



## Client Relationship Management: Before, During and After the Sale

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10-09

Client Relationship Management (CRM) remains essential in most any business-to-business dealings. It becomes especially important with reference laboratories due to the number of issues that potentially arise in pre-analytical, analytical and post analytical phases. Most commercial labs and a number of hospitals with outreach marketing programs hire field staff to be the “face of the lab” and act as a liaison. It constitutes the most effective way of maintaining business because of the rapport bonding that occurs between both entities.

Laboratories have two basic alternative job descriptions when adding field personnel: (1) hire one person to sell prospective customers *and* service existing accounts or (2) hire two individuals, one for each job. This article speaks to the field person who handles the existing customer. He/she must possess a solid understanding of two over-arching areas. The first comes on the lab operations side. This comprises a host of subjects, such as internal testing capabilities, turnaround time, supplies, billing, insurance, phlebotomy policies, callback services, connectivity options, referral tests, professional staff, methodologies, among other things. The second main area pertains to the importance of forming relationships and maintaining client satisfaction. The majority of managers simply assume their field person(s) automatically develops superb relationships with everyone in each account and prospect. This “solid relationship” *may* materialize with one or two people—leaving other staff members (and providers) barely knowledgeable of even the first name of their lab rep.

### **Climbing the Relationship Staircase**

Any discussion about CRM must begin with a brief overview of how to form relationships. Everyone passes through six steps when shaping a relationship. They are (in ascending order):

People who value a relationship with you  
People who respect you  
People who like you  
People who are friendly with you  
People who know your name  
People who do not know your name

After a number of interactions, most business rappers attain the first several levels. You can get almost anybody to be friendly with you or even like you within a reasonable amount of time through politeness and professionalism. However, this is not enough. When someone reaches the top two stair steps, he/she has formed relationships that help immensely—especially in the area of abating client attrition. The way to access those levels occurs through *knowledge, integrity* and *actions*. Not surprisingly, this takes time.

There needs to be some key points made about the Relationship Staircase. The first builds on the fact that it turns out to be a lot easier to trip down the stairs than to climb it. A field person can take many months (even years) to reach the top, but one can destroy trust and a relationship overnight by an insensitive comment or neglect in an acute situation.

The next points to the fact that if one has a good relationship, the client usually offers a greater degree of forgiveness when something goes wrong. People frequently overlook or minimize mistakes if mutual respect exists between both parties. In the same vein, a representative can dramatically improve his relationship by the way he handles adversity. Ignoring the client or having a perfunctory attitude when service slips represents the antithesis of good CRM.

Movement up the stairs does not always mean a sequential pattern. The field person may provide outstanding service at resolving a problem on their first or second encounter with the client. This certainly helps build client confidence initially, but the account manager must eventually pass through all of the steps over time.

As mentioned before, arriving at the top of the staircase signifies a long-term proposition. Depending on the amount of involvement between the rep and the client, it could take years to foster a rapport in which the client believes it lies within *their* best interest to have a relationship with the representative.

### **Relationship Management**

Relationship management between clients and laboratories equates to that of between marriage partners. Just as in the dating process, one has to work hard at impressing the customer with knowledge, actions and professionalism.

The relationship needs to intensify *after* the sale. The sale merely consummates the courtship, at which point the marriage begins. How good the marriage develops depends on how well the salesperson manages the relationship. The quality of the marriage determines whether there will be continued or expanded business or troubles and divorce. Political ties and/or sole-source insurance contracts are ubiquitous, signifying that total divorce may be impossible. Regardless, burdening the remaining marriage can vitiate the reputation of both the account rep *and* the laboratory.

Laboratories and field service people try to avoid such troubles by recognizing at the outset the necessity of managing their relationships with clients. The successful sales

representative aims to build a foundational relationship *prior* to receiving a final commitment to use his/her lab. Following the client set-up and activation, the rappings need to deepen and interpermeate throughout the account. Ignoring certain people can create ill will, disloyalty or, at the end of the spectrum, potential loss of business.

In summary, the point holds firm that CRM transcends both the “courting” *and* the “marriage” portion. It sits as one thing to build a sense of joint venture and win-win in the “dating” phase — and it means another thing to supercharge the “marriage” portion of the relationship.

### **CRM: Gaining and Losing Business**

Field marketing people become frustrated with the lack of new or expanded business or the loss of business. Insurance contracts conduce to this aggravation. However, some of the issue may distill down to a lack of building client relationships. For example, a focus group consisting of office managers and nurses expressed a lack of general knowledge about the portfolio of services from a specific lab in their area. Even with a sales person in the field for over two years, most of these important contact people did not recognize the rep’s name! Obviously, the representative failed to understand the value and importance of Client Relationship Management with *potential* customers.

In another situation, a local hospital had a long-standing business association with a multi-site Independent Physician Organization (IPO). The hospital’s field person did not form a relationship with the top management of the IPO because he wrongly assumed that each physician office was autonomous. However, a competitor lab representative eventually forged strong trust and credibility with the executive staff at the home office, selling them on his lab’s superior service. Due to a lack of the incumbent lab’s client relationship at the executive level, there developed a sense of “taking the business and relationship for granted.” Consequently, corporate mandated a switch of the discretionary lab work to the new lab. This conflates to being “outsold”, primarily due to the neglect of creating good rappings with the people who make decisions. Unfortunately, this scenario plays out frequently, despite the fact that proper CRM could play a major role in potentially eliminating it

### **Differing Expectations**

When downstream realities loom larger than up-front promises, what does a representative do? Human nature presides when a field person wants to portray his/her lab as a faultless entity. It may seem incongruent, but the top representatives inform their clients that the lab *will* make mistakes on occasion. The difference equates to how well and expeditiously the account manager/lab addresses the issue. In effect, the good field reps *shape* the customer’s expectations so that when unforeseen service levels go awry, the client may be more understanding. The converse of this, of course, happens when the salesperson promises the moon. Understandably, the customer expects the moon—becoming disenchanted and distrusting when service levels fail.

Another way to shape customer’s expectations approaches the stratigical/tactical move of introducing various key department heads and/or executives to selected client staff

members. This helps to personalize the service and inherently secure an affirmative and productive position within the mind of the customer.

### **Healthy Relationships**

The natural tendency of relationships, whether in marriage or in business, inexorably glides toward erosion of sensitivity and attentiveness. Inward orientation by the sales rep (or the lab) leads to negligence and unresponsiveness in customer relations. It may become apparent that the lab substitutes bureaucratic formalities for authentic interaction.

A healthy relationship, however, maintains and preferably expands the equity and the possibilities created during the “courtship.” A healthy rapport requires a conscious and constant fight against the forces of decline. It becomes important for the person covering the account to ask the client if the overall service levels are good, whether he/she neglects doing anything and how the lab stands vis-à-vis the competition. Confinement to one or two employees (e.g., an office manager) as the “satisfaction barometer” could be a questionable strategy and tactic. One flirts with danger if the field person fails to build strong bonds with and seek feedback from *all* of the individuals who involve themselves in some aspect of the lab (especially the providers).

### **Bonds that Last**

Like any other assets, client relationships can appreciate or depreciate. Their maintenance and enhancement depend on many factors, but most especially on its management. Relationship management requires lab-wide attentiveness and improvement, and the service person plays an obvious and significant role in this aspect.

As an example, the courier or Postal Service may deliver a lab newsletter. While the lab may view this type of distribution as sufficient, the effectiveness rises exponentially when the representative follows up personally with various staff members. Thus, in this situation, the role of the marketer manifests itself in two ways: (1) it ensures the dissemination of news to the appropriate staff members and (2) it allows a meaningful discussion that builds toward a relationship. Visiting clients with a customer-centric valid reason may seem like a conspicuous account service rep responsibility. Unfortunately, many laboratories *and* field people, alike, presuppose that the courier (or the mail carrier) fills this educational role *ipso facto* — and the newsletter magically circulates to everyone! Don’t believe it!

It remains apparent that building lasting bonds requires consistent client interaction. There are many things a field person works on to maintain a healthy client relationship. It means keeping the client informed of things such as methodology changes, a transport supply addition or substitution, a new test or panel, changes in personnel (especially in the management area), new testing equipment, new assays available through the reference lab, a third party reprint, enhancements to the *e*-connectivity equipment, updates on ICD.9 codes, a revised testing algorithm, discontinuance of a test, and so forth. In addition, the lab rep (or sales manager) needs to ask (annual or semiannual basis) various client staff members, the decision-maker and other healthcare providers the seminal questions: “How are we doing in this relationship? Are there any improvements we can aim for? What have we not done *lately*?” The emphasis on “lately” is not

incidental. It reflects the recognition that relationships naturally degrade and require reinvigoration. A sharp salesperson can sense if the incumbent field rep takes his customer(s) for granted. By infiltrating the account, the competitor can create strong rapport with key individuals—especially if his lab already has some business through a sole-source managed care contract or specialized testing.

### **Sure Sign of Decline**

Relationships exhibit a decline in two ways, and they are, in fact, contradictory to each other. One equates to constant complaining and bickering. Depending on various factors, the result may be transferring their lab work to a different vendor if the frustration reaches new heights. The opposite signal, however, equals the *absence* of complaints from the customer. In this situation of a taciturn client, the client fails to be candid. The absence of candor reflects the decline of trust and the deterioration of the relationship. Impaired communication means both a symptom *and* a cause of trouble. Problems fester inside. It could be with a physician, a nurse practitioner, a medical assistant, a billing person, front desk person .... in other words, anyone. When the dissatisfaction finally erupts, it may be past the point-of-no-return to correct the situation.

So typical the case when a client experiences enough problems that the field rep requests his manager to join him, hoping to create an instantaneous palliative effect. However, unless the manager has had multiple positive prior interactions, which have evolved into a trusted and respected association with the client, it may be too late to expect “Superman” to save the day.

Some laboratories have policies wherein upper management makes personal visits to key decision-makers at top revenue-producing accounts. Depending on the situation, a once or twice-a-year visit may be all that it takes to create a sense of “upper management cares about you and our business relationship.”

### **Building Dependencies**

The lab depends upon the client for its revenue generation. But, looking into it more thoroughly, the client can provide other things: feedback on competitive information, a discussion on how well the lab fulfills its service levels, any changes that need to be made to enhance the lab’s reputation and service, etc.

The client, on the other hand, depends on the lab for quality results, reliable connectivity, information about new tests and methods, and so forth. Thus, a system of reciprocal dependencies develops. It remains up to the lab representative to nurture the relationship beyond its simple dollar value. In a proper business connection, both the lab *and* the customer will benefit or the link will not last. Everyone has to play for a win-win and mutual dependency affiliation.

## **Summary**

Client relationship management deserves a special field all of its own. It needs to become a major portion of the institution's DNA. CRM's importance relates to preserving and enhancing the intangible asset known as "goodwill"—and it stands just as important as managing hard assets. It requires diligent work, which makes it more rewarding, important—and fundamental.

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