

How to win the hand of lab-outreach clients

By Peter T. Francis

Laboratories have different approaches to servicing their outreach clients. Some have a salesperson maintain the account for at least a year and then hand it off to a service representative. Other labs have programs where, once on board, the client is transferred immediately to either an internal or external service person. And yet other labs ask their field personnel to continue managing the client *ad infinitum*. In today's healthcare marketplace, many hospitals rely on feedback from their outreach clients through their Client Services Department or their lab manager. A number of hospitals and healthcare systems have gone the route of hiring field staff to be the "face of the lab" and act as a liaison.

The point is that *someone* is responsible for handling the lab's outreach customer. How well that person does his job is not only important but also critical to a long-term association. Placing someone in the field to perform as a laboratory spokesperson to an outreach client is all well and good, but that representative needs to have a solid understanding of two major areas.

First, he must be thoroughly familiar with lab operations (internal testing capabilities, turnaround time, supplies, call-back services, connectivity options, and so forth); and second, he must understand the importance of forming relationships and maintaining client satisfaction. Many people with lab-operations knowledge often are not given appropriate training for or reinforcement of just how essential client relationship management (CRM) is in any business-to-business dealings, particularly within the laboratory setting. Indeed, CRM is the most effective way of maintaining a lab's outreach business because of the bonding that occurs between its sales rep and his outreach client.

Building healthy relationships

Any discussion about CRM begins with an overview of the steps involved in forming a relationship in the first place. A relationship is formed initially when you are introduced to a person who previously had no knowledge or some vague knowledge of you. After your introduction to this person, you may interact in a semiformal or formal way — perhaps by chance meetings in public places or within a circle of mutual acquaintances. If you continue to cultivate a general, friendly rapport, this person may come to know you well enough to like you. We discover that we enjoy our newfound friendship because of our mutual principles, interests, and experiences. We grow to admire each other's character and often overlook each other's defects. Thus, our relationship strengthens

through mutual respect, and we place a value on it.

In most *business* relationships, we can get almost anybody to like us reasonably quickly. To be liked, however, is not enough. The way to move toward a genuine and lasting relationship is through *knowledge, integrity and actions*. Key points about building a business relationship need to be clear to anyone who is engaged in working in an outreach capacity for a hospital lab. The first is that it is easier to lose a business relationship than it is to build one. It can take months, even years, to build a solid partnership with an outreach client, but trust and respect can be destroyed overnight by an insensitive comment or benign neglect. If a good relationship exists, such offenses may be granted a greater degree of forgiveness; people are often willing to overlook mistakes when there is mutual respect. An outreach sales representative can dramatically improve his relationship by the way he handles adversity; however, ignoring his client when service goes awry is the antithesis of good CRM.

Moving successfully through an outreach-client relationship is not always sequential. A rep may provide outstanding service at resolving a problem on his first encounter with the client. Initially, this certainly helps build client confidence within an account, but an account manager must eventually pass through all of the stages of establishing a solid relationship. Depending on the amount of involvement between the rep and the client, developing a rapport wherein the client values an association its field representative could take *years*. Unfortunately, some of the client staff may not want to build a relationship with the account manager. In that case, the representative has to find other people within that particular account with whom he can work to inaugurate that rapport.

Flirting, dating, and courting

Relationship management between laboratories and outreach clients is analogous to that between men and women. Just as each person works hard in the dating process to impress the other with personal attributes and good looks, it is important to work hard at impressing an outreach customer — with knowledge, actions, and professionalism. After the sales rep has "courted" his customer and made the sale (which merely consummates the courtship), the relationship needs to intensify.

A healthy relationship maintains and, preferably, expands the equity and the possibilities that were created during the



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“courtship.” To maintain a healthy relationship requires a constant, conscious struggle against the forces of decline. The person responsible for covering the outreach account — like a suitor courting his sweetheart — needs regularly and seriously to consider whether the overall service levels and promises are being completely fulfilled, whether some aspect of those are being neglected, and how his service stands vis-à-vis the competition.

His periodic discussions with various staff members about service levels should be an ongoing activity. Selecting a “satisfaction barometer” using only a couple of employees (e.g., an office manager) and confining his discussions to *only* them could be considered a questionable tactic. And while he is expending energy on building a stronger relationship with his primary internal outreach-client contact, failure to build strong bonds with *all* of the individuals who are involved within the client organization (sort of like getting to know potential in-laws in a personal relationship) is flirting with danger.

It is not only important for the lab’s outreach representative to know what his CRM responsibility entails, it is *equally valuable* to know what the outreach client’s expectations are. A field representative may portray his lab as a faultless entity, but top representatives inform their clients that the lab *will* make mistakes on occasion. By doing this, his client is more understanding of the “human element” involved with lab services. In effect, a good field rep *shapes* his customer’s expectations. For a customer who has been promised the moon, he expects the moon to be delivered.

The engagement

By recognizing at the outset the necessity of managing their relationships with clients, laboratory sales reps can avoid such troubles. Often ignored aspects of relationship building are *time* and *attention*. To build rapport with *all* of the decision makers within an account takes time. And ignoring certain people can create ill will, disloyalty or, worse yet, loss of business. Field marketers become frustrated with the lack of new or expanded business or, worse yet, the loss of an account — but this typically distills down to a failure to build client relationships. If the “courtship” stage was difficult, a standard “engagement” will expose the areas of the relationship that demand more diligence.

For example, one focus group consisting of office managers and nurses demonstrated a lack of general knowledge about the portfolio of services offered by a certain lab in their area. Even having had their lab-outreach contact in the field for over two years, his name was unfamiliar to these important clients. Obviously, the representative did not understand the value and importance of both time and attention. To personalize service, he could have introduced various key department heads and/or executives from his lab organization to some of these selected client staff members. Through this simple process, he would have potentially secured an improved position within the mind of his customers.

In another situation, a local hospital had a long-standing business association with a multiple-site independent practice association (IPA). No relationship was formed with the IPA’s top manage-



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ment because the outreach account manager wrongly assumed that each physician office made its own laboratory decision. A competitor laboratory made inroads with the executive staff at the home office, selling them on its superior service. Because of a lack of client relationship management at the executive level, the incumbent lab had no sense of loyalty. A corporate mandate was issued to switch the discretionary lab work to the new lab. This is a case of being “outsold” primarily due to the total lack of attention the outreach account manager paid to understanding his client’s decision-making practices.

And how good the “marriage” is depends on how well the outreach sales rep continues to manage the relationship during the “engagement” period.

Bonds that last

Like any other assets, a client relationship can appreciate or depreciate. Its maintenance and enhancement depend on many factors, but most especially on its *management*. Relationship management requires lab-wide attentiveness and improvement, and the marketing person plays an obvious significant role. Communication is central to this strategy. For example, while a lab newsletter, delivered by courier or postman, may be viewed as sufficient, personal follow up by a field representative with various staff members is far more effective. Newsletters may be circulated internally to a limited number of people who may not take the time to read the information or appreciate its significance. Thus, the role of the lab marketing person is twofold: 1)

to ensure that the news is disseminated to the appropriate client staff and 2) to discuss specific information that meshes with their job functions. Being incommunicado is risky business (just as is not communicating with your “significant other” when you are expected to).

Building bonds that last obviously requires *consistent* client interaction. Relationships naturally tend to degrade and have to be reinvigorated. The lab-outreach sales rep needs to regularly ask various client staff members, the client’s final decision makers, and other client healthcare providers the seminal questions: “How are we doing in the relationship?” “Is there something we can improve?” “What have we *not* done lately?” “Has our lab substituted bureaucratic formalities for authentic interaction?” Diligent work makes CRM more rewarding.

A number of laboratories have policies whereby upper management visits with key decision makers from their 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 “I care about you and our business relationship.” This type of bonding can become extremely important when your lab’s competitors are banging on your client’s door.

When problems with an account are serious enough that the field rep’s manager has to come in — hoping to create an instantaneous palliative effect — unless the manager has had prior positive interactions which have evolved into a trusted and respected association with the client, it is sometimes too late to expect this “matchmaker” of sorts to save the day.

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The marriage

The lab depends upon its clients for revenue generation. But a more thorough look reveals that those clients can provide other things: feedback on competitive information and activity, a discussion on how well the lab is fulfilling its service levels, a list of changes that might enhance the lab's reputation and service.

The client, on the other hand, depends on the lab for quality results, good turnaround time, reliable e-connectivity, information about new tests and methods, professional phlebotomy services, and a score of other services.

Thus, a system of reciprocal dependencies develops. It is 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 their link will not last. Everyone has to play for a win-win in a mutual-dependency affiliation. The *quality* of this "marriage" of rep and client determines whether business will continue to blossom, or whether troubles will lead to a separation or divorce — although in the lab business, political ties and/or sole-source insurance contracts are ubiquitous, signifying that *complete* divorce may be impossible. Regardless, if the "marriage" is burdened in some way, that burden can vitiate either the sales rep's image, the lab's reputation, or, quite possibly, both.

A declining relationship with a physician or nurse-practitioner, a medical assistant, billing personnel, front-desk reception, or other involved members of a client's staff manifests itself in two ways. One is constant complaining from the client; the opposite, oddly enough, is the *absence* of customer complaints. Depending on various factors, the end result of either situation might be seeing your lab's client transfer its lab work to a competing lab facility. Impaired communication is both a symptom and a cause of trouble. The absence of candor, for instance, reflects the decline of trust and the deterioration of the relationship. When "irreconcilable differences" finally erupt, correcting the situation could be past the point of no return.

Client relationship management is a special field all its own, which transcends both "courting" and "marriage." CRM is a rare opportunity to build a joint venture; that win-win feeling from the "dating" phase should become supercharged in the "marriage" portion of the relationship. While CRM can be institutionalized, it must also be humanized to preserve and enhance the intangible asset known as "goodwill." In essence, CRM is just as important as the management of hard assets.

Peter T. Francis is president of Clinical Laboratory Sales Training, LLC. His company provides sales training for the reference-laboratory industry, using experience-laden sales methodologies and offering background education in clinical tests/disease states. He has authored several published articles on selling laboratory services. Contact him at www.clinlabsales.com.



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Outreach sales success

By Peter T. Francis

Hospitals and medical centers continue to look for strategies to reduce costs and generate more revenues. Part of the plan for many medical centers is to implement a focused marketing approach that increases physician awareness of outpatient services from the hospital's laboratory and diagnostic-imaging department. While commercial labs and imaging centers play a vital role in delivering excellent healthcare services to communities, many hospital administrators feel their institutions can compete effectively for outpatient dollars. Indeed, hundreds of medical centers vie extraordinarily well for these additional revenues, producing millions of dollars for their institutions. The following case study describes a textbook scenario of how a hospital marketing representative landed a large medical practice, resulting in over \$300,000 per year in net dollars to his hospital's outreach program.

Jim Holden was hired by a mid-Atlantic medical center to sell both lab and imaging services to area physicians. As part of his initial introductions, he called on a seven-person OB/Gyn practice whose office was in a pavilion next to the hospital. Holden discovered they engaged the services of a large regional lab for the majority of their clinical and cytology needs; however, they usually recommended their patients utilize the hospital's imaging department for bone scans, mammograms, and other needs.

Pre-call planning, finding a coach, and setting a strategy

Holden began his sales journey with this potential customer by setting out a game plan to convert the lab work to his hospital. He wanted to find someone within the account who would become a champion for his cause — someone who could act as an internal mentor. (Ultimately, this person should be an individual who would provide valuable information about the staff members such as their degree of influence and political alliances.) Also, Holden needed to uncover the decision-making hierarchy within the practice; he understood that power is "invisible" and that organizational charts can be "shadows."

Holden wrote down his objectives for wanting to see the business manager, Betty Orlando. For this first encounter, his reason was to introduce himself, find out about the laboratory needs of the practice, and uncover any issues with its lab service. Holden was able to start building trust and credibility with Orlando because he asked good questions and partly because he gave the impression that he was not selling anything. He knew from previous sales experience that success came from not so much what he talked about but more from what he asked and how well he listened.

Following several encounters with Orlando, Holden unearthed a great deal of background information about the practice. He discovered that a Dr. Hodges was the senior partner. The doctors held monthly meetings to review various issues and business proposals. Even though topics were addressed within a committee, Dr. Hodges had the ultimate authority. Holden knew he had to build a relationship with Dr. Hodges, the final decision

maker who could influence others. Holden also uncovered the fact that Dr. Hodge's nurse had been with him for many years, and she had strong influence within the practice. This was certainly another person Holden wanted to befriend.

Advancing the sale

Over the course of the next six months — with Orlando's help, Holden made individual appointments with each nurse as well as the doctors. His objectives were to introduce himself and explain his role as not only a liaison between the doctors' office and the hospital's lab and imaging department but also as an "information specialist." Holden needed to build his credibility with all of the staff, not just Orlando. He knew he could do this by providing the nurses and doctors educational white papers that he obtained from various diagnostic vendors.

Holden tried to avoid "sale continuations" whenever he could, a syndrome that he adopted earlier in his career where he did not get his customer to agree to move the sale forward; there was no small incremental client commitment that moves the sale forward. To advance the sale, Holden had Orlando agree

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to arrange a meeting with Dr. Hodges, plus two other physicians from the practice. In return, Holden invited his hospital's chief of pathology to join him on the appointment.

The twofold objective was to build a more personal relationship between the pathologist and the clinicians and to discuss the hospital's newly installed, state-of-the-art cytology imaging system. During the meeting, the pathologist conversed about his cytology department's overall quality-control program, the new equipment and its benefits, HPV testing, and general turnaround time for Pap results. The pathologist also iterated the convenience of reviewing a patient's biopsy and cytology slide when clinically indicated. At the end of the discussion, Holden reviewed the points that his pathologist had made and asked the physicians if they would try the hospital for their cytology work. His past experiences at using "trial closes" — where he asked for a potential customer's business for the first time — had proved positive; but the doctors did not commit immediately. They did say they would discuss the possibility at their next monthly meeting with rest of their providers.

Different types of benefits

Before the next monthly physician meeting, Holden made sure he reviewed with his client's nursing staff the operational benefits of the hospital's computer connectivity product. He reaffirmed with the physician providers the convenience of being able to view both lab and imaging results of inpatients and outpatients on their hospital screen. He also brought up a strategic benefit of the lab's proximity; lab work collected throughout the day from the hospital's draw station as well as from the client's office would be processed immediately. This meant that specimens such as cultures would be plated in the afternoon, allowing for timely preliminary reporting and, thus, better patient care. This was in contrast to the incumbent lab that did not begin its testing until the late evening shift.

The relationship edge

Holden's experience had taught him that gaining respect was critical to his success. During his interactions with his potential customer, he showed confidence about his lab's capabilities and unique strengths. He also made people feel important by treating them as special. He always looked his client contacts in the eye, asked good questions of them, and listened intently to what they had to say. He understood the value of constructing a good relationship, starting with seeking common ground and progressing forward after several meetings; eventually, the nature of the discussion became more personal and his contacts were glad to see him. He always tried to provoke thought during his conversations. Past experience had convinced him that selling something was easier if he stimulated real thinking — without a relationship, the only thought in the contact's head is usually how quickly she can get rid of the sales rep, and Holden obviously did not want that.

The final outcome

Through his consistent relationship-building campaign, Holden was able to eventually wrest both the cytology and the clinical work from his competitor (despite the fact there were no major issues). He did this by:

- finding a coach (Orlando) who shared important information with him;
- building strong rapport with the providers and nurses by supplying educational material, asking questions, and being persistent;
- understanding the power hierarchy and how decisions were made;
- knowing that strategic and political benefits were the most compelling to those with decision-making capabilities;
- explaining the operational benefits of his lab service to the users;
- learning a great deal about the competition, and pointing out features and benefits that distinguished his hospital lab from the competition.

Holden's management of the account generated between \$25,000 and \$30,000 in net billings per month to the hospital, while he continued his quest to convert more accounts. He produced more than \$1.5 million net worth of business in a little over a year, which aided the hospital in making improvements within the laboratory. Indeed, the laboratory director, pathologists, and hospital administration knew they had made the right decision to institute a lab-outreach program. It enriched not only the hospital's reputation, but also brought in revenue which enhanced the laboratory with state-of-the-art equipment, and which, ultimately, improved patient care. □

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