

The science behind SPIN® Selling

A proven roadmap to increased revenue and sustainable business growth



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Foreword

Even ten years ago, let alone fifty, we couldn't have imagined how overwhelmingly we would now live in a data-driven world. Everything – from your order in a fast-food outlet to the next move a robotic surgeon makes in a critical operation – is the subject of analytics, increasingly dependent on Al for decision making. A genuine revolution is at hand. Is it a wild claim to say that Neil Rackham and his co-researchers Linda Marsh and Simon Bailey foresaw this revolution in the late 1960s and early '70s when they conducted the field work – research that laid the groundwork for the foundation of Huthwaite in 1974 and the emergence of SPIN® Selling? Perhaps. But three things connect their analogue, flared-trousered world to ours.

First, their own belief in the primacy of data, and (using the modest computing power that was available to a nascent business half a century ago) the importance of a scientific, evidence-based bedrock on which to build a new sales edifice. Until then, received wisdom and the training it spawned about the best way to sell had come from anecdotes of the battle scarred. No serious examination took place into what the common factors were (I suspect luck or discounting might have featured high on many lists) that entitled those people to claim leadership.

Then, along came Huthwaite with its 35,000 data-points from global, cross-industry observations of sales conversations (to say nothing of the already gathered data-points for the Huthwaite General Interaction Categories, and their wide range of behavioural applications). It was the earliest and – because the database grows into millions every day as we analyse ever more real-life and training-based interactions – biggest repository of what distinguishes successful sellers from the less successful.

Secondly, the acknowledgement of the significance of verbal behaviour as the key determinant of success. Again, this seems obvious now. Search the term "behaviour analysis" and today it will return 898,000,000 hits. Fifty years ago, the phrase was virtually unknown. But precisely because BA has now become mainstream business vocabulary, its continued relevance – via the SPIN® model – to modern selling is underlined.

People in business today are always seeking (by algorithm, as well as by human ingenuity) to anticipate buyer behaviour and adapt sales and marketing behaviour to increase the effectiveness of their product or service offering, their go-to-market strategy and their customer conversations.

When I say in my own discussions with prospects: "We wrote the book on consultative selling", I mean it literally.

Thirdly, and this is what pulls it all together, the sheer relevance of this to the digital world we inhabit today. Business leaders constantly bemoan the ways in which social media and apps-for-everything have degraded the skills of human interaction among Gen X, Y or Z to the point where they no longer have them when and where they really need them: to be persuasive in a sales or negotiation conversation. Huthwaite verbal behaviour analysis, that sits at the centre of SPIN®, puts that right back where it belongs.

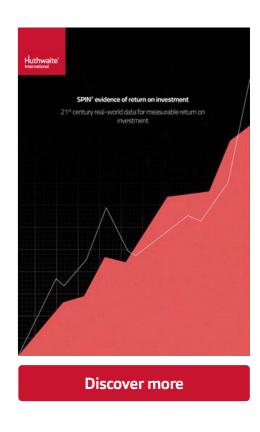
Again, we live in a world where, perhaps belatedly, the more enlightened enterprises and their customers have come to appreciate the difference between price and value as a commonplace truism rather than a miraculous revelation. Huthwaite's fifty-year emphasis on "building value for your solution" through SPIN® behaviours is now in the zeitgeist more than ever.

And all of this, perhaps, is why our clients are substantially and increasingly drawn from the bleeding edge industries. Med-tech and life sciences, saving lives with genomics and bio-data; what we once used to call "IT companies" who have moved from shifting tin boxes to establishing hegemony in cloud-based Al, SaaS, analytics and digital transformation; fast-growth innovators who weren't even in business when Huthwaite celebrated its 40th birthday but who now have apps, algorithms and virtual reality solutions that are changing the world; telecoms infrastructure providers who are putting the ever-changing technology in place to sustain this pace; intelligent manufacturing enterprises whose processes and products hold this all together; consultancy firms who bring continuous improvement to every part of the commercial sector and public realm. They rely on evidence and research for their existence, and they trust ours for their sales enablement.

Each new generation, it seems, is hungry to discover for itself how to build value through consultative sales execution interactions that get to the heart of what every deal should have: a customer with real needs, and a seller who can differentiate themselves by meeting them.

What's the betting SPIN® will still be there to help them in another fifty years?

David Freedman, Director of Sales



Why SPIN® Selling is successful

Many have questioned why SPIN® Selling is as popular today as it was 50 years ago. The fact is, it's successful because it works. One recent <u>case study</u> shows how a company's won vs. lost sales went from 10% to 23% after implementing SPIN® Selling within their sales teams.

Simply put, sellers want to build long-term profitable relationships with their customers, and SPIN® helps them to do that. It's an approach that has the customer at the forefront, focusing on understanding the customer's specific needs, challenges and goals, enabling a more consultative and collaborative sales process. Not pushing products or services onto customers without questioning why they might need or want them!

The focus on the different question types means sales professionals can gather specific information about the customer's needs and pain points, so they can offer a more tailored solution – and have a better chance of guaranteeing the sale in the process.

The methodology doesn't simply focus on what questions to ask, but it highlights the importance of building value for your solution by making the customer consider the consequences of not making a change or not fixing unsolved issues. Then – and this is just important as any of the famous SPIN® questions – the model goes on to define different ways to introduce solutions that highlight the benefits that address their concerns head on, and are demonstrably more likely to advance the sale to the next stage...right up to contract.

The SPIN® Selling methodology is a framework that can adapt to each sales call, and you can move throughout the question types at will in a natural and persuasive way in order to lead your customer towards your solution. By uncovering the customer's needs, getting the customer to consider the consequences of their problems and offering a benefit to fixing the issue, you're making it easier for the customer to make a final decision with confidence.

Not only has SPIN® Selling been proven to work – as hundreds of case studies attest, the methodology is also data driven. Neil Rackham, the founder of Huthwaite, and his colleagues analysed thousands of sales calls in order to truly understand the subtle differences between successful and unsuccessful sellers. Then, Neil and his team of researchers put this into practice and created the SPIN® Selling methodology, so they could help other salespeople connect with the clients on a deeper level. It's the only sales methodology that's grounded in empirical data rather than theoretical assumptions – that's what makes it so unique and successful today.

"Helping people to articulate what it is they really want, that is the best way of building a relationship with people that I can think of...it's at the heart of consultative selling and most importantly, it's at the heart of SPIN®"

Robin Hoyle, Head of Learning Innovation, Huthwaite International

Supported by data-driven research Proven call execution model **Extremely effective in complex sales** Focuses on advancing the sale Improves overall sales performance SPIN® – a framework for success



The science and the research

The Huthwaite Research Group was not originally formed as a sales training organisation. In the early 1970s, Neil Rackham and a small group of psychologists wanted to adopt a behaviourist approach to management interactions and skills training, so they pioneered the use of a research tool, now widely used and universally known as 'Behaviour Analysis'.

Behaviour Analysis is a method for objectively observing, categorising and quantifying what people say to each other in interactive situations, such as meetings, negotiations, job interviews and training sessions.

If sufficient interactions are observed and analysed, it becomes possible to predict, with considerable accuracy, which behaviours are associated with successful outcomes in the different situations. The reverse is also true: it is possible to specify which behaviours will contribute to a confused meeting, a failed negotiation, a weak interview technique or an ineffective training style.

From this data, we built a 'Success Model' - the ideal profile of behaviours that are most likely to give a successful result. This model means we can train people to modify their existing behaviour to match the Success Model more closely and thereby improve the probability of success in their chosen task.

Considering the tens of millions that are spent annually in the hope of improving sales productivity, it was, perhaps, inevitable that Behaviour Analysis would eventually be applied to selling.

In the mid-1970s, one of Huthwaite's largest clients commissioned a research project; a massive study to validate the company's sales training methods, many of which were based on theories over fifty years old.

In order to complete this research, Neil Rackham and his team of researchers planned how they were going to analyse successful and unsuccessful behaviour. They needed to identify possible key behaviours, record the level of the key behaviour used by salespeople in a large sample of calls, classify each of the calls as successful or unsuccessful and then compare the level of key behaviour in each type of call.

"Very early on [in the research], we knew that salespeople who were successful were asking more questions. We found very quickly that they were offering solutions late on [in the buying cycle] and there was some pattern in their questioning, and that led to a provisional version of the SPIN® model."

Neil Rackham

Our research

The methodology observes sellers' behaviours and buyers' reactions in a real sales environment. We recorded what made successful meetings different from unsuccessful ones, and categorised this into behaviours statistically significant to sales success.

SPIN® 6,000 35,000+

Discovery

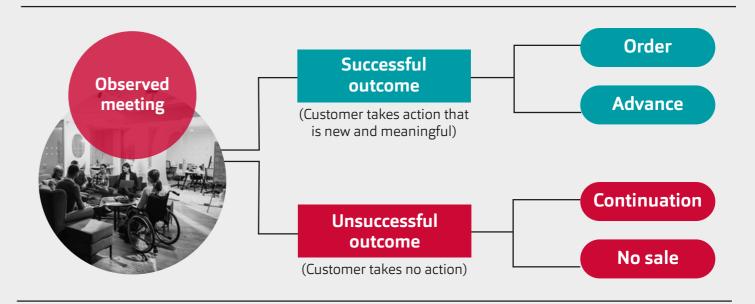
SPIN® was discovered by Neil Rackham and a team of researchers in an initial study of 6,000 salespeople, where they began observing the behaviours that achieved the highest success rates.

Initial study

Included observations of Seller Behaviour and Buyer reactions in meetings to uncover what behaviours created success.

Current database:

Huthwaite then trained in-company sales managers in Behavioural Analysis so they could observe real sales calls. These observations expanded our database significantly and covers all sectors and most countries.



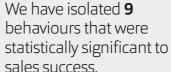
























2 behaviours that buyers tend to exhibit.



Very early in the research project, it became apparent that there was a great difference between what top sales performers said they did and what they were actually observed doing in front of customers.

We're sure, if the same research project was completed today, a similar situation would occur. The things that make top performers consistently good are the things they do naturally, whereas the points they will stress in an interview, or pass on to other salespeople as tips, are the small, extra sophistications they have either invented themselves or had to work hard to master.

Ultimately, researchers discovered that successful sellers' calls typically went through four distinct stages.

Preliminaries: These are the warming up events that happen before the selling begins. These include things like introducing yourself and discussing the call agenda.

In his book, Neil explains, "I've been confidently told by a number of very successful salespeople that it's during the first two minutes of a call that the customer forms crucial impressions which will influence the rest of the sale." But how important are the preliminaries in a larger, more complex sale? The answer, surprisingly, is that they have less influence on success than you might think.

Investigating: Most crucially, investigating involves finding something out by asking questions. This is where the seller will uncover the client's needs and gain a better understanding of the customer and their organisation.

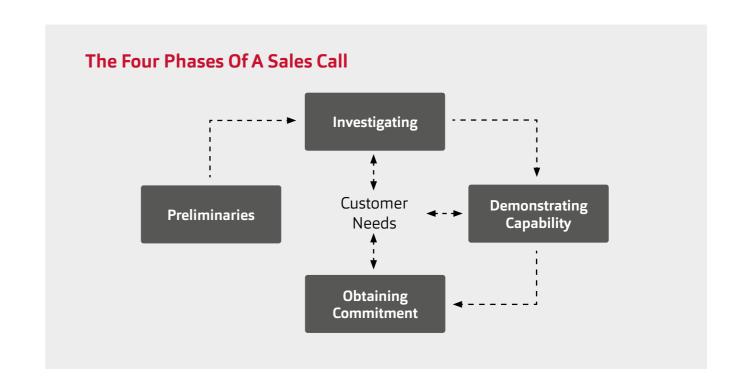
Undeniably, this is the most important of all selling skills, and is crucial when it comes to larger sales, as you're not simply investigating to collect data, but to pave the way for further, more in-depth questions later on in the sales cycle.

Demonstrating Capability: This is when sellers demonstrate to customers that they have something worthwhile to offer. Sellers that do this effectively show the customer that they have a solution to a customer's problem, either by highlighting the benefits of their solution or by demonstrating a product in action.

However, it's worth noting that certain methods for demonstrating capability in smaller sales will no longer work as the size of the sale increases – mostly due to the risks involved in a more complex sale.

Obtaining Commitment: A successful sales call will always end with some sort of commitment from the customer. In small sales, this would be in the form of a purchase, but in larger sales, this could be access to another key decision maker or an agreement to see a demonstration.

We call these steps toward a final decision an Advance, as each Advance takes you closer to a final decision from the customer. The other options are an Order (where the customer completes the sale), a Continuation (where the customer continues the sales process, but things aren't progressing) or a No Sale (where the customer halts the sales process altogether).



Throughout Huthwaite's research, each call was broken down into these four stages, so the researchers could conduct behaviour analysis techniques to get to the root of why successful calls were truly successful.

The initial results of this research project were, in fact, so controversial – because they contradicted conventional sales theory – that the study was expanded several times until the research results were **statistically incontrovertible**.

The Buying Cycle™

As part of the research, we also discovered that effective sellers focus on their customer's buying process, not on their own sales process. The Buying Cycle™ outlines the key phases that prospective customers or clients go through when deciding whether or not to buy.

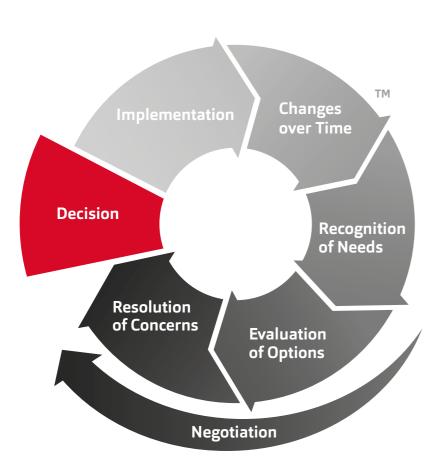
The concept of the buying cycle, also known as the customer journey, has roots in various fields such as marketing, psychology, and consumer behaviour. It doesn't have a single origin but has been shaped by the contributions of multiple researchers and practitioners over time.

Notable contributors to the understanding of the buying cycle include Neil Rackham and the research done by Huthwaite International. From the mass of data collected over the years, we've been able to draw conclusions about customer behaviour and how it changes during a sale.

We interviewed buy-side decision-makers who told us what psychological phases they go through when making a decision. And having done that, we were able to be specific about the labels and what defined each one.

Our research uses a method called behaviour analysis which allows us to build statistical models that show how particular sellers' behaviours, linked to each phase, are associated with sales success. This research showed what world-class sellers do differently to average sellers and how their actions and behaviours compare at each stage of the buying cycle.

You can find out more in our Whitepaper 'Developing sales opportunities'.



If you take a look at the Buying Cycle™, you'll see that the cycle covers all aspects of a buyer's journey through to their decision. If the buyer is already a customer, the first consideration is of how well the **implementation** of a decision they've made to work with a supplier is going. This period can be simple and take little time, or it can be more complex. Once things are running smoothly, things can begin to change, and new dissatisfactions, or optimistically, more extended opportunities can arise as the prospect's situation changes. At this point, they move into the **changes over time** phase. This is the point where something – very probably beyond their control, like a regulatory, economic or environmental change – alters their circumstances.

Once these changes have begun to take place, they might move into the **recognition of needs** stage of the cycle, where they'll begin to recognise they have a problem. But people live with problems all the time, so that's no guarantee that they'll ever do anything about solving them – unless they encounter somebody with the skills to persuade them that they need to do something to fix them.

After this, they'll move into the **evaluation of options** stage, where they'll be looking for someone to help them with their problems and needs. This is where it gets competitive and complex. Often, one of their options here is to do nothing. Then, they'll move on to **resolution of their concerns** with their chosen shortlist before making their final **decision**. These concerns can present in many ways, real or illusory, and money is rarely far from the surface. So, a negotiation might be necessary.

Once this decision is made, the cycle begins all over again.

Depending upon where customers are in the Buying Cycle™, they may or may not volunteer their needs. Our research found that sellers speaking to customers during the "changes over time" or "recognition of needs" stages had significantly higher success rates.

That's because sellers who understand where the customer is in the Buying Cycle™ can tailor their questions to uncover different kinds of problems and needs and can begin to build value for their solution much earlier in the buyer's process, meaning they're in a much stronger position when it comes to offering their solution.



The success model

A full explanation of the research method and the development of the SPIN® Selling model can be found in the SPIN® Selling book, published in 1987 by Neil Rackham, the founder of Huthwaite Research Group.

Some of the most important findings are as follows:

All needs are not the same

There is a critical distinction between needs which are expressed in the form of a dissatisfaction (Implied Needs) and needs which are expressed as a desire for a solution (Explicit Needs). In major sales, Implied Needs have no relationship, per se, with success; whereas Explicit Needs are key indicators of a successful outcome.

Successful salespeople use a technique that helps the customer to express needs in the Explicit form. Conventional probing does not work. Probing (sales jargon for asking questions) is supposed to uncover customer needs. To achieve this, traditional training used to identify two types of question: Closed questions, which have yes/no answers; and Open questions, which require a longer answer. While this may seem logical, the research shows that, in practice, human nature intervenes and 60% of Closed questions receive long answers anyway.

Classifying questions by their form, Open or Closed, has no relevance in creating major sales.

Successful salespeople use a fourstage questioning model

Throughout their research, they discovered that successful salespeople tended to use 4 different types of questions. These question types form the basis of the SPIN® model.

Situation Questions: to gather background information and understand the context of the sale.

Problem Questions: to explore the customer's dissatisfactions and concerns.

Implications Questions: which develop apparently isolated problems by examining their 'knock-on' effect in other areas of the customer's business.

Need-payoff Questions: which invite the customer to consider the benefits of solving his/her problems and, having done so, to express an Explicit Need for a solution.

Successful salespeople take the customer on a journey to discover their current weaknesses and problems, and in doing this they build value for their solution.

Essentially, these questions provide a logical framework rather than a rigid sequence, allowing salespeople to enhance communication with their prospects, deliver value and close more deals. They steer the conversation away from you as a salesperson, so you can focus on customers and their needs.

Crucially, SPIN® Selling isn't simply a technique that you can read about and apply easily alongside other sales tactics as a quick way to win more deals.

To be successful with the SPIN® sales model requires proper training, application, and most importantly, a commitment to changing your behaviour or the behaviour of your team, for the long term.

The 4 different SPIN® questions

The SPIN® Selling method is built around four types of key sales questions – each fulfilling crucial roles within a sales process:





In fact, if you are selling anything other than a petty cash item, continual use of closing techniques dramatically reduces the chance of success. Furthermore, top performing salespeople do not even 'ask for the order'. They propose the highest realistic commitment the customer is able to give. In the majority of cases, they are successful in obtaining commitment on the first attempt; not because of their closing techniques, but because they have shown how they can satisfy a range of Explicit Needs expressed by the customer.

Highlighting the features of your product/service causes more objections

Generations of salespeople were once taught to make feature statements – highlighting the bells and whistles of their fancy new product to show how it would be of advantage to the buyer. Yet, the Huthwaite studies show that the easiest way to create objections and price concerns is to offer the customer features and imagined advantages that are of little to no value.

The true Benefit Statement, the behaviour most closely associated with success, shows how your product satisfies an **Explicit Need** the customer has expressed – meaning they've admitted a desire for a solution.

In summary:

- Successful salespeople realise that before they can present their product to maximum effect, the customer should have expressed an Explicit Need for the solutions they can offer.
- Sellers needed the SPIN® technique to develop a buyer's needs and turn them into desires for a solution.
- Customers don't object when they are offered something they have just asked for and usually agree readily to any reasonable commitment proposed by the salesperson.

"Success doesn't depend on the number of questions asked, but on their type."

Neil Rackham



We have all experienced training and education that we felt was good, but not really groundbreaking.

However, with Huthwaite, it has been so much more. In short, I have never experienced such a consistent lift in performance as I have with my strong collaboration with Huthwaite. When you combine excellent sales and negotiation techniques with best-in-class facilitators and coaches, you capture the essence of Huthwaite."

Martin Nyberg, CEO, PostNord Strålfors



SPIN® was, for me, a big wake-up call around what big ticket sales is all about. It is not about talking customers into your products and solutions with a high degree of push, it is an art of listening, understanding and helping the customer to a better situation.

I only wish that I could have learned SPIN® earlier in my sales career."

Peter Kranz, CEO, Njord Clean Air



SPIN® has been an integral part of my sales DNA, from learning it as a rookie to using the Huthwaite expert team and SPIN® methodology to transform our own sales organisation by re-thinking how we address customer needs. It has the power to change the way you engage and focus on the customer in a positive way, and I can't recommend it highly enough!"

Lars Berg, Senior Sales Director, Oracle



SPIN® Selling has been instrumental in helping my sales teams understand and meet the needs of their customers effectively. Through our collaboration and training, we've seen how asking the right questions, understanding customer pain points, and providing tailored solutions can lead to significant successes in sales and customer satisfaction."

Atemad El-Berjiji, Head of Sales SMB, Dun & Bradstreet

Applying the SPIN® Selling skills

Simply following a formula doesn't reflect real conversations – especially when it's increasingly uncommon that an entire sale will happen in one discussion.

With longer buying cycles and complex purchasing decisions, it's more important than ever that salespeople do their research and determine where their prospect is positioned in the The Buying Cycle™.

For example, suppose a prospect is already actively researching suppliers online. This indicates that they're further along in their The Buying Cycle™ – meaning that more obvious Situation questions are redundant at this stage. Asking these kinds of questions could hurt your progress and send your prospect into the arms of another supplier.

In the years since SPIN® Selling was created, sellers, equally, have been able to gain crucial information about our customers online, meaning that certain questions don't need to be asked anymore – such as company size, or key market data, for example. Understanding the SPIN® model and how to apply it to each individual prospect, is key to using the methodology to your advantage.

We have seen that using the SPIN® model reproduces the behaviour pattern which makes top salespeople successful.

It follows, logically, that if you are not presently a top performer, you will have to modify your behaviour to match the SPIN® model more closely if you wish to be more successful.

Changing behaviour, or, in everyday language, learning new skills, is not easy. It can seldom, if ever, be achieved simply through academic understanding of a different and more effective behaviour model.

The proven method for developing new skills takes the following sequence:



Step one:

Review the skill model to gain a theoretical understanding



Step two:

Practice new skills in a controlled environment



Step three:

Get constructive feedback so you can identify and improve areas of weakness



Step four:

Repeat steps two and three until skills are developed sufficiently for use in a live situation



Step five:

Create an action plan and continue on-going skill development with observation, feedback and coaching on-the-job.

Developing your SPIN® Selling skills

SPIN® skills are easy to understand, but how each organisation will ensure they are put into practice will vary. Our approach is to match our implementation options with a range of diverse sales structures, internal training resources, timescales and budgets of different organisations. Our approach is to marry our expertise in SPIN® with your knowledge and experience of your products, industry, customers and organisational culture.

Recognising these varying needs, Huthwaite offers considerable flexibility, while retaining the crucial elements of the skill development model described in the previous section.

Traditional classroom training programmes remain the most widely used vehicle for face-to-face sales performance improvement, although programmes delivered virtually in short, more frequent sessions, are gaining in popularity.

Whichever approach meets your needs, it will be supported by a range of digital learning options delivering essential knowledge prior to the training events. This ensures valuable time in group sessions focuses on skill development – reducing classroom time to the optimum level to enable realistic practice opportunities with expert feedback. Our online support doesn't end with the classroom. As your sellers try out their newfound skills and implement the SPIN® behaviours, online support through our award-winning collaborative platform is available to foster experience sharing, ongoing feedback and coaching.

If you're looking to train in-house, Huthwaite can train your trainers to deliver the programmes under license, significantly reducing the cost of large implementations. Not only this, but SPIN® Selling learning can form part of any sales academy approach, integrating seamlessly with solutions for other areas of sales performance improvement.



Alongside SPIN® Selling, we've created numerous other SPIN®-related programmes to enhance your learning development, including:

- SPIN® Opportunity Management: This programme gives salespeople the insights, techniques and strategies to deal with larger and more complex sales.
- <u>SPIN® Coaching:</u> Creates a coaching culture to truly embed SPIN® skills for lasting performance improvement.
- <u>SPIN® Marketing:</u> Uses the SPIN® techniques and allows you to create customer-centric collateral that resonates with your target audience.
- SPIN® Persuasive Proposals & Presentations: Create consistent SPIN®-related proposals and presentations that persuade your customers and build value on your behalf.
- <u>SPIN® Refresher:</u> Reinforces key SPIN® skills to strengthen your sales approach.

If you're an internationally based company, our programmes can be implemented worldwide, as we have trained in 109 countries and in 35 different languages.

All programmes can be designed to match your requirements, including the development of exercises that resonate with your sales teams and case studies that reflect your selling situations, customers, products and services.

Our ultimate objective is to ensure that SPIN® works for **you.**

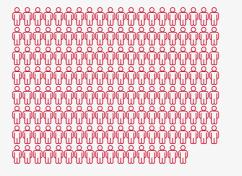
Feedback, and some objective measurement, including independent studies by third party consultants, proves that it does. Independent studies show that the typical sales productivity improvement following controlled implementation of SPIN® projects is 17%, with individual results ranging from 10% to 63%.

What's more, most studies show that in addition to an increase in sales volumes, many clients experience an increase in sales profitability and shorter sales cycles. This probably explains why the worldwide list of SPIN® users includes such companies as Essity, SAP, SKF, IBM, Calix, Sopra Steria, Close Brothers and Dachser.

Global impact of SPIN®

Thousands of organisations across the globe trust SPIN® Selling skills to give them the competitive advantage that will improve their bottom line.

We have **157** expert facilitators



We have over **50 years'** experience in designing, delivering and measuring training for sales audiences



Design



Create



Deliver

We have delivered training in **109** countries



We are proud to work with some of the most successful organisations in the world, like yours













We deliver our programmes in **35** languages

BONJOUR. GUTEN TAG. HEJ. OLA. HOLA. NI HAO. CIAO. SALAAM. HELLO. MERHABA HEI. DZIEŃ DOBRY. HALLO

We have increased one client's win rate from 10% to 23% after completing SPIN®





We have **17** regional partners

Our research into Verbal Behaviours spans **66 years** and includes **35,000+** observations





SPIN[®] is just the beginning – **35**% of clients work with us for **5**+ **years**, going through numerous programmes

SPIN® SELLING. SPIN® COACHING.
SPIN® OPPORTUNITY MANAGEMENT.
SPIN® MARKETING. SPIN® REFRESHER.
NEGOTIATIONS. COMMUNICATIONS.



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Huthwaite International

Change Behaviour. Change Results.™