Decisions, Decisions …..

The Who, Why, When and How

By
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It becomes very frustrating for those who sell reference lab services when they hear all day from prospective customers, "*We're happy with our lab. We don't need another one. No, you can't see the doctor— he's seeing patients. No, no one else can see you either. Maybe another time."* A representative can take rejection like this for only so long before deciding to minimize the prospecting activity — a deleterious circumstance for the lab owner.

How Psychology Fits In

So, how does a representative bust through the barrier of these constant negative comments? First, one needs to look at the science behind the negative reaction between the rep and the prospective customer. It falls within an area of psychology called *cognitive bias*. This general term describes several observer effects in the human mind, some of which can lead to an inaccurate judgment or illogical interpretation. In the context of selling lab services, it means people (e.g., front desk person, office manager, provider) have a preconceived idea about the lab he/she currently uses. People think (at warp speed) of the current "lab" status and decide whether they need to speak with anyone from a different lab company who has stopped by the office. If things are going well with the lab, the intuitive decision becomes automatic: summarily dismiss the marketing rep.

Falling under the umbrella of cognitive bias comes something termed *anchoring*. During normal decision-making, anchoring occurs when individuals overly rely on a specific piece of information to govern their thought process. Once this anchor "sets", bias appears toward interpreting other facts to reflect the anchored information. Take for illustration insurance acceptance. The client knows, "*Our lab accepts all insurances and writes off any testing from insurance companies with whom they do not have a contract.*" Using this example, it stands to reason one of the first things a prospective customer will undoubtedly ask a salesperson is,

"*Does your lab accept all insurances*?" Thus, insurance acceptance "anchors" into part of the decision-making process.

Another anchoring bias involves politics or emotional attachment (e.g., hospital ownership, a friend, relative, former medical school colleague, etc). For a rep to spend precious time trying to crash that party could be considered an inefficient use of valuable resources. The marketing person may stay in periodic touch in case of a change in the situation, but he/she must know politics and emotion trump logic. Period.

Besides anchoring, there exists a form of cognitive bias referred to as *confirmation bias*. This means someone interprets information in a way that already confirms one's preconceptions — irrespective of the source. Take the following scenario: the incumbent lab representative immediately handles a billing issue. The client thanks the rep and subconsciously thinks, "*Hmm-m-m…. a good experience. I like this lab. They take care of problems right away*." The act of a prompt response *confirms* their bias toward their lab. Other positive incidents occur along the way, continually creating (consciously or a subconsciously) a convincing effect and helping to cement a strong bias. It should also be mentioned field reps can leverage current account *confirmation bias*. Following a helpful deed by the representative, he can add a quick comment about how his lab's culture supports a strong customer-service attitude, and he takes great pride in being resourceful to his customers. These spontaneous comments help build further confirmation the client uses a good lab and, therefore, (the customer thinks) all other competing labs will have a tough time trying to exceed the high service levels currently in place.

Let us look at confirmation bias from a different scenario: a competing marketing rep sets up a meeting with (e.g.) an office manager. The rep discusses aspects of his lab and the manager politely listens. However, everything the salesperson talks about summarizes what the customer claims they currently receive from the lab. In essence, the competitor rep confirms the office uses a good lab service because nothing said has created an ah-Hah moment. The client assigns more weight to evidence *validating* their feeling — and they ignore information *dis*confirming their thoughts about the lab they use. Confirmation bias remains the most problematic aspect of human reasoning — something sales reps need to fully understand.

Francis Bacon, the noted English philosopher and scientist, once said, "The human understanding — when it has once adopted an opinion — draws all things else to support and agree with it." This statement from the late 16th Century succinctly describes *confirmation bias*.

<u>Decisions by Different People</u>

The front desk employee makes a "go/no go" decision following the rep's brief introduction. If the employee dismisses the salesperson, this impetuous decision begs a couple of rhetorical questions. First, how can someone in a healthcare setting decide to reject a critical diagnostic medical service without knowing all of the facts? Second, is this front desk person the final-approver? The rationalism behind the impetuous decision stands in the direction of two fairly

simple reasons: the client (a) already *uses* a lab (frequently more than one) and remains happy with it/them and (b) naturally *assumes* the seller offers nothing different — labs are vanilla (barring insurance contractual arrangements). If the incumbent lab(s) performs well, of course no one wants to take his/her precious time to listen to some stranger pontificate about a me-too service!

Granted, there may be times when a physician's office conforms to a political or emotional situation. Politics notwithstanding, the prospect sits in the proverbial driver's seat to make off-handed, perfunctory decisions. Rather than send off the representative with cursory remarks, the front desk person could make the decision to elevate the salesperson to a higher authority (typically the office manager). In this circumstance, it becomes the office manager's decision whether to take a few minutes to speak with the lab representative.

Deciding to Say "No"

There exist three primary reasons why an administrative manager would decide to elude such an interaction.

1. The office already has a lab, and things are going smoothly.
2. Labs are all the same — thus, there is no need to spend time hearing about a similar service.
3. The manager has higher priorities – bad timing.

In many cases, when the front staff person informs the office manager a lab rep wants to introduce himself, the first two thoughts flash through the manager's mind at lightning speed, settling into a convenient excuse (third reason).

Deciding to Say "Yes"

On the other hand, three principal conditions cause an office manager to agree to a brief meeting:

1. There have been some egregious errors from the incumbent lab or their lab cannot accommodate certain wants/desires.
2. The office manager acts in a professional manner and understands she should be kept current with options should something unforeseen happen with their vendor.
3. The sales person has announced a *legitimate* business reason why the office manager should see the representative.

The third point — having a valid reason — rests as the decisive move for *all* sales calls (part of the Pre-Call plan). All too often, representatives present themselves as someone who wants to discourse about their wonderful lab. The problem is, most people do not *care* about a wonderful lab service — they already *have* a wonderful lab service (fused by cognitive biases)! Thoughts change, however, if annoying issues have been rising to the tipping point or something initially stated by the rep piques the client's interest. Unfortunately, both events are widely sporadic.

Having a valid reason means emphasizing the *customer's* priorities, not the representative's. It gives the prospect up front information (e.g., clinical, financial, productivity-related, patient-centric) that clearly defines why the marketing person wants to see someone. Having said this, a legitimate reason does not always guarantee access to the inner sanctum. It establishes a professional approach, however — smoothing the path for a future visit.

Using a fictitious situation, let us assume the marketing person has received a "pass" from the front desk person. Because of an expressed valid reason that interests the office manager, she, too, has decided to speak to the sales rep. Let us further assume (during the course of conversation) the lab rep has done an excellent job of substantially positioning his lab in such a way the manager begins to think seriously about the proposing lab's capabilities.

Decisions: Three Types of Thinking

The first action of the decision-making process describes itself as *awareness* thinking. This means a person decides they need to take action because of two possible reasons: (a) there has been unacceptable support (poor testing quality, long turnaround time, missed pick-ups, billing errors, etc) and/or (b) the practice likes/wants something the current lab cannot accommodate or improve upon (e.g., computer interface, different pick-up times, report format, insurance acceptance, pricing, etc). Awareness thinking equates to turning on a light bulb. Either the client has previously "seen the light" (without help from the seller) or the master-class sales rep accomplishes this ah-Hah moment through adroit questioning and presenting (scientifically referred to as a *heuristic* approach). In good selling, both the prospect *and* the representative have complete understanding of the current setting, and they both build on this insight to create solid solutions.

The second stage of decision-making calls itself *evaluation of options* thinking. The person doing the deciding must consider alternative labs that might address the particular need(s). This mental evaluation could be quick and narrow depending upon how well a certain marketing person has developed rapport, built credibility and demonstrated his lab as a possible alternative. *Evaluation of options* thinking could also include a currently utilized secondary lab. A *great* deal of this decision-making component rests with the buyer's perception of the various salespeople. Should the client have several laboratory options from which to choose, the rep who has the best relationship and the highest trust and credibility will typically win the contest. One cannot over-emphasize the importance of representative-to-customer relationship within this *evaluation of options* segment.

The third and final aspect of decision-making resides in selecting the best one for the customer's particular circumstance. *Confluent* (or convergent) thinking defines this conclusion component — it is decisive and stands as the smallest aspect of the three actions.

All of these thinking/decision processes are interrelated and remain in the 1-2-3 order described. If a salesperson tries to invert the series — to make the buyer think they *need* what the rep has to sell — he will be disrupting the natural flow of decision-making. With this inverted approach, the seller asks the prospect to decide on his lab without considering alternative options. This (unfortunately) prevails as a common manner of selling — simply pitching the general services of a lab and forcing the customer to "connect the dots" to their setting.

The well-trained representative knows two important aspects of decision-making: (1) people buy for their *own* reason, not for the seller's reason and (2) people possess a natural order of decision-making. It begins with asking questions related to *awareness* issues. Through the course of numerous conversations, the seller's job becomes one of steering the client into the *evaluation of options* corral, ultimately converging into the decision to use his laboratory.

Final Approver

Frequently, a representative will hear from an office manager or some other employee in a one-doctor office setting, "*The doctor makes the decision about labs*." Indeed, this is usually the case. In a multiple-provider office, however, it begs a question: how does the office make decisions about a primary lab? There are always exceptions, of course, but frequently only one final-approver/decision-maker exists within an organization. Even in the case of "equals", there sits someone who holds a "little more equal" position than everyone else. Salespeople should be wary if someone explains, "*it's a group decision*." Chances are, that is not totally correct.

Besides choosing a lab for clinical reasons, there may be report-formatting preferences, methodology differences and/or emotional/political components entering into the picture. Assuming it *is* the doctor making the ultimate decision, he/she will normally converse with the office manager (and/or other staff members) regarding non-clinical topics (insurance acceptance, pick-up times, billing, patient access points, connectivity, customer service, etc). As a result, multiple individuals weigh in on this decision — thus creating a "complex sale." Assuming there exists only one person who can say "yes", why would a salesperson accept "*No, we don't need your lab*" from an individual other than the *one* person who truly has the authority? The master-class marketing people do not.

It needs underscoring that others can influence the decision-maker. This explains the reason why the marketing person must "cover the bases" inside an account and build credibility with numerous individuals (an education strategy works well). Yes, it remains important to see the final-approver early in the sales cycle, but one should never neglect alternative influential staff members. In fact, an internal coach/mentor comes into play here. If the coach stands firmly behind the proposing lab, human nature shines through by allowing the coach to exaggerate the benefits to the decision-maker (and downplay any shortcomings). It is then up to the final-approver to determine any biases other employees may possess.

The Truth About Relativity

Human behavior is such that we rarely make decisions in absolute terms. We are not born into this world with an internal "value meter" telling us how much things are worth. Rather, we focus on the relative advantage of one thing over another and estimate value accordingly. For example, we may not know how much a six-cylinder engine is worth, but we assume it is less expensive than an eight-cylinder and more expensive than a four-cylinder engine. Thus derives a fundamental observation: most people do not know what they want unless they see it in context.

However, there is one aspect of relativity that consistently throws a monkey wrench into the scenario. People tend to focus on analyzing things easily comparable and avert situations that cannot be compared easily — primarily because it takes effort. Take, for example, an ink pen. An inexpensive pen may not have the same physical or writing feel as a more expensive one. Certainly, this equates to an easy, straightforward comparison. The decision to buy becomes intuitive and circumstantial. However, ask the same person to compare two similar (new) automobiles by driving each one for several miles. The response may be, *"There really isn't much difference — they both drive very nicely."* We have opinions of products and services, but, in more complex cases where there are many variables, we have a tendency to lump them into categories without understanding and comparing the subtle differences. Why? Because humans are relatively lazy, not only in the traditional physical sense, but also in thought. A term called *reflective thinking* means a slow, effortful and deliberate thought/decision process. We use this mode when the situation requires rule-based reasoning, we detect an obvious error or the stakes are high. With the car illustration, a good salesperson would ask the driver about personal preferences and then describe corresponding attributes, leading the buyer down the path so he/she could appreciate the differences and make a decision whether to buy or not. *Reflective thinking* comes into play during this interaction — it takes time and concentration on the buyer's part. This "demanding" thinking opposes itself to *intuitive thinking,* which flows effortlessly. We do not focus intently on doing something; we just do it.

The topic of "laboratory services" falls into a general category — someone orders a test, and voilà, a result eventually appears. This appears straightforward. Therefore, when a sales rep mentions the subject of lab services, up pops ephemeral, intuitive thinking. However, prospects may not always appreciate the differences between labs, especially when "things are going fine." Just like the car salesperson, it takes an experienced representative asking the right questions to bring insight regarding the proposing lab's distinct advantages the customer may not have known or even thought about to allow an informed decision. The marketing person points out relative differences, causing *reflective* versus *intuitive* thinking.

A front desk person, an office manager or a physician may arbitrarily dismiss a lab rep without the slightest bit of understanding of how the proposing lab could make a difference to the office practice or to their patients. The client mentally relates "lab" to the current condition.

Besides, they think "*… all labs are pretty-much the same — if something goes horribly wrong with this one, I'll bring in a new one.*"

The message is clear: people evaluate things in context and arrive at a decision based upon relativity — chiefly when it is straightforward. Lab sales reps play an important role in guiding the prospect to see for themselves the relative comparisons between the incumbent vs. the proposing lab (discouraging the client to pigeonhole labs as "vanilla"). This assumes adroit questioning and presenting skills — not only with those of high influence but also with the final-approver — allowing one to make well-informed decisions.

Don't be Swayed By "Insurance"

When the rep asks about who makes lab decisions, and the client responds with, "*insurance dictates which lab we use*", the next question from the rep should be, "*to which lab do you give your discretionary work*?" Typically, the answer will divulge the primary lab. An authority (frequently the office manager or physician) determines the "lab of preference". Representatives should not be content with the statement, "*insurance companies tell us what lab to use*." It is a true assertion, but only to a point.

The Schizophrenic Decision

We have two independent systems at work in our bodies *all the time*. One resides on the *emotional* side (heart) — the instinctive part feeling pleasure and pain. The other lives in the *rational* side (mind) — the conscious system — the section that analyzes things and looks into the future. It may be best to understand these two systems using an easy analogy: an elephant and a jockey perched on top. The elephant equals the emotional side and the jockey holds the reins — exemplifying the rational sector. It might seem apparent the jockey sits as the person in charge; however, the jockey's control finds itself in a precarious position because he is so small relative to the colossal size of the elephant! Anytime the elephant and the jockey disagree, the jockey (rationalization) will *lose*! It stands to reason, as noted before, political and emotional decisions suppress logical ones.

Sales efforts often fail because the marketer keeps tugging at the *rational* side of the decision-maker and does not make any attempt to reach the *emotional* side. Topics such as turnaround time, internal QC processes, state-of-the-art methods, lab location, and insurance contracts— these aim at the rational portion of the brain. However, combining the rational *and* emotional components within a sales presentation can create a dramatic change in the prospect's thought-process. To put it another way, when a salesperson tries to influence a buyer, he/she typically speaks to client behaviors that have become ingrained and automatic — and that's "jockey" territory. If you reach the jockey but not the elephant, your customer will have understanding *without* motivation. The key resides in also motivating the elephant segment. When both components move together, something magical materializes. *Patient care* percolates within the cauldron of emotion. Everyone within health care wants to provide

excellent patient care, so translating features into benefits enhancing patient care will usually strike a chord—and hit a home run with the elephant side of the brain!

Summary

The term "decision-making" transcends a complex array of humanistic instincts involving not only internal thoughts but also external influences. The subject needs full exploration and explanation with those who make their living in sales. It becomes even more important in those cases in which rejection is so automatic and habitual — such as selling lab services.

For a lab salesperson, client decisions begin with the representative's first tactical encounter while standing at the front desk, and it cascades from there. Within this decision waterfall bursts many hidden and intricate forces shaping people's judgments and conclusions: cognitive biases, rational and emotional, logical and illogical, and relative decisions. Depending upon how the representative (a) presents himself, (b) asks the right questions, (c) understands the natural decision process and (d) builds trust and credibility — all of these could help determine the decision path for the prospect and a positive outcome for the representative.

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