

Making price less of an issue and selling instead on 'value added'

A series of training and coaching projects

The initial project

Initial project drivers

The division of this major UK general insurer sells car and home insurance policies exclusively via intermediaries. When they first approached Huthwaite, in 1993, they were looking to expand their business book with a new approach. Instead of following the market trend, led by direct insurers towards selling mainly on price, they had decided to differentiate themselves with a range of new, 'value added' products.

The key to realising the strategy lay in the sales force who serviced the brokers. The field sellers needed consultative selling skills with which to understand their brokers' better, select which to focus their efforts on and educate by building value for their products. Only then would these brokers recommend the company's products to their clients.

The problem was most of the sellers took a traditional, 'inspector' approach with their brokers. Adopting the 'tea and biscuits' approach they enjoyed good social relationships, but had little real

understanding of, or influence over, their brokers' business or needs. The sellers were instead prone to making feature-rich product presentations and lacked the confidence to change their approach with people they knew well.

Initial project objectives

We were asked to equip the sellers with SPIN[®] Selling Skills, in order to:

- Create a consistent sales approach, which would help differentiate the sellers from other company representatives and support the market positioning of a high quality and value-added service
- Build the sellers' confidence and skills to set appropriate sales call objectives and adopt a questioning style of consultative selling
- Persuade selected brokers to recommend and sell more of their company's products.

We were also asked to equip the sales managers with the SPIN[®] Coaching Skills to:

- Build their confidence and skills to coach, rather than sell on behalf of their sellers

- Create a consistent approach to sales coaching and contribute to the creation of a coaching culture.

Initial project approach

All sellers attended a series of two-day training modules to develop their SPIN[®] Selling Skills. These were tailored and timed to coincide with the launch of new products. In parallel, the sales managers attended training in both generic and SPIN[®] coaching skills. During the months following the sales training, the coaches performed in-field coaching with their sellers. The Huthwaite trainers also ran sessions at regional sales team meetings, to help embed the skills and tackle regional sales issues.

The training was extended to the marketing department, so that they could:

- Share the common sales language with the sellers, which made the internal launch of the next new products hugely more successful
- Improve the persuasiveness of the marketing literature to support these products.

When a merger took place in the mid 90s and the personal lines

"Delivery of Huthwaite programmes has always been excellent and of the highest quality. The materials are well structured and easy to understand and help embed a structured framework".

National Business Development Director, UK general Insurer

division doubled in size, the SPIN[®] training was extended again, in order to:

- At the first combined National Sales Conference, convince the new people that the sales strategy of selling on value rather than price was feasible
- Equip the new sellers with the common sales language and skills to change their sales behaviour and sell on value rather than price.

Results achieved

The National Sales Development Director lamented that he regretted not 'putting a firm stake in the ground' before the training began. However, there was ample evidence from managers that, by seller, significant behaviour change had taken place and anecdotal evidence to indicate that significant increased business had flowed from brokers.

Subsequent projects

Subsequent project drivers

By the late 90s the division's senior management decided to focus on selected, larger intermediaries and

to persuade these brokers to do significantly more business with them. The division devised marketing and training support to help sellers develop more entangled relationships with key brokers. The division also designed 'switch' and 'growth' deals which sales managers and senior sellers would be mandated to negotiate.

Subsequent project objectives

We were asked to equip the managers and senior sellers with strategic selling and negotiation skills, in order to:

- Plan and implement influencing strategies, to build personal lines business with targeted brokers
- Plan and conduct negotiations to agree 'switch' and 'growth' deals with brokers.

Subsequent project approach

All managers and senior sellers attended training in tailored versions of Account Strategies for Major Sales and, three months later, in Negotiating Skills.

As the amended strategy bore fruit, more sellers were trained in both new skills sets. 'Graduates' from

previous courses attended the final day of each course to provide continuity and to set-up reinforcement coaching which had, by now, become part of the division's culture.

Results achieved

The National Business Development Director stated in 2001 that:

- Delivery of Huthwaite programmes has always been excellent and of the highest quality. The materials are well structured and easy to understand and help embed a structured framework
- After the merger, Huthwaite's involvement in the National Sales Conference was an intrinsic part of bringing about the sea change in mindset, of convincing people that there is more to life than just price
- In an increasingly competitive environment we are still managing to make headway in a lot of accounts using SPIN[®] to unearth needs, ASMS to build accounts and Negotiation to make tighter deals. Price becomes less of an issue for our clients.

"After the merger, Huthwaite's involvement in the National Sales Conference was an intrinsic part of bringing about the sea change in mindset, of convincing people that there is more to life than just price".

National Business Development Director, UK general insurer