



Sales Principles to Help Grow Lab Revenues

Part II

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In the May 2012 issue of *Medical Laboratory Observer*; I provided readers with the first four of nine sales principles for field representatives who have the responsibility of selling laboratory services to physician offices, hospitals, and other healthcare organizations. Principle # 1 was "Strategy is the foundation." Principle # 2 was "Reps must first be sold themselves." Principle # 3 was "Quality prospects must be identified." Principle # 4 was "Being valued and trusted trumps being liked."

In this month's issue, I am pleased to share with *MLO's* readers Principles # 5 through # 9.

Point 5. Selling is all in the questions

Socrates, the Greek philosopher, lived from 469 BC to 399 BC. He became a master at something that has withstood the test of time—asking questions as a means of persuasion. In fact, the phrase "the Socratic method" is used commonly to this day to refer to a style of teaching in which the instructor provides information for students by asking questions rather than by making statements. The principle applies to selling as well as to teaching: often sales reps can instruct—and persuade—by asking rather than telling. The key is to ask the questions in a subtle and strategic way.

The art and science of sales depends upon what and how you ask and what you hear—more than what you say. Something called "confirmation bias" enters the picture regarding strategic questioning: people value what *they* say, and their *own* conclusions, more than what they are *told*. Consequently, it makes sense to ask questions and have the customer come to his or her

own realization that your solution might be the best one. The key is to make it seem like it was the customer's idea all along.

Many salespeople lack the patience to make this happen. They jump in with solutions before clients have recognized they have a clear need to solve a problem. Representatives develop a "story" about their lab's wonderful service. They believe in their presentation, their ability to be persuasive, and the powerful closing techniques they use. It becomes all about describing their lab's attributes—describing until the seller is blue in the face.

This often does not work, however, because it bores potential customers, whose minds tend to wander: "*I honestly don't care*" can lead to "*I've got more important things to do than listen to someone babble on like this.*" The representative has offered no new insight, no new discovery—basically, nothing of value to the customer. In other words, there is no "value creation."

Qualifying the account by asking up-front questions will usually yield a significant amount of important data for the representative to assimilate prior to any presentation. This qualifying portion may be with the front desk personnel, the office/lab manager, the person in charge of send-outs, the health care provider—almost anyone within the client's domain.

The importance lies in developing *needs* during a sales encounter. Using helpful and insightful questions should guide the client down the path to recognize those needs. You don't have to be a Socrates to see that asking those questions can be more effective than "tell, tell, tell."

Point 6. After the questions: offering solutions

If someone asks a sales rep, "What do you do for a living?" the response could very well be, "I provide solutions to those who aren't getting all they could from their laboratory service."

It goes without saying many laboratory users are content with their incumbent lab—there *is* no apparent need to change anything. On the other hand, there are also some customers who are not happy—and they're looking for an alternative source. Additionally, there may be some things your lab offers that the prospect perceives as a "better mouse trap." Things often begin to appear differently as the rep asks more questions. It could be in the areas of a different methodology on certain tests, a different transport supply, faster turnaround time, EMR connectivity, expanded hours at a patient service center, pick-up times, call-backs on critical results, the report format, billing policies, the requisition form, etc.

In essence, the salesperson acts not so much in a role of "selling" his lab service as allowing customers to "buy" what he or she legitimately feels they need (or gain the most) from a lab. Unfortunately, things get in the way of this situation: the rep's ego; lack of confidence; failure to listen carefully; belief that he or she knows what's best for the customer despite other evidence; making false assumptions about the client's position; or not having a complete understanding of his or her own lab's capabilities and policies.

Simply put, successful reps do their selling in such a way that they ask the right questions and then present their services within the context of how they address the prospect's implicit or explicit needs, wants, or circumstances. Again, the rep sells *solutions*.

Point 7. Objection prevention trumps objection handling

In the area of sales, a couple of things are true about objections:

1. The field person, not the prospect, may create the objection.
2. Successful representatives receive fewer objections because they have learned the art of objection *prevention*.

Within the subject of objections, one must discuss the word *features*. For someone new to selling lab services, it becomes very easy to talk about the features of the lab: 24-hour turnaround, daily courier pick-ups, convenient patient draw centers, an intuitive connectivity product, full-service testing capabilities, board-certified pathologists, and so forth. Depending upon the features discussed (beyond the basics), features may, however, *increase* the client's concerns and become the breeding ground for objections. For example, a rep may excitedly say, "We can install an icon on your computer so you can easily get test results"—only to have the prospect respond, "Oh, that wouldn't work in this office. The front desk doesn't have Internet connectivity." What happened here? The marketing person simply *assumed* the office would want on-line results. By describing the feature, he has dug himself into a hole and created a negative atmosphere.

Features have a flip side, however: benefits. People understand benefits more clearly as they relate to their own setting. Reps must translate for the customer *how* the features meet the expressed needs—in other words, how the benefits tie to the features. Therefore, it remains so important to, first, find out what is relevant (which the rep in the above scenario did not do) and second, develop needs *before* talking about features and benefits. And—to develop needs—the rep must ask insightful questions. Equally critical, he/she must be fluent in knowing what separates their lab from the competitive offerings.

In many cases, a prospect will object or stall the sale if one or more of these six statements is true:

1. There has not been sufficient trust built.
2. The right questions have not been asked.
3. The right questions have been asked, but the rep has not listened to the answers.
4. The salesperson presented the wrong solution.
5. There has not been enough value creation to offset the "no interest" attitude.
6. The sales rep has tried to move the sales process along too quickly.

In the world of laboratory services, customers have three main categories of objections. The first and most common equates to an *excuse*. An excuse is a reason given to conceal the *real* reason for an action. Statements such as "Your lab is too far away" or "The print on your requisition is too small" might be considered excuses.

The second category is *objection*. This is an expression of opposition, disapproval, or challenge. Some examples might be "I don't like your lab report—it's too difficult to read" or "Your lab doesn't use the method I need for XYZ test."

The third category is a *condition*. This means there is a genuine reason for not moving forward with any more discussion. Examples may be "We have many patients with XYZ insurance, and your lab doesn't accept that coverage" or "The hospital owns this practice, and we're expected to support their lab."

In some cases, either objections or conditions may be expressed as an easy excuse to allow the client to end the conversation. Depending upon the situation, it may be best to ascertain whether the objection/condition *truly* impacts further discussion and decide how to proceed from there.

Point 8. Closing is more than using overused closing techniques

No other area of sales seems to be as popular as closing. There exists a universal proverb: "The ABC of selling translates to Always Be Closing." The definition of a close remains paramount. A close equals *anything* that puts the customer in a position involving commitment. Period. It could pertain to meeting an objective: getting an appointment with the decision-maker or setting up a lab tour. Or it could be an agreement to give the representative a test mix. A "close" is *more* than just getting the client to say "yes," to choose the rep's lab.

The second important point rests with the fact that people tend to be immune to traditional and trite closing techniques when it comes to large sales. In settings involving a small sale, however, selling pressure seems to work effectively. Thus, if a salesperson asks, "Would you like to buy this ink pen or this other one?" people may move forward and make a purchase due to the "pressure" of making a decision of one over another. However, this type of alternative closing technique may turn off a prospect when dealing with more involved, more thought-provoking services, such as using a laboratory.

The ideal situation is to have the client essentially close him/herself. One accomplishes this through adroit questioning techniques and by knowing the lab's basic differences from the competition. As the twentieth-century American poet E E Cummings once wrote, "Always the beautiful answer who asks a more beautiful question." Questions from the salesperson can create *discovery* in the prospect's mind; questions can create customer "ah-Ha" moments. Once that occurs, closing becomes far easier and more effective. Bottom line: Closing consists of more than using traditional methods—much more.

Point 9. Know your lab and your competitors—in your sleep

The title of this section expresses the obvious, but it will always be a topic requiring constant attention. Many sales managers and directors will admit their field teams do not know their opposition well enough. In simple terms, reps cannot sell effectively unless they understand what the competitors offer versus their own lab. The list of differences can include a broad range: in-house testing capability, name and location of referral lab, time of pickup, lab location, professional staff, client services department and billing, phone hold times, methodologies,

report format, turnaround time on routines and send-outs, billing protocols, pricing, components of certain profiles, patient draw center locations and hours/days of operation, wait times at drawing centers, courier logistics, supply turnaround time, educational materials, lab heritage—the checklist extends beyond pick-up and next day report delivery. Successful salespeople are knowledgeable about these intricate details, and they use that knowledge to their advantage to question their way through to a positive outcome.

A thought-provoking challenge once came from a head physician: "*Don't give me all this stuff about great turnaround time, high quality testing, good customer service, EMR connectivity, patient draw centers—I get all of that from my current lab. Tell me what makes your lab so different than the one I'm using now.*" If this question shocks a representative—making him or her look like a deer in the headlights—the rep doesn't know his/her lab or the competition well enough. Reps should be *comfortable* differentiating their lab service after they uncover what the customer feels is important to the client situation. Identifying differences between the seller's lab and the competition should be a constant discipline. It can be accomplished through intensive internal training and then, from the competitive side, through questioning clients, through general observations, through reviewing websites and marketing literature and, sometimes, even through strategic phone calls to competing labs.

The nine principles given in these pages this month and previously offer only a brief synopsis of selling lab service fundamentals. It does not matter if the rep is a service executive who wants to increase revenues from established accounts or someone whose responsibility lies solely in new business development. If labs want to be successful, they should teach and offer coaching in these subjects to have their field personnel be at the top of their game—every day.

Published in the July 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

