



Sales Principles to Help Grow Lab Revenues—Part I

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When a clinical laboratory hires a field representative to sell its services to physician offices, hospitals, and other healthcare entities, every hiring manager should explain the realities of the job before asking anyone to take the position. It is not an easy occupation, and only an individual with certain characteristics will be successful in it. In addition to inherent traits, top-flight field people take time to study and practice the job requirements. This kind of continuing education includes ongoing sales training via role-plays and classroom forums provided by the employer; observational feedback by an experienced coach through field encounters; reading books, magazines and online articles on various sales and industry-related topics; and attending industry conferences and webinars.

There are several basic principles a field marketing person should know to be best-in-class. I have winnowed down those principles to nine discrete points that will help a sales rep move forward and continuously improve, rather than plateau at a certain level of success, which can lead to under-performance in the long run. In this Part One, I cover the first four of the nine. Before continuing, however, I ask the reader to please remember: The principles and their amplifications are only starting points. Individual pursuits, classroom training, and in-the-field coaching should be applied to broaden and strengthen a sales rep's mastery of each of the points that follow.

Point 1: Strategy is the foundation

History contains many examples in which much smaller armies and naval flotillas were successful over larger forces. The same remains true in business. Being a "big player" does not ensure success; being small does not preclude it. Much more important than size is having a superior strategy.

To survive in selling laboratory services, you need a strategy (defined as the art of creating power). Anyone who has spent time in this industry can tell stories of how a longstanding client seemed to be "locked in," but a competitor stole the business away because the incumbent representative failed to identify and react to certain warning signals. There have also been many

times when a marketer felt he/she had a "slam-dunk" sale, only to find out soon afterwards that some other lab rep had covertly won the account. Why does this happen? There always exists a reason, a specific and clearly identifiable reason why someone loses a current account or fails to close a potential sale. Sometimes personal connections or political reasons play a role, and, when that happens, there may not be much a rep can do. In many situations, making the sale usually comes down to having a superior strategy that considers several elements.

Some of the key strategic constituents include the rep's starting position, having a legitimate business reason each time you visit, awareness of warning signals, discerning a prospect's concerns, knowledge of the competition, and the capacity to articulate basic differences between your lab and theirs. Each of these categories holds numerous sub-points on which successful labs train their representatives—and then the field person, with the help of a coach, assiduously studies and practices the concepts regarding each account or prospect.

Point 2: Reps must first be sold themselves

As in any selling situation, the old saying is true: If you're not sold on your products, your prospects won't be either. Lab sales reps are defeated from the start if they do not genuinely feel they work for a special lab. They will not be effective if their "internal monologue," or "self-talk," equates to something like this:

"There's not a lot of difference between my lab and our main competitors. I mean, we offer courier pick-up, have convenient phlebotomy stations around town, offer next-day results on routine tests, have a competitive connectivity product and an easy-to-reach Client Service Department...but so do they. We're just a me-too lab. I guess I'm going to have to find a client who's upset with its lab for some reason, and then maybe I can convince them to try my lab service."

This "self-talk" is a manifestation and a distillation of everything negative, or at least ordinary, that a rep has heard or believed about him/herself and the job. It will define the amount of motivation and achievement the field person puts forth. Reps who are not sold on all the advantages and benefits their lab can offer have an uphill battle and feel very uncomfortable when they are face-to-face with a prospect. Reps must be trained to replace a negative self-talk with a positive one, which will anchor a rep's personal level of drive and ability to operate at the apex of his or her skills.

The representative needs to start with some *proactive* self-talk, providing a more positive outlook and a more valuable expectation of his lab's capabilities. To do that means understanding the lab inside and out, upside and down, and it also means doing the same with the competition. Successful selling—matching a potential customer who has needs your laboratory can meet—starts in the mind. The seeds of success must be planted long before the rep gets in front of a client and asks questions, presents the lab's services, responds to concerns, and closes.

Point 3. Qualified prospects must be identified

A business colleague recently mentioned his concern about his sales team's lack of prospecting. Frankly, in the world of clinical laboratory services, this deficiency is not uncommon. "Hybrid" lab reps (who perform both sales and service functions) can easily become content allocating more time with clients, as opposed to calling on potential customers. This probably reflects a natural preference to spend time with people who know you and welcome you into their business setting. However, the reality of representing a lab—if the rep's responsibilities lie in activating new business—requires a field person to have many prospects in the hopper. Salespeople sometimes fail because they have not developed a sufficient supply of qualified prospects.

What makes a prospect "qualified"? Lab owners, lab directors, sales directors—anyone who oversees the sales component—may have differing definitions, but in a broad sense a qualified prospect:

- Has a *current* need for a different lab service because there are problems, gaps in service, and/or issues of concern with its current lab that cause the prospect to investigate alternatives.
- Has a certain degree of trust in the proposing lab and the sales rep.
- Will eagerly listen to what a lab rep has to say.

Some lab sales leaders will add this category of prospects to the definition of "qualified": *Any* account that has been determined to be one with whom the lab could do business in the future, even if it has no immediate need to consider changing lab services.

Identifying qualified prospects may not be an exact science for a few reasons—including the fact that measuring "representative trust" and "client's eagerness to listen" is not always easy. There will be some subjectivity here. But if reps maintain a list of qualification questions in advance, they are less likely to fall victim to random, nonstrategic selling, and to the human tendency toward wishful thinking. Identifying qualified prospects is crucial to increasing business. In fact, successful reps create a "Dream 15" roster and use pigheaded (but professional) determination in their pursuit.

Point 4. Being valued and trusted trumps being liked

I have previously written in another published article in *MLO* about the "Relationship Staircase." I described the various steps representatives ascend while building a solid rapport with clients and prospects. The steps are (in ascending order):

People who value a relationship with you

People who respect you

People who are friendly with you

People who like you

People who know your name

People who do not know your name

Notice "people who like you" sits only in the middle of the staircase. The last two steps, however, endure as the most challenging and time-consuming to achieve—but also the ones most necessary to make the sale. After some time in the field and with consistent visibility, many business relationships are at the "like you" step—or maybe at the "friendly with you" stage. However, successful sales representatives yearn to climb higher, and they do it partly by performing unexpected, unselfish acts. That could include sending a birthday card, finding an article pertaining to someone's interest or maybe a review of a book, movie, or play the customer mentioned. Certainly, sharing a journal abstract on a clinical topic (or something from the CDC, CMS, etc.) is an excellent method to build awareness and rapport. Doing this helps a rep climb the staircase and, at the same time, suggests that the lab operates at a high level of expertise.

Summary

These make up four sales principles that can help toward growing your lab's revenues. I can't claim, in the late entertainer Jimmy Durante's signature phrase, "I got a million of 'em," but I have five more I will present in a Part II.

Published in the May 2012 issue of *Medical Laboratory Observer*. Peter Francis is president of Clinical Laboratory Sales Training, LLC, dedicated to helping laboratories increase their revenues and reputation through prepared, professional, and productive representatives. He has authored over thirty articles, the majority of which have been published in industry-related magazines. Visit the company's website at www.clinlabsales.com

