Making sales *sizzle* for success

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Targeted and managed right, sales is a direct, powerful tool for building long-term customer relationships and market differentiation

by Carolyn Merriman

Today's marketplace is cluttered with communication and messages; we're all overloaded with information and appeals for our business and loyalty. The day-to-day lives of our customers aren't any different—so how can a hospital gain valuable, trusted access to its key customers?

A face-to-face relationship sale provides a personal, direct opportunity to build a trusted relationship. Sales is a mechanism to deliver specific, measurable results. Sales also allows you to customize messages for your customers to meet their needs and ensure that they know what you have to offer specific to those needs.

Sales and its right uses

Many still consider sales a four-letter word in healthcare. But increasingly, provider organizations are adding it to their business development and growth strategies for specific, targeted customer populations. Sales, as we define it, is the "process of matching the needs of the customer with something of value you have to offer."

In healthcare, we sell to customers every day. And the key customer populations we need to consider in building our sales effort are: physicians, employers, payers, and consumers.

Sales isn't intended to replace your marketing, advertising, or communication strategies, but it can supplement them or serve as the primary initiative. In the past five years, there has been a steady increase of healthcare organizations building or enhancing their employer- or physician-directed sales strategy.

Organizations launching sales strategies utilize different methods or rationales for funding.

- Some will shift advertising or service-line dollars.
- Others will establish sales' contribution to either key services or the organization overall.
- In some cases, organizations will fund a sales/service team to retain the business they already have and grow targeted referrals.

What makes a sales program successful?

Sales is one component of the marketing continuum—and an expensive component at that. Face-to-face relationship sales efforts can cost upwards of $250 per call.

These encounters require a strategic, customer-focused plan based on analysis and "owned" at the top of the organization. The sales plan should be integrated into the overall customer strategy, with targeted prospects and customers, a solid product offering, clearly defined standards and outcomes, and regular review/course correction. It requires the right staff with the right training and messages.

A business plan focused on key customers

Organizations opting to utilize sales as their customer strategy should first develop a customer-specific business plan. This plan should evaluate current referral data. For example, an organization that wants to develop regional referrals into its tertiary facility might review key ZIP codes in primary and secondary markets, review patterns of primary care and internal medicine referrals from the region, and identify gaps, vulnerabilities, and opportunities. These all are tied to the internal service-line strategic initiatives.

What makes this business plan different is its *analysis of the customer*. Rather than looking at the hospital and the service lines, this kind of plan focuses on customer referral or buying patterns, competitive issues, and marketplace opportunities that can feed the organization strategically in terms of retention and growth. See Business Plan Model

The business plan should justify and formally frame the customer strategy, approach, and organizational opportunity. Doing so also ensures leadership's commitment to resource allocation and the organizational goals with this customer group.

Finally, the business plan gives the organization an opportunity to address barriers to the customer's ability to buy or refer.

Here, planners can study areas such as product readiness, capacity, or access. Making this part of the plan establishes a heightened awareness of the operational support needs in the proposed service areas, and paves the way to make sure service lines are poised for new business.

Leadership's role

Many strategies and programs can be developed from within a healthcare organization. Sales, however, must be developed and owned at the leadership table.

In more than 20 years of setting up programs such as these, time and again we've seen situations where the leadership commitment wasn't present—and the effort failed. This doesn't mean leadership has to be "sales," but they do need to commit to some key concepts:

- Customer strategy
- Operational preparedness and consistency
- Support and management of issue resolution
- Structure to support sales.

Some sales strategies will engage leadership in relationship management with key targeted physicians or employers. This usually is a retention strategy—keeping the business you can't afford to lose—and focuses leadership in ongoing discussions with customers who want access to them.

This approach allows the sales staff to focus then on new business opportunities for the organization, while optimizing current customer relationships, with the value of consistent interactions with key leaders.

Another way to engage leadership in the sales strategy is through market intelligence. The sales staff in the field generates an incredible amount of information about the customers and their needs. This information is timely and pertinent to organizational decisions, and can affect services, staffing, and communication methods.

Examples of market intelligence would be information about:

- Physicians who may be considering retirement or recruitment.
- A competitor offering a new program in the market.

- ❑ An employer that's adding 1,000 employees to its local plant and will need expanded healthcare services, including health plan contract expansion.

Develop a mechanism to track and report both quantitative and qualitative market intelligence to leadership.

Some leaders we've worked with conduct regular meetings with the sales team to review strategy, market intelligence, and program offerings.

Right people in right place with right skills

There's no magic formula for getting the right people in sales positions. But it's important to build the position criteria that match your organizational strategy, desired outcomes, culture, and—most important—the customer's style. From there, identify your "must haves."

Develop a plan for matching product and operational and sales training to enhance the candidate's skill set.

Hiring right

That said, there are some keys to hiring right:

- ❑ Sales ability. Success depends on the capacity to conduct a dialog with the customers, listen and learn about their needs, focus on service-oriented selling, and position solutions to meet the customers needs.
- ❑ A knowledge of healthcare services and your organization.
- ❑ Self-motivation, discipline, and ability to persevere.
- ❑ Articulate and professional presentation, able to represent the organization's leadership with key customers.
- ❑ Ability to think and act on their feet. It's important to be flexible, but also consistent in representing the organization.
- ❑ Ability to think strategically and tactically.

A hint from years of experience: Try to conduct behavioral-based interviews with sales candidates.

Have them role-play a sales or service scenario that will demonstrate their ability to manage a customer situation, and test their speaking ability and ability to think on their feet.

Setting performance standards

Sales positions are expensive, and must deliver a return on investment. Consequently, many organizations build performance standards specific to their assigned customer outcomes. These standards are a blend of activities, behaviors, and results.

Most organizations have already set the required behaviors, so areas open for development are:

- ❑ Activities required to develop the business.
- ❑ Sales results.

Effective performance standards must be specifically articulated. Each standard must be defined in terms that clearly state what is acceptable in order to receive credit. For example: A face-to-face appointment with a physician counts when it has a pre-planned and defined objective, the appointment is held, the physician profile is updated upon completion of the appointment, and a next planned action is scheduled.

Performance targets for a physician sales representative might look like these:

1. Achieve 15 face-to-face appointments per week with physicians.
2. Facilitate 5 specialist meetings with targeted primary care physicians per month.

3. Arrange for 5 new referring physicians to attend a continuing medical education program or tour at the hospital each quarter.
4. Increase referral volumes into cardiology by 10%.

Providing appropriate training

Finally, organizations that expect sales success need to provide training and ongoing staff development to people serving in the sales roles.

There are three types of training to be offered: 1) product and organizational training, 2) classroom training on sales skills and customer types, and 3) field training.

A new hire needs a customized orientation plan encompassing three to six months of exposure to the organization and its products and services, and sales skills. Based on the individual new hires' skills, you should custom-develop their exposure to the organization and make sure to "test" their level of learning and capability, using what they've learned.

Remember, this is a critical strategy and one that everyone will be looking at—so make sure the sales staff are ready to work with internal and external customers and do the job well.

Field training must provide the ongoing monitoring and staff development that are required to strengthen strategic focus and sales results. This participation also allows the sales manager an opportunity to observe the customers and important marketplace issues, to provide direction to the sales staff's management of their assigned responsibilities.

If others from the organization are involved in the sales effort, work to provide them with sales training, scripting, and message development. These individuals might include representatives of the leadership group and operations, and product specialists who might participate in team selling opportunities.

Letting salespeople sell

Leadership's commitment to sales—and the infrastructure needed to support the effort—is critical. One place where this need comes up again and again is in managing service complaints and issues.

While it seems logical for the salespeople to stay connected to their customers no matter what, that doesn't always hold true in service.

If an organization really wants to grow the business and hires a salesperson to generate new business—but that person then ends up in-house trying to find solutions and fix problems for customers—they've set themselves up to fail at sales.

Besides, what operations area wants a salesperson telling them how to fix their problems? Rather than make the salesperson the "fix-it" person, we've found it's best for the operations side of the hospital to own the service and issue resolution process. This works on several levels.

Operations:

- ❑ Owns the product and its delivery.
- ❑ Knows best how to build process improvements that can be applied overall, rather than fixing each problem as a separate incident.
- ❑ Can form teams able to communicate their product expertise to an end user.
- ❑ Can be accountable to the customer, and understand its role in "keeping the business."

Many organizations will house this function under the Chief Operating Officer or Quality Leadership Team. Usually, they'll integrate it into current satisfaction or complaint management systems. But to prioritize resources, organizations also need to develop a system to track and report customer-specific complaints and issues.

The bottom line: Let the salespeople stay focused on their sales goals, and have the internal team manage the customer delivery and satisfaction.

Proving the results

Because this is a new strategy and in most cases focused on growth, it's critically important that you be able to track, measure, and prove the results.

Use the customer-specific business plan to identify the organizational and service-line-specific outcomes you want from the sales effort.

Strategy tracking

Arrive at an agreement with leadership and the finance and information systems functions as to what will be tracked, measured, and credited to the sales effort.

It's easier said than done, and you'll need to put this component in place well before sending salespeople out in the field.

You'll need to create a baseline of measurements—whether organization-wide or by service line. We recommend three-year trended data, if available.

Some organizations will actually track revenue and volumes by each specific physician and employer customer, and by the services they refer to.

Sales tracking

In order to measure the sales staff's performance, you will need a system to track and measure their activities and results.

Many organizations use a sales contact management software system that has customizable fields applicable to the staff's activities, and specific services that will be sold or represented.

Again, this is an *infrastructure* piece. It is integral to the long-term success of the program, and the sales staff's efficiency in customer relationship management.

Integrating with other departments

Remember, your sales strategy doesn't exist in a vacuum: It has to be integrated into other initiatives, too.

For example, if you're planning an extensive consumer marketing campaign for women and heart health, it might be important to:

- ❑ Preview the messages to physicians,
- ❑ Develop a physician-specific communication plan,
- ❑ And ensure that the sales staff is aware of the campaign, its call to action, and its role in their meetings with targeted physician practices.

If at all possible, develop a *customer-focused* marketing communications campaign. Make sure your customer-specific business plan is tied to an integrated marketing communications plan and materials—and supported by a sales strategy to deliver specific referral results.

Think about the other internal touch points that might affect the customer's experience with your organization: the call center, the front desk, newspaper ads, registration, the service or information center. Are these touch points appropriately integrated into your overall customer strategy?

Enhancing the sales program as it matures

Last, but not least, plan for your sales effort to mature. With success also comes the temptation to become distracted from the original purpose, dilute the effort, and just plain become bored.

Consider these steps for growing and enhancing your program:

- ❑ Evaluate the sales effort and customer results annually.
- ❑ Update the business plan.
- ❑ Identify new service offerings to meet customer needs.
- ❑ Fine-tune messages.
- ❑ Enhance the depth of the service offerings through clinical expertise, technology, access, or education.
- ❑ Establish increased tactical steps for your sales team. Seek a desired depth of relationships with customers in order to continue to grow your team's effort and the outcomes for your organization.
- ❑ Evaluate staffing in terms of sales to drive growth and supporting retention strategies.

What you get: Sales as a differentiating tool

While sales may not be for every organization, we have seen a significant upswing in healthcare organizations that are trying it with their physician and employer markets. In today's cluttered marketplace, hospitals are pressed to gain access and time, and establish differentiating value with customers to capture their referrals.

Organizations are finding it imperative to have meaningful, credible discussions with customers who control the patient population—which in turn determines their survival.

Sales isn't meant to replace other efforts and, yes, it has to fit within your culture.

But sales can be successful if you build the strategy for the right reasons, if you hire the right people and provide them with the right tools to do the job, and if you stay focused on the desired results.

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