

# ON THEIR BEST BEHAVIOUR

Ian Froggatt, director of sales operations at pharmaceutical intelligence provider, IMS, describes the critical role played by a behaviour change programme in meeting the challenge of new markets and increased competition

**SPIN®** Selling and Account Strategy for Major Sales

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**Froggatt:** Huthwaite's SPIN®-based behaviour change programmes were adopted to help uncover and gain agreement on real needs

**ON TEST** Celebrating its 50th birthday in 2004, IMS is seen as a leading source of information and analytics for any business that wishes to track and measure developments in the healthcare and pharmaceutical industry.

## THE COMPANY

IMS is a global organisation, with operations in more than 100 countries and annual revenues of (US) \$1.4bn (£765m). It receives data from more than 29,000 data suppliers covering 225,000 different data sites, and processes some 165 billion pharmaceutical records each month.

It provides quality market intelligence, used by almost every major pharmaceutical manufacturer and healthcare supplier.

The problem for IMS is that it has been established for so long as the premier, and in many cases the only, provider of both raw data and market reports, that for many it has become firmly pigeon-holed. As a result, client companies - some of which have been highly satisfied customers for fully half a century - either use in-house teams or other third-party consultants to play a more strategic role in evaluating and making recommendations based on IMS data.

At the same time, with the growth of new technologies has come increased competition, both in this newer area of data interpretation and analysis and, critically, in IMS existing data provision market.

As a result, in 2001, IMS recognised that to differentiate itself in its core market and take advantage of the new

business opportunity, it would need to move away from its traditional, essentially transactional selling style to a more consultative approach.

Like many other international companies, it faced the additional problem of variable skills levels among its sales force, which has been likened to a 'patchwork quilt'. This had been brought about as sales training had historically been sourced at a local level.

Therefore, if it was to realise the full benefits of a global reach, supported by local operations and relationships, IMS also had to address the issues of creating a common sales language and approach and ensure continuity and future success.

## SKILL SETS

IMS recognised that this would require a major shift in methodology and approach. In those European countries where it dominated the market, for example, revenue in hand could regularly be upwards of 90 per cent, with as little as 10 per cent of revenues being generated through active 'selling'. In other markets where it faced increasing competition, such as Germany and the UK, the majority of its sales now required an increasingly proactive sales effort.

Further, to be successful in its new more strategic target market, IMS had to influence buyers within its current customer base at a more senior level.

This meant challenging and breaking away from the restrictions of how it was currently perceived as a supplier.

To effect such fundamental change, however, IMS recognised the need for sales training programmes to operate at a number of different levels. To create the essential frame-work for successful change - and a consistent approach both within and across sales territories - it implemented a number of programmes directed at establishing improved processes (described internally as Opportunity Management) and selling skills.

Yet, crucially, IMS also understood that changing behaviour was essential if it was to achieve the level of client focus and understanding required to operate effectively at this new higher level of client contact.

IMS selected behaviour change specialist Huthwaite International to provide training founded on its proven and strongly research-based SPIN® methodology, which helps sales executives ask the right questions on Situation, Problems, Implication and Need-payoffs, as it best met the requirement to look at the sales process from a customer perspective.

This was especially important with existing customers in moving away from a previously transactional selling style. Such a fundamental shift in behaviour was key if the sales person was first to uncover and gain agreement on real needs, and then evaluate suitable options and resolve client concerns to help them arrive at a buying decision.

## PHASED APPROACH

The first step in developing a more structured and broadly-based approach to sales training was to focus on the IMS major European account team (GKAMs), responsible for IMS largest pharmaceutical and healthcare clients.

As the company's first centrally developed and funded training programme, both IMS and the delegates were impressed with the results achieved. The decision was then taken to introduce the Huthwaite SPIN® methodology within the broader Opportunity Management framework to the rest of the company's European salesforce.

In early 2002, this initiative was launched to the company's major market, including France and the UK,

# tried & tested

at a sales conference attended by some 300 delegates, including 250 sales and 50 central and regional support staff.

SPIN® was then delivered to the individual major markets teams throughout the summer, with the focus firmly on ensuring that a consistent, high-quality sales approach was achieved across national boundaries, under-pinned by a common language adopted by all customer-facing staff.

In the context of IMS' new business strategy, it was also important that delegates understood how this customer-oriented approach at each stage of the buying cycle could deliver benefits in managing the sales process.

Similarly, the SPIN® training for the IMS Middle Markets - including the Middle East, the Nordics and other European countries - was launched and trained to 80 delegates at the Prague sales conference in early 2003. Further, all new recruits are now trained on SPIN®, which has become a fundamental element in the company's sales development programme.

A number of other developments have also taken place, further embedding Huthwaite's behaviour-based approach within this wider strategy. With the aim of broadening IMS' business with key customers, for example, the Huthwaite ASMS (Account Strategy for Major Sales) programme has been customised to form the basis of IMS' Complex Sales initiative.

This is designed to build on the skills established within the core SPIN® training in the context of multi-stage, and often multi-party, sales discussions. It similarly places critical emphasis on considering each stage of the buying cycle from the client's point of view and has been customised to include a full sector-oriented business simulation. To date, two training programmes have already been undertaken with sales teams from the Major and Middle Markets already trained on SPIN® and Opportunity Management, and more are planned.

What has become clear is that both IMS and Huthwaite see effective behavioural change within the context of broader sales development, not just as a series of one-off training events, but as an ongoing process.

In particular, both place a strong emphasis on the importance of coaching in reinforcing the lessons learned off-line and ensuring they are translated into action on the job. Following



the delivery of SPIN® training to the major markets teams, coaching was undertaken with first-line managers.

Like many all-embracing and far-reaching training programmes, lessons have been learned on the way. It was recognised that further work would be required for this additional stage of coaching and reinforcement to work effectively within the new sales processes, which were being implemented at the same time.

IMS remains committed to supporting its sales improvement programme with effective coaching. With a reappraisal of how it should be implemented now complete, plans are in hand to re-institute as full a programme as budgetary considerations will allow.

IMS is looking for a return on its investment and there is no doubt that the sales training initiative in general, and Huthwaite's behaviour change programmes in particular, have contributed directly to a recent improvement in revenue and profit performance.

## LISTENING

Critically, Huthwaite's behaviour change programmes had the inherent flexibility to work effectively with the other two major elements of the IMS sales development programme. The result is that the benefits derived from the whole programme continue to be much greater than the sum of its individual parts.

The outcome has been precisely what IMS wanted. Major customers, who for many years have had a one-dimensional view of the company and

**Prescription for success: SPIN®-based training is helping IMS to stay ahead of the competition**

what it could offer, are now starting to respond positively as IMS demonstrates its ability to help companies understand the complexities and make best use of integrated data.

## VERDICT

For IMS, its dominant market position as a data provider left it open to attack by new entrants. Further, it needed to broaden customer perceptions of its capabilities. In response, Huthwaite's SPIN®-based behaviour change programmes were adopted as an essential part of the new IMS sales training approach.

Without exception, those attending the Complex Sales training (the equivalent of Huthwaite's ASMS programme) have seen the course as a seamless part of IMS' broader training programme. Crucially, they now view the sale from the customer's perspective. One delegate said: "It has empowered me in negotiation. I now see more clearly clients' priorities regarding needs, their value and objections."

Another said: "I learned the benefit of not jumping to conclusions too quickly, and never making assumptions, particularly when working with customers in recognising their needs and evaluating options." fl

### VERDICT

Ability to meet business needs

Value for money

Ease of use

Impact

Memorability



Key: ■ disappointing ■■■■■ excellent