



Ten Common Mistakes Made By Lab Sales Representatives

By Peter T. Francis

11-08

In today's laboratory business environment, selling lab services requires a considerable amount of training and practice to slay the competition. Those newly hired into this component of healthcare sales may not fully comprehend the degree of skills necessary to become "master-class" representatives. People who have a laboratory background have a partial head start because they understand lab lingo, clinical relevancy, transport supplies, methodologies, and so forth. Their ignorance typically lays in sales strategies and tactics to grow the business (in addition to maybe billing, compliance and connectivity). On the flip side, there are those who may come from a successful sales background within a different industry (or different component of healthcare) but are not familiar with laboratory test names, clinical aspects, connectivity and compliance.

Even when a sales representative has a year or two under his belt, he may develop amateurish practices that prevent him from climbing higher on the success ladder. The *law of first knowledge* is the most powerful enemy of change. If there has been no (or limited) industry-related training or management feedback, the marketer may continue with mediocre habits that prevent adoption of more effective sales strategies and tactics. Without consistent coaching, sales people typically assume that the way they are doing something is the best and correct way — and the only way.

There are a number of mistakes that sales people make that are avoidable with proper guidance. It takes professional coaching and role-playing to escape from the *status quo* (where there is natural bias to remain). The following list of ten items addresses some of the common areas that many lab sales reps *think* they are doing properly, but may, in fact, need some refinement.

1. **Relationships** — every field person will affirm that having a good relationship with a prospect (or current customer) is the *sine qua non* to winning (maintaining) business. However, many inexperienced reps do not think “relationship” first and foremost. In fact, even long term field people may tend to take relationships for granted — a serious mistake. The topic of building relationships is too lengthy to discuss in this article, but suffice it to say that if a relationship is not advancing, it may soon be retreating. People tend to buy something when they *respect* and *value* the sales person. The proposing lab may not have service superiority over the incumbent competition. But, due to a large degree of respect for the marketing individual, the client may very well want to use that lab and overlook any potential service shortcomings. In essence, the sales rep simply “outsells” the competition. It takes time and patience to build respect with a client. This is accomplished through a variety of actions.
 - a. Providing educational information to *all* appropriate staff members
 - b. Reacting quickly to problems and following through on their resolution
 - c. Learning what each staff employee treasures in life (e.g., interests, hobbies, etc) and then following through with unexpected acts of thoughtfulness
 - d. Introducing a member of upper management to the client
 - e. Reviewing the lab newsletter with the appropriate staff
 - f. Using the person’s name during conversations
 - g. Inviting the client to tour the lab and meet key internal staff employees

These are a few behaviors of top sales people. They understand that creating a sense of “I care about you and our win-win business relationship” is central to winning/maintaining the business. In other words, they know that providing *value* to the account translates into helping people with their job and being a resource. Interestingly, *how* to build positive relationships is rarely discussed during sales meetings or training. It is one of those responsibilities that managers just assume their sales reps are doing in their day-to-day encounters. A solid rapport can trump most anything, including price, and will facilitate *meaningful dialogue* between both entities. In addition, where trust is strong, selling pressure will always seem weak (and vice versa).

It is interesting to hear the response from a client when asked why they chose their primary lab. It could vary depending upon the individual, the role they play in the office, as well as the political situation. Common replies inevitably center around insurance contracts and/or “wherever the patient likes to go.” One comment rarely mentioned is, “Our sales rep, Pam, sold us on the real *value* her lab offers our practice. She is knowledgeable about the lab, she always seems centered on *our* needs, she keeps us informed on lab-related things that help our practice, and she’s very responsive when we have an issue.” When a customer gives such ebullient testimony, it is evident that the representative has reached the pinnacle of the relationship ladder. With other aspects of competitive services being equal (or maybe even *not!*), it becomes obvious that Pam is a key ingredient to maintaining a solid client-lab relationship. How many clients say that about their sales/service representative? With those that do, hats off to the rep — he/she gets the whole relationship thing.

One final point: many representatives profess to have a wonderful rapport with Dr. So-and-So’s office (either current client or prospect). Frequently, however, that “wonderful relationship” is with one person. The master-class marketers make it a point to develop trusted connections with *all* of the staff, including the providers. A simple rhetorical question is (for someone established in their territory), “If my lab manager or pathologist called and spoke to *anyone* in the office of my customers or prospects (e.g., nurse, doctor, receptionist, PA, office manager) and asked the name of their lab representative, would they immediately know my name without having to rummage for my business card?” It comes down to, “It’s not who *you* know — it’s who knows *you*.”

2. **Pre-Call Planning** — right up at the top of the list with building a valued relationship is pre-call planning. Two areas need addressing in a well-formulated pre-call sales plan. The first is having a *legitimate reason* for wanting to see the client. Because the rep is asking someone to stop what they’re doing in their busy day and take time out to interact, it is essential to have a valid point to discuss—something that is of potential interest to the client. Simply “checking in” to see if they’re still happy with the competitive lab is a time-waster for the staff, will likely be a valueless call, is expensive and contributes toward deflating the sales person’s reputation such that the client may want to avoid him or her in the future. The best course is to have a reason that might help their patients or educate staff members. If the field person is calling ahead for an appointment (or standing at the receptionist’s window), providing a customer-centric purpose displays a professional approach which, in turn, helps build credibility. With current customers, it may not be possible to always have a compelling reason for stopping by; however, every

other visit or so should be directed at providing some useful information or being a resource.

The second part of a pre-call plan — if it's a true sales call — should be a *commitment objective*. It is optimal to get the client involved in *doing* something that shows a joint-venture approach whereby the client is helping the sales process. It can be either during the call or after the representative has left; if it is the latter, there should be a time-limitation placed on the action. Examples depend upon where the representative is in the sales process. It may be suggesting a meeting with the next higher authority, a commitment to come for a lab tour, asking for a copy of the accepted insurances from the incumbent lab, asking for a trial with a few specimens or those patients with a certain insurance plan, asking for a demonstration on how the customer retrieves test results on the computer, asking to see a particular supply the incumbent lab provides, etc. If there is no “movement” during the interaction—however subtle—the sale becomes a “sustaining situation” or “continuation.” The client hasn't indicated interest, nor have they said, “Never come back”. There is simply an understanding that the rep will return at another time. Unfortunately—to the detriment of the sales process—this “continuation” scenario plays out much of the time.

Sales managers should be ever vigilant about a rep's pre-call plan. The successful marketing people set sales call objectives that result in specific customer actions. Too often it is the sales person who walks away with a “to do” list.

3. **Mentor** — a number of inexperienced sales reps will fail to seek out an internal mentor or coach within each prospect. A definition is important here: this internal person should be someone who (1) is respected within the client's domain, (2) has internal influence and (3) wants to see the sales rep win the account. A coach can be anyone: a physician, office manager, nurse, billing clerk, medical assistant, phlebotomist, etc. It is incumbent for the representative to build a relationship with someone by getting to know all of the staff members, the roles they play, their degree of influence, what hobbies and outside interests they have, how they feel about the current lab service and what their opinion is of this competitor lab that is vying for the business. It is very important to find out early in the sales process who holds the power and who has the most influence. Every successful sale (political factors notwithstanding) has an internal “sponsor” who helps the rep along in the sales process by supplying accurate information, validating the truthfulness of data the rep may have heard from someone else and/or filling in information gaps. A marketer is spinning his wheels without a good internal mentor. If he/she cannot find/develop one, remember this: unless there was a political or emotional reason for choosing a lab, there is high probability that the incumbent representative cultivated a coach by (1) building a firm relationship through trust and credibility and (2)

selling value and win-win. If they didn't—and this is important—it leaves the door open for the competitor sales representative to work on this strategy.

4. **Proposals** — managers tend to think that their representatives know how to prepare and present a proposal. In some cases, the lab will have a template, and all the sales person has to do is to fill in a few blanks. Ideally, a proposal is the summation of previous discussions with the customer. It should be as client-specific as possible. People can easily see through a “canned” bid presentation, and it can be a turn-off. Another important point: proposals should be the solidifying factor, *not* the sales pitch. It is up to the marketing person to make themselves the winner *before* the proposal is even presented.

5. **Apologizing for time** — some field people will apologize for taking someone's time when they initially meet. This shows that they consider the client's time more valuable than their own. It also suggests that listening to the representative is far less important than other things the customer could be doing (assuming there is a valid reason for the interaction). Apologizing belittles everything the rep says and establishes a subordinate atmosphere. If the client is in a rush, it would be more appropriate to suggest a future appointment as opposed to apologizing.

6. **Knowing the lab** — those marketing reps who do not come from a lab background have a significant educational component added to their job if they want to become a master-class sales person for their laboratory. Unfortunately, many field people fail to take the initiative to fully understand their own lab's capabilities. This has two detrimental aspects to it: (1) it reduces credibility and (2) it impinges on building a robust strategy against the competition. The top-notch, well-rounded sales people have an intimate knowledge of their lab's internal capabilities, a good grasp of the common referral tests and how final reports are formatted and generated. He or she has a good overview of specimen transport supplies—especially microbiology. Selected methodologies are another important component to know (e.g., traditional Group B beta strep by culture or PCR?). The old adage, knowledge is power, decodes into higher credibility which, ultimately, leads down the yellow-brick-road to sales success.

7. **Competition** — equally as important as knowing your own lab, having a complete understanding of the competition is paramount to establishing a good sales strategy. It is

interesting to ask a sales person what their competition offers that is in contrast to their own lab. Frequently, a representative will have generic comments such as:

- a. “They have long hold-times for their client service department.”
- b. “It’s hard to reach the pathologist.”
- c. “I hear their couriers are unreliable.”
- d. “Their turnaround time isn’t good.”
- e. “They lose a lot of specimens.”
- f. “They have a lot of billing problems.”

These may very well be valid points, but they are “soft” when it comes to building a differentiating strategy—and they are barely scratching the surface. Having a profound knowledge of the competition is essential for creating a sales strategy because it provides the outline for strengths and weaknesses for both the rep’s lab and the competition. The master-class marketer aims to know *more* about his/her competition than the corresponding competitive representative. It means persistently digging and having a watchful eye for basic differences. Understanding the competition must be a meticulous activity — not a subliminal component of the job. It needs to be an unending pursuit of discovery by means of interrogating clients, perusing competitive marketing pieces, reviewing the web site and making personal observations (PSCs, courier pick-up times, supplies, lab handbook, etc). It is staggering to observe the disparity between someone who has a sound knowledge of his competition versus someone who does not.

8. **Talking features** — untrained representatives have a tendency to talk about features of their lab:
 - a. “We can offer multiple pick-ups.”
 - b. “Our lab has 24/7 phone coverage.”
 - c. “We can turn out a biopsy report within 24 hours.”
 - d. “We accept 47 different insurances.”
 - e. “Our pathology department has 13 pathologists.”

These attributes describe the *service characteristics* of the lab. In fact, they could easily have a *negative* impact if talked about too early in the sales process. Features are the breeding ground for objections. Here's an example:

Representative: "It's nice to meet you, Sarah. As I have been getting around to meet my clients for the first time, I have noticed that there has been a great deal of interest in our computer capabilities for specimen ordering and result-retrieval. Even when the client doesn't draw blood in their office, they can create a requisition on the computer and give it to the patient for a future visit at our patient service center. In addition, they can pull up the results from the computer. I was wondering if you would be interested in this type of state-of-the-art lab ordering and resulting?"

Prospect: "Oh, that wouldn't work in our office. We don't have access to a computer where someone can do all of that stuff. The doctor simply writes on a script pad what tests he wants and gives it to the patient. Besides, we don't have any space available to put a computer even if your company *gave* us one! That kind of system wouldn't work here!"

What has happened in this scenario? The field person introduced a feature without first determining if there was any interest in using a computer for lab-related activities. There is now a "negative" feeling in the air—an objection that has begun to cloud the situation. The rep has dug himself into a hole from the start.

In addition to triggering objections, features are typically not something in which decision-makers are interested. These people want to hear *benefits*. It is incumbent for the sales rep to link benefits to features because it is *benefits* that have a positive effect on a sales call — especially if it is something in which the client is interested.

9. Test of special interest — A common error is for the sales person to not spend enough time learning the background of the tests they're promoting. Master-class reps make it a point to study a little about the assays that are of interest to various specialists and become familiar with basic methodologies. This clinical relevancy component guides up-selling activities and becomes the cornerstone of growing an established territory. Lab reps have various ways of finding out what tests are of interest to specialists: (1) lab-generated test activity reports by client, (2) vendors who sell reagents to the lab, (3) the lab's technical staff and (4) asking clients directly. The foundational components of credibility and respect rockets into thin air when a lab rep "talks-the-talk."

10. Presentation — a common mistake is the following scenario: the customer is sitting behind a desk and the marketing person sits across from the client. The field rep has a promotional piece, for example, about an available profile or test. He/she hands the literature across the desk to the client who subsequently picks it up and begins to scan it while the representative begins to discuss the subject.

The proper way to address this situation is for the field rep to stand up (preferably next to the customer) and point out specific topics on the promotional piece with a pen. This does several things: (1) it puts the marketing rep in more of an authoritative position (standing), (2) it hones in on important points and (3) it allows the client to concentrate on those specific aspects. Using a third-party clinical paper is typically stronger than using a company-supplied glossy handout. Discussing evidence-based medicine from a non-biased author will usually give a more compelling and effective message.

A summary of this article should begin with the premise that no one is perfect. There are times when a sales person knows intuitively that a certain customer visit did not go as well as he would have liked—and it could have been due to one of the items mentioned in this article. Concentrating on these points will help augment the number of great sales calls, yielding a more productive and valued employee.

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 a proud member of Washington G2's Advisory Board to which he has contributed several articles. He has also published articles in industry-related publications such as **Vantage Point**, **ADVANCE for Administrators of the Laboratory**, **ADVANCE for Laboratory Professionals and Medical Laboratory Observer**. Visit the company's web site at www.clinlabsales.com for a complete listing of services.