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The Decision-Making Process of Choosing a Lab: What Your Sales Rep Should Know

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For hospital outreach programs and commercial labs, having field representation is essential for maintaining business and organically growing it. If there is no one to cultivate relationships, the customer may easily find someone who appreciates their business, responds quickly to lab-related problems, possesses industry knowledge and helps in the overall equation of joint venture and win-win.

It is interesting to look at how the decision-making process for selecting a lab typically works. There are two aspects of this: (1) the interrelated *thinking* process a client goes through when making a change and (2) *what* a prospect considers when selecting a lab. In the case of the latter, for a physician office setting, much of it depends upon the accepted insurances, the location of the nearest patient service center (assuming a no-draw environment) and connectivity. Continuing on the list are additional items such as the lab's location, reputation, client services accessibility and expertise, the effectiveness and overall knowledge of the marketing person (industry intelligence, responsiveness, etc) and, depending on the state's mandate or office philosophy, pricing. It's a given that clients assume and *expect* accurate results in today's environment.

This paper will concentrate on two components: (1) the predictable pattern that buyers progress through and (2) how the sales person can play a significant role during that process.

Implementation Stage

A field rep plays an important function in this phase, and, with all due respect, he/she must be extremely thorough when setting up a client to avoid frustrating and embarrassing problems. The phrase, "the devil is in the details", accurately applies! Implementation can be complex, and it is beyond the scope of this paper (Francis, P., *Are You Ready for New Clients?*, CLMR, May 2008). Once there is education on things such as test ordering, supplies, pick-up, resulting, etc., the customer and the lab subsequently "settle in" together in a business relationship with the intention of a win-win outcome.

Recognition of Needs Stage

Over time, however, come changes to the situation. It could be within a few months or much longer (years); the point is, there is customer recognition of issues with their primary lab. What was once condoned or regarded as "a little annoying" now becomes sufficiently acute—it's happening with more regularity, or impacting patient care, the office reputation, office productivity, etc. Sometimes, upfront promises may not have been kept or have taken too long to implement. The field rep scrambles to rectify the situation, but the "bruise" has begun its inexorable crawl into the mind of the client.

Anything that goes awry—from the simple to the significant— may compound the situation.

On the other side of the coin, a sharp competitive sales person can possibly “outsell” the current lab vendor by maintaining high visibility to gain a better understanding of the operation, probing to uncover the client’s likes and dislikes, discovering who the influential people are and who the ultimate decision-maker is, etc. During this time, they are building a strong rapport with key individuals and explaining how his/her lab does things differently that is significant to the individual and/or practice. Thus, the *Recognition of Needs* stage can have two forces that act independently or in tandem: (1) annoying problems that mushroom out of control, (2) a diligent and persuasive sales rep creating a “better mousetrap” story or (3) the conflation of both scenarios.

Evaluation of Options Stage
Depending on many factors, the buyer may eventually decide to take action and look for alternatives (about 2- 3% of potential buyers at any given time). They want a lab to not only fix their problem(s), but also want something *more* from the buying experience than participating in a reverse auction (several lab sellers and one buyer). Enter the master-class twenty-first century sales rep. He/she probes to uncover the past issues and explains how his lab can solve the client’s problem(s). In addition— and this is important— the marketing person probes to find other unrecognized problems and provides *unanticipated solutions* by linking features and benefits, ultimately creating *value* that is unique from the competition (or the customer didn’t know was available through their current lab!). In essence, the lab representative brings industry knowledge, competitive intelligence and insightful business acumen to the client’s buying experience. He/she employs questioning skills that allow the buyer to draw their own positive conclusions—a critical factor in sales. Behavioral psychology research has shown that people value what *they say* and value *their own conclusions* more than they value what *they are told*. You can’t have a representative tell someone what they need and then proclaim that he/she can help them get there! The sales rep will undoubtedly fail and lose respectability. The customer would rather think it through what it is they need, but have the gentle and humble assistance of a sales person who asks the right questions to aid them in seeing clearly for themselves. It is analogous to a tapestry. The back of it is vague, full of knots and perplexing. But turn it around — it transforms into a beautiful scene. So goes the situation with customers who may not perceptibly understand certain issues they were enduring with their current lab vendor. It takes a skilled representative to “reverse the tapestry” and create the “ah-HA” moment for the client.

Resolution of Concerns and Convergent Phase
This is where the prospect moves into a period of subtle anxiety stemming from a fear of the consequences of making the wrong decision. If these fears are satisfactorily mollified and suppressed, their thinking converges to select a new lab vendor (or expand a current relationship with a secondary lab). The process then circles back to the Implementation Stage.

Accruing Benefits

It is important for the sales person to understand this broad description of the "buyer's cycle", for it can impact on how he/she formulates his/her strategy to close new business. All too often, the benefits the customer realizes accrue *after* they have started using a lab. They get their pick-ups, receive results in a timely manner, see their rep occasionally, obtain updates and, overall, feel satisfied they made the right choice. But the master-class representative creates value *prior* to the selection/implementation stage. He/she attempts to build an atmosphere of mutual benefit in the exchange of time *before* they try to sell anything to the prospect. Since lab services are typically viewed as a commodity, one of the best ways to differentiate your service is to accrue benefits along the way. Consequently, the lab rep must be knowledgeable in many areas, especially in competitive intelligence and the basic differences his/her lab offers. It may seem obvious, but sales reps need to be forever mindful that the *client* controls the relationship, and the client must be well-served *first*! Activities such as explaining the clinical significance of new tests or methodologies, the benefits (or improvement) of a new transport device, different connectivity options, PSC openings, modifications to ICD.9 coding, updated insurance roster, reference range shifts, the hiring of a new medical or lab director (especially helpful if the prospect knows and respects the new hire), doctors opening a new practice in town, offices adding providers and so forth. Of specific importance is anything that will aid the prospect (1) in helping their patients (e.g., test education pamphlets, new PSC location, revised billing procedure) and (2) improve a deeper understanding of *their* competition. These types of conversations that keep the prospect informed and assist them to better serve their patients and/or demonstrate important benefits to their practice are highly regarded as opposed to someone who simply "checks in" or says he'll offer the lowest price. This is relationship-building at its finest. By demonstrating customer interest and establishing solid rapports, it leads the way that invites the client to *want* to do business with the representative. Meaningful dialogue needs to occur (typically) with several individuals (especially the decision-maker) *before* offering a proposal or asking for the business. It all translates into being customer-focused. It is making evident that the sales rep has a desire to establish a *mutually beneficial exchange* and that he/she is willing to invest time, energy and knowledge *before* the sale to make that happen.

Summary

Understanding the decision-making cycle and that benefits need to be accrued *throughout* this predictable process is central to selling any laboratory's service. A sales person cannot expect a prospect to make a primary lab selection until the buyer has proceeded through the above stages. The marketing person needs to keep in mind several things about their job: (1) they need a set of skills that will help them bring extraordinary *value* into the selling arena, (2) they need to create value by providing insight (e.g. offering solutions to current exposed problems and even uncovering unrecognized problems and generating unanticipated solutions), (3) they need to continually expand their expertise and better understand their competition, (4) they need to develop questioning skills such that they deftly allow the customer to draw their own conclusions, and (5) the representative must sell benefits *throughout* the decision-making process (i.e., not expect to win a proposal only when the client decides to make a change in labs). The business of selling your lab service means that the prospect and the sales rep make a trade for mutual benefit. The master-class representative initiates and facilitates this free-will exchange.

Peter Francis is president of **Clinical Laboratory Sales Training, LLC***, a unique training and development company dedicated to helping laboratories increase their revenues and reputation through prepared, professional and productive representatives. The objective of the company is to partner with the laboratory, building integrated training solutions that meet the lab's requirements and expectations. Mr. Francis is the author of numerous industry-related articles published in* Vantage Point, ADVANCE for Administrators of the Laboratory, Clinical Leadership and Management Review *and* Medical Laboratory Observer. *Visit the company's web site at* www.clinlabsales.com *for a complete listing of services.*