SALES SUCCESS IN LAB OUTREACH
THE ESSENTIALS AND MORE

How Local Labs Are Winning the Sales and Marketing Battle

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OVERVIEW

- What are the essential elements?
- Going beyond essentials – creative approaches
- Avoid these mistakes
- Real-life success stories
- Summary
“Nothing happens until someone sells something.”
ESSENTIAL ELEMENTS
SALES AND MARKETING PLAN

- Overall strategy (objective, scope, advantage)
- Operational internal overview
- SWOT analysis
- Information Technology (reports, connectivity)
- Sales educational program – how often, what topics
- Fee schedule(s)
- Current and prospective client lists
- Client Relationship Management tool
- PSC locations
- Logistics (incl. specimen integrity containers)
- Insurance contracts/billing
COMPETITIVE STRATEGY

Strategy essence = activities
  ◦ Perform same activities *differently* than competitors
  ◦ Perform *different* activities than competition

Example:
  ◦ Answering in-coming calls: live person vs. auto-attendant
  ◦ Service recovery meeting: supervisors (IT, phleb, sales, ops, logistics) meet to discuss client issues, get resolution
MARKETING MATERIALS

- Capabilities brochure
- Professional staff roster
- Insurance list/exception list
- Connectivity information
- Patient service center list
- Contact list (Cl. Services, courier, rep, professional staff)
Number of people depends on several factors:

- Geography coverage
- New business expectation
- Hybrid rep or individual sales and service
- Previous sales experience or internal person?
CONNECTIVITY

- HITECH Act
  - EMR adoption
  - Incentive payments – meaningful use

- Numerous advantages
  - Eliminates errors
  - PSC test request retrieval
  - Provides more “glue” to relationship
Representative Training

- Internal orientation (courier, billing, pricing, supplies, tests, client service, connectivity, IT reports, sales reports)
- Field (strategy, tactics, objections)
- Compliance
- Education on selected tests and/or methodologies/clinical guidelines
Need robust billing system

Hospitals: use out-sourced billing company

- Typically see double-digit increase in cash collections
- Experts in:
  - Unbilled claim management
  - Claim denial management
  - Bad debt management
GOING BEYOND THE BASICS
Patients becoming more involved with lab choice

Top labs focus marketing to patient

- Decal on office window: *XYZ Lab provides laboratory service for this practice*
- Participate in health fairs
- Create tear-off sheet with PSC listing (map and hours)
- Offer convenient PSC location, “warm-and-inviting” décor with well-trained, customer-friendly employees
- Provide patient education link on website
- List of accepted insurances on website/hand-out
- Provide video tour on website
- Send promotional postcards to patients
Top labs request monthly sales pipeline from representative

Contents:
- Is it Rich?
- Is it Real?
- Is it Right?

Emphasis on prospecting and qualifying for new business
FIELD COACHING

Top labs have experienced coach ride with rep
- Offers constructive feedback
- Discusses next steps
- Reviews account strategy
- Provides role-play opportunity
Successful labs hire sales manager or virtual sales manager

- Teaches intricacies of strategy and tactics
- Focuses on early stages of sales pipeline
- Rewards high performers
- Establishes one-on-one meetings with rep to discuss territory, review obstacles, performance, etc.
COMPENSATION

- Effective comp plan aligned with:
  - Sales strategy
  - Company goals

- Top labs combine:
  - Competitive base salary
  - New sales variable incentive
  - Attrition control incentive
COMP PLAN OPTIONS

- If sales < monthly (quarterly) budget, pay small commission (e.g. 3%)
- Increase commission at budget (e.g. 6%)
  - 101-104% over goal = 7% commission
  - 105-109% = 8% commission
  - >110% = 10% commission
- Some labs pay based on percentage growth > average of prior 6 months
MORE COMP OPTIONS

- Percentage based over/under YTD goal
  - Under YTD goal (80-99%) = 3%
  - Over YTD goal = 6%
- Quarterly (or yearly) bonus for exceeding goal
- Quarterly payouts for maintaining business
Top labs draw help from top management down to create a differentiating strategy

- In-house testing
- Test methodologies on certain tests
- Professional staffing
- Billing policies
- Connectivity
- Testing location/logistics
- Requisition forms
- Call-back response time
- Preliminary culture report TAT
- Wait times at PSCs
- Supplies
- Heritage
UP-SELLING

- Top labs train reps to generate revenues from existing clients
  - Liquid-based cytology add-ons
  - New tests implemented in-house
  - Methodology updates
  - Companion testing
  - Testing guidelines from medical societies
- Cross-selling various hospital services
Top labs data-mine

- Evaluate test activity – look for up-sell and/or educational opportunities
- Survey insurances from each client to ensure lab receives all it can accept
- Create monthly test volume variance report and compare against previous three months
Not having a specific job description for the field person
No training or coaching
No CRM tool
No differentiating strategy
No written sales plan
Not utilizing the resources of your reference lab/reagent vendors
Setting unclear expectations
REAL-LIFE SUCCESSES
PROPATH

- Double-digit growth rate over past 10 years
- Look for successful reps who come from high “no” industries, e.g.
  - Payroll
  - Advertising
- Focuses interview:
  - Strong organizational and selling skills
- Uses salesforce.com as CRM
  - monitors sales activity
  - posts rep standings
Compensation plan
- Pay high variable compensation for new sales
- Pay for maintaining accounts
- Pay only for profitable accounts

Motivational components
- Award for most new sales for quarter
- Award for most improved over previous quarter
- Annual contest
  - 3 days at Four Seasons
  - 3 days extra PTO
Added sales director, internal business analyst and sales support specialist

Divides reps into Account Managers (service) and Account Executives (hunters)

Encourages sales management co-ride support

Creates test “buckets” by therapeutic area
  ◦ Evaluates profitability in each bucket
  ◦ Helpful when training new hires
“Quarterly Focus” marketing campaigns
- Marketing staff develops promotional literature around quarterly initiatives
- Provides specific direction for field staff

Pain management = +55% over prior year
- Offers patented test (Patient Protect)

Offers President Club award to top performers

Invests in continual sales training
Use QR codes on advertisements, PSC tear-off sheets and other marketing materials

Several direct-to-consumer mail campaigns per year

Place decal on window
  - “HNL provides laboratory services for this practice”
Media mix
  ◦ TV
  ◦ Print
  ◦ Outdoor

Provide 30-40 health fair/expo screenings (cholesterol/glucose) per year
Once a year with SNF accounts, rep has sit-down “enhance partnership” meeting with decision-maker/highest level possible

Annual business review of key service aspects
  ◦ Turnaround time
  ◦ Courier services
  ◦ Connectivity, IT services
  ◦ General service level perception
  ◦ Any upcoming client changes, buy-outs, etc.
  ◦ Lab communication to client
  ◦ Anything lab needs to improve upon?
  ◦ Is the representative visit schedule satisfactory?
  ◦ Provide an overall grade – A,B,C,D
  ◦ Asks clients to sign and date the form
Winning labs have strong focus on ...

- Developing comprehensive business/strategic plan
- State-of-the-art connectivity – EMR interface
- Robust billing system or hire outside billing company
- Knowledgeable/trained sales staff
- Professionally prepared marketing materials
- Motivational compensation plan
- Experienced manager/coach or hire “virtually”
- Test/methodology education to clients
- Analytics to help sales rep “dig” into clients
- Marketing to patients as well as providers
“Marketing is too important to leave up to the marketing department.”
THANK YOU!

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