



The Motorola case

SPIN[®] project overview

Introduction

It is not often that a group like Huthwaite International has the opportunity to have their work objectively evaluated by a disinterested outsider.

Such an opportunity arose when Motorola Corporation engaged Martha Silliman to evaluate a pilot SPIN[®] Project in Canada, prior to a large-scale implementation. Ms Silliman is an independent consultant with considerable experience in measurement and evaluation, and it is her report that is reproduced here.

Before the report itself, it may be helpful to understand the context that led Motorola to test the Huthwaite approach.

Background

Motorola had been facing the twin problems of a deteriorating economy combined with new and aggressive competition. Their objective was to improve sales volume in the most unfavourable business climate since the 1930s. It was already evident to management that a problem of this magnitude wasn't going to be solved just by doing the same things harder. They needed a different way of selling that would work in conditions of deep recession. Motorola, as a Corporation, had been experimenting with new productivity techniques and, in particular, looking at the lessons from the Japanese experience.

Their conclusions, in summary, were that:

- **Productivity happens where the job happens**
The Japanese have elegantly demonstrated in the area of manufacturing that productivity isn't achieved by policy or edict. Productivity comes from directly influencing the behaviour of the person doing the job. The same is true in selling. Unless the grand strategies of management translate themselves into some change in sales behaviour during actual sales calls, then there's no productivity gain.

- **It's skill that counts, not activity**

If salespeople aren't succeeding in a recession it's because they're doing the wrong things. Increasing their activity levels so that they do even more of the wrong things isn't going to help. Developing an increased level of selling skill is a more effective and more durable strategy.

- **Different skills are needed in a recession**

So, the starting point must be to find which skills worked best and to develop these through coaching.

Motorola realised that turning these conclusions into action was a specialist task, so Huthwaite were called in and a four-step project was planned with the aim of significantly improving sales productivity.

Step one – Finding what works best

Using Behaviour Analysis techniques that Huthwaite had developed, Motorola managers watched their people selling and picked out the behaviours that were working in successful calls.

Step two – Training in coaching skills

Managers were trained in coaching skills to help them monitor and develop these key skills.

Step three – Developing successful behaviours through coaching

The coaching was designed as a three-month project. Managers met monthly with Huthwaite consultants to plan strategies for getting the maximum skill improvement from the Motorola people. During the project, managers gave their people special training materials that Huthwaite had designed to help develop those selling behaviours that worked best in a recession.

As a matter of policy, coaching effort was concentrated in the area of obtaining new business rather than developing existing clients, and this bias is reflected in the results shown in the report.

Step four – Measuring productivity

The final, and most important step was to assess the effect of the project in terms of increased sales productivity, and it was here that Martha Silliman was called in to plan and supervise the evaluation process.

Note:

The report produced by Ms Silliman is now reproduced in full, with the exception of the technical appendices.

Motorola Canada Limited – Communications Division

SPIN® Project Productivity Analysis

This report is a productivity analysis of the SPIN® Field Coaching Programme that was conducted in the Communications Division of Motorola for sales managers to improve the skills of sales reps by means of on-the-job coaching.

A previous analysis of the project data confirmed that key SPIN® selling behaviours were more frequent in successful, as opposed to unsuccessful, Motorola sales success. Moreover, that work also indicated that implementation of the field coaching project increased the use of key SPIN® Behaviours. However, that analysis did not address the third major question:

What is the impact of the achieved selling behaviour change on productivity?

This question is systematically investigated in the following analysis:

- **Background information**
This analysis was conducted to measure the links between training and sales productivity. In any such analysis, it is critically important that productivity information be obtained not only for the group receiving training, but also for comparable groups who did not receive training. For this analysis, two such comparison groups were established.

- **SPIN® group**
This group consisted of sales reps who participated in the SPIN® Field Coaching Programme (N=42).
- **Control group with SPIN® managers**
The group consisted of sales reps who did not participate in the Field Coaching Programme, but who did report to SPIN® trained managers (N=42).
- **Control group with non-SPIN® trained managers**
This group consisted of sales reps who did not participate in the Field Coaching Programme who reported to non-SPIN® trained managers (N=20).

Productivity data was obtained for each of these three groups during three time periods:

- **Pre-SPIN®**
The three months before SPIN® training
- **During SPIN®**
The three month in which the SPIN® training occurred
- **Post-SPIN®**
The three months immediately following SPIN® training.

Productivity results

In order to maximise the usefulness of the results for decision making, four major productivity analyses were conducted:

- One** Total orders
- Two** Orders from existing accounts
- Three** Orders from new accounts
- Four** Dollar value of sales

Table one depicts the total productivity of the three groups before, during and after the SPIN[®] programme. The results displayed in the subsequent tables are the average number of sales orders for each three-month period.

Table one: Total orders – over three months

	Pre SPIN [®]	During SPIN [®]	Post SPIN [®]	% change pre/post
<i>SPIN[®] group (N=42)</i>	17.9	18.5	21	Up 17%
<i>Control group with SPIN[®] managers (N=42)</i>	16.3	14.7	14.1	Down 13%
<i>Control group with non-SPIN[®] managers (N=20)</i>	17.8	14	8.6	Down 52%

While the total orders declined in both control groups, order productivity in the SPIN[®] group increases 17%. With reference to the overall effectiveness of the SPIN[®] Field Coaching Programme, these results were indeed encouraging. However, for decision making purposes, it is important to further examine the results.

Tables two and three show the productivity comparisons for orders from existing and new accounts.

Table two: Orders from existing accounts – over three months

	Pre SPIN [®]	During SPIN [®]	Post SPIN [®]	% change pre/post
<i>SPIN[®] group (N=42)</i>	13.3	12.2	13.5	Up 1%
<i>Control group with SPIN[®] managers (N=42)</i>	13.2	10.6	11.5	Down 13%
<i>Control group with non-SPIN[®] managers (N=20)</i>	12.4	9.8	6.5	Down 48%

For existing accounts, both control groups showed a decline in sales productivity. The decline was particularly sharp for the control group with non-SPIN[®] managers. However, as opposed to the results obtained when total orders were examined, the SPIN[®] group showed only a slight increase in productivity.

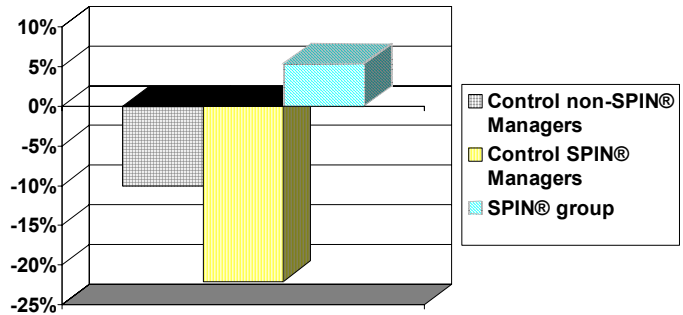
Table three: Orders from new accounts – over three months

	Pre SPIN [®]	During SPIN [®]	Post SPIN [®]	% change pre/post
<i>SPIN[®] group (N=42)</i>	4.6	6.3	7.5	Up 63%
<i>Control group with SPIN[®] managers (N=42)</i>	3.1	4.1	2.6	Down 16%
<i>Control group with non-SPIN[®] managers (N=20)</i>	5.4	4.2	2.1	Down 60%

When the results for new accounts are examined a highly different pattern emerges. While both control groups again showed a decline in productivity, and again the sales reps with non-SPIN[®] managers showed a markedly greater productivity decline, the SPIN[®] group achieved a substantial increase in new orders, for new accounts, the order productivity for the SPIN[®] group increased 63%. This finding holds particular importance from a sales marketing perspective. In addition, it is relevant in regard to the overall validation of the SPIN[®] model, since it confirms that the SPIN[®] approach is particularly effective in those situations where new customer needs must be developed.

The final step in the analysis was to investigate changes in the dollar value sold for each group. The following depicts the results of that analysis.

Pre-post change in dollar value



When the change in the dollar value of products sold was examined as an indication of productivity, the same general pattern of results was obtained. Again, both control groups showed a decline in productivity, and again the SPIN[®] group showed an increase in productivity when the before and after SPIN[®] training periods were compared (+5.3%).

Summary

Training of an organisation's sales force has limited value unless that training produces positive business results. For that reason, the effectiveness of Motorola's SPIN[®] Field Coaching Programme was examined in terms of its effect on sales productivity. For the three-month period before, during, and after training, information was obtained on the following sales productivity criteria: total orders from new customers, and dollar value of products sold.

Systematic analysis of that productivity data established a strong case for the following conclusions:

- increased use of key SPIN[®] behaviours is linked to increased order productivity
- increased use of key SPIN[®] behaviours is particularly effective for improving sales productivity with new accounts
- increased use of key SPIN[®] behaviours is linked to increased dollar value sold.

An independent evaluation of a Huthwaite SPIN[®] Coaching Project by Martha A Silliman (Introduction by Huthwaite Research Group).



