



Shrouded Sales Factors

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For those of us in sales, it's common to think we know our stuff when we're presenting to a prospective client—and it's only the client's fault for not seeing it "our way." But, there are several things a sales rep may do that can negatively impact his/her selling efforts.

Product Knowledge

One of the most destructive areas in any sales position is the sales rep's failure to have adequate product knowledge. Being successful at selling laboratory testing services requires a constellation of subject matter (only a portion of which is clinically related). The following are some key areas:

1. The intricacies of the lab's operations (specimen entry protocol, storage time, SOP for send-outs, turnaround times, internal test menu, reporting, test add-on policy, etc.)
2. Logistics (e.g., pick-up times, covered geographies, courier boundaries)
3. Patient Service Center locations, days and operational hours
4. IT reports (internal use and client use)
Certain test methodologies (e.g., HgbA1c, *C. difficile*, Vitamin D, etc.)
5. Billing (bill cycle, out-of and in-network insurances, write-off policies, self-pay discount policy, client bill pricing guidelines, etc.)
6. Common test acronyms (PSA, UA, CMP, C/S, PTH, hCG, hGH, IHC, *C. diff*, lytes, etc.)
7. Client supplies
8. Clinical significance of certain tests
9. Compliance training
10. Connectivity solutions
11. Turnaround times for common tests

For someone entering the world of lab sales for the first time, this is, needless to say, rather overwhelming! It requires significant time and resources to train someone on these subjects—some more important than others during initial orientation. Of course, knowledge also derives from field experiences, as well as interacting spontaneously with internal laboratory staff.

There exists a more challenging component within this product knowledge sector: to know what the competition offers with many of these items. Think of someone who formerly worked for a competitor and now markets for a different lab. Frequently, he/she may have success against the former lab simply because they know the “inner workings” and can speak from experience and with credibility.

It’s an obvious point (but many times taken for granted): the more the representative knows about their lab—and the competition—the higher success rate he/she will have in selling their lab’s services. Differentiation rises to a different level when there is deep knowledge on both sides of the fence.

Frequency of Calls

The other area that impinges on sales effectiveness refers to calling on prospective customers too frequently without having anything of value to discuss. Quite naturally, clients feel their time is valuable. As a result, they devise every excuse in the book to circumvent talking to a lab marketer, because they *perceive* the rep is there to talk about a seemingly me-too lab service. Announcing a valid reason to the receptionist about a topic that would be of interest to the contact person has a better chance of gaining access to a higher authority.

Lack of Credibility

Besides having an insufficient legitimate rationale to see a key staff member, another reason clients shun lab sales reps lies in the fact there may be no established credibility. Credibility is the root of the tree from which other things grow (e.g., rapport and trust). If there is none, making a sale becomes serendipitous (at best). It circles back to the previous comment about having valid reasons the customer feels are noteworthy and relevant.

The Client *and* the Rep Working to Avoid Meeting

Sales reps typically document in a CRM client visits; however, depending on the territory, few entries contain actual prospective client sales calls. Why? One reason relates to human bias—the natural avoidance of hearing negative responses: “*No, the office manager (or doctor) is busy and can’t see you*”, or “*We already have a lab; we’re not going to switch to a different one right now*”, or “*We don’t make appointments with lab reps.*” It falls to reason these kinds of chronic comments make a salesperson feel disheartened, and, consequently, wish to eschew such negativity.

Here’s another one from the sales rep’s perspective: “*The last few times I stopped by this client, they told me they’ve been using ABC Lab for a number of years, and they were very happy. I know this lab is a good competitor, and I see no reason to bother the prospect again. They’re going to tell me the same thing, and I’m not in the mood to hear it.*” Ah, yes, it’s the old “negative mindset” that seeps into the picture. Avoid this mentality at your own risk! One never knows when conditions at a client’s office will change (new doctor, new office management, the incumbent lab’s service has faltered, etc.).

From the client's perspective, you're confident they hear the same question from every competing sales rep: "Are you having any issues with the labs you use?" Representatives wince at the customary response, "No, everything is status quo. See you later."

Focus on Collaboration

Starting with the first interaction, the field person should make it clear that he/she is *not* there to waste anyone's time. Their primary objective should be to start building credibility. This can be accomplished by suggesting ideas that make a contribution to the way the office does business—i.e., to educate, to explain how their lab can offer convenience for the staff and/or their patients and, possibly, ways to save health care dollars (but not necessarily lower client bill fees!). These areas have a positive connotation with any client—and, subsequently, should be of interest. It remains the rep's responsibility (and with the help of lab management) to dig up examples. Yes, it takes thought, time and internal discussions with the lab staff. But think what a valuable resource the field rep transforms into in the eyes of the customer! As a result, the rep's credibility and subsequent rapport coalesces, and the client will look forward to seeing a helpful, knowledgeable salesperson. Within the modern terminology of sales, this refers to "collaborative selling" or "insight selling." When a rep collaborates with a client from the beginning, the *seller* becomes a key component of the value proposition (making it difficult for competitors to wrest away the account). The message to the customer should be clear: we're interested in *more* than a simple transactional business interaction—we're complementing that with our desire to create a proactive, strategic alliance.

From the Customer's Viewpoint: Benefits vs. Status Quo

We're all born with certain human tendencies, and one of them deals with choosing options. In most cases, a choice to buy a low-cost item remains fairly straightforward. We see a magazine at the grocery store in the checkout line. The main subject captures our attention, so we decide it's worth to shell out a couple of bucks to make a purchase. Bam! The grocery store makes the sale within a few fleeting seconds on our part.

However, with more expensive items that have lasting impact, our decision process takes longer. In most cases, someone else adds input (a sales rep in combination with a friend, spouse or business partner). Within the case of selecting a lab service, the decision-maker typically seeks input from other staff members (creating a "complex" sale). There are a number of things concerning the thought process the salesperson should know that pertains to what goes on behind the scenes and in the customer's head.

1. Clients evaluate a different lab on the basis of *perceived* value, not just "objective" value. Perception is everything. It's the sales rep's responsibility to constructively position his/herself *and* their lab in contrast to the incumbent lab (with no competitor disparagement) with the perception of a higher/different level of service. This action circles back to the previous comment about fully understanding the competition and the rep transforming into a helpful resource.

2. The salesperson is present for a relatively small amount of the client’s conversation. Internal remarks begin *after* the salesperson has left: the good, the ho-hum, the bad—and, worst of all, nothing.
3. Clients evaluate a different lab service relative to their existing lab (i.e., a reference point). If there are current issues and the proposing lab can satisfy them, a sale will probably take place. If there are no major problems, and the rep presents no genuine “wow factor”, it’s unlikely there will be motivation to add a lab or to compel making an overall change. This leads to the final point.
4. Clients view improvements (or value-adds) relative to the incumbent lab as “gains”—and treat any shortcomings as “losses.” An example might be the proposing lab has a pathologist the client knows and trusts and, therefore, considers it a “gain”; but the lab can’t provide the same convenient pick-up time as the incumbent lab; thus, there is a “loss.” Emotion will almost always supplant logic, so, in this example, it may end up as a win for the proposing lab. But, the point remains: (*in non-political situations*) gains have to *appreciably* outweigh losses to induce serious attention. In addition, if any losses have a potential negative effect on the client’s patients (e.g., out-of-network billing, inconvenient phlebotomy access, collection agency harassment), it will create acute anxiety for both client and patient—and could potentially be a showstopper. Customers are improbable to bear risks relating to the chance of disgruntled—or (especially) the loss of—patients.

Conclusion

Activating new clients in the reference testing world equates to a challenging sales job. Adding to this task are several factors that impact new sales that may be taken for granted or simply go unnoticed by a salesperson: (1) lack of complete knowledge of their lab’s operation and the competitor’s, (2) lack of valid justifications to see anyone (things the customer would appreciate), (3) lack of credibility, (4) having a negative mindset and (5) offering significant benefits with minimal losses. These can be considered “shrouded sales factors” that require thoughtful consideration in the journey to transform into a master-class salesperson.

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