Who *Really* Chooses a Lab Service?

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As long as commercial and hospital outreach labs have opened their doors for business, field reps have struggled with navigating the labyrinth within prospective clients to arrive at that sweet statement, "We're going to start using your lab."

To answer who makes the lab choice, we need to first state the obvious: people and the organizations they work in are not clones. We all act and think differently. There exists a term called "organizational culture." Google's culture lives very differently from Hewlett-Packard's culture, just as Quest Diagnostics contrasts with the culture at Lab Corporation of America. The same holds true within doctor's offices, as well as hospital settings.

Let us step back for a minute. In addition to the various cultures mentioned above, salespeople often overlook the psychological and emotional factors that figure strongly in choosing a lab service. By failing to understand these less tangible aspects, a lab sales rep can often miss opportunities without appreciating why. On the other side of the coin, those representatives who pay attention to the human factors create a higher percentage of sales. Within each prospect sits two fundamental decision-making components: (1) individuals — who have their own agenda (a powerful consideration) and (2) group dynamics — people who think in terms of the "whole situation" and the betterment of the organization. Consequently, salespeople need to be attentive to both entities. For this combination to be practical, the seller of lab services must answer three key questions.

Question 1: Who and How?

Little else drives an excellent strategy more than (1) fully understanding *who* lives inside the buying center, and (2) awareness of *how* the client makes decisions. When a sales or lab manager discusses the prospective client pipeline with their field person, this inquiry of "who-and-how" must sit atop of the list. If the field rep makes simple assumptions about either category, the account strategy places itself precariously on sand. Errant assumptions lie at the root of every failure.

In every sale, there rests a "buying center." As individuals, we typically exist as our own buying center when it pertains to small, simple purchases. For example, we do not usually consult with our spouse, friend or parent when we want to buy a toothbrush or a magazine. The primary reason distills down to a less conscious feeling about *value*. However, there exhibits a major difference when someone considers a larger purchase — in this case, using a laboratory. Value, convenience, political ties and patient care become dominant drivers. Various people discuss the merits (and demerits) of selecting a primary lab service. But, who are these "various people"? Let us take a more granular peek into this mysterious world of "who."

The Decider. He or she either makes the final decision or anoints another individual to do so. Frequently, the employer (doctor, administration) can state *yes* when everyone else says *no*, and vice versa. The decider frequently receives feedback from other influencers and gives the final verdict. If the practice consists of a group of doctors, there inhabits *one* who sits a little more "equal" than everyone else. Sales people get lulled into the excuse, "It's a group decision to choose a lab." While selling each member of the group remains essential, representatives must be cognizant that *one* of those constituents holds more decision-making authority than the rest.

While on the subject of power, several things need underscoring. First, "power" subsists invisibly; no one walks around with a sign around his neck stating, "decision-maker." This observation necessitates the salesperson to triangulate opinions from various staff members as to the individual who holds the final decision-making capabilities. It may seem trite to say, but worth highlighting: clients do *no*t make decisions. People do. Salespeople should avoid the generalized statement: "the *client* decided to use a different lab." No — *one person* decided (with possible input from others) on a certain lab. Laboratory upper management should be astute about this and follow-up with two agendas: (1) inquire further into details and (2) provide better training for their representative.

The second point demonstrates that decision-making may not always correlate perfectly with organizational rank. A lower-salaried phlebotomist or send-out clerk in a hospital could hold, potentially, especially strong dynamic influence. Therefore, from the very first meeting, a salesperson needs to start asking not only about needs, but also investigating political dominance. With such information at hand, the rep can zero in where to allocate his/her time.

The final comment about say-so revolves around the term "expert power." In a doctor's office, for example, a physician may be in a position to veto a positive vote by others due to medical knowledge. It may be surrounding methodologies, report format, normal values, panic values, test availability, turnaround time on certain tests and so forth. Staff associates acquiesce to this expertise, despite the disappointment that a certain benefit may improve something for them personally.

The Champion. Some refer to this person as the Coach or the Advocate. Regardless of the title, he/she exists in every major sale. The champion guides the representative by offering information that helps in "managing" the sales process. He/she typically does not perform

selling duties — they simply assist the representative with important information. One has to uncover and, more importantly, *develop* a champion. This evolves by having meaningful dialog with various people within the customer's domain. It may take significant time to expose and cultivate a champion, so field reps need to (1) practice patience, (2) remain visible and (3) have purposeful visits (i.e. minimize or eliminate "howdy" calls).

There reside three criteria for a good champion.
(1) **The rep has credibility with that person**. It may be that the coach has known the salesperson from a different situation and now carries that same level of trust to this new location. Alternatively, over time, the marketer has plainly developed a sense of trust and credibility, allowing the champion to feel good about their relationship.
(2) **The champion has credibility within the account**. Once the marketer has found a coach, he has to be sure this individual holds credibility within the client's domain. Nothing signifies a poor strategy than aligning oneself with someone who lies culturally misaligned or presents a negative attitude within the account. When this happens, the representative possesses what some attribute as "negative power." Other staff members may become automatically "against" the seller simply because the coach equates to someone other staff members do not particularly like.
(3) **The Champion wants to see the representative succeed.** This person feels that it stands in his/her best interest to have your lab do business with the account.

Within the selling laboratory, itself, may reside a champion. If another employee previously covered the account, or has had many years of experience interacting with the client, a salesperson can gain some good background information. But, rarely does it equate to the personal interaction garnered by physically talking to client personnel. There prevails no substitute for personal chemistry and relationship building.

A field rep may not be fortunate enough to find someone within the client's kingdom who fulfills all three criteria. However, whenever those three standards suggest that someone *might* be developed into a champion, it acts as a good idea to test that individual's potential usefulness by asking for coaching.

The Users. This component of the "who" covers an expansive and politically diverse range. Within a hospital referral testing setting, there inhabits someone who prepares the specimens, performs log-in duties, handles results and communicates with the reference lab — a significant user, indeed! Obviously, physicians fall under the user category. Within a doctor's office environment (besides the doctor), front desk staff, nurses, nurse practitioners, medical assistants, phlebotomists and billing personnel can all absorb relative duties involving lab services. Each one thinks about how the lab affects his/her job. Everyone has their own agenda, so the salesperson needs to ferret out those details. The staff's *personal* success may be at stake; thus, the marketer has to consider subjectivity when selling to each one. Client personnel ask themselves, "How will your lab service work for *me*?"

Of course, a compelling question endures: what kind of *influence* does each user possess? Does the phlebotomist exert strong impact on the decision-maker? Does the office manager "rule the roost"? Or, maybe the billing clerk can autonomously swing certain work to a different lab. This degree-of-clout investigation requires deft conversations with several people. By nature, individuals want to feel important and may superficially express their so-called "power." Careful opinion corroboration, if possible, stands as the best policy.

The Administrator. Within a doctor's scenario, the administrator typically associates with the title, "office manager." In a hospital environment, it may equate to the Vice President who oversees the lab (and, possibly, other departments). The hospital laboratory director (or manager) also acts within the term.

Doctor's office administrators frequently become the target of lab sales representatives because this person commonly exerts a great deal of influence in lab selection (or may even dictate it). In fact, field people characteristically develop their strongest rapports with the office administrator. That *may* equate to a good strategy, but failing to cultivate a strong unity with the decision-maker (if other than the office manager) and other influencers could evolve into an uncomfortable and awkward client-rep-lab relationship.

How

How the decision process works within a prospect abides as one of *the* most overlooked strategy components. Top salespeople, however, know very well this critical component of strategy setting.

Distinction lies between two words: *how* and *why.* Where strong emotion and politics enter the picture, both words tend to coalesce. Within a democratic office scenario, the decision-maker will absorb other people's opinions. Obviously, some people's vote may count more than others may. That explains why deciphering influence persists as an important task for the salesperson!

Let us look at common client responses about the lab decision process. For a physician's office, the answers splatter all over the canvas:

"I do not know. The office was using this lab when I came here."
"It's a group decision."
"The doctor decides and then informs the staff."
"The office manager reviews the information and discusses it with the doctor."
"Our phlebotomist uses the lab she feels most comfortable with."
"Our lab is hooked up with our EMR system."
"It's all based on insurance. The insurance companies make the decision for us."
"The office manager decides and informs the providers."
"It's political. The hospital owns the practice and they mandate the hospital lab."
"We leave it up to the patients — wherever they feel most comfortable for their blood draws and depending on what insurance they have."

"XYZ Lab's Patient Service Center serves the building; it's so convenient."
"It's our need of STATs — ABC Lab gives us that service."
"The local lab employs the doctor's wife — there's a certain obligation."
"The doctor knows the pathologist from medical school."

Two points bear repeating: (1) separate the *how* from the *why*, and (2) uncover the decision-making *process*. This will create a more effective strategy and provide direction to resource appropriation.

Question 2: What Do They Want?

Comprehending motivation accurately serves as one of the easiest things to do poorly and one of the most difficult to do well. Many salespeople struggle with trying to figure out what another person wants and will do. One thing remains constant: everyone acts/thinks selfishly first and then *may* think about the more corporate good.

Those "buyers" in the healthcare industry who become involved in lab services departmentalize their individual wishes and potential benefits into four overarching areas: (1) operational, (2) financial, (3) strategic and (4) political. The salesperson plays a significant role in delineating how his/her lab service benefits the customer by segregating the lab's strengths and basic differentiators into one (or more) of these buckets. Incorporating into this conversation weaves statements concerning personal "wins" — i.e., "hot buttons." For one individual, it may translate into an operational benefit (i.e., easier to use). Within the same customer, the solution may render a financial win for the doctor and/or his patients. For another person, a political gain may appear as the most positive aspect. Bottom line, it behooves the field rep to ask appropriate points about individual wants in a lab service that may be over-and-above what the person currently receives (or does not).

Question 3: How Does the Client Perceive the Incumbent *and* the Selling Lab?

"Even keel" describes the mode of most people when asked how they perceive their current lab service. The reason distills down to the force of human nature: people will stay with something if the product or service does pretty much what they expect it to do. As humans, we do not like change. It stands as an important duty to interrogate as many people as possible to unearth various opinions about the current lab service. Just because the office manager says everything is just fine with the lab does not translate into a corporate unified agreement. The doctor may be sitting in his office fuming about a report that does not fit a patient's clinical picture. A front desk employee may be sitting on hold for the Billing Department waiting to handle a patient's billing issue. Appreciating everyone's perception of the incumbent lab marks a conspicuous strategic component. A simple discussion could begin, "What position does your lab hold in your mind — gold standard, it's just OK or I'm looking to make a change?" The majority of people will say the lab is OK, allowing for deft probing by the representative to discover latent issues.

The final decision-maker abides as *the* most important person to understand how he/she feels about the selling laboratory. This point, unfortunately, escapes many field personnel due to the fact they naturally tend to focus their attention on receptivity and ease-of-seeing as opposed to focusing on power (i.e., decision-maker). If someone regards the selling lab (and/or representative) as ho-hum, he/she commonly devises a perfunctory response or may avert describing honest feelings altogether. Nonetheless, it stands as an important strategic component to ask, "How do you perceive my lab?" Should there be a positive response, the seller sits in a much better position and can always use the statement as a reminder in future conversations.

Summary

As initially stated, there is no single answer as to who really chooses a lab service—Doctor? Office manager? Send-out person? Nurse? Nurse practitioner? Administrative VP? There exists a "buying center" — but the question remains, who lives within it? The salesperson must excavate each account thoroughly, uncovering the final decision-maker, a champion, an administrator and all of the users. Who in the account plays these roles and what kind of influence does each one have (low, medium or high)? Understanding each person's wants resides as an important strategic component, as does each one's perception of the incumbent lab *and* the selling lab. Deciphering the *how* from the *why* about lab decisions extends into another distinct strategic element. When a lab representative has all of this knowledge within his quiver, his arrows fly far more accurately towards the correct bull's eye of choices.

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