

## Many Sales Functions Organized for Failure

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Author: Carolyn Merriman, FRSA, President

“You can get everything in life you want if you help enough other people get what they want.” –Anonymous

Effective sales management validates this philosophical statement. “The effective sales manager achieves both personal and professional success by developing the mechanisms and processes by which all customers – internal and external – get what they want,” says Carolyn Merriman, president of Corporate Health Group, East Greenwich, Rhode Island, and speaker at SHPM’s 6th National Symposium on Health Care Sales.

Sales management has changed dramatically across all industries in the past five years. Re-engineering, downsizing and increased competition are just some of the issues driving these changes. Customers are better-educated and savvy in regard to the purchasing process and decision. This sophistication and today’s competitive market require well-trained and knowledgeable sales staff and management. They also require specific emphasis on identifying the differentiating factors which drive the purchasing decision. Finally, they require that the sales function be held accountable for tangible, measurable results tied directly to the organization’s overall strategic and financial goals.

Most organizations structure their sales function for failure, says Merriman. It is most often treated as a department, small unit or loss leader and has not been integrated into the organization’s overall strategic and financial objectives. Historically, sales management has not even been recognized as a specialized, full-time function. Rather, it has been assigned to product line or department managers as 10% to 20% of their job or worse yet, delegated to individuals as “miscellaneous other duties as assigned.” Some healthcare organizations have utilized the vice president of public relations, marketing, planning, business development or financial operations as the “part-time sales manager.” Moreover, organizational support, such as business or marketing plans, sales objectives and outcomes, and infrastructure support is lacking. The salespersons themselves are left building the infrastructure and management tools while being held accountable for the selling they were hired to do. This is a set-up for failure.

“Administration must see that sales has value to the overall organizational success as measured in revenue, client management and market share,” says Merriman. Sales will play an increasingly valuable role in the development of profitable relationships as organizations work to remain viable in the long run in this competitive environment.

Merriman advises healthcare organizations to reevaluate their sales, marketing, public relations, teleservices and clinical and operations delivery as they relate to the core target audiences with which they desire a partnership. Proactive organizations are not simply focusing on the internal operations such as developing integrated delivery systems and outcomes measurement of clinical functions. They are building systems which encompass all processes which impact upon the relationship with key target audiences. They are focusing on choosing the customers with whom they want to develop relationships, strategizing means to establish the relationships and planning ways to maintain the relationship.

Merriman warns that structure alone will not guarantee success. Hiring qualified and competent staff is essential for success. First, the organization must outline the functions required of the sales manager. This list should include the following:

- Develop a sales philosophy for the organization and tie this to the organization's strategic financial goals and objectives.
- Identify top-level administrative sponsorship and commitment.
- Establish communication, education and ongoing administrative involvement in sales efforts.
- Identify all key target audiences and distribution channels desired by the organization.
- Identify all internal products, services and processes available to be "sold" to identified audiences.
- Identify strengths and weaknesses for sales and marketing, competitive positioning and internal enhancement requirements to products/ services to be accomplished before including in the portfolio.
- Build sales marketing plans with strategies and tactics to address the distribution channel and the outcomes desired with each target audience.
- Develop a solution sales approach and presentation for each target audience – all designed as benefit statements (i.e., how does the relationship with your organization provide benefits to the customer's business or needs?).
- Recruit and train sales, delivery and product line managers as well as customer service staff.
- Build a sales plan – the macro to set overall goals and objectives with micro sales (per salesperson, territory or target audience) action plans. Set reasonable and achievable goals tied to organizational strategic and financial initiatives, while providing staff the ability to meet or exceed measures.
- Establish tracking, measurement and evaluation mechanisms and processes. Tie to performance standards, measures and compensation programs.
- Build organization sales and marketing tools such as letters, proposals, public relations and marketing support, product profiles and pricing, product clinical and operational delivery processes and customer service management systems.
- Motivate sales staff to stay focused on their goals and objectives and minimize time-consuming administrative meetings or other tasks, which keep them from their sales activities.

So how do you find the perfect individual to fulfill this function? Make sure the candidate has the right blend of experience and personality to fit the bill. Focus the

interview by asking for specific past experiences and examples, says Merriman. Here are a few questions to ask:

Describe a day in the life of a salesperson. If they cannot answer this question adequately, they undoubtedly lack direct sales experience and may have a difficult time identifying with the struggles of the sales force.

### **What Can Your Organization Do to Ensure a Successful Sales Effort?**

- Take a close, careful and honest look at your commitment to the effort. Look specifically at the following areas:
- Has administration developed the integrated system approach tied to the annual strategic goals and objectives? Are the efforts focused on strategic and financial outcomes? Is there an infrastructure to support the process and provide ongoing top-level administrative involvement?
- Has the organization provided a financial commitment to the process for a minimum of five years?
- Is your organization too internally focused? Do you know who the customer is, what they need and what they expect?
- Are you able to establish and maintain long-term relationships?
- Remember – it is more cost-effective to keep a current customer than to find a new one.
- Do you have strategic and financial goals which hold yourself accountable to the board, trustees, employees, the community and your customers?
- Do your job descriptions contain key accountable and focused functions, performance standards and measures which match the strategic objectives and outcomes?
- Do your compensation plans support the accomplishment of these objectives and outcomes?
- Can you identify percentages of time and money which are inefficiently and ineffectively being allocated to sales, marketing and customer service and management efforts?
- Do you have an integrated, full-time, professional and dedicated team working each distribution channel and targeted customer audience?
- Are internal systems and operations being managed to keep sales people focused on external results? In other words, are you allowing your sales force time to do what they were hired to do?

Ask them to define success in a salesperson's activity. Do they look only at the number of sales calls made or are they looking at the final numbers such as contracts signed as a result?

Ask them how they would deal with a problem employee. You may provide the scenario or allow them to relate a story from past experience.

Be sure to check for the following qualifications:

- Experience in intangible or service-oriented sales efforts
- Experience managing and coordinating multiple product lines, sales process, sales and customer service staff and administrative sponsorship
- Knowledge in the development and implementation of field, classroom and ongoing skill-based sales and customer service training
- Ability to translate the big conceptual and organizational strategic objectives into sales and product line objectives
- Ability to recruit, manage, train and retain sales staff
- Ability to interface with internal customers within the organization
- Ability to manage the sales staff's strengths and weaknesses effectively

As a final note, Merriman cautions, "Remember that you get what you pay for."



Carolyn Merriman, FRSA, President, Corporate Health Group,  
[www.corporatehealthgroup.com](http://www.corporatehealthgroup.com), 1-888-334-2500