



## On Lab Sales Managers and Coaches

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Where do laboratory sales managers come from? Most frequently, they come from successful field experience. Managing is a lot like parenting in the sense that practically anyone can be called a “manager”—but not everyone will be good at it. A critical part of managing people also involves being a coach.

Sales managers need to change their skill set before they can consider themselves a true coach. Many spend significant time reviewing sales reports, managing projects, handling client problems and attending meetings. Laboratory upper management, however, should expect their sales leaders to add another important responsibility: spend some of their time in the field co-riding with their representatives. This is where the proverbial rubber meets the road in terms of employee development. If one does not have a defined process that moves their salespeople forward so they can achieve greater results, it begs the question: what *is* the role of a manager? Just managing the status quo?

### **The Importance of Coaching**

The research is incontrovertible. Sound coaching stands as the cornerstone of creating master-class sales representatives. Great actors, top athletes and successful CEOs have coaches, because they continuously want to improve their skills. Successful labs always look for ways to enrich their employees’ expertise and proficiencies. In the area of sales, part of that equation distills down to excellent coaching.

We all need coaches because we simply can’t see our own swing. It’s human nature to not self-analyze. It takes another person with a critical eye to see our strengths and help us build on them, as well as recognize our weaknesses to help control or compensate for them.

Why, however, do sales people sometimes get the short end of the stick when it comes to coaching? There are some labs that have terrific managers that ask good questions, provide honest and constructive feedback and work together with the field rep to develop appropriate strategies for specific accounts. On the other hand, there exist some labs that are devoid of such an attentive attitude; they allow salespeople to “do their thing” without any constructive development process.

Before going further, it needs underscoring that sales training coalesces into this coaching subject, because *both* training and coaching contribute toward the development of successful

representatives. Irrespective if the marketing person has previous experience selling lab services, there should be an on-going education schedule to review updates within the lab: tests (and their clinical significance), billing, connectivity, logistics, supplies, as well as learning from peers the background and reasons for gaining a newly activated account. Additionally, reviewing and developing selling skills in strategy and tactics—through classroom instruction and role-playing activities—remain an important agenda (as a side point, the famous UCLA basketball coach, John Wooden, once said: “It’s what you learn after you know it all that counts”). Despite good classroom instruction, however, most reps will lose their effectiveness *unless there is follow-up coaching in the field*. Coaching and role-playing parallel each other to keep a new skill reinforced and encouraged during the learning stage. Eliminate these activities and very few salespeople will maintain newly taught concepts.

### **Five Characteristics of a Successful Lab Sales Leader**

During my 47 years of selling and managing within the lab testing industry, I have come to realize five fundamental themes a manager should keep in mind—in addition to consistent sales training—that will make their salespeople the best they can be:

1. Teach how to become a brilliant strategist
2. Teach how to reposition the competition
3. Focus on the early stages of the business pipeline
4. Build a coaching culture
5. Teach the difference between efficiency and effectiveness

#### **1. A Brilliant Strategist**

Strategy is all the pre-planning that occurs prior to asking for the business. In fact, when I ask salespeople what their definition of strategy is, I invariably hear, “It’s planning what I want to do and say before presenting my lab service.” In broader terms, though, the true essence of strategy is *the art of creating power*. My experience has shown that many sales reps neglect placing any significant and genuine thought behind creating an effective strategy—they simply rely on intuition. The subject frequently devolves into an insouciant reflection process when the boss asks the question, “So, Johnny, what’s your strategy with XYZ account?” In response, Johnny may say, “Well, I talked to office manager, Mary, and she seemed interested. She told me she would speak to the doctor, so I’m hoping she’ll do a good job of communicating what I explained to her.” To this, the coach insightfully responds, “Johnny, first of all, hope is not a strategy—and, secondly, don’t expect someone else to do your job as effectively as you can.”

The strategy component reflects a wide array of items: knowing the identity of the final decision-maker and those who are highly influential, understanding the office manager’s and the doctor’s “mental model” (perceptions, opinions) regarding their lab, what initial factors went into choosing their current lab, how long have they been using the lab, what are the modes of the office manager and the doctor (trouble? happy? over-confident?), is there an inside coach to support and help guide you, how much do you know about the competitor (e.g., on-site testing menu, location, logistics, result transmission, general turnaround times, in-network insurance contracts), who does their rep normally see and how often, what basic differences exist between the proposing lab vs. the incumbent lab, etc. It will probably take

multiple visits (possibly with several people) to determine the overall strategy due to the amount of information (and varied responses) required to form a good strategy. An essential thing to remember is that strategies remain constantly in flux. New competitive information surfaces, insurance companies make policy announcements, clients make personnel changes, market conditions change, the incumbent lab—and/or the proposing lab—may make operational changes, and so forth. Account strategies may easily consume several paragraphs in a word document. It exists as a living manuscript, complete with revisions due to internal and external forces assailing initial information. Contrast this to Johnny's off-the-cuff statement about his XYZ account's strategy.

The discussion on strategy exists as preamble to the fact that sales reps who think only in terms of tactics—simply hoping to uncover a frustrated client—are setting themselves up for either failure or a long, long sales cycle. The salesperson must consider a well thought out strategy *first*—and then exercise discipline and determination to see those brilliant strategies implemented at the tactical level.

## **2. Competitive Repositioning**

This topic equates to one of the most powerful methods a salesperson can employ. Unfortunately, average sales reps do not use it very often (or adequately) due to their lack of intimate knowledge of their own lab versus each competitor. Sales managers should know where their lab can create value over competitors, and they should concentrate on reviewing it with their reps with laser-like focus. Top managers ask their salespeople to write down their answer to this query: "What are you doing in sales calls and in your sales strategy that, given XYZ competitor, make our lab difficult to substitute or make our lab strategically important?" The answers reveal a substantial amount about each representative's competitive knowledge.

In looking at one of the important lessons I learned very early in my lab sales career is the client's current behavior always seemed to remain significantly more entrenched than I would have imagined. I didn't think it would be all that difficult to sell a lab testing service, but I eventually figured out that we all have—what I would describe as—"ladders" in our mind that pertain to products and services. There are things at the top of the ladder that we appreciate and like more than others—say, a certain kind of car, a clothing line, a technology company—and even laboratories when it comes to healthcare. These things stay up there, and it's hard to dislodge them unless something negative occurs (notwithstanding the effect of a hospital buy-out of a physician's practice).

The basic positioning approach revolves around manipulating what's in the mind—to retie the connections that already exist. A skilled representative enters the picture and repositions the competition by saying something that makes the person think twice—not necessarily at first about the proposing lab but about their *current* lab. Repositioning depends profoundly on a sales concept called Insight Selling. By applying insights and repositioning, one does not denigrate the competition; it simply places your lab in the "against" position. Obviously, this technique mandates considerable knowledge of your own lab vs. each competitor.

I would like to relate a classic repositioning strategy I used many years ago in which I saved one of my large accounts from switching to another lab. I was talking to the head doctor at an internal medicine account with whom we had been doing business for many years. He told me a local lab had proposed more competitive pricing, and he was considering switching unless my lab could be more competitive. I should say parenthetically that I knew my competition very well. So, instead of rambling on about our high quality that justified our pricing, I took a step down a different path in the thought process, and I asked him a couple of simple questions about electrolyte testing. He agreed it was a very important part of his patient screening protocol, and he ordered the profile several times every day. Having established that parameter that also created an affirmative atmosphere, I told him our aim over the years has always been to remain a *valued partner* for his practice. As an example, I explained the older methodology the competitor used for their electrolyte profile. Alternatively, my lab employed a state-of-the-art technology called ion-selective electrode. I said he was free to try the local lab, but, with my lab, he was getting the most current technology available for not only a common test panel but also with other methods that transcended our entire test menu. I didn't degrade my competitor—I simply *repositioned* the other lab by explaining a notable methodology difference on a basic profile that he confirmed was very important.

I should add that I did not lose this account. This story is simply a good example that (a) validates the power of repositioning your competition by using the “against” position and (b) has a positive outcome.

### **3. Focus on the Early Stages of the Sales Cycle**

Good managers spend time evaluating the early stages of their representative's pipeline, as well as clients sitting in the more imminent stage. Many labs request a 30-60-90-day pipeline list from their marketing people on a monthly basis. This roster indicates where prospects fall in terms of the expected timeline to close the business.

Managers typically concentrate (and rightfully so) on prospects that appear close to activating. They ask their reps questions such as: Is there a specific date you expect them to start? What else do we need to do to secure the account? It remains important to counterweigh these “imminent stage” questions with a uniform amount of attention to the beginning stages of the 90-day prospects (and even those farther out). A supervisor may ask: What client problems have you uncovered, who are the influencers, who makes the ultimate decision, what do you see as major differences between our lab and the incumbent lab, with whom have you established a rapport, etc. These probes center around the start of building a good sales strategy. Top managers spend equal time focusing on this early end of the pipeline where the sales funnel is wide and there stands more opportunity to create value and build relationships.

### **4. Building a Coaching Culture**

In a highly effective sales organization, the job of the manager is to coach and help improve the performance of his/her staff. After all, it is common knowledge that a company's greatest asset—besides great customers—is employees *in the right position*. It stands to reason that

developing people is a capital investment. Great companies recognize this simple fact and devote their time and resources to cultivating traditions that promote coaching.

Coaching entails thinking through three questions: whom to coach, when to coach, and what to coach. In some situations, a faltering sales rep may simply be in the wrong job with the company, making it inadvisable to expend time and energy working with someone that does not have the ultimate skills for the position.

Questions are at the very core of all coaching tools and strategies, and they contribute to uncovering great opportunities and igniting new ideas. When a supervisor gives a solution rather than ask a question, he/she deprives the salesperson of their power. The coach increases their risk of becoming a victim of the “babysitter syndrome.” Instead of making the sales rep more self-driven, the coach produces a marketer that is dependent on someone else to solve the rep’s problem(s).

The bottom line: The manager/coach’s job exists to guide and mentor those who have potential—and do it on a consistent basis. If the manager is inexperienced or incapable of asking the right questions and providing honest and objective feedback, the company will remain average.

## **5. Balancing Efficiency and Effectiveness**

A boss may explain to his representative(s), “I’d like to see a minimum of X visits each day.” The logic distills down to two distinct areas within a numbers game: (a) there exists a better chance of finding a prospective (or current) customer who is unhappy with some component of the lab service and (b) it provides an opportunity to build customer relationships. The problem with only assessing efficiency is, field reps primarily do only what you measure. Should new business become sluggish, managers tend to solve the problem by putting pressure on the salesperson. They expect their rep to do more of what’s not already working; they assume “selling harder” will provide a different result. It rarely does.

A basic tenet in sales is to target strategic individuals and build solid relationships. In a doctor’s office, it frequently decodes to the practice manager and/or the lead physician. In contrast, if a field rep always spends valuable time with someone who is not a highly influential employee or the decision-maker, one could fashion a story about being “efficient” simply by indicating they paid a visit and had a brief, friendly discussion (or a “howdy” call) with someone. Is this, however, being *effective*?

Sales effectiveness (irrespective if current or prospective account) relates to maximizing the potential once the rep comes face-to-face with a key person. There could be opportunities for discussing the application of a new test (or profile, methodology), insurance acceptance changes, clinical abstract, lab newsletter, improved transport supply, an announcement from CMS, FDA or USPSTF, updated medical guidelines, connectivity, compliance updates, etc. In other words, anything that helps the client in the way they do business: stay current with information to improve patient care, control healthcare costs, reduce compliance risk,

and/or increase office productivity and convenience. Most people would find these topics relevant and helpful versus an initial objective of, “I’m here to check on how things are going with the lab.”

Looking at a true sales call situation, once a marketer has discussed their initial valid reason with the target person, circumstances generally allow for a natural transition into uncovering important aspects surrounding the client’s lab service. The rep’s effectiveness continues at this second sales call objective. He/she may gain commitment to a trial run or have the client return a call/text. Being effective also translates to securing an appointment with the next higher level or setting a date for a luncheon or lab tour. If it is a current client, the field rep could be effective at saving the client from using another competitor. One could say—in a business development scenario—effectiveness translates to *sale advancement*. The ultimate question the rep must ask him/herself is, “Can I get the customer to work with me to the next logical sales milestone?” Client *actions* demonstrate a joint venture approach, and successful managers eagerly seek both verbal *and* corresponding documentation that indicates forward movement.

Managers that understand the harmonizing act between efficiency and effectiveness announce to their field staff, “I’d like to see you make a minimum of X number of calls each day. But, let me be clear: Always strive to have a legitimate reason the *client* would appreciate. Avoid making a call with no valid purpose simply because you want to indicate a visit on your field activity report. If you see fewer than X customers, but you had effective discussions—and you document it—*that* is what I prefer over many calls in a day.” A manager’s statement such as this makes it understood he/she appreciates an efficiency/effectiveness equilibrium—but values effectiveness more.

## **Conclusion**

Great bosses know who, what and when to coach. They teach their sales reps to initially concentrate on strategy and how to effectively reposition each competitor. They know the importance of having balanced discussions of prospects that sit early in the pipeline, as well as the more pending accounts. Top leaders consistently work towards building a coaching culture by asking their reps insightful questions, and they value effectiveness over efficiency. If a lab wants a world-class selling organization, it must have good managers to successfully train and coach their teams.

*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. Visit the company’s web site at [www.clinlabsales.com](http://www.clinlabsales.com) for a complete listing of services.*