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National Accounts Weekly



10 Keys for Success in National Accounts in 2018



Table of Contents

Introduction

- 1.** Understand the financial relationship between GPOs, IDNs, and RPCs
- 2.** Have a clear, compelling value proposition
- 3.** Deal with the distracted buyer
- 4.** Understand the continuum of care and the need for different solutions for acute and alternate site facilities
- 5.** Understand the hierarchy, inner relationship, and level of commitment of GPOs
- 6.** Build a network at all levels of the contracting organization you're working with
- 7.** Be a trusted advisor
- 8.** Have a plan for EACH customer
- 9.** Manage your internal client
- 10.** Be a great steward of the contract



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Introduction

I receive many emails and calls asking me what are the keys to being successful today in National Accounts. It is a topic I love to talk about and share what I know. This constant inquiry made me think to assemble this guide that I hope you will review and find ways to implement in part or whole.

When this project hit my radar, I reached out to 3 of the best and brightest people I knew in National Accounts. All have impeccable reputations, longevity, experience and know-how in National Accounts. I was so happy they were willing and eager to contribute their time and expertise to this project.

Please join me in thanking the following National Accounts superstars for sharing their insight to make this project possible:

Kurt Kreighbaum

35-year National Accounts veteran

Ken Murawski

President, HealthCare Links

www.healthcarelinks.org

“celebrating 25 years of bringing buyers and suppliers together”

Maryann Restino

Group V.P., Strategic Customer Group – Health Systems,
BD (Becton, Dickinson and Company)

Enjoy this first-ever guide: *10 Keys for Success in National Accounts in 2018.*

I look forward to hearing your thoughts and suggestions.

Wishing you all the luck and success this year in National Accounts.



John Pritchard

President

Association of National Accounts Executives

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Understand the financial relationship between GPOs, IDNs, and RPCs



Success begins with knowing your customer and knowing their business structure and how they are rewarded financially for their business activities. Today, group purchasing organizations (GPOs) are not necessarily arms-length providers of contracts to healthcare providers. In many cases, the providers collectively own a GPO or a regional purchasing coalition, thus making the use of the contracts in both providers and the GPO's interest. Great Suppliers cannot love the hospital and hate the GPO, because all too often they are financially

connected. It is important to know that hospitals are remunerated for their GPO patronage. The more contracted throughput the hospital achieves, the more money they get from the GPO.

This means knowing the financial relationships between provider organizations and GPOs. These relationships can get complex, and each structure will require a different approach. It is completely possible for your IDN target to be a shareholder of their national GPO, direct contract, be an owner in an RPC and run their own CSC. Understanding how all this drives their decision-making process is vital to contracting success.

Have a clear, compelling value proposition



Don't assume prospects understand your value proposition – they aren't psychic. Your value proposition better be apparent and demonstrable to how it helps the provider move the needle on the triple aim focus in today's value-based environment pertaining to cost, quality and patient satisfaction.

Creating an effective value proposition is about so much more than just outlining the "standard" benefits of your product or solution. You must know your customers' specific needs and package your offering in a way that easily lets your customer see its value. In other words, it isn't enough to tell a customer what your product does, but rather what it does for them.

The days of feature-and-function selling in healthcare are gone. Showing the economic and clinical value for adoption every step of the way is imperative.

Deal with the distracted buyer



Suppliers need to understand that they aren't just competing with everybody in their category – they're competing with medical records implementations, mergers and acquisitions, new ownership, new construction projects, and so on – all those really big issues.

More than anything else, Suppliers are competing for a customer's time and attention.

Today's buyers have so many priorities. It could very well be that your product is exactly the right fit for them, something that is better/faster/cheaper in every regard, but that still isn't a "sure thing." The customer may just flat out not have the time and manpower to convert at that moment.

There is perhaps more transparency in the healthcare supply chain than ever before. Sometimes, no matter how good your offer, the answer may still be "No." This is why trust and having a good relationship is so important. If you have a solid relationship with a customer, a "No" is not necessarily a sign that you should cut your losses and move on. Maintaining that relationship, and that trust, allows you to continue to find creative common ground to be able to move forward.

Staying in a trusted, meaningful relationship with your prospects is imperative, so when they are ready to discuss conversion to your product, you are nearby.

Understand the continuum of care and the need for different solutions for acute and alternate site facilities



An effective National Accounts executive understands that the industry has changed in the past decade. Not only does every organization have a different model, but those models are not static. In the last few years especially, business models at all levels have evolved – whether that's at the GPO, RPC, or IDN level.

A key to finding success in a National Accounts role is an understanding and appreciation of the fact that one must engage each segment along the continuum differently. The product or solution you're trying to provide to a hospital doesn't necessarily work in the alternate care market or, conversely, a given product won't necessarily apply to the hospital setting but is more geared to

home-care or surgery centers. That said, the industry has steadily moved into a "cradle-to-grave" system that serves the entire continuum of care. The major challenge this transformation presents is that IDNs are increasingly trying to be all things to all people. So, while the hospital is no longer the central pillar of the healthcare system, the hospital systems dictate on their contracts what is going to be used, ultimately, in the physician office and urgent care centers. (This is becoming especially true as IDNs are beginning to take steps toward self-distribution and setting up

Understand the hierarchy, inner relationship, and level of commitment of GPOs



Knowing the hierarchy and level of contract commitment between a provider and a GPO is imperative. GPOs have many different programs that require

different levels of contract compliance from their provider members. Often these higher

commitment level contracts offer better pricing in return for that higher level of compliance.

Understanding the spectrum of contract performance and the nuances involved will certainly help National Accounts executives maximize the value they see from contracts. A national GPO could have multiple tiers, programs,

group buys or a myriad of different contracts packages that greatly affect the pricing, access and performance of a contract.

Additionally, the performance of contracts could vary greatly because of the organization's membership makeup. For example, one organization may have a somewhat voluntary model, meaning you will not get high levels of contract compliance. On the other hand, another organization may have a very committed model so its contract performance is very high.

Build a network at all levels of the contracting organization you're working with



Getting to know your customer and building a network at all levels of the organization is critical, but it is no easy feat. It may seem like an insurmountable task.

The challenge is, how do you get those meetings if you don't have (or have enough) market share? Where do you begin?

You may find yourself faced with the challenge of getting your foot in the door. You or your company may be new or small and, as such, don't have access to some of the GPOs. One of the things you can do is to attend any (and every) local, regional, or national meetings with the customer base that you want to call on.

It can be tough to get a formal meeting with a customer, but it isn't hard to say hello to someone over cocktails at a conference's happy hour. On paper, it may be hard to justify, but going to industry meetings and

strategically picking out whom you wanted to simply say hello to or introduce yourself to can make all the difference in the world. Better yet, find a way to collaborate with them on an industry initiative or other volunteer committee. Many of the national distribution, GPO and industry gatherings have committee work or some sort of charity or volunteer work. Try and get involved with these types of initiatives and good things will come of it!

There are no guarantees, of course, but generally customers will have time to talk – even if it isn't directly related to a sale. An added benefit to building relationships with customers this way is that it is an easy and effective way to show customers that you are active in the industry and making a concerted effort to stay current and relevant.

Be a trusted advisor



You may hear the term “trust” thrown around a lot when people talk about developing a good relationship with a customer. For a National Accounts executive, the

application is working to become a trusted advisor. Being somebody who is sought out because the customer knows you are reliable and knowledgeable about what’s going on in the industry.

Keep in mind, building trust is not a capability people seem to just have, it is a learned skill, and a skill that pays off handsomely. There is a great book called *Speed of Trust* by Stephen M.R. Covey on the process of building trust.

Success in this area requires patience, because becoming a trusted advisor takes time – it’s what you want to build to. This doesn’t mean you must divulge confidential information, but rather that you are a

source of information because you’re credible, and because they view you as an industry expert who is knowledgeable of market trends. By being trusted, you enter people’s circle of influence, and with influence comes a new level of success for best-in-class National Accounts executives.

You want to have the information and, more importantly, figure out ways to diplomatically share that info. It’s the “Challenger Sales Model” model – finding ways to teach your customer something that they didn’t already know, including about their own business.

Have a plan for EACH customer



National Accounts is a complex business. Every customer is going to have their own unique needs, challenges, goals, and priorities. It can be easy to lose your focus if you do not

have a solid, strategic plan for each customer.

You must have a roadmap to know where you’re going. You may be successful without one but, in general, it is important to remember that hope is not a strategy. Having a solid plan can help take your relationships with your customers to the next level. Without a plan, you will be perpetually in “crisis mode,” dealing with whatever comes in on any given day. It is also a good

idea to make sure the goals you are setting are “SMART,” that is:

- Specific
- Measurable
- Attainable
- Relevant
- Trackable

Taking a disciplined approach to a strategic planning process forces you to look at all aspects of the customer – not just what’s important to you, but what’s important to the customer and how you can support their key initiatives.

At a practical level, this means writing down each plan; using the same (or a very similar) format for all your customers; and setting expectations that are inspected, reported upon, and shared with executives. A plan not written down is just a wish.

Manage your internal client



A healthy amount of give and take is present in all good relationships, and this is also true for relationships between you and the home office. All too often there is a divide between what the National Accounts executives think and believe about customers and what the leadership back at HQ think. How many times have you heard “What are we getting for these GPO admin fees?”

Getting to know your customers deeply means being able to see problems through their eyes and finding creative solutions to their unique challenges. No one else knows your customers as well as you, and that is why it is important for you to articulate these challenges to your own organization.

Often, at the highest levels, there’s a lack of appreciation for the complexity of things such as GPO and IDN deals and how contentious the negotiations can sometimes be. You may see the clear value of making an investment that will pay out over the long term, such as contracting with a GPO in order to get a customer’s business. But your C-suite may not see the value of spending money upfront to grow a relationship over time. Through no fault of their own, many times, executives get so busy leading the company that they may lose touch with the customers. Just like selling a solution to the customer, you must sell it to your internal key people as well.

At a practical level, this means making a concerted effort to get someone in the C-suite involved and engaged with the GPO or IDN. Educate that executive and give them the business plan that you are going to use, and more importantly, show them the outcomes (And make sure you have solid data to present!). Educate them on what they will and will not get out of a contract, so that your CEO and other internal people are knowledgeable about what to expect and not to expect.

The more you can involve leadership, the better. Get them in front of the customer and let them hear from another source about the things you’ve been saying. In other words, keep the wheels greased so that the executives understand the importance of things they would otherwise push back on.

It’s also important to consider your sales organization. For instance, with companies that pay commission, getting a contract with a GPO and offering a deeper discount is an immediate pay cut to the sales team. You must illustrate the long-term value of the strategy, i.e., it gives them a license to sell at more accounts within the GPO membership. Since pricing transparency is here to stay, having strong relationships with your reps is important so they don’t price a member higher of lower than appropriate.

Be a great steward of the contract



It should go without saying that building a successful career in National Accounts means being a good steward of your contracts. Do what you say and say what you do. Make sure to frequently and methodically check that you are delivering on everything you promised. Was pricing correct? Were you in stock? Were there service interruptions?

Building trust and relationships takes time, and one of the actionable ways you can do that is by delivering on your promises. It only takes one time breaking that trust and you're done. There are hundreds of people trying to take your business, not to mention all the other priorities your customer is bogged down with. If you're fortunate enough to develop a relationship, you want to do everything you can to keep that trust – delivering on your contracts is the very foundation of that.



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