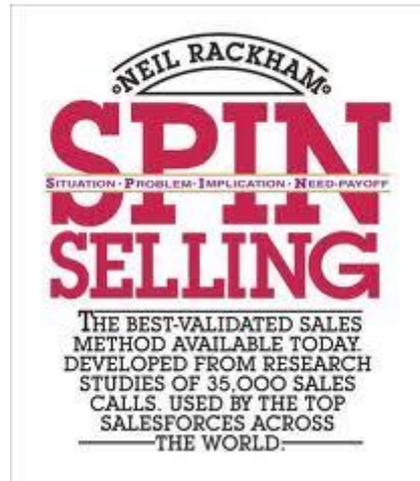


# An introduction to SPIN



**The acronym SPIN stands for the type of questions which are used during a sales consulting visit.**

More specifically they stand for

**S** - Situation Questions

**P** - Problem Questions

**I** - Implication Questions

**N** - Need Payoff Questions

## Background

SPIN is a behaviourally based Sales Skill Training process designed by Dr Neil Rackham. Neil founded and still runs a group called Huthwaite Research Group, which operates out of London.

<http://www.huthwaite.co.uk/>. Links to the majority of the behavioural processes Neil uses can be found on his website, with links provided for more detailed information.

Basically SPIN is the process used when making “high level/large dollar” sales. SPIN is also a process which allows you to clearly determine a client’s needs, from an operational point of view, BEFORE you offer a solution. The process will also help you to determine WHO to speak to in an organization to advance the understanding of your solution, and therefore the purchase of your services.

I tried it and it works. It does take practice. For best results, practice one behavior (type of question) at a time. Choose safe places to practice - small sales calls or practice on your friends and family first.

Concentrate on using a lot of the behavior rather than on using each behaviours well at first. It takes practice to make it flow right, so that's why you want to concentrate on the quantity of questions when you practice, and not the quality. Try each behavior at least three times on real customers before judging if it works.

# Situation Questions

They are designed in the main to gather basic factual information. They are also intended to allow you to verify the prior research that you have uncovered and to discover whether the information is still “current and valid”.

Major benefits of Situation Questions are that:

- A. They are easy to answer for the client
- B. They demonstrate you have done your homework and therefore build credibility
- C. They either confirm your early impressions from research, or allow you to change track if your presumptions prove to be inaccurate

The major downsides of Situation Questions are:

- A. If there are too many of them it indicates that you have NOT done your homework
- B. If they are not targeted well they become boring to the client
- C. They provide absolutely no new information or thought provoking topics to the client. That being true they can “tune out” early if you do not target them well

## EXAMPLES:

- My understanding is that you currently have 300 plus employees working here, is that correct?
- What is the current rate of turnover of your Supervisory staff?
- Could you outline for me the basic induction process for individuals who commence full time work with your company?
- What type of software do you run here?
- Which offices have DSL?

# Problem Questions

These are designed to uncover **POTENTIAL** areas of concern or need from the client. They are designed to discover topics which require **PROBING** to understand what the concern or need means to the client in **OPERATIONAL** terms. They are **NOT** designed to provide you with an opportunity to suggest a solution. Providing a solution too early is the key failure of new sellers and consultants. It is the equivalent of “I see you are single.....yes.....in that case would consider either going to bed with me or perhaps marriage.....SLAM”. Come in too early and you get what you deserve. The purpose of a problem question is to allow you to discover a series of potential areas where your skill or services may be of use. They become the launching pad for more effective data gathering questions which we will come to know as implication questions.

The benefits of Problem Questions are:

- A. They demonstrate your working knowledge of issues which are common to most organisations.
- B. When targeted well they indicate your experience in the kind of issues common to the industry you are consulting in?
- C. They give you a potentially safe starting point to probe in. This gives both you and the client common ground to discuss.

The major downsides of Problem Questions are:

- A. The temptation arises to jump in too quickly with solutions. This lowers your credibility and leads to objections.
- B. If they are not thought through prior to the call it displays naiveté to the client, and lowers their trust factor.
- C. Too many of them make you look desperate to find “something wrong with them”. It either makes you look hungry, or makes it look like you are trying to find fault with their organisation so you can come in like the Knight on the White Horse.

## EXAMPLES:

- Many green field organisations encounter some sort of difficulty operationally due to the inexperience of their operators.....What sort of problems, if any, does this cause in your organisation?
- You mentioned earlier that you have a 15% turnover of new starters.....what types of problems does this cause for either the organisation as a whole, or the supervisors?
- You suggested that your organisation is growing at a rate of fifty percent a year.....what kind of stresses does that put on either your staff or your equipment?

**NB:** Notice that each of the questions is preceded by a statement. This statement is information that you confirmed in the Situation Questions portion of your appointment.

# Implication Questions

These are the heart of SPIN. Implication questions are designed to extend the need uncovered in Problem questions. They are designed to make a “mountain out of a mole hill” by legitimately helping the client see how much impact this possibly seemingly small problem has on overall operations. They are also designed for you to better understand the impact of the problem, uncover the “real need” the client has in THEIR TERMS, and to link any future solution to an organisational change, rather than just a “training program”. Problem questions let the client hear themselves tell you that they are in the poo. Implication questions let them know just how vast and deep that poo farm really is. Implication questions are designed to engender a desire for a solution to their problem:

The benefits of Implication questions are:

- A. They allow you and the client to determine, through the clients words, how much impact a problem is having in real terms to the organisation.
- B. They allow you to understand how the problem impacts, who is involved, and what other input and support you will need prior to either suggesting or implementing a solution.
- C. They allow you to demonstrate how a problem in one area of a plant has an impact in another area, thus expanding the number of people who would be needed to both implement and support any changes you suggest.

The downside of Implication questions are:

- A. If they are not based on information you are given, they will appear like you are trying to make something out of nothing.
- B. If you stop digging too early you may not have uncovered enough information to really determine the size of the problem, therefore your solution may appear trite.
- C. If you do not dig deep enough you end up treating symptoms, rather than eliminating causes.

Examples of Implication Questions:

- You mentioned that your rapid growth means that you are under resourced with both people and equipment. Can you give me a specific example of how the inexperience impacts on your daily operations? (Follow on) and how does that lack of knowledge impact on your daily tonnage output?
- And how does that impact on your targets? Thanks for that. Now you also mentioned you were under resourced on equipment. How does that impeded on your operational plan? What do you have to currently do to overcome that? What are the additional risks that brings?
- Do you lose customers when people complain?
- Do you think it hurts your sales efforts if you're getting bad referrals from your customers?
- How much money do you lose when you lose a customer?
- How much does it cost you to get a new customer?  
What's the lifetime value of your customers and how much will you make when you double it?
- Would you make when each of your managers were handling two more properties?

# Need Pay Off Questions

Need Pay off questions are really nothing more than summaries of information you have gathered. The question component of them is designed to test if you have heard correctly, and whether there is sufficient interest for the individual to WANT to fix the problem you are summarizing.

The major benefits of Need Pay of Questions are:

- A. They give you a clear indication that you are aligned with the client on what the problem is causing within their organisation
- B. You begin to determine the amount of motivation they have in providing funds, time, and other required resources to fix that problem
- C. It allows you to suggest the type of solution you would provide to address the problem and to test the water **BEFORE** you present detail

The major downside is:

- A. If you summarise poorly it indicates that you “don’t get it”
- B. If you summarise what was not actually said you are seen to be “ manipulative”
- C. If you provide too much detail in the summary you are going to get objections

## EXAMPLES

- So if I understand you correctly you would like to find a method to increase the skill level of your new staff, without jeopardizing safety, is that correct?
- So let me make sure I get this, because you cannot use normal scheduled down time to maintain your equipment you are finding a large amount of unexpected down time is that right? So would you be open to a suggestion on an equipment rostering process that would allow you to reduce that unexpected time?
- How would it help if your offices were connected to a centralized database?
- Why is it important to get all your employees accounting for their work?
- Would it be useful if your homeowners made most of their requests without bothering anyone?
- Is there any other way that this could help you?
- Do you see the value in knowing which vendors do the most work?

After investigation and getting the customer to admit to some explicit need - not something vague - then explain how your service solves the need demonstrating your capacity in that way, after the need is expressed.

Finally, attempt to address all of the prospective client's concerns, and ask them if they have any more concerns. Summarize the benefits of your service. Propose the next appropriate level of commitment.

Research also found that there is little difference in the success of calls based on the number of times a sales person asked open as opposed to closed questions. That doesn't matter.

# There are three main types of BUYERS

## 1. Feasibility Buyer

- Has the authority to discuss a requirement or find a solution
- Has the ability to recommend
- Has the ability to direct
- DOES NOT have the ability to say yes in that role
- Can answer S and P questions ONLY
- The Objective and the ONLY objective is to have them introduce you to the dissatisfaction Buyer. Sale target

## 2. Dissatisfaction Buyer

- Has the problem
- Has the ability to describe in detail
- Has the ability to understand the solution
- Has the ability to recommend
- Has the ability to design the sale
- DOES NOT have the ability to buy
- He is the ONLY person who can answer the I and N questions

## 3. Economic Buyer

- Has the ability to say yes
- Has the ability to implement or mandate
- Has the ability to approve
- DOES NOT have the ability to understand both the solution and the problem
- He can get the Need Pay Off outcomes and you design the implementation prior sale

This summary by Harry Larsen.