UNDER THE MICROSCOPE

Challenges facing the medical supply industry and how to overcome them.
Supplying everything from thermometers and bandages to cardiovascular and respiratory devices, the medical supply industry is stronger than ever. So strong, in fact, that the value of the global medical supply industry is set to tip $245bn by 2018.

Healthcare providers the world over have a constant need for products that are of high quality while competitively priced, yet for the typical medical supplier, identifying which customers are buying which products is a daily challenge.

The UK National Health Service manages over four million orders per year from over 120,000 order points, while US demand for disposable medical devices is forecast to rise more than four percent over the next two years - to a staggering $54.1 billion in 2020. The medical industry is a big deal the world over.

An ageing population and higher life expectancy mean demand is often predictable, however the industry is facing several tough challenges that could make or break some companies that supply this demand. From ensuring product quality to battling some fierce competition, medical supply companies could potentially have a tough road ahead.

This eBook will discuss the challenges facing the industry and share some tips and advice on how to overcome them.
Brand reputation rules the medical industry, and even the smallest of negative comments can be truly devastating to some businesses. For any medical equipment manufacturer, product recalls, bad feedback and negative perceptions can tarnish your reputation in a bustling market and have a detrimental impact on your revenues.

What can you do?

One of the simplest ways to ensure the quality of your products is to make customer feedback a cornerstone of your business. Contact your customers regularly and ask them for feedback. What do they like? What don’t they like? Do they have any suggestions for improvement? Having this kind of insight from the get-go and logging it in a reliable CRM system will mean you can monitor any trends in feedback and act fast when any issues arise.

Once you’ve got a proactive feedback process in place, use it. Share it with your entire team; good feedback gives us all that warm fuzzy feeling and any not so good feedback can be a benchmark for improvement.

Build product quality into every part of your business, from design and manufacturing through to sales and customer service. Quality doesn’t start in design and end at manufacturing. Train your sales and service staff to proactively offer product support and advice without being asked first. Not only will your customers be happier, but you’ll be remembered the next time they come to purchase.
Europe is home to over 26,000 medical technology companies, employing more than 650,000 people.

- CBI, Ministry of Foreign Affairs, 2017

#2: COMPETITION IS FIERCE

In what has become a saturated market, standing out in the crowd can prove difficult for even the most established of suppliers. Amazon Business is poised to disrupt the industry even further by opening an entire new marketplace for distributors and medical supply companies are understandably on their guard. While fierce competition and e-commerce giants contribute to welcomed price cuts for end customers, traditional medical suppliers face a substantial hurdle in retaining their customers and continuing to establish new, profitable relationships.

On top of that, the complex ecosystem of the industry means that supplier contracts often offer favorable pricing for buyers when purchasing bundles of items, both high and low cost. Your buyers are in a prime position to negotiate with you. The cost to switch is typically low and the sheer number of suppliers gives buyers the upper hand. Great for them, not so great for you.

What can you do?

Consider moving away from the most saturated markets unless you’re already one of the first ports of call for buyers. There’s little point in trying to topple the giants that are able to capitalize on economies of scale and undercut you without batting an eyelid.

To remain competitive, you need to understand your existing customers as much as humanly possible. Success will rely heavily on understanding them as well as you possibly can. When do they tend to buy? What do they buy? What should they be buying from you but don’t?

Most of your customers will likely be buying a small portion of your entire product range, but could be buying a lot more. For example, customers buying bandages will likely need gauze and surgical tape as well, so if they’re not buying these complementary items from you, they’re probably getting them from your competition.

These obvious cross-sells aren’t always the easiest to spot in the heaps of data you generate on a day to day basis, so consider investing in a sales analytics solution that can analyze your data to turn up these easy-to-close opportunities in a few quick clicks.
The medical supply market is awash with innovations, product developments and new technology. In 2015 alone, more than 12,500 patent applications for medical technologies were filed with the European Patent Office. As such, buyers are becoming increasingly spoiled for choice and switching costs are continually being driven down.

The industry is moving at an incredible rate and staying abreast of innovations and potential future customer requirements is more important than ever. There’s no denying that in the medical supply industry, innovation is imperative to success and growth. High-tech products demand ample research and development, which can come at a cost.

### What can you do?

Innovating typically involves hefty capital investment so you need to be sure you are using your investments wisely to fuel your innovative streak. From making better use of your data to expanding your product range to meet consumer needs, strategic improvements should be made.

Make a point of understanding exactly what is selling well for your company. What could you change or improve to continually meet customer demands? Using data to fuel your product development will ensure that you’re consistently making smart decisions rather than just throwing money and resource at the wall and seeing what sticks.

A business intelligence tool can allow you to understand exactly what and when your customers are buying from you. Armed with this information, you can make smarter decisions about where to take your business in the future and how to develop your product range.

If, for example, the sale of respiratory devices typically increases around winter time, evaluate whether there is anything you can do to enhance your products to make you the supplier of choice every time there is a surge in demand. Can you improve your products in any way, such as making them more user-friendly, easier to administer or even better for the environment? Or perhaps you could expand your product range to include oxygen masks, nebulizers and more?

Take the time to think about which of your existing products work well together in a bundle? Which you could improve or develop to satisfy your customers’ changing needs? Where can you add value?

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### What is Business Intelligence?

Feeding on the reams of information stored by accounting and invoicing software (commonly known as ERP - Enterprise Resource Planning software), a Business Intelligence solution takes this data, analyzes it and presents it back to you in an actionable and easy to interpret format.

Dashboards, reports and key sales information are fed back in a manner that can actually be used for the greater good of the business, rather than being locked away within your ERP software, never to see the light of day.
The medical supply industry is bustling with hundreds of suppliers, and with Amazon Business getting in on the action, your customers are well poised to up the game and demand more from you as their supplier.

Naturally, ensuring a certain level of customer satisfaction is imperative in every industry, but more so in medical supplies. Keeping your customers happy will forever work in your favour, translating to repeat buyers, consistent sales and less uncertainty for your sales team.

Your existing customers know your company, your processes and support channels should they need them. Their expectations have already been set and (hopefully) met. Making a concerted effort to keep your customers from straying to the competition is often overlooked in favor of new business development initiatives, but keeping your existing customers onside is imperative to the lasting success of your business.

What can you do?

Improving customer satisfaction to the point that you are an extension of your buyers’ teams is key to ensuring your company is always front of mind when your customers are in the market to buy.

You know your industry inside and out, your products like the back of your hand and the needs of your customers like they were your own – so use this knowledge to your advantage. Craft blog posts, support manuals, cheat sheets and handy product guides to position your company as a leader in the market. Educating medical practices and practitioners on your products will allow you to become a trusted source of information, rather than just another supplier.

Make a point of gathering feedback and case studies from your customers and shout them from the rooftops. Peer reviews are incredibly powerful when it comes to enticing new customers, but are also great for sharing best practice straight from the mouths of your end users. Nothing says great customer feedback better than case studies and references from real life customers.
#5: USING DATA EFFECTIVELY

In an industry that is often overwhelmed with legal and quality compliance regulations, managing the constant flow of information can be one of the biggest challenges facing a medical supply business. From customer details and sales invoices to endless reports and certifications, the sheer amount of data floating around any medical supply business is enough to make your eyes water. However, recent research found that just 30% of medical supply companies believe they are using their data “very effectively.”

Unless stored somewhere secure but also readily accessible to the departments that need it, any kind of data can be rendered useless. As such, the industry is missing a huge opportunity when it comes to data.

74% worry that their data is incomplete or missing.
50% say insights in their data are not actionable.
28% say data is still incompatible or not integrated.

What can you do?

First things first, make sure that your data is stored in a central repository, not across disjointed systems that don’t talk to each other. An integrated business tool combining ERP, CRM, analytics and storage for your documents is the key to success.

A holistic solution can store every scrap of information pertinent to your business and your products where your entire team can access it. You’ll likely already have an ERP system that manages invoices, credits and maybe even your payroll. An ERP becomes a powerful tool when the data stored within is used in conjunction with other software solutions such as CRM and BI.

If you don’t have one already, seriously consider a CRM system to manage your customer accounts, if nothing else. Scrapping around for Dr. Bob’s surname when you’re on the phone to his office doesn’t give the best lasting impression of you or your business.

To really up your game, consider a business intelligence tool. Fusing the transactional data stored in your ERP system with the soft customer data stored in your CRM is every medical supply rep’s dream come true. These tools can offer nuggets of sales gold, churning up recent sales activity, unmissable sales opportunities and key talking points for your sales reps.

Armed with this kind of information, you can craft tailored sales pitches for each and every customer without even leaving your desk. What’s more, most good BI tools are available as an app for your smartphone.

Not only will your customers be smiling from ear to ear with the great deal you just gave them, but your reps will be smashing their targets left, right and center. Easy peasy.
ABOUT SALES-I

We are the world leader in sales performance for distributors and wholesalers.

sales-i is sales performance software designed to make every sales call more personal and profitable.

sales-i enables sales professionals to clearly identify and target high quality sales opportunities within their current customer base. Equipped with customer buying behavior alerts, salespeople can make insightful, personalized, quick business decisions, realizing repeat sales, reduced customer attrition and maximized profit margins as a result.

sales-i is proven to change the way you sell. Get in touch for a free, online demonstration and judge our software for yourself.

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