



Sales Efficiency and Effectiveness

How Delicate is the Balance at Your Lab?

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When a lab hires someone to market and service its customers, success emanates partly from the consistency of putting in the required time of visiting prospects and current clients — certainly no great revelation. This aspect of the job falls under the “efficiency” heading or the *activity* a field rep puts into his/her job.

Conventional Wisdom – It’s a Numbers Game

A manager may explain to his staff, “*I’d like to see a minimum of X visits each day.*” The logic distills down to a numbers game in two areas: (1) there exists a better chance of finding someone who is unhappy with some component of their lab service and (2) it provides an opportunity to build customer relationships. The problem with only assessing efficiency is, what one measures equates to what gets done. Should new business become sluggish, managers tend to solve the problem by putting pressure on the sales team. They expect their field force to do more of what’s not already working; they assume “selling harder” will provide a different result. It rarely does.

Sales efficiency within the lab industry coalesces into speaking to strategic individuals. In a hospital setting, strategic people include the lab director/manager, the pathologist, the VP who oversees the lab or one of the chief officers. In a doctor’s office, it typically decodes to the office/practice manager and/or the lead physician. In contrast, if one spends time with the anodyne support staff (a much more comfortable feeling), one could fashion a story about being “efficient” simply by stopping in and having a brief discussion. But, is this being effective?

The Flip Side: Effectiveness

Sales effectiveness transforms the situation into *maximizing* the sales potential once the rep comes face-to-face with a key person. There could be opportunities for discussing the application of a new test (profile, methodology), insurance acceptance, medical abstract, lab newsletter, different transport supply, a CMS announcement, updated medical guidelines, connectivity, etc. In other words, anything that helps the client enrich the way they do business: control health care costs, improve patient care or increase office productivity/convenience.

Master-class marketers devote their energies to effectiveness, for they know it does not take very much of this to offset a significant amount of efficiency. The astute manager aims to help their field staff balance efficiency *and* effectiveness. Examples of effectiveness could be gaining commitment to send work to the lab, having the client return a call, saving the client from using another competitor, getting an appointment with the next higher level, obtaining a test mix, setting a date for a lab tour, etc. One could say effectiveness translates to *sale advancement*. The ultimate question the rep must ask himself is, “*Can I get the customer to work with me to the next logical sales milestone?*” Client *actions* demonstrate joint venture and win-win.

The Value of a Client Relationship Management (CRM) Tool

Frequently, the client does nothing other than say, “*Thanks, Tommy, for stopping by. We’re happy with our lab. We have no current needs.*” Or, “*I don’t have time to speak with you today – we’re slammed with patients.*” Can the representative say he was effective in that call? Of course not. It might be a different story if the prospect took time to answer the rep’s questions, to explain their current situation or agree to set a meeting with the doctor. *Actions* transcribed into the CRM create the *pièce de résistance*. With nothing in the notes indicating any “movement” compares itself to a dud bullet. When you break down the cost of a rep’s salary, benefits and business expenses, each visit links to a significant investment. Labs, naturally, want to make the most of their precious resources — and reps should keep these costs in mind, as well.

Client Relationship Management programs provide an excellent methodology to assess the number of calls a sales/service person makes within a given time-line. However, it’s the *content* of the notes within the CRM that brings the client interaction to life.

Top Performers

Highly effective sales people want to work smarter, not necessarily harder. They learn to balance efficiency with effectiveness. By working smarter, they naturally point themselves to those within a prospect who can make things happen as opposed to spending valuable time with staff members who have no influence or decision-making authority. Top reps have a *legitimate business reason* prior to walking into the client’s domain. They know their lab’s services inside and out (billing, logistics, lab operations, test menu, methodologies, PSC information, report format, payment policies, fees, supplies, patient and client educational support, connectivity, etc.). In addition—and this is a critical point—they maintain parallel competitive knowledge. They do not say, “*I’m not sure what XYZ Lab does in that situation*”, or “*I think this is what my competition is doing.*” No—they know it—cold. This explains why they are top performers — they sell effortlessly because they intimately know their competitors. It becomes a tall order to fully comprehend both sides of the spectrum, but the excellent marketers crave to constantly expand this bifurcated facet of their job.

Master-class field people understand they must be routinely visible with clients and prospects, and they are more interested in effectiveness as opposed to the volume of client visitations. Highly regarded managers announce to their field teams, “*You are expected to make X number of calls each day. But, let me be clear: do not make a call if you do not have a valid excuse the client would appreciate — all just because you want to indicate a call on your field activity report. If you see fewer than X customers, and each call was effective because you can point to certain outcomes, I prefer that scenario over many calls in a day.*” A statement like this makes it understood the manager wants to see a balance of efficiency and effectiveness — but he values effectiveness more.

Recognizing Customer Behavior

In order to fully appreciate the difference between efficiency and effectiveness, the field person must be able to recognize *customer behavior*. Customer behavior is the *sine qua non* when it comes to evaluating a field person's value. When the client says, "Yes, we're going to use your lab" or "Yes, I will do X for you", it means the representative has done a good job. If the customer does not react to the rep's questions or requests, the boss might inquire (and the rep may wonder), "Was there any value attached to that call?" If a lab only counts activity visits and neglects monitoring the rep's entries, management will have no idea of customer actions and/or behavior.

Summary

The most important function upper management can do lies in the act of improving the effectiveness of its sales force. Supervisors may do a superlative job of creating spreadsheets, evaluating sales numbers, selling to big clients, removing internal obstacles, attending meetings and so forth. But, all of this is secondary to the potential impact of concentrating on building sales effectiveness. This translates to consistent training (sales, technical and operations) and effective coaching during co-rides.

If you are in a position that supervises or helps field staff, be cognizant of the difference between efficiency and effectiveness. Do not be tempted to spend precious time calculating your staff's activity specifically because the numbers are easy to quantify. Real improvement of your field people — indeed, lasting improvement — comes from abundant training and coaching that targets improving effectiveness.

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