

Lessons Learned? Why Healthcare Sales is More Important Than Ever

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Is sales becoming the valued part of healthcare marketing and business development it could be? Only three years ago, we were still tap-dancing around the concept. (See our February 2000 article in Healthcare Marketing Report - "We Don't Sell Here...This is Healthcare.") Have we advanced any farther since then?

At that time, there was intrigue about the sales model, and lots of interest and activity in developing sales by service line. While some organizations were examining sales to get more business from their targeted customers (physicians, employers, payers or consumers), they were entrenched in the "inside-out" model. The belief was that sales was a tool to "tell customers what they ought to know about us" versus looking at sales from a customer-driven perspective.

As sales gained interest, departments/services wanted their own salesperson – an "expert" to focus on their product and messages. Much like pharmaceutical sales, we did a good job using a targeted focus and had knowledgeable people, in some cases, "telling and selling" about their specific service. In many markets, the effort resulted in a deluge of sales calls on the same physician or employer. And in return, we lost opportunities and cost efficiency, created chaos and confusion—and just plain forgot the customer.

Fast-forward to the present. We've made some strides, and while it is still a foreign term for some, many are getting increasingly comfortable with sales as a part of their strategy. Admittedly, however, we do use terms like physician relations, referral development or outreach to describe sales programs. And frankly, most realize that there is a lot going on in the healthcare environment that demands we embrace sales as a way to build our brand, educate and inform our customers and grow our business.

In today's marketplace, there's more pressure than ever to face reality, look closely at industry trends and recognize that Marketing/Business Development areas are being asked to develop growth strategies by:

- Increasing volume
- Retaining existing referrals
- Creating a framework for loyalty in a market where it is often fleeting
- Defining which relationships with customers are key to success
- Creating pathways to assure that communication happens consistently
- Demonstrating measurable outcomes and ROI

It's not a cheap proposition, however. The average cost of a face-to-face sales call is around \$285. While costly, direct sales also can generate a valuable and profitable customer—if you focus on the customer who's the right fit for your organization and services. The results can yield repeat referrals, increased service line utilization and new business for your organization. In short, we need to be effective and efficient. We need to get the nod from the buyer or referral source. To do that, we need to focus on the customer and meet their needs – not ours.

Taking Sales Seriously: The Must-Haves

Our industry has evolved, but our mindset about sales in many ways hasn't. Maybe it's a fear of the unknown, a hesitancy to implement a model that's uniquely different than healthcare's historic practices.

A healthcare organization that commits to a customer-focused sales strategy is positioned to have proactive, dialogue-based relationships with its targeted customers over the long term. Sales demonstrate measurable results, serves as your pulse on the market and your competition, and supports your growth and retention strategies. In its purest form, *sales is about meeting the needs of the customer with something your organization has to offer.*

First and foremost, we need to treat sales as a viable approach, not an experiment, or a “let's try it and see what happens.” Whether you're just starting a sales program, or if you feel your existing program has some pieces missing, there are must-haves for development of a solid sales model:

- Leadership commitment
- A business rationale with background and a plan with marketing goals and opportunities
- A solid infrastructure
- A sound staffing model
- Organizational buy-in
 - Ability to deliver on the promise
 - Recognition that sales cannot fix operational problems
- The ability to track and demonstrate results

Step 1: Sales as Modus Operandi

Healthcare has been slow in adopting a retail/sales strategy, saying “Oh, that wouldn't work here.” In reality, there's much to learn from those in other industries. Benchmarking—looking at the “outside” world and applying their sales success to healthcare—can be helpful for moving forward.

Retailers like Nordstrom and Lands' End set the standard for customer service years ago, and continue to cater to customers' wants, needs and desires. Ritz-Carlton demonstrates the same commitment in the hospitality industry. And Caterpillar's culture among employees as well as vendors shows how a company can walk the talk and get results.

The unifying element for all of these companies: They understand who the customer is and they put the customer first.

One of the most important things we can realize, and help everyone in our organization realize, is that we sell every day of our lives. With every customer encounter, we have an opportunity to paint a positive picture of the “brand.” That’s the advantage of employing a formal sales strategy and approach, and one of the most valuable ways to see the cause and effect of sales in today’s world. The payoff varies but is often designed to:

- Build customer trust, loyalty and retention
- Develop “to the minute” market intelligence
- Sell deeper and wider to realize new opportunities
- Grow your service line, your customer base and your bottom line
- Find a niche in your market and an edge over competitors
- Spread the word about your brand and its value.

Sales is today’s walking brand. It brings a healthcare organization to life for the customer. When you create a brand people recognize, learn to trust and come back to, you’re creating a long-lasting relationship—as well as positive word-of-mouth advertising.

Step 2: Talking to the Target Customer

Painting a picture of your brand is only part of a sound sales approach. Another is determining whom you want to paint that picture for. The more targeted your customer, the more potential payoff in your sales effort. And direct selling is one of the most focused ways to position what you offer.

If your desire is to increase referrals from Smith County into your cardiac program, take a look at which physicians you might target. If it’s increased referrals for cardiac surgery, then medical cardiologists are the targets. However, if it is outpatient cardiac testing, then you want to target the primary care physicians in the area. Take the opportunity to look objectively at your list and zero in on the group from which you can find the greatest potential based on the services targeted for growth.

Targeting your customer is eye opening. The organization may assume you “own” a customer or market, but in many cases you don’t. Make the time to review the current referral base for your services and develop a plan for broadening that base.

Step 3: Stay Focused

With all of the distractions that we face in healthcare today, it is easy to assume a sales program can be the fix for all the volume needs of the organization. For success the expectations must be objective and realistic. There needs to be good research and thinking about what customers want as you define your focus. By doing so, you can then demonstrate success to the organization and garner internal support to further grow the program. Those organizations that have successfully implemented a sales strategy have started with a targeted focus and demonstrated return on investment so that they could gain additional internal resources to build the next stage of the program.

Building incrementally rather than trying to be “all things to all people” is the key to success.

Step 4: The Right Stuff

After years of cost cutting initiatives, healthcare organizations now realize that the key to survival is growth. Sales can be a key driver in supporting those growth strategies, but this time we need to do it right. Every organization needs to customize each effort to the desired customers, marketplace and our internal environment.

Sales is “right” when:

- Leadership is committed and engaged in the sales strategy.
- The right people are in the right place.
- The right strategy is coupled with the right targets.
- Managers provide the right kind of training.
- There’s the right kind of agreement on desired outcomes and the management of success.

To assess your progress to date, ask yourself the following questions:

- What were the hurdles in implementing a sales program?
- What was the general attitude toward sales in your organization?
- Has the business climate in your market in the past three or four years made a sales program even more important to your success? How?
- How have you demonstrated the business case to develop your sales program to Leadership/others in your organization?
- How have you changed any previous sales efforts to respond to market conditions?
- What have been the payoffs in implementing a sales program?
- How can you build on your successes to date?

The outcomes from a sales effort make it worthwhile to consider if there is a need to enhance relationships and grow the business. Starting with a clear focus and a plan that provides direction, you can begin to craft an approach which enhances your value, connects the messages and assures the customer of your willingness to create a differential approach.



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