



Why Hospital Sales can be elusive

*Overview – Skills and strategies
for hospital sales*

The challenge of Hospital Sales

Selling to Hospitals grows ever more challenging as new drugs and technologies compete with existing methods and treatments to extend the boundaries of healthcare in terms of diagnosis, treatment delivery and on-going care. Continued pressure on time and budgets, together with increased patient awareness and attitude compound the challenges and opportunities faced by companies selling to Healthcare professionals and providers.

What are the implications of these changes for companies in Healthcare and Pharma?

Things have become more complicated.

The decision is more often one of strategic importance and requires representatives to successfully influence a myriad of contacts in order to continue to supply the Hospitals and clinics. Today, Hospital sales are more likely to include the following elements:

- long, complex, evaluation and decision process
- many influencers, users, specifiers involved
- increasing numbers of viable competitors
- any differentiation of core products are very short-lived
- representatives require to be seen as solution providers
- emphasis is on ongoing buyer-representative relations
- buyers talk of partnering while using power plays in attempts to force price down.

The more complex and measurable the decisions become the more necessary it is to engage with a spider's web of influencers with different perceptions, serious competitors, ranging from market leaders to niche players, and, overlaying it all, a new dimension of confusion between product performance needs and relationship needs.

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Are you involved in the type of situation outlined here?

Do you and your people have the skills necessary to manage such situations successfully?

Profile of a hospital sale

Need to influence a range of people from Consultant through to buyer.

- Contacts with a diversity of needs.
- Decisions taken at senior level – Trust Executive.
- Highly competitive market – generics, patents, existing versus new technology.
- Long selling cycle from contact to contract – tenders and formularies.
- Ethical products and services being sold.
- Product/service being offered may involve trust/department in significant change.

- A buying/procurement process which may seem more sophisticated than previously – but is it?

Most traditional beliefs about selling and selling methods are found wanting when put to the test in the type of situation outlined above. Why? Because they fail to focus on the buyer and the complex decision making process which is taking place. Traditional selling methods and the training that promotes them focus on a narrow range of skills that are no match for the complex and highly competitive selling situation that many representatives have to face today. They can fall into the trap of considering the whole interaction from the representative's viewpoint with the result that many representatives have a highly product-centred approach to selling. To be successful in the situation requires understanding of the buyer's decision making process, and the skills needed to influence it at each critical step. In short, the sales process needs to be buyer centred.

Let's examine the buyer's decision making process

Recognition of needs

Any sale, simple or complex, begins with the buyer perceiving a need. At this early stage the buyer is faced with a number of questions:

- Is the problem I have big enough to warrant action?
- Have you the capability to help?
- Does the size of the problem warrant the cost of change?
- Will the outcome justify the change or the expenditure?

This is obviously a critical phase in any selling situation, and one in which you have an opportunity to influence the buyer providing you have the necessary skills. If the answer to any of the questions is no, the sale is unlikely to proceed further. If the answer is yes, you may well obtain the order in a simple selling situation.

Many representatives fall at this first hurdle because they push their product before they have explored and developed the buyer's needs. Even though many training programmes stress the importance of needs, few teach skills which really do build powerful buyer needs. Research shows that successful representatives use skills that differ markedly from those taught on many training programmes. This is not surprising since many programmes were developed for simple selling situations that are worlds away from the complex and political situations many representatives face today.

However, in complex sales, success at this stage is only the first hurdle that must be cleared if the sale is to proceed. Consider the following points:

One man's medicine is another man's poison

The diversity of contacts in the Hospital environment provides a real challenge to the salesperson or account manager. One member of the department has just expressed a real need that you can meet; you manage to arrange to meet with another member of staff in the department or hospital, only to discover a totally different viewpoint that doesn't seem to work in your favour.

It is important to understand the psychology of the decision to be made and have the flexibility to approach the sale from the individual contact's point of view.

Too much coffee is bad for you

It is easy to arrange a meeting to see a friendly contact, but how often do you just chat over a cup of coffee? Good contacts can be very precious, giving valuable information, which can help you reach the people who are dissatisfied with the current situation enabling you to get a real foothold in your account.

Efficient or effective?

Do you meet your activity targets but feel that your time could be better spent and are unsure where to make the investment? Successful representatives spend time with the right people identifying important issues that they know they can solve.

Evaluation of options

7 out of 10 hospitals prefer ...

Needs are not the whole story. Hospitals also have a hierarchy of decision criteria about how the needs are to be met and by which they judge the companies and their representatives. Do you know what the criteria are or how to influence them?

"Who should I select?"



Buyers are faced with evaluating the options open to them and selecting the appropriate option.

Do you understand or try to influence the basis on which this is being done?

Me, Me, pick Me!

Thousands of representatives and sales managers in the UK are convinced that the criteria is pre determined and beyond their control '*It's in the lap of the gods*'. Of course, in the absence of any other criteria which the buyer is asked to consider, it may well be!

Decisions in hospital sales are rarely taken when you are present and frequently involve groups of people at senior level whom you may not have met. You can try to influence your in-hospital contact to put forward a case on your behalf if you have the skill, but you are still faced with the task of influencing a group of people you have not met, and using someone else to do it for you!

Resolution of concerns

Under pressure

The customer now approaches the last step in the decision making process. It is at this final stage that another factor comes into play that is rarely understood by sales and marketing, or by many trainers.

The customer is faced with making a big decision; a decision which will involve considerable change and upheaval, and which could have adverse consequences for both the department, possibly the hospital, and on a personal level if it goes wrong.

Consider the question that goes through anyone's mind when faced with a similar important decision, for example, when deciding to buy a house or to change their job.

"Am I doing the right thing?"

Most people consider the risk involved in what they are about to do. They worry about taking that final decision.

Take your medicine!

It's the same for hospital customers, clinical and non clinical. They may have real concerns about the step they are about to take. What do traditional selling methods and programmes advocate at this stage? To put pressure on the buyers to make the decision at the psychological moment when they are most worried

about it. What do you do when people do that to you? Most people back off and what's more, they resent the pressure. Huthwaite research studies have repeatedly found that heavy use of pressure-closing techniques does not work where buyers are faced with significant decisions.

At the end of the day, you do of course want the customer to make the decision to buy, and must ask for a commitment. But that decision comes as a result of painstaking work at each stage of the Buying Cycle, not through the use of closing techniques.

Implementation

To be successful at this stage you need skills to help customers resolve their concerns. You need to recognise that only they can resolve their own concerns, and that your task is to help that process.

Plan and prepare

Part of the concerns may be about the implementation process that begins after the decision has been made. Successful representatives ease those fears by planning implementation early, and by involving their contacts in the planning process.

In sales involving complex, ethical products or services, several weeks or even months may elapse before full implementation is complete. In many cases, approval is no guarantee of uptake. The success of this stage will obviously have a bearing on the future. You will need skills not only to handle and resolve implementation problems that may arise with the customer, but with other hospital personnel who may be involved, sometimes without your knowledge.

It is at this stage of the sale that the representative has the opportunity to gain a deeper insight into the hospital or department's requirements, which may reveal further opportunities. The identification of such potential needs signals the start of a new sales cycle. Unfortunately, it may also lead the unwary representative into a final trap. Many representatives, having completed a successful sale rush to offer solutions to the new needs they have identified. They fail to realise that trying to short circuit the hospital's decision making process by offering solutions before they have developed the buyer's own perception of needs, has a high failure rate.

There is no easy remedy for success

It's an unfortunate fact that Healthcare sales training all too often consists of large doses of product training followed by a few days of skills training. Worse than that, the latter is likely to address, in a superficial way, the skills that are really needed.

To succeed in today's Hospital sales environment requires a broad range of skills and strategies and the understanding of when to use them.

Many of the skills required are complex by nature, difficult to master, and need to be used with finesse. Developing them requires a series of initiatives, each focusing on a specific group of skills and providing sufficient practice and feedback for real skill development to take place. And that's exactly what we have done. Below is an overview of 'Skills and Strategy for Hospital Sales' – Huthwaite's remedy to those elusive hospital sales.

Overview – Skills and Strategy for Hospital Sales

Objectives

By the end of the programme each participant will:

- understand and be able to explain the psychology of the hospital team's decision making process in complex, hospital sales
- be able to plan and execute a penetration strategy for Hospital Trusts
- have the skills to uncover and develop the customer's decision criteria, analyse competitive offerings and influence the decision criteria to their advantage or make strategic no-go decisions
- understand concerns about risk and be able to identify such concerns and help resolve them to the customer's satisfaction
- understand the risks and opportunities of the implementation phase and be able to work with internal and external customers in planning successful implementations
- plan and execute strategies to develop the relationship with the account and expand opportunities

- have practised each of the skills and planning processes, and received objective feedback on their performance, using a Hospital Trust simulation which runs throughout the programme
- have planned a real-case, strategic campaign for implementation post-course.

Target audience

Sales managers, account managers, representatives and any other specialists tasked with the management of hospital sales involving multiple influencers/decision-makers, strong competitive activity and a perceived risk for the buyers of making a wrong decision.

Programme content

The Buying Cycle

- The psychological phases of complex, comparative buying behaviour.

Account entry strategy – how to find and influence the:

- focus of Receptivity
- focus of Dissatisfaction
- focus of Power.

Buying criteria

- Principles of competitive advantage – macro and micro, hard and soft differentiators.
- Decision Guidelines – how customers evaluate competitive offerings.
- How to influence Decision Guidelines in your favour.

Buyer concerns about risk

- Why sales stall close to the decision.
- Why selling skills don't help.
- How to resolve concerns to your advantage.

Implementation

- The 'motivation dip' and why it happens.
- Strategies to avoid motivation dip.

Account development

- Pro-active strategies to maintain your dominant position and handle competition.
- Building the long-term partnership.

Training design and methodology

This programme is usually tailored to the specific needs of a company or team. It aims to teach a combination of strategic concepts, planning processes and skills. Its overriding objective is to ensure that delegates improve their effectiveness by integrating research theory into their real life selling strategy.

To achieve this the programme is structured as a workshop. Teams compete to make a sale to a simulated Hospital Trust. As the major concepts, processes or skills are introduced, trainees have to apply them to the simulation, make tactical decisions and roleplay with members of the simulated 'Trust Team'. They then receive objective feedback and evaluation of their performance.

After each key phase of the workshop, trainees apply their learning to create a strategic real-case campaign, which is formally presented to the trainers (and/or the trainees' own senior managers) on the last afternoon of the programme.

Materials

There are a number of exercises to consolidate learning, plus a library of user-friendly reference material giving detailed explanation of key concepts.

Trainees also receive 'The Toolbox', a system to help them devise, execute and monitor their campaign strategies for both the simulation and real cases.

The simulation and The Toolbox can be customised to reflect buyers' market conditions.

Duration

Normally four days. Other timing designs are possible to suit individual buyer requirements and may or may not include prework.

Faculty and group size

The Skills and Strategy for Hospital Sales programme is delivered by a team of experienced Huthwaite consultants. Training group size is usually limited to a maximum of twelve though other group sizes can be accommodated where required.

Achieving maximum impact

In addition to skills and strategies described above, Skills and Strategy for Hospital Sales provides a process for hospital account management. Unless this is customised and integrated into existing processes, and unless Sales Management actively supports it, SSHS can be no more than a high quality training course. We therefore seek the opportunity to work with senior managers before implementation to ensure that productive and sustained change can be achieved.



Healthcare trust

All market sectors like to think they're 'different', and to an extent they are – in the language they use and the products they sell. But the way customers make decisions is universal.

Huthwaite's models have been validated in twenty-one countries and in every major industry. Healthcare is no exception, as a selection from our client list demonstrates.

- Abbott Laboratories
- Alaris Medical Systems
- Amgen Ltd
- Ashbourne Pharmaceuticals
- Bard Ltd
- Baxter
- Bayer Diagnostics
- Beckman Coulter
- Boots The Chemist
- Clinpharm Limited
- Datex-Ohmeda
- ELA Medical Ltd
- Eli Lilly
- Fenno Medical
- GlaxoWellcome
- Guidant
- Gyros AB
- Hässle
- Hill-Rom
- IMS
- Izasa, S.A.
- Janssen-Cilag Ltd
- Novartis
- Nutricia
- Oxford Instruments
- Pfizer Ltd
- Philips Medical Systems
- Pierre Fabre Ltd
- Quintiles Limited
- Roche
- Tzmo SA

If you would like to know more please call us on 01709 710081 or email healthcare@huthwaite.co.uk

