From Scripts To Solutions: Developing The Business-Savvy Sales Rep

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Introduction

The business of medicine is constantly changing. New products and techniques, new competitors, and new government policies are some of the most powerful agents of change at play in the healthcare industry. These forces create strategic and fiscal challenges for all companies and all individual providers engaged in the industry today, and these forces will continue to create obstacles in the healthcare industry of the future. This truth should have firms with large medical sales divisions asking, “How can we equip our salespeople to sell successfully in such a rapidly changing environment?”

The answer to that question lies in building a better sales rep—a sales rep welcomed by physicians and health workers because he provides solutions to the challenges created by change agents in the healthcare industry. The expert sales rep understands a medical practice’s needs and how those needs create problems for the practice. He has the business acumen necessary to talk to all stakeholders in the practice and help them “connect the dots” between their problems and the solutions he offers. This type of sales representative is a resource to the customer rather than a peddler of products. The better sales rep exists today, but he is an exception and not the rule.

In this paper, we describe how healthcare companies can develop an entire sales force of business-savvy sales reps—men and women prepared to turn the challenges of the industry into sales opportunities. We begin by establishing the foundations of business acumen, which include an appreciation of a medical practice’s Spectrum of Needs™. We detail a roadmap to business acumen, and we explain how the goals of this roadmap can be achieved through partnership with a company that possesses expert knowledge of the Spectrum of Needs™ and can instill reps with the business savvy to succeed in a tough, ever-changing marketplace.

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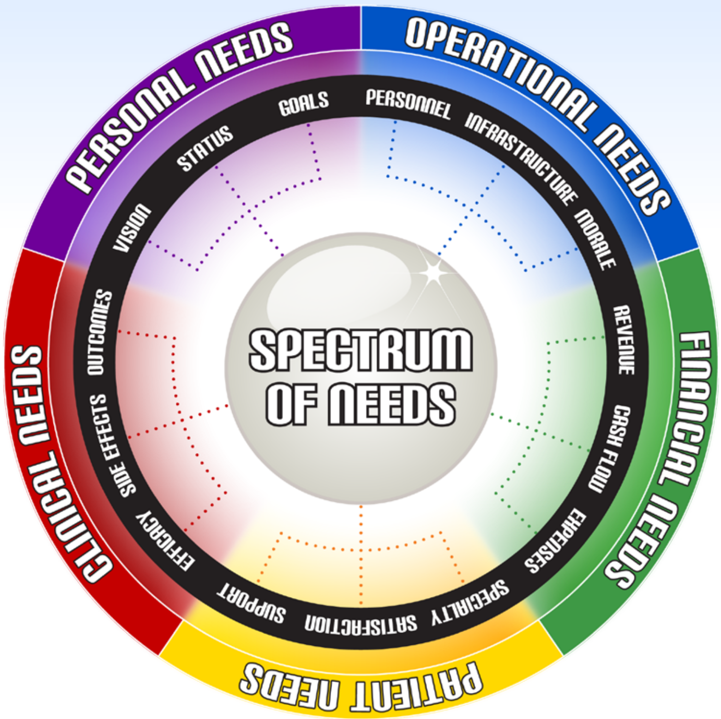

Understanding the Spectrum of Needs

Physicians enter the health profession to care for people. Their practices are founded on the best, most recent clinical science they can use to deliver care. But a physician needs more than patients and medical knowledge to support a practice. She needs to run a successful business. Her practice must create a profit—ultimately, revenue must exceed expenses—if it is to survive and thrive.

The business side of medicine demands physicians provide services as efficiently as possible without sacrificing the quality of the healthcare they provide. To do this, the physician must balance the needs of her practice.

We’ve identified the five major needs driving a medical practice: personal needs, patient needs, clinical needs, operational needs, and financial needs. These elements comprise what we call the Spectrum of Needs™. Though the spectrum’s five needs affect every business decision made in the practice, few people working in the practice recognize how those needs influence each other and create unique problems. This is a knowledge gap a sales rep can fill by developing a deep understanding of how the Spectrum of Needs™ works.

PERSONAL NEEDS emanate from the doctor's dreams, ideas, and goals for making the practice a success. Think of personal needs as the keys to the doctor's happiness in the professional world. What does the physician want for herself? Does she aim to become a noted specialist in a specific medical field? Does she want to develop public speaking skills to become a noted expert? What are the doctor's business goals? Is retirement looming and the physician seeking a partner to buy out the business? Does the doctor think that growing the practice—or shrinking it—is the best way to improve the healthcare provided by the business?

Personal needs may not always be easy to identify, but they are always present and always important. Whether the doctor is part of a one-person GP clinic or a major hospital oncology department, personal goals affect every decision she makes concerning the practice, including clinical decisions.

As Dr. Lynn Baker turned on her computer, she compared her quiet Florida practice with her former high-energy—and high-stress—New York hospital. "Doc Lynn," as her new patients called her, moved to escape the pressure of 24/7 workloads, paperwork, and little time to really offer great healthcare—to say nothing of schlepping in the snow to work. But her new snowbird clientele were more than a full time workload during the winter months, and Medicare was as much of a burden as Medicaid. Plus, the smaller practice meant Lynn was responsible for solving the "little" problems: how to work with the nurses effectively, how to manage personnel scheduling, how to ensure she brought in enough money, and all of the other "how tos" that just about drove her crazy. Was this why she became a doctor? What happened to caring for patients?

PATIENT NEEDS determine the feasibility of the doctor's goals for the practice. Think of patient needs as the pulse of the practice. If the practice cannot meet patient needs, it fails—as a service-based business and as the dream that inspired the physician to enter the health profession. For this reason, other needs in the spectrum—clinical, financial, and operational—are informed by patient needs.

Doc Lynn glanced through the waiting room doorway and saw four reps waiting to see her. All believed they had something important that Lynn needed to know. But Lynn's day was full of patients, so she had no extra time to spend talking about products.

Then Lynn noticed Rachel, another rep, chatting with the receptionist. Every time Lynn and Rachel talked, Lynn learned something about solving some problem in the practice. And Lynn knew that everyone else in the office, from the nurses to the lab workers, liked talking to Rachel for the same reason.

On impulse, Doc Lynn leaned over the receptionist's shoulder and whispered to the rep, "Be sure you see me before you leave this morning." Rachel readily promised.

Neither Lynn nor Rachel acknowledged the frustration and jealousy on the faces of the other reps sitting in the waiting room.

Patient needs reflect the characteristics of each practice's clientele base. These differ based on location (the needs of Florida retirees are not the needs of suburban Los Angeles families), the practice's clinical specialty (oncology patients have very different needs than pediatric patients), and the size or scale of the practice (patients selecting a one-person GP are seeking a different type of care than those selecting a multi-physician GP office).

A patient's experience of the healthcare practice determines how well his or her needs are being met. When a patient comes in at 9 a.m., is the doctor also ready and available for the appointment? How many patients experience delays or extensive waits before seeing anyone? How effective is follow up with patients to ensure their medical regimens are working? If a patient discovers a medication makes her drowsy or nauseous, how easy is it for her to call the office and talk to someone who knows what to do? How much of the nurse's time is being taken by callbacks and follow up with patients who don't feel their medication is working right? How easy is it for a patient to see the doctor and not get shuffled off to a PA or nurse? Often workers within the practice find it difficult to answer questions like these to get a high-level impression of the total patient experience. A sales rep who can help the physician and her staff understand the nature of the patient experience and offer solutions to help them better meet patient needs becomes a valuable resource.

CLINICAL NEEDS emerge from the combination of the disease states the physician or practice is treating. Think of clinical needs as the medical focus of the business. These are the needs that occupy traditional sales representatives and shape their sales behaviors. The traditional rep offers the physician a product as a method to treat a disease state, using samples as the major selling point. The expert sales rep clearly links his product to the challenges and patient outcomes that are important and relevant to the physician's practice and patient population. He sells by engaging the entire practice in a diagnostic discussion and by presenting the benefits of his solution through a lens shaped by the customer's perspective. When great reps provide relevant and timely clinical information to a doctor, they help that doctor stay current not only with their products but also with other aspects of clinical care. This creates added value for the physician.

"Summer's coming, I melt in the heat and humidity." A savvy rep, Rachel eased into her conversation with Doc Lynn.

Lynn grimaced. "So does our practice. Our patient load dissolves by half during the summer."

Rachel looked concerned. "Is there anything you can do to minimize that?"

Lynn shrugged. "We're geriatricians—what can we do?"

"But you treat a broad range of illnesses, don't you?"

"Sure," said Lynn. "Heart issues, arthritis, sleep disorders, diabetes…."

"What is the most prevalent illness you are seeing?" Rachel inquired.

"Diabetes, hands down."

"What percentage of your patients are afflicted with diabetes and what type of problems do these patients create for your practice?" Rachel asked Doc Lynn for more detail.

"I don't know the exact percentage, but it is certainly growing. There are so many comorbidities with diabetes…it really takes so much time to treat these patients."

"I completely understand. How else do these diabetic patients affect your practice and your staff?"

"Well, we have to deal with so many reimbursement and formulary issues that are a drain on everyone's time. My staff really gets bogged down with this patient population," added Doc Lynn.

OPERATIONAL NEEDS emerge from how the practice is organized to address patient needs and enable the physician to provide care. Think of operational needs as the systems necessary to run the business that is the practice. These systems include departments (such as admissions or front desk), the personnel to operate those departments, and physical infrastructure (everything from examination tables to Internet connections). Operational needs also relate to items less tangible than those listed above. For example, the ease of transferring patients between departments and the morale of the practice's support staff are operational issues that impact needs.

A savvy sales rep can observe a practice's patient flow to determine operational needs. How quickly and easily do patients move through the care cycle? How long does it take to admit new or existing patients? What does the admitting person do to gather timely information? Are the right resources spending the most efficient and effective amount of time with each patient? When the physician spends time with a patient, is she providing the highest level of skill and knowledge, instead of doing things an assistant or other lower-cost resource could do? By using each person within the patient flow system effectively, a practice can generate a maximum amount of revenue while still providing excellent care.

Sales representatives should also understand every practicing physician is aware of staff morale and turnover. The nature of healthcare makes it difficult for a practice to maintain a consistently high level of morale and a consistently low level of turnover. The doctor's time in most healthcare practices is unpredictable because people get sick without regard to schedules and business hours. This may result in increased wait times for other patients, who frequently complain to the staff. Higher costs and lower insurance company payouts are shrinking physicians' incomes, requiring them to see more patients just to maintain their practice's revenue goals. These economics also demand that everyone in the practice do more with fewer resources, while still providing a "gold standard" of care to all patients. Poor operational organization could intensify the problems. Nurses in less operationally efficient practices may be returning patient calls and providing advice on medication regimens on their lunch hours or breaks, or even after work. These pressures negatively impact morale and turnover, and a doctor presented with a solution to alleviate even one of these problems is likely to consider it.

"I recently read that cases of Type 2 have doubled in the South during the last decade, so it appears this challenge will only increase. Are you looking for ways to help your practice serve these patients and also to potentially improve your summer patient load issues?" asked Rachel.

Doc Lynn looked thoughtful. "Well, we do need to improve our handling of diabetes patients, and it wouldn't hurt to have more cases to handle in the summer months."

"My colleagues have told me some geriatricians in other parts of the country are opening diabetes clinics to offer year-round specialized care to these patients. They've found this approach results in improved patient care and attracts new patients to the practice." Rachel could tell Doc Lynn was intrigued by this information. "Would you like me to put you in contact with these doctors so you can explore if this idea would help you increase patient traffic?"

Doc Lynn smiled. "That would be terrific. Great idea, Rachel."

FINANCIAL NEEDS are a key driver of any business and (as we will discuss later) are needs few doctors are schooled to tackle. Think of financial needs as crucial but often misunderstood needs that cannot be ignored no matter how much a physician wishes they would disappear. Without adequate financial resources, none of the other needs can be realized or addressed.

A medical practice's typical financial concerns include start-up costs, cash flow, profit margins, reimbursement, Medicare and managed care, and other money-management challenges. Primary among financial issues is reimbursement from insurance companies. Each insurer has a rate schedule outlining what the company will pay for specific procedures. The practice needs to find ways to keep costs for these procedures within the outlined rates. Cash flow also becomes a major concern when a practice has a high percentage of insured patients. If insurance companies take months to pay claims, the practice has to make short-term ends meet with patient copays and uninsured patient fees. Staff salaries and office expenses must be met weekly or monthly for the business to survive between insurance payments.

A savvy sales rep should understand these financial concerns and how they exacerbate other elements of the Spectrum of Needs™. For example, a practice's high employee turnover rate means a significant amount of money is being spent to find, interview, hire, and train replacements. Industry experts estimate this process can add between a half and a full year's salary in indirect costs. High turnover affects both the operation of the business and its long-term financial stability.

Everyone within a practice, not just the physician, works within this Spectrum of Needs™. They each play different roles in the practice and, therefore, have different perspectives of each need in the spectrum. The one opinion they likely share is a belief that a sales representative can only influence the practice's clinical needs. A rep with business acumen can alter that belief by understanding the needs of each person in the practice and how those needs create challenges throughout the business. Then he can present solutions—products and services—that may be able to address their needs and minimize their challenges.

So, an expert rep works with a follow-up nurse who is having difficulty helping elderly patients maintain a medical protocol. This rep investigates the nurse's concerns, confirming what he already suspects—the current medication is hard to swallow, which creates problems in terms of patient compliance. The nurse is anxious for an easier-to-administer drug, which would improve patient outcomes and make her job more manageable. At this point, the expert rep knows the nurse is ready to hear about his company's drug, which is smaller and easier to swallow. The nurse listens and is impressed when the rep makes the connection between fewer complaints, higher patient compliance, and more time for her to address other patients' issues.

No matter the point of contact in a medical practice, the sales rep must provide real value in every conversation. Doctors and their staff members are already struggling to make ends meet by working as many billable hours as possible. Every sales rep represents time spent on non-billable activities, which doctors see as direct costs to their businesses. Only those reps able to dexterously make the connections between the challenges of the Spectrum of Needs™ and the solutions offered by their products and services will be welcomed throughout the organization.

MD ≠ MBA

Two elements of our Spectrum of Needs™ demand further discussion—operational and financial needs. Sales reps should identify these needs as the ones medical professionals are least prepared to meet. Physicians and other healthcare workers spend most of their educational careers learning clinical information. Few medical schools offer any kind of business classes. Yet, doctors are often expected to operate both the clinical and business ends of a practice as soon as they finish school. These physicians lack business acumen and are hard-pressed to find the connections among all the challenges their practices face.

Do doctors want to acquire business acumen? Not necessarily. They went to medical school, not business school, for a reason. And those physicians with an interest in business and finance likely have little time to develop that interest into practical knowledge. Despite a dearth of business knowledge and experience, many doctors believe they know the business of their practices better than anyone else. Few are willing to hear information or conclusions presented by someone other than a peer.

To work around a doctor's natural tendency to be close-minded to critiques of her business, a sales rep must be skilled and practiced in conversational behavior. The business-savvy sales rep knows people who draw conclusions from information they solicited themselves are more likely to remember and value those conclusions. And the best of these sales reps use this knowledge to their advantage.

Reps skilled in the art of questioning spark conversations that uncover valuable information both for themselves and their customers. These reps ask questions that lead the physician to describe her problem, identify desirable benefits, and pinpoint what needs to be done. The conversation is not forced; it flows naturally into the physician identifying her challenges and desired solutions. This input from the customer is critical because it inspires her to consider changing a current prescribing protocol. And if the rep uses business acumen to explain how a solution specifically benefits the practice in multiple places along the Spectrum of Needs™, the customer finds herself learning something about her own practice. Suddenly, this rep becomes the one rep the physician wants to see.

Business-Savvy Sales Reps Don't Grow on Trees

Your company hires competent, high-producing salespeople and trains them thoroughly in all of the clinical aspects of your products and services. They are successful within your current, traditional sales model. Yet, the changing healthcare marketplace has made their jobs more competitive, and their revenue-generating potential is expected to decline as more, similar products reach the market and as new healthcare reforms take effect. You recognize the return you will achieve from employing salespeople with the business skills necessary to sell solutions customers will value. But, you wonder, where are these business-savvy sales reps?

Like the physicians they serve, few of today's salespeople have the level of business acumen we have described. They don't understand the Spectrum of Needs™. They can't form a "big picture" view of how the practice operates, note each person's distinct role in that practice, and use that knowledge to develop needs for their solutions. And they can't pattern a conversation in a way that leads the physician to uncover the problems plaguing her practice and ask for a solution. In short, today's reps are ill-equipped to move beyond selling propositions focused on the clinical aspects of the products and services.

Could you acquire reps with business acumen by plucking them from the bountiful trees that are business schools? Yes, but someone with a business degree or business background may not have the other competencies you need. If you truly desire a sales force of business-savvy reps, you need to create one. You need to train your current and future reps not only in clinical facts, but in business acumen as well.

Business acumen is a complex subject, but it is learnable. Sales reps must develop new skills and hone other skills they have used infrequently. Their training must be supported in an environment that reinforces each rep's efforts towards best practices. The question is, what's the best track to follow to make certain your sales reps attain this kind of savvy quickly and effectively?

The Road Map to Business Acumen

Developing sales reps with business acumen is about more than training critical sales skills. Sales reps must learn more than "traditional" selling models to stand out from their peers in today's market and to remain relevant in the healthcare marketplace of tomorrow. First and foremost, they must understand the business of medicine, especially how revenue and expenses affect their customers. This understanding can be achieved through a variety of techniques, including on-site or distance learning classes facilitated by experts.

As we have discussed in depth in this paper, sales reps must also be acutely aware of the Spectrum of Needs™ and the impact of these needs upon their customers. This knowledge and the skill to use it will only come through complex training techniques, like real-world simulations. Once sales reps acquire this core business savvy, they should combine it with foundational sales skills. The result will take their selling skills to a higher level that will directly impact the revenue they generate for your firm.

Using a combination of critical business understanding and foundational sales skills, business-savvy sales reps (the top 2 to 3% of today's sales forces) can uniquely: identify potential problems, challenges, and opportunities in their customers' practices; pinpoint the critical players and roles in the practice; converse with those key players to gain a complete understanding of how they can help the practice; and, successfully make the type of solid connections with their customers that ultimately lead to increased revenue.

These reps are also skilled at keeping in compliance because they ask insightful questions that help customers understand and verbalize their expected benefits. Less effective reps simply tell customers what results they should expect—an approach that rarely engages the customer.

Training reps in how to bring real value to customers is just the beginning of the road to business acumen. Even excellent training "sticks" only when it is supported throughout the process by essentials like appropriate initial hiring criteria, consistent coaching, and other ongoing development strategies.

Finding the Partner to Help You Achieve Your Goals

Effective and efficient development of business acumen in sales reps requires a partnership with a company that has a proven track record in sales performance and training, plus something more. The right partner must show how it can help reps develop a level of business acumen that enables them to uncover challenges, link problems to solutions, and help their customers "connect the dots."

The best partner is a specialist in the healthcare marketplace, with experience in all aspects of the medical business, from managed care through Medicare and office administration to financial acumen. This kind of partner knows how to train critical sales skills, but also possesses a thorough understanding of the Spectrum of Needs™ and how those needs interact in a medical practice when challenges or problems arise.

Alliance Performance Systems (APS), Inc., offers exactly this level of expertise and an understanding of true business acumen for sales reps. We know which skills are trainable, and which ones need to be part of a company's hiring profile to save time and money with new reps in a new age. We train sales and marketing leadership how to coach, support the use of new skills, and measure the resulting improvements. We also have the best insights into the Spectrum of Needs™ because APS identified this spectrum after years of research and years of work with medical, pharmaceutical, and biotech companies. APS can reveal more about the Spectrum of Needs™ than described in this paper, including potential interactions between the categories of needs and the consequences of those interactions.

APS can offer you the complete training and support system to create business acumen because we think this way naturally. We are a collection of business owners in the training business. We are not training people who treat business acumen as another subject to teach. Using this expertise and experience, APS will consult with your company to customize a solution in tune with your specific needs—a solution that ensures the transformation to the business-savvy rep makes sense, sticks, and works to improve your ability to truly differentiate your organization.

Summary

The Spectrum of Needs™—from personal through financial—affects every person in a medical practice. The challenges and problems that emerge from this spectrum may look different to every practice participant, but many are linked by the benefits of the sales rep's products and services.

A savvy rep with business acumen can identify these links and showcase them in customer engagements, creating enlightening interactions that ultimately drive more revenue. Physicians welcome this type of sales rep because he enables them to learn more about their business and their needs with every conversation. The knowledge and skills that comprise business acumen can be taught; but, to ensure they are taught effectively and efficiently, a firm must partner with a special type of company. This partner needs to intimately understand not only selling skills, but also the Spectrum of Needs™ and the medical/biotech/pharmaceutical business. Alliance Performance Systems has the expertise and experience to help firms select, develop, and support sales reps with competitively unique business acumen. This type of business acumen will make your reps a doctor's best resource and allow them to succeed in the healthcare sales marketplace of today and tomorrow.

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Steve Lunz is the Senior Vice President of Sales at The Energy Project, Inc. For two decades, Steve has been achieving results in the training and performance improvement field. His expertise centers on value creation in the sales process, mentoring new hires, and sponsoring large-scale improvement initiatives. Steve knows how to achieve sales results and has frequently been recognized as a top sales performer himself. Before he joined The Energy Project, Inc., Steve served as Vice President of Direct Sales at Huthwaite, the creators of SPIN® Selling. As a coach and talent developer at Huthwaite, Steve was responsible for hiring and developing top sales performers. He also developed sales compensation plans, career paths, new business development efforts, and recognition programs to drive employee loyalty and revenue. Steve's client list has included Apple Computer, Boston Scientific, Eli Lilly, Intel, Lockheed Martin, MasterCard, Medtronic, and Siemens Diagnostics.

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