

## Sales Organizations and Strategies in a Managed Care Environment: Part II

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### Philosophy and Approach

An organization must determine the sales and marketing philosophy, approach and methodologies consistent with its organizational culture and desired relationship outcomes with a specific target audience. For instance, a not-for-profit healthcare organization should elect a sales and marketing philosophy and approach consistent with its mission, values and commitment of services to the community. A for-profit healthcare organization may drive and sell key business relationships with physicians (purchasing the practices and employing the physicians), payers (contracting and cost management) and employers (direct contracts, managed care discounts and care management programs.)

The organization must then develop the target audience mission statement, staffing and management, team structure, objectives and plans consistent with the philosophy and approach. Once these are established, the customer-focused team develop the process and methodologies by which they plan to approach, build and manage customer relationships. This may involve database management, teleservices, surveys, telephone prospecting, face-to-face direct sales, individual or team selling, coordination of delivery and clinical services, product development and enhancement, account management and customer satisfaction. The organization that is successful will have worked through internal operational processes so that customer management methodologies work in concert – in essence, the seamless management of a customer throughout their lifetime of purchases.

### Balance of Target Audiences and Sales Strategies

While all healthcare organizations must be responsive to the demands of managed care and cost-management, it is crucial to maintain a balance between the different needs of the target audiences and those in the fee-for-service and managed care environments. One should be cautious about “putting all of our eggs in one basket”; i.e., all sales and marketing focused on managed care contracting to the detriment of maintaining dialogues with other drivers of the purchasing decisions and ultimately the end-users of our services – the employers, their employees and families. While covered lives and cost management efforts are important, it is important to maintain and manage all viable relationships with the ultimate purchasers and end users of our services.

### Two-Tiered Sales Approach

In both a managed care (payer) or an employer/employee target audience sales approach, a strategy for success would include two-tiered sales, marketing and communication tactics. The two tiers refer to the sale and account management of both levels of customers:

- Tier One: payer/contracting and employers and,
- Tier Two: the covered lives – employees and their families.

Many healthcare organizations have been successful in landing contracts, facilitating discounts and developing purchasing relationships with employers, but many have failed at

successfully selling, marketing and communicating to covered lives. It is important to remember, that once customers are acquired, it is more cost effective to retain them than to continually have to replace with new customers. Market share, covered lives or revenues will not grow unless the organization plans for customer acquisition, account management, customer loyalty and growth of business.

### **Employer Market – Example of the Two-Tiered Sales Strategy**

A two-tiered sales and delivery approach can be effective with both employers and employees. Employers are a viable target audience for direct contracting, occupational health and portfolio sales for several reasons:

- They are possibly self-insured and own the channel of communication with their employees and their families
- They have ownership over the bottom line and want to control costs while providing “value” to their employees.
- Employers are looking for solutions which are easy to implement and offer direct involvement with the provider.
- Employers are looking for business solutions providing a return on investment which directly impacts their productivity, profits, bottom line and management of their company.
- Employers currently spend large amounts of money and time on group health and workers’ compensation issues. If employers can be relieved of or share some of this financial and time commitment through a business partnership with their healthcare provider, this is a significant target audience to seek both short and long-term relationships with, as well as bridging the transition between fee-for-service and managed care.

One of the keys is to be able to differentiate your institution/organization from others by providing employers with planned marketing and education communication strategies for use with employees, families and retirees. Examples of this in the two-tiered sales approach are:

- Sales strategies & tactics for payers and employers
- Database management
- Prospecting
- Qualifying key prospects
- Needs analysis of key prospects
- Development of customized solution to meet prospect’s identified needs
- Presentation of solution
- Management of objections and closing the sale
- Post-sales support to the customer
- Introduction of delivery, service line and customer service team members
- Discussion of team management process for the customer
- Identification of additional customer needs for future development
- Sales strategies & tactics for covered lives and employees
- Development and approval of twelve-month communication plan
- Introduction of provider, services and benefits of decision
- Orientation sessions
- Communication materials such as paycheck stuffers, e-mail, bulletin boards, posters, flyers, home direct mailings
- Education such as seminars, brown bag series, family health events and screenings

- Care management programs with tie-in to health resource libraries, physician referrals, nurse triaging components and health education resources
- Specific health campaigns and promotions planned for delivery at the workplace

### **Sales Team Structure**

The composition of an integrated sales team is driven by the needs of the target audience. The sales function may report through a profit center of the healthcare organization, or in a non-profit environment report through business development, marketing, or within the newly formed customer-focused world – through a management structure dedicated to the target audience. Some systems have centralized or integrated their sales, account management and customer service into a corporate division, within the business development unit or via a customer-focused team. In these situations, sales staff are assigned a target audience – whether physician/referral sources, payers or employer/ employees. The sales staff develops a sales action plan by target audience within their assigned territory (geographic, covered lives, company size, service line portfolio) and implements sales strategies and tactics required in order to accomplish the identified tangible and quantifiable sales objectives.

### **Management Strategies – Sales Management**

It is crucial for healthcare organizations to clearly identify the administrative sponsor and the day-to-day operational manager of the sales effort. Some organizations have recruited a seasoned sales manager to manage all sales, account management and customer service functions for all key target audiences. This produces some economies of scale, while hiring the best sales management talent for your organization. The dedicated sales manager provides support to each target audience team through:

- ☐ Development and implementation of business and marketing plans translated into a global sales plan segmented by target audience. In order to interest payers, business owners/employers, healthcare providers needs to have a carefully crafted business plan which:
  - Analyzes the marketplace by target audience
  - Explains the feasibility of services
  - Illustrates the perception of your organization, services and viability in a business relationship with the target audience, information about the competition and a SWOT analysis of both your organization and the competition
  - Provides solutions for customer needs
  - Provides a product portfolio, demonstrating solutions that meet the customer's business needs in terms of return on investment
  - Explains the sales philosophy with a methodology and approach
  - Drives a sales structure
  - Integrates sales efforts into development of services, their marketing, public relations, advertising, teleservices, delivery and clinical and customer service
  - Establishes objectives and accountability for all staff involved in the customer-focused team and the organization as a whole in meeting identified performance objectives and strategic initiatives
  - Demonstrates measurement and management
  - Development and support to individual sales people with territory sales action plans
  - Database management by target audience
  - Sales staff recruitment, management, training and development

- Coordination of sales staff with marketing, public relations, service lines, clinical, delivery and administration
- Management of personnel to performance standards, quantifiable and measurable sales objectives, sales tracking and reporting, territory and account management
- Management of compensation plans for individual and team members
- Ability to work with new service line development, introduction and launch

### **Post-Sale Strategies and Tactics**

Healthcare organizations as a whole have not successfully built proper post-sale account management methodologies and processes. The industry is excellent at building the products and services and delivering them, but “drops the ball” or loses its focus on the customer post-sale. Thus relationships and business partnerships are not valued or built to grow; they become one-time purchasing transactions. Once sold, there must be a process for account management, customer service and account growth with the opportunity to cross-sell and up-sell. There are four key stages to post sales account management:

- Support the Buying Decision – Manage and reduce the buyer’s tension and post-purchase remorse by making a follow-up phone call, sending a thank you note confirming their decision, introduce and implement the delivery of the purchase, ask the buyer for feedback and look for opportunities to provide added value service to the purchase.
- Manage the Implementation – Keep in touch with the buyer at mutually agreed-upon periods of time, assist with implementation and project approval, manage and introduce the team from your organization, monitor the progress of delivery and customer satisfaction.
- Deal with Dissatisfaction – Empathize with the buyer’s feelings, respond and manage the problem, identify and build solutions, continue to anticipate buyer concerns and expectations and reinforce the benefits of the relationship.
- Enhance the Relationship – Be a resource, stay in contact, facilitate ongoing communication that has value to the customer, add value to their purchase and relationship with your organization, maintain the quality of products or services being provided, provide reports and updates, grow your business relationship with them in a way that meets their direct business needs, ask for qualified referrals, build and maintain networks of resources between the buyer and your organization.

The customer-focused team should build a post-sales support plan, identifying who on the team is responsible for each step within the customer’s delivery, communication and account management process and “how” they will seamlessly coordinate those efforts to meet the customer’s needs. Additionally, the post-sales plan needs to identify and proactively plan for how the sales and account management team will build future customer-purchasing opportunities.

### **Summary**

In the pace of managed care, the best approach is one which incorporates a flexible but deliberate approach to sales by target audience. Organization and cohesion will map a road for the capability to participate in managed care partnerships with all targeted customers.



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