

Selling to Healthcare Organizations: How Customer Centric Are You Really?



Most senior sales executives and sales professionals will tell you their organization is customer centric. Many will draw you a diagram to show you the intricate ways in which they interface with their customers. Others will show you an elaborate slide with the customer at the center of their organization's universe. Some will provide you example after example that illustrates how they (implied their organization) have placed the customer as their focal point in ensuring customer satisfaction and loyalty.

While these examples are interesting, accurate, noteworthy and meaningful we have seen many examples of where Customer Centricity slips away during routine business activities. Here are a few examples where we believe customer centricity needs to improve in most organizations.

Product Retirement

With every product there comes a time when a product has reached the end of its life cycle and must be retired. For most organizations, this is a difficult and painful decision. It's especially excruciating if you are a small company and privately owned. Early in one of the author's career the founder waited until we were down to selling eight units per year of their flagship product before he would retire it. It was their organization's first and best product and it launched the company in the marketplace. He just couldn't retire the product.

Savvy organizations make their retirement announcement thoughtfully and carefully and with a carefully crafted message. They anticipate customer questions and have answers readily available. They ensure that their loyal customers are taken care of properly and in a timely fashion. What is your process?

Sales Representative Resigns Their Employment



Unfortunately this is not an uncommon scenario. Incumbent sales representatives leave for a variety of reasons. Even if they provide you with a standard two or four week notice, it's usually best to remove them from the territory as soon as possible since they are customer facing and often have already checked out of your organization. Their mind and spirit is thinking about the new position. When this occurs, its key to maintain the relationships with existing customers

as well as to manage the opportunities within the sales funnel, especially those are getting ready to close. If you have a CRM system that is being used this is easily done by Inside Sales, an RSM or a Sales Associate if your company employs one. Key is that existing customers and potential opportunities that are in the funnel don't get neglected. If you don't have a CRM system or if the data isn't up-to-date, you're placing customers and prospects at risk if a sales representative leaves your organization.

Sales Representative Gets a Promotion

This is a time for celebration. The local sales representative is advancing their career. It's also a time to ensure continuity of business. Savvy organizations ensure that customers are made aware of the promotion so they can offer their congratulations and well wishes. They also let the customer base know who their new contact will be and they make introductions to the new sales representative if one is available. If the territory will be vacant for a while, let the customer base know who to contact with questions, problems that need resolution etc. This is easily accomplished if you have a CRM system with up-to-date customer contacts.

Company Acquisition, Merger or Spin-Off



When one organization purchases or merges with another or is part of a spin-off from the parent company there are not only concerns within both organizations there are also questions within the customer base. Here are a few:

- Why is this acquisition, merger or spin-off being done?
- How will the acquisition, merger or spin-off help me or affect me?
- Will I have the same sales representative post-acquisition, merger or spin-off?
- Will any products be discontinued?
- Will I have the same level of service?

During an acquisition, merger or spin-off communication both internally and externally is paramount. Questions abound for company employees and with your customer base. Don't forget to communicate with prospective customers that are contemplating a purchase. While mass announcements are useful; they don't reach everyone. Leverage your CRM to send personalized messages. This can be done by downstream marketing. Don't allow a competitor to steal a sale because the customer is concerned about post acquisition, merger or spin-off imagined problems. If you have been through a merger or acquisition how well was this done?

Divestiture

When an organization decides to divest a company, division or business unit customers need to understand the reasons with logic so that they don't feel betrayed. Remember they purchased your products and services and they can easily feel they made a poor decision if you are selling the company, division or business unit unexpectedly. Articulate in writing the reasons for the sale. Ensure that they will continue to be supported during the divestiture and that the new owners will be customer centric. Effective and prompt communication is paramount. If this makes sense why isn't it done by more organizations?

Strategic Account Reviews



Did this one surprise you? Every organization has several strategic accounts and most organizations discuss them frequently. Most often it's in the context of how much more will we sell them this month, quarter or year and when can we expect the new orders? Customer centric organizations ask different questions. They want to know the progress they are making in helping their strategic accounts meet their

customers' objectives. They ask what resources the strategic account manager needs. They understand that their revenue objectives will be met if they are helping their strategic accounts meet their business objectives. Ask yourself how often senior management meets with your strategic accounts and when you do, is the focus on the results they achieved using your product or service or is it on your next order?

Territory Splits

When a territory is split, it's usually because there is increased potential that is being untapped. This again is a cause for celebration but the customer base has to be managed carefully. It is inevitable that some customers will get a new sales representative. Under ideal circumstances, they would be introduced to their new sales representative formally. They should be assured that the new sales representative will be as proficient, likable and customer centric as the one that is moving on. Organizations should never take their customer relationships for granted. They must be nurtured to foster and grow properly. Be honest. Do you do this well in your organization?

Distributor Change/Termination



Many organization sell through distributors. Most of these entities do a wonderful job for their suppliers. Occasionally, however, a change is required. Sometimes this is to another distributor and sometimes it's because the manufacturer elected to place their own direct sales representative into the area. Regardless of the reason it must be done carefully. Distributors always have excellent

relationships with their customer base. For many of them, their customers are also their friends. When a change is required, it should be handled with the same care as we described earlier in handling an acquisition, merger, divestiture or spin-off. Done properly, it protects the existing business. When done poorly the company loses the distributor, customer base and revenue. It can take years to recover. Be honest. Is this done well in your organization?

Parting Thoughts

Being customer centric is more than words or a fancy diagram. Its behavior that matches the words being expressed. Hospitals are learning through payment penalties that they need to be more customer (patient) centric. Manufacturers would be wise to take a step back and look at their organization and see if they are truly customer centric. The gaps we have illustrated are easily mitigated through pro-active and thoughtful management. As hospitals and health systems merge and become even larger entities, it will become increasingly important to be customer centric because there will be fewer organizations to sell to but their buying power will be extraordinary.

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As always we welcome your thoughts and input. Let's start a discussion and elevate the sales profession with a thoughtful, civil and informative discourse.

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