



## **Adding Power to Showcase Your lab's Capabilities**

By Peter T. Francis

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With the laboratory industry currently experiencing price and revenue erosion, those who market their lab's services feel significant tension to land new business. Adding to this anxiety is a common procedure for the physician to give the patient a script (or generic requisition) and instruct him/her to "go where you usually go for lab draws." This accounts for insurance company contracted labs, but it also suggests the apathetic provider's attitude of, "I don't care which lab you use."

### **The Old Stand-By: Solution Selling**

The past several decades have witnessed a type of selling approach called, "solution" or "consultative" selling. Using this model, salespeople lead with open-ended questions designed to emerge background client information and recognize customer needs. Well-respected sales training companies, programs developed in-house and a plethora of books have all touted the solution/consultative selling methodology. They consider it the most efficient and professional approach: discover the client's "pain" and address it with the lab's custom solution.

### **The Problem with Consultative Selling**

The issue arises when a sales representative finds the vast majority of customers appear perfectly satisfied with the lab(s) they use. Hospital/corporate-owned providers feel a sense of indebtedness to utilize the service of the "hand that feeds them" — not to mention heeding the owner's plea to support the institution by utilizing its compendium of services. An independent lab salesperson—from the outside looking in—may intuitively ask how anyone can compete with hospital ownership and satisfied clients? It is not a level playing field considering these political situations. Secondly, reps find that with accounts that are not bound by political principles, they have no valid raw

material on which to build a “solution” presentation! Thirdly, consultative selling relies on customers to diagnose their own problems. That is analogous to a patient telling a doctor he feels fine, whereupon the doctor checks his cholesterol level and blood pressure—only to find out both highly abnormal! “Gee” says the patient, *“I didn’t know I had those problems! I’m glad you told me.”*

### **Setting the Stage**

Most people love to buy, but they hate to be sold. A marketer should be mindful that representing him/herself as someone trying to sell something is an ineffective strategy. Instead, the rep can explain his aim is to help the office with possible internal efficiencies as well as with patient care. To put a positive perspective on the conversation, the salesperson should inquire what attributes the client values from their current (primary) laboratory. Another way to obtain similar information, especially from a provider, is to ask:

*“If, for some reason, you became dissatisfied with your primary lab service and you wanted to interview other labs, what are the most important features you would look for?”*

A majority of people will typically respond with several basic items (obviously, in a specialty-specific context): good turnaround time, quality results, easy phlebotomy access, reliable pick-up, convenient report delivery, insurance acceptance, etc. It remains essential for the sales rep to document the client’s opinions. To exist in today’s competitive environment, the seller’s lab must be closely aligned with the customer’s roster of “must-haves.”

### **Commoditization Is a Choice**

Successful lab reps constantly seek competitive differentiation. To the average salesperson (or those newly hired from outside the industry), this may appear a daunting task. Unfortunately, many marketers make the mistake of believing their laboratory mimics their competitors. This leaves the lab—and the sales person—with a critical choice: whether to embrace a me-too core strategy or one that maintains a high-value solution (especially in the context of client billing/price-focused sale).

If your lab has chosen to adopt commoditization as a dedicated strategy, you need not read further. Commodity sales should exist because the salesperson (or the lab’s owner) consciously chooses it as a strategy. Labs need to recruit and develop sales and marketing professionals who create *value clarity* for their current customers and prospects. Insight selling enters the picture at this juncture.

### **Insight Selling**

Top professionals who want to puncture the client’s *de facto* impression of a me-too laboratory must digress from solution selling. The insight selling style offers a highly effective methodology—perhaps the only way—to move past the *“we’re happy with our lab—we have no problems—I don’t need to talk to you”* response.

Skilled users of insight selling speak to either the most highly influential staff member(s) or to the ultimate decision-maker. One gains negligible impact by spending time interacting with anodyne support staff that may lack any significant influence—and frequently may not even care about your topic of interest.

Insight selling rests on the belief that a sales representative intimately understands his own laboratory, as well as the offerings of his competitors. Knowledge has to exceed the usual obvious competitive components, such as turnaround time, client service phone hold times, billing, etc. To differentiate effectively, it takes a great deal of effort on the part of not only the field person, but also the lab’s management and supervisors to ensure proper in-house training (methodologies, testing schedules, billing policies, client service functions, courier policies, etc.). Once digested, the onus lays with the representative to match as much of this as possible to what the competitor is offering. This work translates to asking clients, reviewing websites, calling the competitor and general field observation.

Following the client’s list of basic requirements (outlined in “Setting the Stage”). The intrepid marketer can tactfully say,

*“Our lab goes beyond the list of “must-haves” you just mentioned. We feel strongly that any laboratory that wants to stay in business must offer those things to remain competitive.”*

This sets the tone that there may be something different about the rep’s lab service. The conversation advances by saying,

*“We work with a number of your colleagues in this area, and we have found they appreciate—and even expect—our lab’s value-based philosophy that helps them improve the way they do business and care for patients.”*

As a sidebar comment, talking about “your colleagues” brings up an important psychological aspect: social norms. Human behaviors are largely shaped by the actions of those around them. People are often motivated (subconsciously) by their desire to conform with the group—especially if it is a group with which they identify. Every sales rep’s tool kit should include an understanding of, and the ability to use, social norms.

### **Disturbing the Equilibrium**

The objective of insight selling is to make the status quo untenable, but without putting the client on the defensive. Marketers need to diagnose the prospect’s situation and find evidence of the *absence of value* (a key point to remember). This allows the representative to connect the significant impact of his solution(s) to both the customer’s own performance metrics and those of the patients they serve.

As the conversation continues, the marketer could add,

*“Your colleagues have told me they want to do business with a lab that will keep them abreast of newly developed tests and methodologies, help them stay current with clinical guidelines, provide CMS and CDC announcements, improve convenience for their staff and patients, and keep them updated with compliance regulations that could affect their business. They don’t want reps wasting their time—they want to be taught information that will help them provide better healthcare and improve their business.*

*Clients tell me, after all, they are competing with other providers in the area, and they highly regard anything that would discriminate their practice in a positive manner. They repay me with loyalty because I teach them something they value—not just try to sell them something they already know.*

*Consequently, we have taken this feedback and augmented our services with these ideas that doctor’s offices have expressed as important to them. Now, if you are not interested in this level of exceptional benefits, we may not be the lab for you. We are not a simple pick-up and delivery amenity that offers only the things on your list. If that’s all you feel you need, we can offer that, too—but it positions us as an another me-too lab. You’ll end up thinking we’re a commodity—which we are certainly not!*

*Before I go, let me give you some examples of what I mean (situation-dependent responses here):*

*The CD has released a notice about a revised HIV testing procedure that reduces false-negative results. Ultimately, it improves patient care, and it’s something in which our clients have shown a great deal of interest. Let me share this brief article with you .....*

*Another example is a special billing policy we have for self pay patients. Here is a pamphlet .....*

*Another illustration is how we can help your patients with phlebotomy. Our phlebotomist at the local patient service center uses something called a “vein-viewer” for patients with hard-to-find veins. It is a state-of-the-art instrument that helps our employee locate the vein’s exact position before venipuncture. This technology avoids the discomfort of multiple attempts, creating a no-hassle experience for the patient. Patients frequently tell us they like to come to our draw center simply because we offer quick, technically competent service. No other laboratory in the area has this advanced equipment. We welcome you or anyone else from this office to visit our service center and see for yourself. (A personal invitation makes the discussion more personal and credible).*

The above conversation is only an example, of course, and the rep should interject questions to maintain a sense of dialogue. But, the point is, the field person employs provocative insights that create some thought-provoking ideas. The notion is to have the client think to himself, “*Huh, I never thought about that.*” This type of approach addresses both client- and patient-specific topics under the overarching umbrellas of improving healthcare, adding convenience, controlling healthcare costs, etc. It is proactive and leading. It challenges the prevailing viewpoint that labs are a commodity and offer only a simplistic, transactional service. One last point: it should be underscored that solution selling targets *tactical* client problems; however, insight selling aims at *strategic* issues the client does not know about or has not given much thought to.

In addition to “talk-the-talk”, it remains paramount to “walk-the-walk.” The representative must use handouts to substantiate various points with company-developed collateral and information from the Internet (e.g., CMS announcements). Additionally, vendors selling equipment, reagents, IT solutions, supplies, etc. to the rep’s lab may have marketing pieces they could provide the field staff to support their specific products (possibly even co-branded). Along with written documentation, something as an innovative type of transport supply (shown in comparison to a competitor’s) can be an effective sales aid when properly positioned (saves money, provides better healthcare, more efficient, etc.).

### **Summary**

Gaining client background information and inquiring about problems will always exist as a first-tier ingredient of the solution/consultative sales process. Should a customer voice certain concerns, the rep has an opportunity to move forward with providing solutions. This, however, has two primary drawbacks: (1) it expects clients to self-diagnose their problems and (2) it may take years before a client becomes dissatisfied. So often customers claim, “everything is perfect with the labs we use.” Sure it is. Just like the patient that informs his doctor he feels fine!

When the prospect overtly asserts contentment, the seller becomes frustrated and disappointed—and loses advantage. Such salespeople may not have been sufficiently trained in insight selling. In addition, they may not have demonstrated enough personal initiative to “mine” all areas of his lab and to research the disparities of his competition. Medical personnel from the lab (or outside vendors or consultant) can educate the company’s field staff on technical terms such as clinical background of certain tests, methodologies, disease states, journal abstracts, clinical guidelines, CMS and CDC announcements, improved transport supplies, unique internal testing protocols and so forth. Prospective clients (even hospital-owned practices) may find a number of these things interesting and helpful to their situation. Additionally, it also amplifies and strengthens the marketer’s industry knowledge, which projects confidence and competence when face-to-face with customers.

Consultative selling advocates reps to gain the trust of someone within a prospective account and have that individual become a “coach” to the marketer. However, insight selling takes a reversal approach: the *salesperson* should coach the *client* on how to buy a value-driven lab service. Clients cannot recognize a laboratory’s high-value solutions *without* the salesperson’s assistance. Those reps that ignore this coaching role will find themselves defenseless in the face of (1) “we’re happy with our lab” comments, as well as (2) price competition in client billing situations. A marketer performs his or her job well by expanding the client’s thinking and helping the customer reach a high-value decision.

Understanding and practicing this concept of insight selling seems like a tall order. And it is. Great questions are not enough—you have to have great *insights* on the client’s business, your own lab’s capabilities and those of your competitors. For those who feel it is not worth the time and effort, simply remember: your competitors may be practicing insight selling, and it could very easily win them the battle and customer loyalty. You could be on the outside looking in—still, yet, again.

*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. He has published more than 35 articles and regularly speaks at national industry conferences. Visit [www.clinlabsales.com](http://www.clinlabsales.com) for more information.*