



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 springs 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 Number’s Game

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

A basic tenet in sales is that a marketing person must target strategic individuals. In a hospital setting, key people include the lab director/manager, the pathologist, the VP that oversees the lab, one of the chief officers, etc. In a doctor’s office, it typically decodes to the office/practice manager and/or the lead physician. In contrast, if a field rep spends time with the anodyne support staff, 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, clinical abstract, lab newsletter, different transport supply, an announcement from the Centers of Medicare and Medicaid Services, updated medical guidelines, connectivity, compliance, etc. In other words, anything that helps the client in the way they do business: stay current, control healthcare costs, reduce compliance risk, improve patient care and/or increase office productivity/convenience.

Master-class marketers devote their energies to effectiveness because 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—in a business development scenario—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 a joint venture approach.

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. Stop back another time.*” 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 a strategic person. *Actions* transcribed into the CRM create the *pièce de résistance*. With nothing in the notes indicating any “movement”, this compares itself to the Energizer Bunny. The sales process keeps going and going with nothing of substance nudging the activity forward.

Client Relationship Management computer programs provide an excellent methodology to assess the number of calls a sales/service person makes within a given time-line. It also offers a very good method to evaluate the *content* of the notes.

Top Performers

Highly effective sales people want to work smarter, not necessarily harder. They learn to balance efficiency with effectiveness. By working smarter in trying to gain new business, 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 field 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, supplies, patient and client educational support, connectivity, etc.). In addition—and this is a critical point—they constantly seek to maintain parallel competitive knowledge. They do not say, “*I’m not exactly sure what my competition is doing in that area.*” No—they know it—cold. They demonstrate a sanguine approach in their client conversations because they possess sound, in-depth competitive knowledge. It becomes a tall order to fully comprehend one’s own lab *and* the competition, but the star performers crave to constantly expand this bifurcated facet of their job.

Managers that understand the balancing act between efficiency and effectiveness announce to their field person(s), “*I’d like to see you make a minimum of X number of calls each day. But, let me be clear: do not make a call if you do not have a valid reason the client would appreciate—all just because you want to indicate a visit on your field activity report. If you see fewer than X customers, and each interaction was effective and you can document certain outcomes, that is what I prefer over many calls in a day.*” A statement like this makes it understood the manager appreciates an efficiency/effectiveness equilibrium—but he values effectiveness more.

Recognizing Customer Behavior

In order to fully appreciate the difference between efficiency and effectiveness, the field person must recognize *customer behavior*. Customer behavior is the *sine qua non* when it comes to evaluating a field person's value for increasing business or improving relations. 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 manager only counts activity visits and neglects monitoring the rep's entries, he/she will have no idea of customer actions and/or behavior.

Summary

The most important function upper management can do with respect to field marketing lies in the act of improving the effectiveness of its sales force. Supervisors may do a superlative job of creating spreadsheets, evaluating sales numbers, removing internal obstacles, attending meetings and so forth. However, if the lab wants to see higher test volumes with concomitant profits, all of this busy-work is secondary to fostering sales effectiveness. This translates to consistent training (sales, technical, IT, billing, etc.) and effective coaching.

If you are in a position that supervises field staff, be cognizant of the difference between their efficiency and effectiveness. Do not be tempted to spend a great deal of time calculating your staff's activity just because the numbers are easy to quantify. Ensure the reps document what has occurred with each visit. Look for *client actions*. Real improvement of your field people—indeed, *lasting* improvement—comes from abundant training and coaching that targets improving effectiveness.

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