

# Are You Getting Outsold? BY MICHAEL T. FERRIS



**M**y job is fun. I love what I do, getting to work with the fun part of home care and hospice – sales and marketing. And we have never been busier! Every agency is different and has different needs. That means that there is never a dull day. But there is one thing that doesn't change; new clients come to my firm because they suffer from one of more of the following symptoms:

- Market share is eroding;
- Referrals have either leveled off or are in a decline;
- Case mix has shifted to one that is less profitable;
- Board of Directors has told management to increase revenues and or profitability; and,
- Hospice census and or average length of stay has decreased.

Longevity can be a detriment. Just because your agency has been serving your community for many years, you cannot assume that the referral sources know and appreciate this. It is easy to get complacent and act as though you own the referral source, because you have served their patients for many years. Get credit for your greatness – including the many years you have served your community!

The fact is that competition is growing with each and every month – in every market. This should provide sufficient impetus to act. If you wait for the negative effects of competition to show up, it will take that much more to regain momentum and market share. Evaluate your competitive environment on a regular basis and be proactive.

There are some things over which we have control, and many others that are not controllable. New agencies expanding into your service areas are not something you can

control. It's important that you take all of the worry about increased competition from your public statements. You can create a self-fulfilling prophecy by having the increased competition provide negative motivation. Strategically, you must know your competition and how you will maintain your market growth; but you will gain nothing by bemoaning the increased competition.

Declining market share is caused by either more agencies fighting for fewer referrals, or market share referrals to that portion of the total number of referrals in your service area that your agency enjoys. Do you know your market share? This is a key statistic to know so that you can monitor where you stand overall in your market.

Declining revenues can also result in a changing case mix. If the competition is taking the better, higher paying HHRGs and leaving the others for you, you are getting outsold. Don't let this happen. You must determine how they are doing this, and then go after them full force in the marketplace. The referral sources often think that by giving you the private insurance cases and the competition the Medicare cases, that they are doing you a favor. Perhaps they don't understand the current reimbursement scenario and just need to be educated and reminded. Don't get surprised by dramatic changes that are not caught and show up as problems in the next quarter.

No formal sales training is a very good example of how agencies are squandering budgeted dollars. The cost of having an outside sales team is high, so agencies must make sure that the investment pays the highest dividends. The same agencies that wouldn't think of sending untrained clinical staff to see a patient send untrained marketers (sales people) out to call on the lifeblood of the agency – their referral sources. When compared to the aggregate salaries paid to the members of the sales team, the cost of providing adequate ongoing sales training is minimal. This is a true loss of opportunity.

Lack of sales management is another common missed opportunity. If you have to select between investing in training for the sales team or training and support for the sales management, always invest in the management. Then they can coach, train, mentor and lead the sales team to greatness. Agencies that have invested heavily in a sales team and have poor sales management support for the team, will never see the maximum results from the overall sales program.

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Once the sales team and the sales management are hitting on all cylinders, then it is time to look for ways to improve the sales skills and practices of the intake (or admissions) department. They must also be trained to ask the right questions and to maximize the productivity in their department. The staff should embrace the idea that they are the inside sales team.

Long term clients know that to stand still is to fall behind. They know that we have to work very hard to stay ahead of the competition. Don't get outsold. Never rest on your laurels. Work hard to maintain your growth rate and stay ahead of the competition. Plan to outsell the competition at every opportunity and see your referrals grow. Happy Sales and Marketing! 🇺🇸

**About the Author:** *Michael Ferris, Principal, Home Care Marketing Solutions, Chapel Hill, NC is author of "How To: Market and Deliver Legendary Service," "Managing Home Care Sales Teams for Legendary Results," "101 Home Care Promotional Strategies", and "The Complete Guide to Home Care Sales & Marketing for Legendary Results." NAHC Members receive a 15% discount on these publications. Mike may be contacted at [mike@hcmarketingsolutions.com](mailto:mike@hcmarketingsolutions.com). Sign up for his free home care and hospice sales and marketing newsletter at [www.hcmarketingsolutions.com](http://www.hcmarketingsolutions.com)*

## TOP 10 REASONS FOR GETTING OUTSOLD

- 1) Poorly Prepared Sales People
- 2) Murky Message
- 3) Inadequate Marketing Budget (includes sales budget)
- 4) Leadership not Focused on and Supportive of Business Development
- 5) Culture that Doesn't Sell
- 6) Lackluster Customer Service
- 7) Poor (or non-existent) Sales Management
- 8) Intake Processes that Make it Difficult to Refer
- 9) Bad Attitude of Intake Personnel
- 10) Aggressive competition investing in cutting edge strategies