



Managing Your Lab's Field Rep(s) - Best Practices

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Most commercial laboratories and a number of hospitals with active outreach programs have at least one employee that interacts with customers. This field job exists in two basic forms: (1) service existing customers and (2) prospect for new business. For large organizations, some labs hire individuals for each segment; otherwise, one person may be tasked with both duties.

Most every business aspires to support their employees by helping them improve in their respective jobs, and much of this initiative falls into the immediate supervisor's hands. In the case of sales and service, the frontline manager is the fundamental link between strategy and execution—this is where job transformation lives or dies. Oversight of the sales person and the sales process remains paramount in order to build the business.

Let's now examine the various components involved with best practices for managing a field person.

Top Reps - Not Always the Best Manager Choice

Laboratories seek qualified managerial candidates through job postings on the Internet, industry-specific recruitment firms or they may promote a top-performing individual from within their sales department. Unfortunately, this latter approach can be the root cause of failure rates of sales managers. On the surface, it appears natural and self-evident to promote a successful sales employee to a sales manager. However, one can't solely excel at *sales* to be a good manager. It takes training and experience, because it involves not only dealing with employee's traits and personalities, but also certain skills that fall into other key management variables.

The Fundamental Base of Sales Manager Success

As with any management job, there must be a foundation of basic attributes. They are: (1) integrity, (2) reliability, (3) listening, (4) recognition and (5) team building. These five areas account for approximately one-quarter of a manager's success. The first two—integrity and reliability—tend to

be binary. Someone has integrity and acts reliably or not. The remaining competencies of listening, recognition and team building can be developed upon over time.

The Top Tier of Sales Manager Success

There exist three distinct areas that overlay on top of these five base descriptions. They are: (1) selling, (2) coaching and (3) owning. These are sales-specific drivers and account for the remaining 75% of a sales manager's success.

Selling remains an obvious point. The manager should not only be experienced within the industry, but also demonstrate the ability to adroitly handle most any selling situation. Many companies make the mistake of believing that industry experience equates to aptitude because it seems to "make sense." In fact, this is not *always* an ironclad premise with either a salesperson or a sales manager.

Great coaching exists as the cornerstone of creating excellent sales reps. A good definition of coaching is: "an on-going series of interactions between a manager and direct report, designed to diagnose, correct and reinforce behaviors specific to that individual." Coaching is *not* a "group thing."

If the manager feels incapable of providing honest and objective feedback, the laboratory will remain average (at best) in their progression to success. The reality is, we *all* need coaching because we simply cannot see our own swing—it is human nature not to self-analyze. We need another person with a critical eye to see our strengths and assist us to build on them, as well as recognize our weaknesses so we can help control or compensate for them.

While selling and coaching skills are vitally important, there is a third and notable final point of being a good manager: demonstrating business "ownership." This category is all about the various aspects of the business that senior leaders like to see in their managers—the extent to which the manager runs his department as if it were his own enterprise. This includes, in general terms, (1) evaluating the numbers, (2) counseling "laboring" reps and (3) training to ensure continued employee development.

There is the unremitting quest to assess sales numbers and other data that affects the overall lab business. Various departments (e.g., logistics, billing, processing, lab operations, client services) can provide important information to the sales manager about troublesome (or "expensive") accounts. In turn, the manager can discuss any issues with the sales person to arrive at a plan to address the situation.

Evaluating the numbers is an obvious job, but it does not simply decode to sales data. A variety of reports can elucidate a great deal about the business. For example: a list of insurances received from each account, individual account total test volume variances from a previous three-month average, a quarterly snap shot of test volume variances for the entire book of business, a monthly total dollar volume of each account, a roster of tests submitted by each account, the number of STAT requests per account—to name a few.

It stands as an important fact that using *test* volumes can be a good business indicator in addition to assessing dollar variances. Laboratory billing and insurance company reimbursements can vacillate, giving rise to questions of increase/decrease during any given month. If the dollar volume reveals irrational variance in a certain month, but the test volume remains similar, one must dig a

little further to compare volume against insurance receivables (adjustments, write-offs or—ah-hem—lower imbursement).

Within the purview of “owning the business”, there exists the manager’s obligation to maintain a constant stream of education for the field reps. This translates to not only reviewing strategy and tactical techniques, but also new lab test information, connectivity updates, specimen transport supply changes, methodology changes, clinical guideline updates, CMS, CDC and/or compliance guideline announcements, etc. The sales manager may be able to handle some of these topics; otherwise, in-house staff and/or laboratory vendors should be called upon to showcase noteworthy information. In turn, these bits of education can be disseminated to clients, creating a positive perception of the laboratory—and the sales rep—within the eyes of the customer. In some cases, it may even result in increased test volume (i.e., up-sell).

Summary

If commercial and hospitals labs want to increase their specimen volume and strengthen their client relationships, there is no question about the need for a dedicated field person handling the duties of servicing existing accounts and selling new customers. The manager overseeing the field representative should have baked-in attributes of integrity and reliability. Good listening skills, recognition for a job well done and team-building skills also lie at the base of good management proficiencies. However, encrusted on top of these fundamentals are three principal components that relate more specifically to sales: (1) industry-experienced selling skills, (2) well-developed coaching skills and (3) attention to data details.

A number of labs across the country, however, deploy only one or two field individuals, and it does not make financial sense to hire a full-time sales manager. The managing duty will frequently be assigned to a more technical person (i.e., laboratory manager, pathologist or lab owner) —i.e. someone without sales experience that may not feel comfortable or qualified to train and coach a marketing representative.

Fortunately, there are independent industry managers that offer this type of “intellectual capital on demand.” This person can establish call report and new business goals, as well as schedule phone calls to review recent field activities. In addition, the manager may be able to co-ride with the marketing person to offer tactical support during sales calls and impart coaching advice and account strategy suggestions following client interactions. Taking this “external” approach affords a number of optimal solutions that strengthen labs with a small sales force:

1. Have an experienced manager—devoid of the financial drain of health care benefits, taxes, commissions, etc.
2. The ability to terminate the contract without the hassle of a counseling process
3. Someone that is impartial and objective
4. Someone that has the time to assemble specific training and marketing materials
5. Someone whose compensation is far less than the cost of a full-time, equivalently experienced employee

A lab’s life-blood for continued success rests with competitive services and increasing its business through new customers. Having effective and conscientious field reps play an invaluable part in this equation. Managing them appropriately and helping them improve in their job provide two mandatory ingredients for your lab’s success.

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