

Occupational Health ManagementTM

*A monthly advisory for
hospital-based occupational
health programs*

Guest Columnist



How to develop and keep an effective sales force

Hospitals should hire the best, provide incentives

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Many hospital-based occupational health programs traditionally have operated on a "learn as you go" philosophy, meaning everyone from the director to the marketing representatives learned the ins and outs of their jobs over time.

Unfortunately, that often means that occupational health programs operate without an effective, organized sales force. That's a problem when your entire business consists of selling your services to employers.

As the health care environment gets increasingly competitive, more hospitals are creating direct marketing strategies and trying to develop aggressive and effective sales forces. Hospitals face a challenge in doing so because, unlike many other employers, they don't have much experience in hiring and inspiring a sales staff.

Here are some suggestions for hospital-based occupational health programs interested in forming an effective sales staff or improving an existing sales program:

1. Hire the best you can afford.

With the intense competition among hospitals, this is not the time to hire a second-rate sales person. Nor is it the time to hire a displaced health care professional with no sales experience. Don't count on putting that person through a weekend seminar in hopes of creating an effective sales person.

Senior-level sales candidates (such as sales managers) should possess five to 10 years experience, with 75% of their responsibilities in direct prospect/client development. Junior-level candidates (such as sales representatives) should possess a minimum of three to five years experience.

Any candidate's experience should include a

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successful track record in the sales of intangible services and in calling on the employer market. A college degree in business, marketing, or communications is highly desirable, especially in a sophisticated market. The degree, however, is secondary to relevant experience and a successful track record.

When evaluating a resume, look for more than just a summation of responsibilities. The resume should provide sales results and contributions that the applicant made to previous employers. As the applicant must possess strong, multidimensional communication skills, the hiring process should evaluate the applicant's ability to effectively communicate and build a relationship via telephone, in person, in group presentations, and through written communications.

Role playing can provide valuable insight into the applicant's sales style. Look for evidence of how quickly the applicant can respond to challenging questions from you, the potential client. (You may need to role play about an applicant's similar, previous sales position, because the applicant won't be adequately informed about your program.)

If you are being assisted by a professional recruiter, be sure to include that person in the role playing. The recruiter should be able to help you judge the person's skills from the role-playing exercise, particularly if the recruiter has health care experience.

Be sure to check the applicant's references, including past clients. Because most hospital managers have little experience in hiring professional sales staff, you may want to consider using a professional recruiter. You still will need to be heavily involved.

2. Provide a structured training program.

If the hiring process was administered properly, you will end up with a highly competent professional salesperson. That means your training program can concentrate primarily on product knowledge rather than the sales technique. The salesperson will approach businesses as the front-line consultant who helps uncover needs, positions solutions, and knows when to bring in specialized medical expertise.

Your training curriculum should include these points:

- hospital orientation;
- historical overview of the hospital;
- hands-on orientation to the services the salesperson will be promoting;
- review of current periodicals and legislation

that is relevant to your services;

- introduction to other hospital employees who have direct interaction with employers, to encourage cross-marketing opportunities;
- overview of the employers in the community and their particular needs;
- details of the program's current client base and past sales efforts.

3. Inspire and reward your sales staff.

A successful sales program depends on motivated staff. Take these steps to inspire and reward your sales staff:

- Establish relevant sales goals and quotas that are specific, measurable, and can be tracked easily in the hospital's system. Make sure information is readily obtainable. The salesperson's greatest challenge should not be convincing the hospital billing department to provide a monthly run for calculating commission.

- Develop and communicate sales performance standards. These standards should be communicated to applicants in the hiring process and again on the first day of the job.

- Create and integrate a sales-reporting mechanism that includes identifying the frequency of reports and the specific data to be captured. The reports should be structured to reflect results, not just sales activities such as calling on clients.

- Maintain consistency with the compensation schedule. A sales person should be both salaried and commissioned. The salary will help account for the long sales cycle and provide enough incentive to recruit a high-caliber candidate. The commission is necessary because a good salesperson is motivated by the idea of open-ended earnings potential.

The salary generally should be two-thirds to three-fourths of the salesperson's total income, with commission accounting for the rest.

- Make sure the commission works both ways. Structure the commission program so that when the salesperson accomplishes the specified goals, the institution benefits. (In other words, deal in realities such as increased revenue or number of clients, not theoretical benefits such as a better image.) And likewise, make sure that when the institution benefits, the salesperson is rewarded.

- Account for commission as an expense in the pricing strategy of the products and services.

- Once you've established a commission program, don't back off when a salesperson is successful. Nothing kills motivation faster than saying, "Thanks for all the business you're bringing in, but your commission is getting too expensive." ■