ADVANCE
ADVANCE Your Business

Compensation best practices guide

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Compensation best practices guide

The best concepts and practices of compensation applied to your company

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With more than 2,500 clients, 500 consulting projects and 20,000 trained professionals, ADVANCE is a sales consulting and training company. We are proud to have in our client list some of the largest companies in Brazil like AWS, Benner, Cisco, Cogra, Consinco, DELL, DIMEP, Ellevo, FWC, Google, IBM, IDTrust, Intelidata, IUGU, Lenovo, Linx, Lumen (CenturyLink), Mega Sistemas, Neogrid, Neoway, Panasonic, Praxio, Propay, Quality, SalesForce, SAP, Sebrae, Semantix, Senior, Siagri, SkyOne, Softex, Synnex, Techne, Thomson, Reuters, Totvs, Vivo, Vivo, WDG (IBM), WK Systems, Zebra and Zendesk.
Our customers say we are excellent at solving complex situations and increasing sales.

Our goal is to help our clients SELL MORE AND BETTER, for this we operate in 3 vectors of business growth:

- **SALES VECTOR - Implementation of sales processes, with training and** training of staff and managers to ensure that all opportunities generated are taken advantage of, increasing direct and indirect sales (channels)
- **MARKETING VECTOR** - Creation of demand generation and opportunity devices, and actions for each step of the sales funnel, shortening the sales cycle and increasing conversion rates
- **STRATEGIC VECTOR** - Development of the company's strategy, to ensure the drivers and the integration between marketing and sales

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Introduction

What is the main asset of your company?
You've made a mistake if you've answered that it's your buildings, offices, production line machines or even customers.

The main asset of your company are your employees who, long ago, were called labor, but who today can and should offer to your company much more than the "hands" - must offer the "intellect". They then began to be called collaborators.

Good employees will analyze the market, understand the customer and help develop new products and improvements in the current ones, creating competitive potential for your company. They will bring in important new customers and retain current customers. Good employees work as partners of your company, fighting day after day so that the company is getting better and better. They are proactive and extremely participatory.

The Personnel Department, which was outsourced to several companies, had to return indoors, and evolve quickly to meet new human resources needs, starting to play a vital and strategic role in managing the company's "main asset."

Very well.... but how do I manage this important asset - human resources?

The importance of compensation
Let us again remember that we are moving from a phase of "labor" to the valorization and use of the "intellect", requiring a profound change in the system of evaluation and compensation of employees.

I would say that currently the most important point for companies is to create or implement a clear and fair compensation and benefits system. And, justice, it's not treating all employees the same way. Justice is to treat different people in different ways, and therefore the importance of having a flexible compensation system with many options - to value employees who make the "difference".

History in IT and best practices
The IT area is relatively new and brings a different dynamic from other market segments. Because it is a new area, there is relatively little theory and knowledge is basically disseminated through best practices - a set of standards and procedures that have been tested over time. Some practices are still being tested and we will certainly have great evolution in the coming years.

If we had to elect the VERY best practice, we would say that "the compensations policies have to be clear, transparent and easy to understand".

Some companies try to sophisticate the model and end up creating distrust of employees and consequently demotivation.

Politics has to be challenging and rewarding.

The main pillars of compensation

We have 5 major pillars of compensation:

- Fixed salary - for all employees
- Variable salary and accelerators - for the sales team
- Indication of sale - which should be available to all employess
- Benefits - to all employees
- Bonus and performance evaluation - to all employees

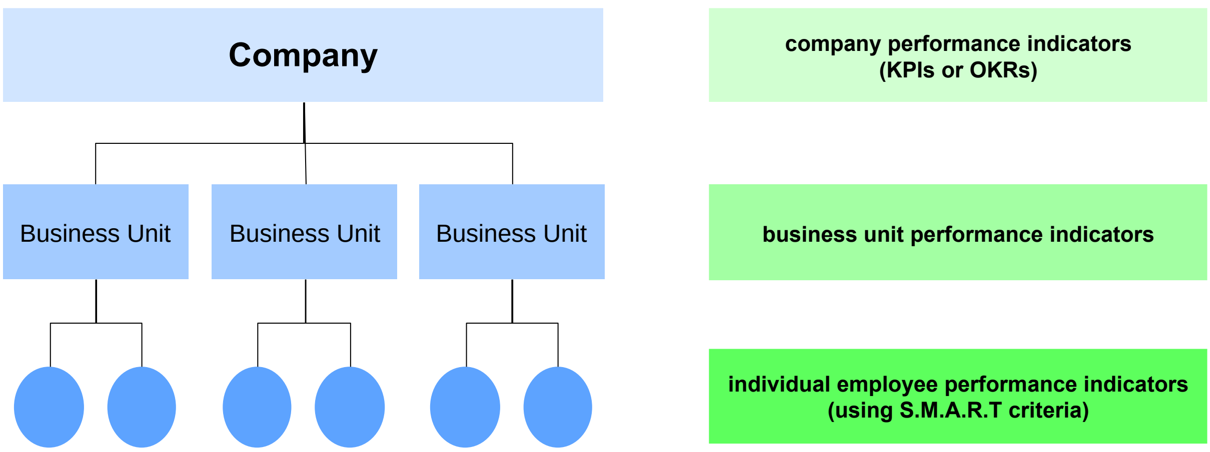
Most companies today pay their employees in a fixed and variable way.

We call fixed compensation the salary, which should be consistent with the average market practiced by companies of the same segment and of the same size.

We call variable compensation all compensation that depends on the performance of the employee, the team or the company as a whole. Some companies adopt goals and pay for performance at 3 levels: individual, team and company. Imagine that if the company performs exceptionally, everyone can win. If a particular employee's performance is exceptional, they may earn a higher reward than the other.

In addition to these forms of compensation, there is a set of benefits, which are also a form of compensation and are therefore incorporated into the monthly earnings. The benefits are given to all employees or to a specific group (usually defined by position), and can be: medical and dental care, life insurance, car, mobile, etc.

It is very important that all the rules of evaluation and compensation are very clear, objective, and known to all employees. We recommend using salary range systems and positions in the range, and to tie merits and promotions to performance evaluation grades.



The financial simulation worksheet

When we talk about variable compensation and bonuses we have to establish the percentages based on sales volume and sales margins for the company.

It is critical that you create a spreadsheet to simulate scenarios with the correct establishment of variable salary and employee bonuses.

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What to do and what not to do

Here we list some learning and best practices in the IT market.

What not to do	What to do
Having a very complicated policy	Have a clear, transparent and easy-to-communicate policy
Misfit fixed and variable salary	Low fixed salary and motivating variable salary
Non-"mathematical" objectives	SMART Objectives
Objectives not tied to the company's strategy	Individual objectives linked to the area's goal and company strategy
Single sales objective	Sales objective by product or product category and by customer or customer portfolio
Commission payment on total sales	Commission payment on net sales (billing minus discounts minus the minimum amount established)

Sales indication

All employees should have the chance to indicate opportunities that, if implemented, should revert in a payment of the indication of the sale.

The financial simulation worksheet should be used for scenario analysis and calculation of the sales indication rate.

Sales cost calculation

The calculation can be made based on the financial history of the company or financial planning (budget). In case the calculation is done on top of the planning will require a monthly follow-up to avoid any kind of overflow. Typically scheduled sales don't happen, but expenses do.

The financial simulation worksheet should be used for scenario analysis.

Best practices point to a sales cost between 10% and 15% for the traditional business model. See the CLOUD chapter to learn how this cost changes.

Variable salary and accelerators

For those who pay
Variable salary and accelerators are applicable to the sales team. In some cases, depending on the structure of the company, it applies to the "pre-sales" and some consultants who participate in the sales process.

How much to pay
Some salespeople stay in the comfort zone when the fixed salary is sufficient to meet their basic needs. The variable salary has to be attractive for the seller to feel motivated to sell.

Best practices indicate that the variable salary should BE EQUIVALENT to the fixed salary if the seller has the average performance achieved.

Example:
John Doe - fixed monthly salary of USD 6,000.00
- equivalent to a fixed annual salary of USD 78,000 (with 13 salaries)

If Marcelo meets all his goals and objectives he should receive at the end of 1 year the variable salary of R $ 78,000.00.

This is important data for you to calculate, or estimate, how much commission you must pay for the sale of products or services. The financial simulation worksheet should be used for censusanalysis and commission calculation. Typically the company establishes 2 or 3 commission levels based on product groups.

Example for John Doe

	Sales target	Sales commission	Sales commission
Goods	USD 1 million	4%	USD 40,000
Services	USD 2 million	2%	USD 40,000

So, if at the end of the year John Doe has met his sales goal, he will receive a variable of USD 80,000.00

Obviously the sales commission cannot be based solely on the variable salary of the sellers. What we're doing here is calculating a value that's motivating for them. The establishment of the sales commission must also take into account the product margin and the operating cost of the company. We have a chapter to take care of this.

Accelerators and reducers
They are used to make variable salary even more attractive and motivating for sellers.

Example for John Doe

		Sales commission			
	Sales target	**Below 50%**	**51 to 99%**	**100% to 119%**	**Over 120%**
Goods	USD 1 million	Zero	3%	4%	6%
Services	USD 2 million	Zero	1%	2%	4%

When to pay
Typically sales commissions or variable salary are paid QUARTERLY.
We do not recommend calculation and monthly payment because:

- It will not give the seller time to recover a possible lost sale
- The seller would receive a small amount at the end of the month, giving the feeling that the variable wage is low.

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Payment of commission on the NET

Some companies established, some time ago, the payment of commissions on the total value of sales. They soon realized that the seller used the "maximum discount" bringing a non-profit transaction to the company.

Currently most companies make the commission payment based on the net.

Example for John Doe

Sale value	Minimum value established	Total discounts given by the seller	Liquid
USD 1,000,000.00	USD 900,000.00	USD 50,000.00	USD 50,000.00

This way if the seller makes the sale with the minimum amount set he will earn zero commission.

Using the net commission payment rule, then commission rates must be adjusted. In the case of John Doe:

- Instead of having a 4% commission on the value of the sale
- You will have a 40% commission on the net value

Some companies adopt an even stricter criterion by making the calculation on top of the contribution value of each transaction. In this way, by alleoperating costs and expenses. This has the great advantage of preventing the seller from bringing in a transaction that will have a huge operating cost for the company – leading the transaction to the loss. However, it requires a very sophisticated control and calculation tool and can lead to discredit on the part of sellers. Our recommendation is that companies monitor transactions made and through seller management and COACHING system make the necessary adjustments and when necessary.

What changes in the CLOUD model

In 2010 ICT companies began experimenting with a cloud-based business model.

In the traditional model the product was installed in the client's office ("on premises"). From a commercial point of view, the customer paid for a use license and, optionally, for an annual maintenance that entitled to support and updates. Some companies innovated and started charging through a rental or subscription model.

In the CLOUD model the product is installed on a server that is in some datacenter. It can be in a private cloud or in a third-party datacenter ("public cloud"). From a commercial point of view the customer pays through monthly payment. Some companies have tighter exit clause agreements that impose fines or require the customer to stay a certain number of months, but in most companies, the customer can cancel the contract at any time by failing to pay the monthly fees. Some companies innovated and started charging through the "per usage" model where the customer pays through what they used or consumed that month.

This monthly billing model directly impacts the salespeople' commissioning model. At the beginning of the transition of this model, some companies established the commissioning "ad aeternum", that is, as long as the customer kept the contract active (or renewed), the seller would be receiving the commission, which was paid monthly.

After more than a year these companies realized that this model was extremely unsuitable for their purposes. The sellers were receiving real fortunes because of their client portfolio and settled in. These vendors did not seek new customers and took care only that their current customers did not break the contracts.

In the CLOUD model the output barrier is much smaller. The customer remains faithful to the contract because he is satisfied with the product or service being offered, which is the result of the work of an entire team and not just the seller. So it doesn't make sense for the seller to be paid or benefited from work done by an entire team.

The CLOUD model allows the supplier company to serve a much larger number of customers, due to the ease of installation and maintenance of the product and allows it to serve smaller customers, as it will have lower costs of implementation, installation and maintenance. Here arises, again, the need for changes in the sales structure. The seller who is making fortunes with a portfolio of customers will not want to move to bring in more customers and smaller customers. Most likely it is not even the profile of this seller to negotiate with smaller customers.

Some companies are with excellent results because of a new structure:

1) Marketing becomes a more important role. You'll have to find new customers, create actions for each of the sales funnel steps to reduce the sales cycle and maximize the utilization rate in the funnel, and you'll have to take actions to retain customers.

    a. Typically, the marketing budget, which in the traditional model was 1 to 2% of gross revenue, goes to 3 to 5%. In some more mature companies in the CLOUD model, the marketing budget reaches 10% of gross revenue.

    b. The tele-sales team starts to respond to the Marketing Director and begins to have the responsibility to not only generate opportunities, but work in the entire sales cycle (INSIDE SALES) and, therefore, being commissioned by the sales made.

2) The HUNTER seller, responsible for bringing in new customers, is remunerated for the monthly payments of the first 11 months.

   a. From the 12 th month the FARMER starts to act in the account taking care of maintenance and renewal. The farmertypically receives half of the hunter seller's commission over the next 12 months. From there it receives only the bonus for achieving retention and renewal goals.

   b. Pre-sales will be remunerated (commissioned) in cases where you participate in the sales process.

   c. Commissioning payments must be made MONTHLY, so that employees understand it as part of the salary and not as a bonus. Remembering that in the traditional model the recommendation is to pay the variable quarterly.

3) Accelerator and decelerator rules continue to apply.

4) The rule of establishing higher commissions for strategic products and services for the company continues to apply, for example, commissioning of 3% for licensing VERSUS commissioning of 6% for the sale of services.

5) Bonus and award rules for achieving goals continue to apply.

6) The total cost of sales, which in the traditional model, would be 10 to 10% reduces to 5 to 10%, transferring funds to Marketing.

The hunter seller will have to have much more agility to bring new customers and probably use many more digital media than face-to-face visits.

In many companies the role of HUNTER and INSIDE SALES will merge.

The sales team manager will have to play a much larger role in analyzing data and adjusting marketing and sales efforts to maximize results.

The CLOUD model will definitely bring a greater possibility of increased sales (scale), but it will require a different structure.

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Setting goals and objectives

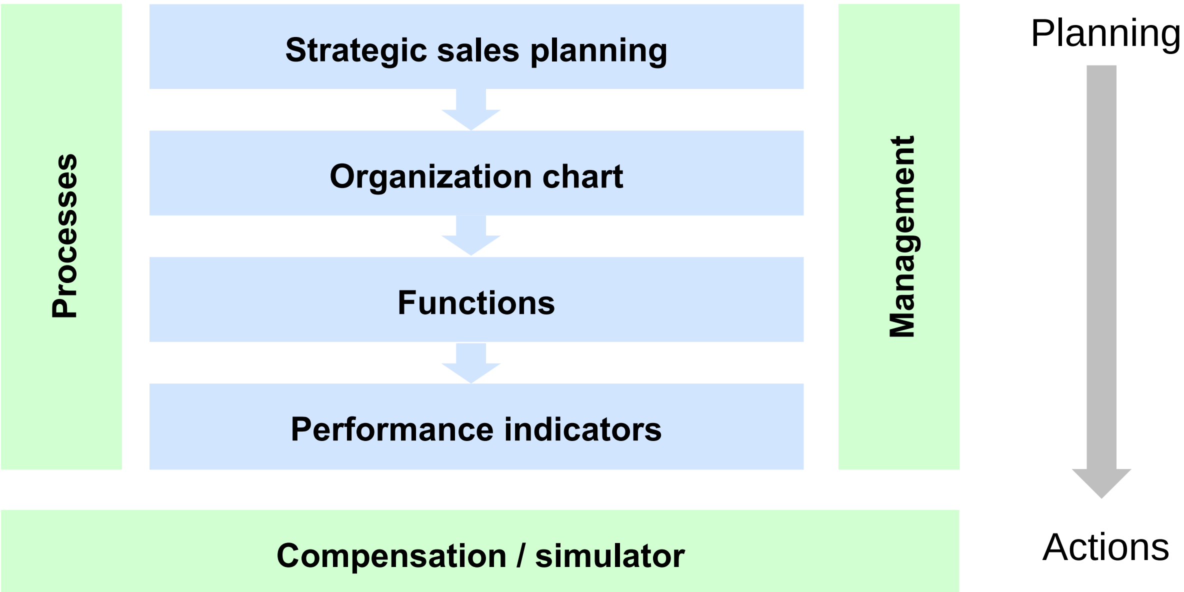
The goals and objectives must be fully tied to compensation. Therefore, it is important that the employee is committed and engaged. He must believe AND AGREE that the goals are FEASIBLE - challenging but feasible.

For this it is important that the employee knows the company's strategy and that the goals and objectives are NEGOTIATED.

Communicating strategy, goals and objectives
All employees should know clearly the vision and mission of the company, what steps should be taken to get there, and, mainly, what contribution the company expects from it.

Organize an annual meeting where the company's president can explain the paths and decisions that will guide the company for years to come. Use this event to energize and motivate employees by showing the importance of individual work in the collective result and list the company's goals and objectives for the following year.

The next day, send an email to all employees with the company's goals and objectives. This information should be used to establish individual targets and objectives.



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Negotiating goals and objectives with each employee
Let each employee write down their goals and objectives based on the company's president's guidelines.

The employee should then meet with their manager and NEGOTIATE their goals and objectives. The manager should explain his vision of the work and the potential of the employee, typically making the objectives more challenging. The employee should explain to the manager what he needs to achieve the challenging objectives. The meeting has to end in consensus so that the employee is motivated.

How many goals should a collaborator have
Typically each employee in 5 corporate objectives, tied to their position and function in the company and another 1 or 2 personal improvement objectives.

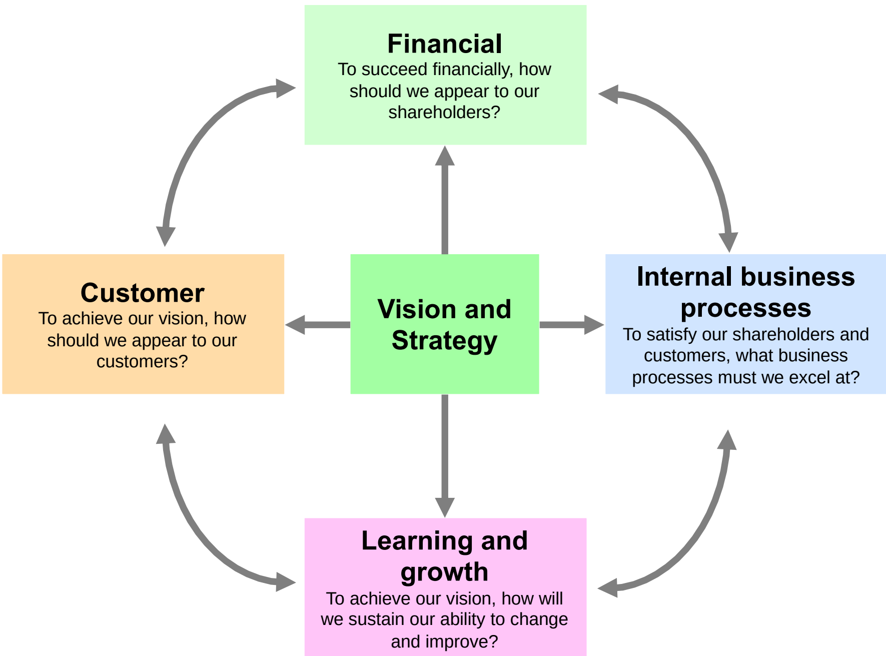
How to set the objectives
This is the most critical part of all the work. The goal has to be clear and allow it to be measured easily. In English it is said that the goal has to be SMART:
S - specific
M - measurable (measurable)
A - attainable (attainable)
R - realistic
T - timely (being at the right time)

Examples:

- Sell at least USD 1 Million of products A and B to the 10 largest customers in the portfolio, 40% in the first 6 months
- Conquer 10 new customers - selling at least USD 1 Million of products A, B or C
- Participate in the English course with a minimum score of 7 and minimum attendance of 75%

How to use indicators to set goals
The requirements for defining indicators are based on 4 perspectives, from Kaplan and Norton, that reflect business vision and strategy:

1. Financial
2. Customer
3. Internal processes
4. Learning and growth (human resources)



We highlight here, therefore, that the choice of the term "indicators", in the corporate context, is not restricted only to the economic-financial focus, since organizations also use indicators focused on intangible elements such as: market performance with customers, performance of internal processes and people, innovation and technology. The sum of these factors will leverage the performance desired by the organization, and, consequently, create future value.

We believe that there should be a **balance between short, medium and long-term**objectives, financial and non-financial measures, trend and occurrence indicators, and also between the internal and external performance perspectives, in order to achieve more aggressive business goals.

This set of measures serves as the basis for the measurement system, and can also be used in strategic management, through which organizational performance is measured in a balanced way under the four perspectives. In this way, it contributes to the company monitoring financial performance, while monitoring progress in capacity building and acquiring the intangible elements necessary for future growth.

Therefore, from an integrated view one can understand the performance and describe the strategy very clearly, through the perspectives already mentioned, forming a relationship of cause and effect.

The main objective of an indicator model is the alignment of strategic planning with the company's operational actions, remembering that this objective is achieved by the following actions:

- Clarify and translate thevision and strategy
- Communicate and link objectives and strategic measureswith
- Plan, set goals and align strategic initiatives
- Improve feedback and strategic learning

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Most commonly used indicators to set objectives

Sales

Activities	Examples of objectives and indicators
Prospecting	
Qualification	Have five times the numberof deals closed with the qualification formfully completed
Proposals	Have a rejection rate less than three
Negotiation	Get a minimum profitability of 20%
Closure	Goal of USD 1 million year being: • USD 500,000.00 - Product A • USD 500,000.00 - Product B • USD 200,000.00 - Client A • USD 300,000.00 - Client B • USD 500,000.00 - SMB
Sales	Have a customer satisfaction index = or > than 70%

SDR

Activities	Examples ofobjectives and i ndicadores
Operating	Number of connections made Number of effective connections Number of emails with solution material sent Number of prospecting forms filled out Number of pre-qualification forms filled out
Sales	Number of leads passed to sales that have turned into closed trades

Financial

Activities	Indicators
Monthly results calculation	Sales volume Planned/realized budget
Tax clearance	Payment of taxes
Preparation of management accounting	Availability of information
Budget control (month-to-month)	Financial efficiency of the area
Planning and fundraising	Implementation of projects / availability of equipment
Cash flow preparation	Daily update
Planning and control of financial investments	Implementation of the financial application

Human Resources

Activities	Indicators
Staff recruitment	Number of open positions Total number of people recruited Average recruitment time
Personnel selection	Total people selected Average selection time
Planning and execution of the development (training) of personnel	List of planned/realized training Total training hours per employee
Quality of life planning	Number of programs implemented to reduce stress and increase productivity at work Time allocated on licenses Time lost with accidents Total working hours available
Conducting research and salary framework	Salary framing survey number (at least once a year)
Conducting research on the organizational climate	Number of organizational climate research (at least once a year)
Development of organizational climate improvement programs	Number of programs implemented (must occur after the search)

Administration

Activities	Indicators
Human resources management	Turn-over
Accounting control - outsourced	Update periodicity Rework index
Legal control - outsourced	Update periodicity Average demand solution time
Financial control	Periodic update (at least once per month)
Reception, storage and dispatch of materials	Number of orders Average time to meet demand
Management of internal IT infrastructure (network, hardware, software, and applications)	Execution of new projects / monitoring in the schedule of new projects Number of implementations Infrastructure complaint Complaint fulfillment time (solution)

Operations

Activities	Indicators
Implementation of sold projects	Total projects sold per area Total projects implemented by area Average implementation time per area Number of overdue deployments per area
Supervision of accounts (after-sales activities)	Number of views taken Total supervised accounts
Logistics of supplies, equipment, parts and parts	Total order receipt Number of requestrequests per area Average order fulfillment time Number of wrong order complaints
Shopping (all areas)	Number of purchase requests per area Number of quotes for purchases per area Percentage of discounts obtained per area Average time to buy for area Percentage of returns by area and by supplier
Management of the relationship with after-sales partners	Number of contacts with partners Total number of complaints answered about partners Number of complaints answered from partners per area Partner dropout index
Development of IT solutions	Number of hours/man Cost of development Development backlog
Technical assistance	Number of complaints per customer Number of complaints per area Total number of complaints resolved on first contact Average complaint scan time Average length of stay on the client and per area
Call center	Number of complaints Number of re-starting complaints (per customer) Average time of complaint service Solution time by callings Number of complaints resolved on first contact
Technical support	Number of complaints per area/per customer Number of re-starting complaints (per customer) Average time of complaint service Solution time by callings Number of complaints resolved on first contact
Repair lab	Total repairs made Average repair time per product Delay in meeting requests

Employee management objectives(*)
Based on the book "Successful Manager's Handbook"

Leadership
- Stimulating collaboration
- Compromise and inspire employees
- Train and develop employees
- Develop a talent team
- Influence others

Motivation and Encouragement
- Get results-oriented
- Lead courageously

Evaluation and Analysis
- Review all aspects
- Use fair trial
- Think strategically

Planning and Execution
- Manage changes
- Be oriented to the implementation
- Manage and improve processes
- Establish plans

Strategy
- Promoting the global perspective
- Retain customers
- Sponsoring change and innovation
- Create strategic advantage

Business Knowledge
- Use technical and functional skills
- Use financial insight
- Use of tools and technology to increase productivity
- Promote corporate governance and social responsibility

Self-management
- Practice self-development
- Demonstrate adaptability
- Inspire confidence

Communication
- Write effectively
- Listen to others
- Speak with impact
- Promote open communication

Inter-personnel
- Stimulating individual and cultural diversity
- Manage conflicts
- Building relationships

Performance Evaluation

It is the process in which the performance of employees is analyzed through the execution of their objectives, recognizing and rewarding the best employees.

Stages of the goal-setting process

1. Presentation of the company's strategic plan for all employees
2. Each employee establishes a set of objectives
3. Each employee negotiates, individually, their objectives with their manager

Performance reviews and evaluation

Two revisions are made annually:

1. Informal review every 3 months. The manager must identify needs and assist the employee in the performance of his/her objectives

2. Formal review every 6 months. The manager should analyze the performance of the employee and the company will reward the best employees

Formal revisions (semiannual)

Each employee must make a self-assessment by assigning a grade for each of the established objectives.

The following scale is used to give the scores for the performance of the objectives

Rate 2	The employee is below expectation, needs the "Intensive Improvement Program"
Rate 3	The employee is within expectation and has achieved his/her objectives as planned
Rate 4	The developer exceeded expectations, performing some better than expected goals
Rate 5	The developer performed exceptionally, performing all goals better than expected.

The employee will have a meeting with the manager who will give feedback on the performance but will not talk about the final Rate of the employee.

The final grade of the employees will be defined in a consistency meeting between all directors. At this meeting, the directors should realign the grades based on a normal distribution of the employee population:

- 10% Outstanding performance - TALENTS - KEEP
- 30% Excellent performance - ENHANCE
- 40% Fair performance - DEVELOP
- 20% Poor performance - MOVE OUT

Intensive improvement program

A "Contract" is established between employee and company with the detailed detail of:

- Goals and ways to achieve them
- Attitudes and attitudes
- Learning needed

The employee has a period of 6 months for revaluation with monthly monitoring and his failure to return to a minimum expected performance means his dismissal from the company.

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Feedback
Feedback aims at the development of people. It aims at change, it is a tool that serves to help in self-knowledge and interpersonal relationships.

Giving and receiving feedback is a real art.

To give feedback, it is important to know the other person well. If you have only superfluous knowledge, or have inherited the team, do not jump to conclusions. Take time to chat and ask about the tasks you develop, change impressions, and ask for self-performance reviews.

Analyze the profile of the employee to adjust the language and have more effective communication. Gather as much information as possible to prepare for feedback.

Feedback is often mistaken for a scolding, and leads to strong frustrations. Never mix emotions with the issue that will be addressed.

How much to pay semiannual bonus
Typically companies make a calculation of results and allocate a percentage of profits for the distribution of semiannual bonuses. We call this value "pool." The financial simulation worksheet should be used to calculate the percentage.

The pool is distributed to employees through their grades in the performance evaluation and as a percentage of their salaries.

Usually the bonus is made with the beacon as a beacon:

Rate 2	Don't get a bonus
Rate 3	Don't get a bonus
Rate 4	It has the equivalent of two monthly salaries
Rate 5	It has the equivalent of four monthly salaries

Scoring system for sellers
In recent years we have learned that DISCIPLINE is a fundamental aspect for the success of sellers and sales. The good use of CRM and other practices are essential and should be inserted into the award mill. So companies have created a scoring system for sellers, for example:

Objectives in the ANNUAL evaluation system	Punctuation
Sales objectives (total, by product, per customer, profitability, etc.)	12
Prospecting and qualification objectives (new customers, new opportunities, etc.)	12
Objectives of using methodology and sales process (use of CRM, use of company marketing material, sending reports, participation in sales meeting, etc.)	1 / -1

The objectives of using methodology and sales process are calculated MONTHLY. The month that the seller does not meet one of the goals he loses 1 point. So if he uses CRM unsatisfactory throughout the year, he'll lose 12 points - which will be equivalent to not meeting the sales target.

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Motivation

Different people motivate themselves differently. It's important that you identify the factors that motivate your employees so that you can satisfy them – some people prefer, much more, to publicly receive a compliment from the Company President than a financial bonus.

People motivated by:	Seek:
PRIDE	Achievement and recognition
POWER	Control, domain, and command
PARTICIPATION	Group approval and affiliation
INCOME	Financial satisfaction
PEACE	Security and stability
KNOWLEDGE	Intellectual growth

Positive attitude
Being motivated or not above all is a matter of attitude, seek the best of yourself!
Choose your attitude: The effort in performing a task with the "face tied" or with "good mood" is the SAME... but, the result is totally DIFFERENT!
We can't control how others choose their attitudes, but we can choose how we're going to react.

Good mood, mood, enthusiasm, joy make the work environment more pleasant and consequently more productive. See from other angles the routine tasks, make them more enjoyable, using good humor and creativity.

Respect the attitude of others. Remember that whenever you talk or do something to someone you provoke a reaction. Always look for common sense in your attitudes.

Remember that you have within you energy resources that have never been harnessed, have talents that have never been exploited, strength that has never been tested, and have more to give than you have ever given to today.

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Training

"Labor" x "Intellect," right?
Well, to get the most performance from our employees' brain engine, we have to feed them fuel. Fuel is information and data so that it can process and return us in intelligence format.

In this way the training starts to play a fundamental role in the intellectual growth of the company - creating a competitive differential.

Tip 1 - We often have excellent technical professionals who are promoted to team managers but do not receive the proper training and start to play a terrible managerial role. The company lost an excellent coach and gained a lousy manager.

Tip 2 - Training is not only for the technical team. You should also recycle the knowledge of your employees in the financial, administrative, marketing and mainly sales areas. The consumer market has changed a lot, is more demanding, and, demands new techniques and knowledge of processes and best sales practices.

Tip 3 - There are, today, a multitude of trainings available. From traditional "classroom, slate and chalk" to self-help books, multi-media training on CDs, and more recently, the Internet with an impressive volume of good training at highly competitive costs, allowing the employee to recycle their knowledge at the time and place of their convenience.

Tip 4 - Invest in training for your employees, but, covers the results of these investments and the best instrument for this is the performance evaluation, that is, the training has to contribute to the execution of the company's goals and objectives.

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