**On Lab Sales**

**Managers and Coaches**

By Peter T. Francis

Revised 08-22

Where do laboratory sales managers come from? The vast majority derive from successful field experience. Managing exists much like parenting in the sense that practically anyone can be called a “manager”—but not everyone will be good at it. A critical part of managing people also involves being a coach.

Sales managers need to change their skill set before they can consider themselves a true coach. Many managers spend significant time reviewing sales reports, managing projects, handling client problems, and attending sales meetings. Laboratory upper management, however, should expect their sales leaders to add another important responsibility: devote time in the field co-riding with their representatives. This is where the proverbial “rubber-meets-the-road” in terms of employee development. If one does not have a defined process moving their salespeople forward so they can achieve greater results, it begs the question: what stands as the true role of a manager? Managing the status quo?

**The Significance of Coaching**

The research stands as incontrovertible. Sound coaching remains the cornerstone of creating masterclass sales representatives. Great actors, top athletes and successful CEOs have coaches, because they continuously want to improve their skills. Successful labs look for ways to enrich their employees’ expertise and proficiencies. In the area of sales, part of the equation distills down to excellent coaching.

We all need coaches because we simply can’t see our own swing. It’s human nature to not self- analyze. It takes another person with a critical eye to see our strengths and help us build on them, as well as recognize our weaknesses to help control or compensate for them. Why, however, do salespeople sometimes get the short end of the stick when it comes to coaching? Some labs employ terrific managers who ask good questions, provide honest and constructive feedback and work together with the field rep to develop appropriate strategies for specific accounts. On the other hand, there exist some labs that lack such an attentive attitude; they allow salespeople to “do their thing” without any constructive development process.

Before further discussion, it needs underscoring a point: classroom training coalesces into this coaching subject, because they both contribute toward successful representative development.

Irrespective if the marketing person holds previous experience selling lab services, there should exist an on-going education schedule to review updates within the lab: tests (and their clinical significance), billing, connectivity, logistics, supplies, as well as hearing from peers the background and reasons for gaining a newly activated account. Additionally, reexamining and developing selling skills in strategy and tactics—through classroom instruction and roleplaying—stands as an important agenda (as a side point, the famous UCLA basketball coach, John Wooden, once said: “It’s what you learn after you know it all that counts”). Despite good classroom instruction, however, most reps will lose their effectiveness *unless someone experienced follows up with coaching in the field*. Coaching and role-playing parallel each other to keep a new skill reinforced and encouraged during the learning stage. Eliminate these activities and very few salespeople will maintain newly taught concepts.

# Five Characteristics of a Successful Lab Sales Leader

During my 49 years of selling and managing within the lab testing industry, I have come to realize five fundamental themes a manager should keep in mind to improve their salespeople’s effectiveness:

1. Teach how to become a brilliant strategist
2. Teach how to reposition the competition
3. Focus on the early stages of the business pipeline
4. Build a coaching culture
5. Teach the difference between efficiency and effectiveness

# A Brilliant Strategist

Strategy pertains to all the pre-planning prior to asking for the business. In fact, when I ask salespeople to define strategy, I invariably hear, “It’s planning what I want to do and say before presenting my lab service.” In broader terms, though, the true essence of strategy correlates to *the art of creating power*. My experience has shown many sales reps neglect placing any significant thought in creating an effective strategy—they simply rely on intuition. The subject frequently evolves into an insouciant reflection process when the boss asks the question, “So, Johnny, what’s your strategy with XYZ account?” In response, Johnny may say, “Well, I talked to office manager, Mary, and she seemed interested. She told me she would speak to the doctor, so I’m hoping she’ll do a good job telling him what I explained to her.” To this, the coach insightfully responds, “Johnny, first of all, hope does not equate to a strategy—and, secondly, don’t expect someone else to do your job as effectively as you can.”

The strategy component reflects a wide array of items: knowing the identity of the final decision-maker and those who are highly influential, understanding the office manager’s and the doctor’s “mental model” (perceptions, opinions) regarding their lab, what factors went into choosing their current lab, how long have they been using the lab, what are the modes of the office manager and the doctor (trouble? happy? over-confident?), developed an inside mentor to support and guide you, how much do you know about the competitor (e.g., on-site testing menu, location, logistics, result transmission, general turnaround times, in-network insurance contracts), who does their rep normally see and how often, what basic differences exist between the proposing lab vs. the incumbent lab, etc. It will probably take multiple visits (seeing several individuals) to determine the overall strategy due to the amount of information (and varied responses) required to form a good strategy. One should always remember: strategies remain in flux. New competitive information surfaces, insurance companies make policy announcements, clients make personnel changes, market conditions change, the incumbent lab—and/or the proposing lab—may make operational changes, and so forth. Account strategies may easily consume several paragraphs in a Word document. It exists as a living manuscript, complete with revisions due to internal and external forces assailing initial information. Contrast this to Johnny’s off-the-cuff statement about his XYZ account’s strategy of “hoping she’ll talk to the doctor.”

The discussion on strategy is a preamble to sales reps thinking only in terms of tactics (e.g., hoping to uncover a frustrated client). They are setting themselves up for either failure or a long, long sales cycle. The salesperson must consider a well thought out strategy *first*—based on questions and answers—and then exercise discipline and determination to see those brilliant strategies implemented at the tactical level.

# Competitive Repositioning

This topic equates to one of the most powerful methods for a salesperson to employ. Unfortunately, average reps don’t use it very often (or adequately) due to their lack of intimate knowledge of their own lab versus each competitor. Sales managers should know where their lab can create value over competitors and concentrate on reviewing it with their reps with laser-like focus. Top managers ask their salespeople to write down their answer to this query: “What are you doing in sales calls and in your strategy where, given XYZ competitor, you make our lab difficult to substitute or make our lab strategically important?” The answers reveal a substantial amount about each representative’s knowledge of his/her own employer as well as the competitor.

When contemplating one of the important lessons I absorbed very early in my lab sales career, I learned clients’ behavior and thoughts about their lab always seemed more entrenched than I ever imagined. I didn’t think it would be very difficult to sell a lab testing service, but I eventually figured out we all have—what I would describe as—“ladders” in our mind that pertain to products and services. There are things at the top of the ladder we appreciate and like more than others—say, a certain kind of car, a clothing line, a technology company—and even laboratories when it comes to healthcare. These things stay up there, and it’s hard to dislodge them unless something negative occurs (notwithstanding the effect of a hospital or corporate buyout of a physician’s practice).

The basic positioning approach revolves around manipulating what’s in the *mind*—to retie the connections that already exist. A skilled representative enters the picture and repositions the competition by saying something that makes the person think twice—not necessarily at first about the proposing lab—but about their *current* lab. Repositioning depends profoundly on a sales concept called Insight Selling. By applying insights and repositioning, one does not denigratethe competition; it simply places your lab in the “against” position. Obviously, this technique mandates considerable knowledge of your own lab vs. each competitor.

I would like to relate a classic repositioning strategy I used many years ago in which Isaved one of my large accounts from switching to another lab. I was talking to the head doctor at an internal medicine account with whom we had been doing business for many years, and my lab was billing the practice for our lab tests. He told me a local lab had proposed better pricing, and he was considering switching unless my lab could be more competitive. I will say parenthetically that I knew my competition very well. So, instead of rambling on about our high quality justifying our pricing, I took a step down a different path, and I asked him a couple of simple questions about electrolyte testing. He agreed it was a very important part of his patient screening protocol, and he ordered the profile several times every day. Having established this parameter, I told him our aim over the years has always been to remain a *valued partner* for his practice. I explained the older methodology the competitor used for their electrolyte panel. Alternatively, my lab employed a state-of-the-art technology called ion-selective electrode. I, of course, said he was at will to try the local lab, but, with my lab, he was getting the most current technology available for a common test panel. Given this one example, I reinforced that my lab offered high-tech methods within our entire test menu. I didn’t degrade my competitor—I simply *repositioned* the other lab by explaining a notable methodology difference on a basic profile he initially confirmed was very important.

I should end by saying there was no need to lower the pricing—nor did our lab lose this account. This story simply demonstrates the power of repositioning the competition by using the “against” position without using any form of denigration.

# Focus on the Early Stages of the Sales Cycle

Good managers spend time evaluating the early stages of their representative’s pipeline, as well as clients sitting in the more imminent stage. Many labs request a monthly 30-60-90-day pipeline list from their marketing people. This roster indicates where prospects fall in terms of the expected timeline to close the business.

Managers typically concentrate (and rightfully so) on prospects that appear close to activating. They ask questions such as: Can you estimate when you expect them to start our service? What else do we need to do to secure the account? However, one must counterweigh these “imminent stage” questions with a uniform amount of attention to the beginning stages of the 90-day prospects (and even those farther out). A supervisor may ask: What client issues have you uncovered? Who are the influencers? Who makes the ultimate decision? What do you see as major differences between our lab and the incumbent lab? With whom have you established a rapport? Have you built any “moments of trust” with anyone in particular? These probes center around the start of building a good sales strategy. Top managers devote equal time focusing on this early portion of the pipeline where the sales funnel remains wide and there stands more opportunity to create value and build relationships.

# Building a Coaching Culture

In a highly effective sales organization, the manager’s job encompasses coaching and helping improve the performance of his/her staff. After all, common knowledge says a company’s greatest asset—besides great customers—equates to employees *in the right position.*  It stands to reason that developing people distills down to a capital investment. Great companies recognize this simple fact and devote their time and resources to cultivating traditions promoting coaching.

Coaching entails thinking through three questions: whom to coach, when to coach, and what to coach. In some situations, a faltering sales rep may simply be in the wrong job with the company, making it inadvisable to expend time and energy working with someone that does not have the ultimate skills for the position.

Questions are at the very core of all coaching tools and strategies, and they contribute to uncovering great opportunities and igniting new ideas. When a supervisor gives a solution rather than ask a question, he/she deprives the salesperson of their power. The coach increases their risk of a becoming a victim of the “babysitter syndrome.” Instead of making the sales rep more self-driven, the coach produces a marketer who depends on someone else to provide answers and solve the rep’s problem(s).

The bottom line: The manager/coach’s job exists to guide and mentor those who have potential—and do it on a consistent basis. If the manager is inexperienced or incapable of asking the right questions and providing honest and objective feedback, the company will remain average.

**5. Balancing Efficiency and Effectiveness**

A boss may explain to his representative(s), “I’d like to see a minimum of X visits each d*ay*.” The logic filters down to two distinct areas within a numbers game: (a) there exists a better chance of finding a prospective (or current) customer who remains unhappy with some component of the lab service and (b) it provides an opportunity to build customer relationships. The problem with only assessing efficiency lies in the fact that field reps primarily accomplish only what you measure. They may drop in on “friendly” clients. The rep holds a perfunctory attitude because, “that’s how the boss measures me—just make a certain number of visits each day.” Should new business become sluggish, managers tend to solve the problem by putting pressure on the salesperson. They expect their rep to do more of what’s not already working; they assume “selling harder” will provide a different result. It rarely does.

A basic tenet in sales suggests targeting strategic individuals and building strong rapports. In a doctor’s office, it frequently decodes to the practice manager and/or the lead physician. In contrast, if a field rep always spends valuable time with someone who is not either a highly influential employee or the decision-maker, one could fashion a story about being “efficient” simply by indicating he/she stopped in and had a brief, friendly discussion (or a “howdy” call) with someone. However, would one characterize this as being *effective*?

Sales effectiveness (irrespective if current or prospective account) relates to maximizingthe potential once the rep comes face-to-face with a key person. There could be opportunities for discussing the application of a new test (or profile, methodology), insurance acceptance changes, clinical abstract, lab newsletter, improved transport supply, an announcement from CMS, FDA or USPSTF, updated medical guidelines, connectivity, compliance updates, etc.

In other words, anything helping the client in the way they do business: stay current with information to improve patient care, control healthcare costs, reduce compliance risk, and/or increase office productivity and convenience. When presented properly, most individuals will find these topics relevant and helpful when compared to an obligatory and insipid statement, “I’m here to check on how things are going with the lab.”

Looking at a true sales call situation, once a marketer discusses their initial valid reason with the target person, circumstances generally allow for a natural transition into uncovering important aspects surrounding the client’s current lab service. The beacon of the rep’s effectiveness continues to shine more intensely at this second-stage. As an example, the field rep may get the client to agree to later call or text some information or to secure an appointment with the next higher level or set a date for a client lunch or, maybe, a lab tour. At the apex of the effectiveness scale, it could mean gaining client commitment to a trial run. One could state—in a business development scenario— effectiveness translates to *sale* *advancement*. The ultimate question the rep must ask him/herself, “Can I get the customer to work with me to the next logical sales milestone?” Client *actions* demonstrate a joint venture approach, and those in management eagerly seek verbal *and* corresponding documentation in a CRM tool that indicates forward movement in the sales process.

As noted earlier, being effective does not lie solely with prospective accounts. With a current customer, the field rep could be effective at saving the client from using another competitor or resolving a customer problem or providing educational information.

Managers who understand the harmonizing act between efficiency and effectiveness announce to their field staff, “I’d like to see you make a minimum of X number of calls each day. But, let me be clear: Always strive to have a legitimate reason the *client* would appreciate. Avoid making a call with no valid purpose simply because you want to mark down a visit on your field activity report. If you see fewer than X customers, but you had effective discussions—and you document it—*that* constitutes what I prefer over many calls in a day*.”* A manager’s statement such as this makes it understood he/she appreciates an efficiency/effectiveness equilibrium—but values effectiveness more.

# Conclusion

Great bosses know who, what and when to coach. They teach their sales reps to initially concentrate on strategy and how to effectively reposition each competitor. They know the importance of having balanced discussions surrounding prospects who sit early in the pipeline, as well as those closer at hand. Top leaders consistently work towards building a coaching culture by asking their reps insightful questions, and they value effectiveness over efficiency. If a lab wants a world-class selling organization, it must have good managers to successfully train and coach their teams.

*Peter Francis is president of* ***Clinical Laboratory Sales Training, LLC****, a unique training and development company dedicated to helping laboratories increase their revenues and reputation through prepared, professional and productive representatives. Visit the company’s web site at www.clinlabsales.com for a complete listing of services.*