining.com).

## 2. Seminars

Seminars and road shows are a staple marketing strategy for almost any type of training company. The reason is because seminars show off how good you are at training. After all, a seminar is training. There have been many articles written on how to do a successful seminar, so I won't get too deep into that. However, one very important thing to focus on is making sure your seminar content is relevant and perceived as valuable by your prospects. Seminars that are pure sales pitches tend to have the opposite effect of what you desire.

## 1. Webinars

Seminars are really training, and so are webinars. The difference between the two is that webinars are much less expensive and can get you in front of a significantly larger audience for a fraction of the cost. Also, today's customer is comfortable with webinar technology and see that they can get the same information in a webinar that they can in a seminar. So why would they want to get in a car and go to a seminar? Networking is why seminars are still important, so we shouldn't dismiss them ... but webinars have much more potential to give you a huge return on investment.

That's my top ten, but it certainly doesn't include every marketing strategy that works in training. My "honorable mentions" are website sponsorships, e-mail marketing, Google Adwords, website optimization, direct mail, banner advertising, and of course, customer feedback, which is absolutely essential.

I'm very interested in what you think of the top ten and what you would add to the list. Contact me at [gordon@gordjohn.com](mailto:gordon@gordjohn.com). I'd love to hear from you.



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