

## “SPIN” – A FORGOTTEN TRICK IN B2B SALES

Gone are the days, when the traditional way of selling fetched you a big sale. The rules of the game changed when “SPIN” methodology knocked the door. The traditional way of selling still ruled the roost in small sales, but no more with large sales. What was this method? How did it turn into a revolutionary idea? Where does it stand today? These are few things that I will be touching upon with this article.

As shown in *figure 1*, any typical B2B sale call will at least have to pass these four stages to reach a deal. We begin with *preliminaries*, which involves things like how a conversation starts and what initial impression a sales person builds with a customer. Then moving on to *investigating*, which is what our SPIN method deals with, is where we uncover the customer’s needs by asking questions and then molding them in such a way that it works to the seller’s benefit. Then comes the *demonstration of capability* and *obtaining commitment*, where the seller has to pitch his solution and get a strong commitment from the customer’s side to get a deal done.

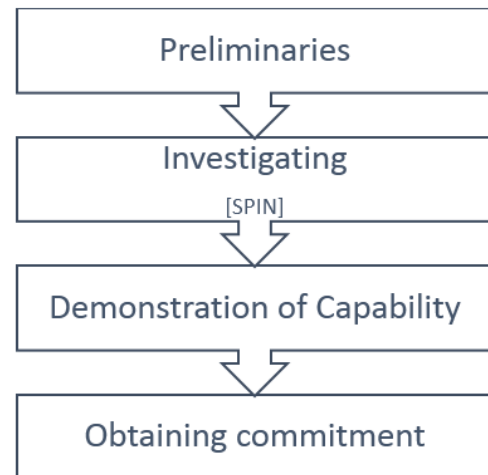


Figure 1

So what is “SPIN”? Simply put, it helps the sales person to develop a small problem into a meaningful bigger one and in the process sell his product. But this process holds a beautiful ingredient of giving the feel to the customer that he is the one who has solved the problem and the sales person is just giving a product to implement the solution prescribed by the customer. How smart does this sound? But it is not easy to practice what a method preaches.

Let me first expand the abbreviation that is “SPIN”: S – SITUATION

P - PROBLEM

I - IMPLICATION

N – NEED PAYOFF

Taking a real life example of a friend of mine, whom we will be calling Mr.X, I will touch upon all the aspects of how SPIN is used in B2B sales. Look at this situation below:

*Mr.X (calling first time and is using situation questions) – “Hello sir. My name is Mr.X. I am calling from company A. I was wondering if could take a few minutes of your time to ask you about your satisfaction levels with the products you are presently using”*

*Buyer-“Yes. Go ahead”*

*Mr. X (using situational questions)-“Sir am I correct in saying you are in charge of the purchase decisions in the company?”*

*Buyer-“Yes. I am the commercial head of the purchase department”.*

*Mr.X (another situation question)-“How long have you been with the company and do you make the final purchasing decisions in your company?”*

*Buyer- "I have been with the company for the past 15 years and yes, the purchase approval goes through me"*

*Mr.X (situation question)-"Have the annual sales volume of your company been satisfactory?"*

*Buyer- "The last quarter has been pretty good and we are happy with it".*

*Mr.X (situation question)-"What equipment are you using at present and is it purchased or leased?"*

*Buyer- "We are using a heat controller of German make and it is currently taken on lease from their Indian warehouse".*

What did Mr.X do here? He smartly opened the talk with the buyer and started gathering all the relevant facts, information and background data which would help him understand about the customer's current situation. These data can be helpful for him to present his product the way the customer might like it. These situation questions could have been asked in many ways depending on what information would be relevant and helpful to the seller. Reading this, you will think, why a buyer will hold up for so long to answer so many questions? The answer is a simple 'YES' that he won't, in many B2B sales. The sellers need to be very precise and careful to not bore off the customer and eventually lose a sale. Let us see how Mr.X takes on from here:

*Mr. X (using a problem question)-"Are they proving difficult for your operators to work on and are you satisfied with it?"*

*Buyer (Implied need)-"They have proved to be rather hard, but we get our operators trained to use it although satisfaction levels have been just above average".*

*Mr. X (problem question)-"Are you facing quality and reliability problems?"*

*Buyer (Implied need)-"Sometimes we do worry about it, but we are dealing with it pretty well at the moment".*

Here, Mr.X uses the technique of insisting the customer to state about their implied needs using the *problem questions*. Problem questions create an impact because with them, you start talking from the customer's perspectives and they start getting more keenly involved. These will be the questions, which Mr.X can build his whole sales talk on. As the main motive here is to find the problems of the customers, problem questions need to be used wisely, as this might create a negative atmosphere. But they are a necessity to build a sale.

*Mr.X (Implication Question)-"You said they are difficult to use and you are not sure about the satisfaction level. What effect did this have on your output?"*

*Buyer(thinks the problem is not serious)-"Our output is not affected as much, since we have hired trained people for operating it. The only problem is when they leave the organization, we have to wait to hire a new one".*

*Mr.X (Implication Question)-"Has this created a turnover problem? If yes, what has been the training cost?"*

*Buyer (seeing a bigger problem)-"Yes, operators do leave the organization because they find it difficult to use the machine. And this costs us Rs. 4,00,000 to hire and train a new employee."*

*Mr.X (Implication Question)-"And when you don't have the operators, are you going for outsourcing? And are you happy with the quality you generate from there?"*

*Buyer (seeing even a bigger problem)- "Yes. We have to outsource and this costs us 25% more than the in house production and also when it is outsourced, I can't have a check on quality."*

*Mr.X (summarizing)- "Sir from what you have said, because of the complex working of your machine, the operators are unhappy and result in high turnover and also this eventually costs you a heavy amount when you hire new operators. This also leads to outsourcing of products, which has created a sense of quality dissatisfaction in you."*

*Buyer- "Yes, when you put it that way, the German machines are creating a lot of problems for us."*

With this, Mr.X has successfully created an implied need that was generated previously into an explicit need. This art of creating a huge problem out of a small implied need is where *implied questions* work best. By using them, you have involved the customer in identifying the problem and eventually the sales person can build on this and create a confidence with the buyer. The process doesn't end here. Last step is to give solutions, and that is what Mr.X does now:

*Mr.X (need payoff question)- "Is it important for you to solve these problems?"*

*Buyer- "Yes! That is what I am worried about".*

*Mr.X (need payoff question)- "Then, what if we reduce the difficulty in using the machine and in turn we reduce the turnover rate? Will that be helpful?"*

*Buyer- "Of course that will be helpful. I can save at least Rs.50, 00,000 as a round figure and also I won't have to go for outsourcing and my quality standards will be maintained".*

*Mr.X (need payoff question)- "I think we can help you with this. Let me explain you how our product..."*

In the above discussion Mr.X, using *need payoff questions*, was successful in switching the customer's thinking from problems to solutions and what benefits he can generate from them. This step is crucial because here the customer gets involved in finding the solution and also the buyer can guide the customer to a path that will lead to his product. It brings a sense of positivity in the talk and sounds more constructive and helpful. And this can be a major factor in a B2B sale.

Seeing Mr.X's example, we are pretty much confirmed that SPIN selling was indeed a revolution that has helped sales people in B2B sales. It creates a sense of involvement for customers. SPIN is a flexible method and thus, the steps can be used according to the flow of the talk. This proved to be the base of B2B sales, where impact creation is a necessity, which is different from a normal sale.

SPIN ruled the way for more than a decade, but with changing times and changing customer needs, its impact has reduced. But it was indeed a revolution that changed the rules of the game.

Happy selling!

*Note-*

I referred some books and articles on “SPIN”. And also on the basis of discussion with our faculty, I was able to write this article. Only reference that I have is Neil Rackham’s book on SPIN.