

MEDICAL DEVICES

Mike Sperduti – CEO, Emerge

“Medical Device Inside Sales Strategies Webinar”

Joe Hage: Hi, this is Joe Hage. I have the privilege of leading your Medical Devices Group which as of this recording has 311,000 members worldwide. And one of the reasons we have grown to this size is because we have members like Mike Sperduti on the line who is willing to share his knowledge with the team. As you know Mike is a member of our Medical Devices Group Advisory Board. I've mentioned him a few times and frankly he is my go-to person for medical device sales, so Mike as always I'm really grateful about how you share your knowledge with the team. Take it away it's your show.

Mike Sperduti: Thank you Joe and it's always a privilege to be with you and the group and welcome world. I'm just so excited to be sharing with you this presentation today. It really is a culmination of my life's work and I'm just so happy that we have over 5,000 executives from 40 countries who recognize the importance today of inside sales strategies in healthcare and life science.

What we specifically are going to cover today we're going to do a lot, we're going to go through the philosophy, the strategy, the tactics on how to drive shareholder value. You'll see examples and we'll talk about work that we've done with companies that I've owned that have been small companies all the way through Fortune 500 companies that we work with today. So whether you're a small company, a large company, a consumable, capital equipment, software, we've got you covered during this presentation.

Mike Strange who is also on the line, our Vice President, had a really good idea and he said prior to the event, let's reach out to the executives around the world and let's see really what they're interested in learning about specifically and where are their needs. We did listen to the folks that did respond to us. It looks like about 32% of the folks on the line are looking at building an Inside Sales Program. That's very exciting, I'm very happy that you're considering that, and we'll help you do that presentation.

Other folks are interested in generating high quality and consistent leads. Accelerating incremental growth. One of the toughest things to do in this environment we talk to CEOs all the time, organic growth seems to be a big challenge for most of us around the world. Because we have a large population of CEOs and that primary responsibility being driving shareholder value. Great topic that we'll get into it and obviously the major topic of today.

And then lastly decrease in sales expenses, which what you'll find as we go through and as you implement and Inside Sales Program, what's really great is not only will you decrease expenses but you'll improve productivity. That's why anybody who's in the financial world the CFOs and the investment community love our approach to sales in the healthcare and lifescience market because it is the most efficient way to go to market; best results, lowest costs.

So when you implement an Inside Sales Program properly, what that will do for you is give you the power and the knowledge to be the smartest person if you're running that department or running that type of company in your specific sector in your business. Every single company that we work with, everybody that's doing on their own that does it the way that we're going to talk about today succeeds because knowledge is power.

If you have relationships and you have meaningful communications and conversations with your marketplace. And you during those meaningful conversations where there is a pleasant exchange, then obviously you're going to uncover the needs and the knowhow and exactly who's in the market and when they're in the market and what their buying strategies are. All which we can elicit using this wonderful vehicle.

Because you're the smartest company and you've taken the time and energy to build a program like this, all your resources are going to be at the right place at the right time, from your sales resources to your marketing resources. This program for the smart companies become the frontend of all of their sales and marketing.

Once you've clearly defined your value proposition and you know where you fit in and who your target market is, the smart companies are using Inside Sales to drive all the future activity and get in front of the program as opposed to being a part of it. We become mission and control. The Inside Sales component can steer your resources exactly where they need to be, and we're going to be talking about that.

Now there's a lot of interest in Inside Sales obviously with the amount of folks that are on the phone today, but what's really driving change and what's driving the fact that you're looking at implementing and Inside Sales solution, well I think very clearly it's because of time. All of us are under a lot of time pressure, we have to deliver results and we have to deliver them now. What you'll find is Inside Sales is the fastest way to do that.

Also your marketplace, if you're in healthcare right now your customers and you know this, have less time to spend with you. They either have to spend more time on their clinical work in front of patients at the lab, whatever it is that their responsibility is. So they don't have the time like they used to sit down with sales reps, they have to make that time efficient and Inside Sales will do that for them.

Margin decline, most of us have suffered significant margin decline all around the world simply because healthcare costs are escalating, people need to be focusing on reducing costs, and there's greater competition than ever before because it's a global marketplace so margin pressure is coming down.

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The cost of field sales is going up. When you fully load a field sales visit, when you put salaries and insurance and parking and tolls and meals and you put all that into a sales call in US dollars, it can range anywhere between \$300 and \$3,000 per sales call depending on what you're selling. So we have to be very conscious and very careful about investing those dollars and when we deploy those expensive resources.

We also find that there are tremendous changes in communication preferences. Think about what's gone on over the last 10 years. Think about this webinar how now we can communicate globally both auditorially and visually. Your customers' communication preferences are changing significantly with email and text, telephone, all those things.

And lastly we're in a society that in a world that demands responsiveness; we want what we want when we want. And so Inside Sales addresses all of the changes that we need. It's time-efficient, it's cost-effective, it's a communication mechanism that you can still maintain meaningful conversations and be there when the customer wants you to be there.

So the challenge is for the folks for all of you that around the world are having, these are things that we heard and we hear every day from our clients. We're having a problem with organic growth, we need to sell more with less people and resources. We need better help forecasting instead of just wishing what we're going to 08:50 and these are the things we need to break even.

What are the realistic market expectations? How do we design real sales plans? How do we identify high probability accounts? How do we accelerate the sales cycle, build a pipeline? How do we have more consistent access to financial and clinical decision makers?

And lastly how do I know my marketing dollars are actually paying a return? Can I measure those returns and can I be contradictable and repeatable?

So the first company I'm going to reference, and we'll just go through a couple of different case studies about where Inside Sales came in and helped the company. My first company that I approached was a company called TRIAD Medical. And TRIAD Medical was a little infusion supply company, it was based in the United States. They had sold everything A-Z to make and administer an IV product. So everything that a pharmacist would use to a nurse, all the way through from the mixing of the drugs down to the delivery systems of the pumps and the supplies that the nurse and staff would need.

And when I met the company, my brother-in-law was an owner in that company and that was my initial foray in. And we took a look at how they were selling and they were using an old field-based sales books. And the products they were selling were very much highly-recognizable names like Becton Dickinson and Baxter and Bayer, Pharmacia, Deltec and Smith and Nephew.

And so they were really a distribution company, they really didn't have to focus in on necessarily the products and what their features and benefits were. They needed to really focus in on what made their distribution the most efficient and effective. So when I took a look at that, we felt very strongly that we could convert that company and eliminate the outside sales force altogether.

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And with that particular company that strategy made sense because it was really a commodity-based company and so the results were staggering. We again were privately held, we grew from \$6 million in sales to over 80 million in a seven-year period of time. We decreased selling expenses from 25% to 8%. What's really great is our sales force on average made well over 150, they were about 100 to \$150,000 a year. So in that distribution world at that time that was a good compensation for those folks.

It really was such a great example of when you have the right type of disposable-based commodity-based highly-recognizable name how Inside Sales can really be your full sales vehicle. And that's not going to be the case for everybody, we'll talk about capital equipment in a little bit, but for those of you who are on the line that have large SKUs, need to touch multiple points in your organization, your building an Inside Sales organization is very, very important for you.

Another company that I worked with and became President and CEO and deployed an Inside Strategy very successfully was Mediq ACS. I did have ownership as the leader of the company. And with this particular company it was going through a bankruptcy with its parent company. They had wanted to liquidate the company because the parent had amassed a debt load of \$600 million in debt and \$250 million in sales.

And so my job, we split the company in two, my job was to take the disposable component of that particular company and bring it through a repacked Chapter 11. We restructured our debt with the parent company and ultimately using Inside Sales, going out and touching all those customers who quite frankly all thought we were going out of business. Re-establishing the confidence with our messaging about why we were a better organization, and it wasn't a bunch of baloney. We had fixed the internal operating entities. We did the hard things, we restructured the company to be successful and to provide competitive differentiator, but we had to get out there fast and communicate that value proposition because we were bleeding millions of dollars.

Very quickly we in three years turned the company right around, brought it back to a 20-year profitability high, completed our debt restructure and then sold the company to a publicly traded company called Invacare that created a significant amount of shareholder wealth. And the driver here was all Inside Sales.

So today who is using Inside Sales and who have we helped? Really it's a who's who. This is a small sampling of the companies that we helped. We've also helped small companies, that's how we grew. We emerged, and that's where the name of our company comes from by the same process that we preach and teach. So most of the names that you see here we actually grew by cold call. We used the phone, got the decision maker on the line and convinced them that we could help them grow their sales better with us than without us.

I always that, and when we consult our clients and we work with our clients, we always say we can tell you all day long how great we are, but I think what we're most proud is what our customers say about our work. And if you do any due diligence on our company which I encourage you to do, it's important that you know where you're getting your information. That you'll see here and feel that we deliver everything that we say that we will, and what I'm telling you you can bank on.

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A lot of you have complex products, highly complex products. And the initial inclination is that potentially your business is too complex for Inside Sales and I'm going to tell you it's great for Inside Sales. We have seen and been a part of over \$1 billion in sales creation in some of the most technical products and here's just a partial list of things that we've been successful with. We're also right now entering our 24th country, so we've been successful in all parts of the world that we've entered. And so it touched really from the acute care setting, the hospitals to the clinics to the nursing homes all the way down to home care and really patients at home as well. So we're lucky that we've seen a breath of highly-tech high-capital equipment items selling for millions of dollars. It will work for that as well but the more complex and the higher-level decision maker that's really where we're thriving today.

A lot of folks that we talk to we ask to rate your sales team to develop new business. We've just seen that the biggest reason why companies aren't growing and these are companies with breakout technology, we only have competitive differentiators, it's just, it's a function of prospecting. As fancy as we've gotten in the world, as great as Facebook is and LinkedIn and email, there's still nothing that will replace human interaction especially with complex solutions.

The only way that you can sell a complex solution is to really understand your marketplace and what they're doing and why they're doing it that way and what are their challenges and what solutions are they currently using. So ultimately you can listen here and understand what their issues are and then provide a solution that makes sense to them that's better than what they are using today. And that's what selling is, in a nutshell, we all know that but how do you facilitate that in a very explosive fast meaningful and productive way? It's prospecting, it's using the phone.

So a lot has changed. When we talk about the phone a lot of people think telemarketing, a lot of people think about the folks that they received some phone calls from home. Yeah if you do that and you hire people that don't understand healthcare, and you hire representatives that are lower-wage folks, lower-educated people yeah you're going to get disaster results, you're never going to do well.

But let me tell you how elevated you need to be in order to be successful today. And this only isn't relative to Inside Sales, it's in everything you do. I don't care what your job is, if you're the President and CEO, you're the Sales Leader, you're the Marketing Manager, you better be the best at what you do today. You better have a higher skillset because good don't cut it and competition's hard.

So the new era of sales and specifically how to generate significant organic growth is you need Inside Sales to lead the cause because it's the smartest way to understand your market. You need to understand Neuro Linguistic Psychology. What is that? Well that's being able to translate your value proposition and why customers should look to you for solutions, how to let them hear your value proposition and feel that you're the right choice for them. And it's different language patterns that we need to utilize in order to elicit those responses that we're looking for.

And this all comes down to message engineering. How do I engineer a message that is going to resonate with that other, that person on the telephone that they're willingly going to talk with me? Because ultimately that's what we need to do, we have to get them to open up and talk. And what's interesting is for those of you who have tried Inside Sales or tried telemarketing or there is some of you that I know

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that are doing it right now and it's not working and you start believing that well the telephone doesn't work in my business, it's ineffective.

What's ineffective is the way that you're doing it. It will work if you engineer messages the proper way, you have those messages delivered with the right people, you use data analytics, you use behavioral profiling, you market to a customer at [inaudible] and you have a sales process that is predictable and repeatable.

I don't have a lot of time to go through all of this but I want to highlight some of it. So message engineering, here is all right. Here's a very simple formula that we use, if we engineer messages and meaningful conversations each and every day for our own companies or our partners around the world, what that's going to do is create sales and also actionable market data.

So there's a whole strategy and there's a lot of things we need to learn to engineer proper messaging but I did want to leave you with something here that you can utilize. And that is messages that are engineered with the following topics are doing very well today. And so if you can relate your products and services to these topics, there's a high level of interest when you communicate them properly to the healthcare and lifescience sector.

And that is new technology, better patient outcomes, reduced readmissions, increased revenues and profitability, patient satisfaction, reduction in operating cost, improved productivity, and reduction in clinical labor.

Your job is to figure out what that customer of one care is about. Those are the very high-level very attractive conversations that are going on right now relative to the markets that we're in which again is exclusively in healthcare and lifescience.

Now let's talk about singular markets. I don't care, you don't care, your customers don't about anything else but their situation when you're approaching them with a sales call. They don't want generic information, they want you to clearly understand their issues and that you not only understand their issues but you have a track record of solving issues just like this. And they don't want to waste time, they don't have the time to waste.

So how much different do you think your marketing and how much more powerful does your marketing become when you know these things? What are their most important objectives? What solutions right now are they using? How old is that solution? That solution could be a piece of capital equipment. Knowing how old the piece of capital equipment is is significant because all of you know that there is a replacement cycle. So if you know where they are in that cycle, you should market to them differently.

Are they under any kind of contract? If they are when does it expire? Are they in the market for what it is that you're trying to sell? Do they have a need for you right now? If not, when will they be evaluating a new solution? Don't you want to know how their buying process works? Everybody has a different buying strategy. Every institution, every individual has a different buying process, how are those decisions made?

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All of those things if when we understand those things and we now change our messaging specifically to meet those criteria to that individual, do you think the sales call is going to go much better? Do you think the marketing piece will be much stronger?

You see this is what I love about this is that when you look at all the things that you do, if you focus in on that one customer, that one person with their needs, and all of it is geared to their world, that's how you get their attention. That's how you get their focus. That's how you get them to take action because you're marketing to that customer of one. So when you use an Inside Sales approach, that knowledge that power improves every bit of your marketing. A powerful Inside Sales Program makes email, direct mail, websites everything better. Because what better information than to actually the thoughts of your customer.

All right, so let's talk about people, process and technology. Those are the three things that every successful Inside Sales organization focuses in on. So ultimately, and everybody knows this especially in leadership, people make or break you. So if you're considering implementing an Inside Sales Program, the first thing you need to have is somebody who's proven. Somebody who's got a track record of success in healthcare and lifescience. And there is some really great Inside Sales leaders out there today. Not many but there are some really great ones.

As a matter of fact I had noticed is that a gentleman Tim Welling that I've had the pleasure of working with at McKesson he's on the line today. Tim's one of those thought leaders. You'll see him on LinkedIn talking about Inside Sales and strategies he's using and sharing with the world what he knows about this great medium. And so there are leaders out there that can help you like Tim.

You also need somebody who's highly skilled or a team of people in message engineering, transformational grammar, all the things that we talked about. It all starts with that skillset because if you have that skillset we can translate over the phone. You see the phone isn't the magic, the phone's the vehicle, the magic is in the skill. You need the folks who are on the phone to be extremely well educated. You need them to be highly auditory. What does that mean?

Well their predominant communication style needs to be auditory. They need to have great listening skills and great language skills. They have to also thrive in a structured environment. That's why a lot of folks they hire great sales people and they put them on the phone and they fail. Or they hire somebody and they do a great interview and they have great communication skills but the big piece here is not only do they need that but they need to be able to work in a structured environment.

Everything we do in Inside Sales is measured and monitored. These folks have a microscope on them all the time, and they need to like that environment because if they do they will thrive. And so part of that process in hiring these people is not only knowing what questions to ask on the interview but also using personality tests that can align. What are they predestined to like? And I love the fact that there are these tests out there today that can help us make more educated decisions.

These people also have to have high ego drive. They have to put the responsibility of business creation on their shoulders. They have to love technology, they have to love activity reporting. They have to love

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talking to people over the phone day in, day out. They have to love the challenge of report-building in business creation.

So it takes a 28:56 like anybody who's great at what they do, you need to make sure that they're predestined with their personality and their experience to be great, and then you train them in the specific processes that your proven leadership knows. And those folks need to be well-compensated. Another stigma, when I first started Inside Sales reps were treated like second-class citizens even though I was bringing in way more business than my contemporaries.

For some reason I was a telemarketer I used the phone, these people create business. Without the creation there is nothing to sell. Without getting in front of a qualified buyer who has an interest and a need for what you sell you're out of business. Or you don't sell or you don't meet your sales plan.

Now let's talk about process. Your process has to be buttoned down, it has to be predictable and repeatable. So how do you do that? Well you have to first have a defined outcome. What is it that we're expecting from this effort? And we break it down to how many calls are we going to make, to how many people are we going to talk to, to how many we're going to convert to sales-ready opportunities, to how much data are we going to capture. What's the investment in to make all that happen? And what's the projected rate of return.

I will never do anything unless I know two things: how much money is it going to cost me to invest and what is the return? And then those things need to be measured because sometimes, and I'm sure this has happened to you, performance varies. And so if the performance is at or above expectation, well that's great but what happens if it does not meet expectation? What do we do? Well clearly we have to fix it or stop doing it so our process needs to encompass all of that.

Our strategy and our process needs to be ecological. What does that mean? Well that means it has to be congruent and be implemented and with our other marketing and sales initiatives. So Inside Sales should be a seamless integration with Outside Sales if we're going to use both components, with marketing, with trade shows. And ultimately synergistically they all become better because they're all feeding off of each other.

We talked about message engineering, big part of the process. Training, again if these people are going to be revenue generators there's got to be vigorous training. We have to anticipate every objection. We have to understand how to handle those things professionally.

Constantly, the process has to have constant and never-ending improvement. So just because you're doing well today you can always do better so that's where technology comes in and core recorders. And we're talk about technology in a little bit but we listen and you need to listen and have somebody in your leadership team listening to make sure that the message is resonating with the audience. That the communications are meaningful and welcome. And the information that we're sharing amongst ourselves and our customers are valuable to both parties.

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We have to have accountability. Everybody should be accountable. Heck if you're the CEO you're accountable to your shareholders. If you're the Sales Manager you're accountable to the VP of Sales. If you're the rep you're accountable to your plan. Well this process needs accountability as well and so whether you build an internal sales force inside or you outsource, that'll hold these folks accountable to certain performance metrics.

Ultimately the process has to be structured but also based on feedback and analysis it needs to be flexible. So you're constantly based on market conditions, based on what happens that particular day or month. You can react very quickly that's another reason why I love the telephone is you react quickly because of those things.

Now technology. You have to invest in technology to do this right and the technology investments can be significant. But what you have to make sure is that you're measuring and monitoring all the sales activity that's critical to your conversion metrics. And that's the part that guarantees your performance because you 34:13 management what you can measure you can improve, so you need to do that.

You also need to make sure that the technology that you're using is easy for the reps to store the information because again they're having conversations on the fly. You can't make it cumbersome and take a long time because the quality of the data will be compromised then, or they won't put it in. So you have to build very intuitive ways of getting data and storing data. And that could be accomplished by questions with drop downs and shortcuts and a lot of good things that we can do.

You need that technology to provide a complete account history and account status instantaneous. Why? Well just in case you have turnover. What I love is when our reps leave, typically one of our reps leaves because they get promoted to another company and they get a wonderful opportunity. We're thrilled about that.

If we don't have the capacity to move them up in our organization but they can move into another, we're for our people. But now we have to replace those people so we can put somebody in their seat and we put them through our training and our process and they can pick up exactly where that person left off. No disruption.

And so if you have that technology you own and there's a lot of folks that are on the line today you don't have all this in one spot. A lot of you the rep has the information, the rep is still functioning either with their standalone CRM system or notebooks or files that you don't have access to. And if they leave, all that history goes with them. Where they are in the process, the proposals, what are the decision-making trees, who are the key influencers. That's your information, that's your proprietary stuff. We've got to make sure we have that technology.

And lastly we need to report every sales call so you can feel confident that all communications are delivered effectively. You're eliciting the right outcomes, you're hearing feedback, you're making proper adjustments, and that's technology. So when you have the right people, with the right process, with the technology that's how you get campaign success.

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So when is it time to use Inside Sales & Emerge ahead of your competition? New product launches. The fastest way to get the word out, the most effective way to get the word out is through new product launches. A lot of times we have product managers I'm sure on the phone that they have certain goals to hit. We invested in this new product, here are the assumptions that we need to hit. Well if you hit those assumptions that's great.

Well what about if you miss those assumptions and it's nobody's fault because the market changed, the market's not there, something happens. Now you're reacting not to what you think or what you hold or hearsay, what I loved about what we do is that you can hear specifically at the market level at the customer level what's going on. And then roll all that data up to do market analysis.

So again when I talked about we sold our companies and we've had successful exits on all our companies thank God, they paid higher multiples. You want to talk about increasing shareholder value. They paid higher multiples not only because our profitability was higher because of our efficiency, but also because of our knowledge of the market, our knowledge of the process that they could apply to the bigger entity that acquired us.

What about trade shows, webinars, white papers, direct mail? What is your ROI on those investments? Most companies don't know until they add an Inside Sales component to that so that way they can monitor, track and convert. There's this statistic out there, we do a lot of work for a medical trade show and there was this statistic that they gave us that really was staggering to me. That 80% of all leads are never followed up on. And I think about the investment that you all are making in trade shows and in other types of marketing initiatives and to think that those are not followed up on. What a tragedy.

Well with Inside Sales again you now have a very trackable mechanism and you never have to believe whether it was followed up on, you can hear it for yourself or not, but you can react accordingly.

Product recalls or customer vulnerability, I've combined those two. What a wonderful way to use Inside Sales. Back in 1994 one of my best examples I worked for a company that we sold Immunoglobulin and Immunoglobulin is a product that helps stimulate red blood cells for patients and it was manufactured, it's called Gamma Immune and it was manufactured by Bayer.

And our product was a liquid product and it was more expensive than the market leader which was Baxter GAMMAGARD. And so we lost a lot of sales simply on price, but I practice what I teach. So all of our sales people would get on the phone and they would have these meaningful conversations with the hospital pharmacist and they would elicit what Immunoglobulin that the customer was using. The price that they were paying, how many grams per month they were using and so on and so forth.

Well in 1994 the Hepatitis C outbreak with Baxter GAMMAGARD. Now I was just a distributor of Gamma Immune, their pharmaceuticals could sell direct. There was probably 100 different distributors across the United States that could sell Gamma Immune. But here's the thing that I had that nobody else had, I called up in my CRM system every single GAMMAGARD user in the country, because I called every one of them.

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And in order of priority based on volume and highest price, we reached out and not only knew who the right contact person was, their direct house phone number, all the things that we needed to do to be successful. And we were selling at a rate of \$1,000/minute up until we sold out our entire stock.

And because we understood the market, Bayer started giving us other products that we could sell because we demonstrated how fast and how knowledgeable we were in our little space. And that's what I love about healthcare, typically you have a finite number of call points which means you can be the smartest companies in your space.

Customer vulnerability. If you find out that there's an acquisition or there's something going on that your competition's hurting, it's a great time to seize that opportunity with Inside Sales. If you have a product line or a service that you're doing well with and you want to see it just explode and ramp up sales faster, Inside Sales is the way to go.

Also if you have underperforming territories, why are they underperforming? Don't you want to know? Is it the rep? Is it your price? Is it competition? What is the reason? Again you want to know to a certainty, not hearsay but to a certainty what better way than to hear it right from the mouths of your customer.

So when you have an Inside Sales Program what you'll end up doing is optimizing your customer experience, you'll align your resources much more efficiently. You'll have stronger much more effective and more frequent communication. You'll design a process and also headcount that makes sense. If you know let's say there is 6,000 call points. Let's just use the United States calls 43:19 for a second. So there are 6,000 call points in the US.

Once you call all those 6,000 you know exactly who the right people are, where they are in the buy process relative to your product or service, how old their equipment is. All this stuff that we talked about relative to singular marketing. Do you think that will help you right staff, right-size your sales organization? Do you think you might need more people in one area and less people in another? How are you making those decisions without the information?

You're designing your sales process specifically how the market wants to buy it. We want to maximize our revenue potential, we want to reach more accounts, we have to today. You have to sell more with less. We have to lower expenses. We have to standardize our product.

So when you have this approach you elicit these relationships, you create these meaningful conversations, you understand the market, you now possess the market list. You own the sales GPS. You know the potential decision makers, the targets, who's evaluating, you're in the right place at the right time. You're laser-focused with all your resources.

And I don't care how big your company is, that's what I love about this, it levels the playing field. That's why we were always successful with a small company; we could compete. And that's why the bigger companies bought us because we knew more, we know more. That's what we need to do collectively.

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Everybody on the phone if you get one thing out of this lecture today it's build this program, create meaningful conversations, elicit the right data, and be smart about how you use it. It's simple to understand, it's just real hard to execute. But if you have the right people, like anything else, it becomes easy.

So you want to grow, you want to become predictable, you want to be repeatable and you want to be scalable. That's what every company wants to be in terms of sales. And what's nice is when Inside Sales is leading that charge, you understand how many calls after you've interviewed a couple of 100 folks in your marketplace, you start understanding trends about what percent of the market is in the market today. What percent in the next three to six months, six months to 12 months and so on and so forth so you can get very predictable and repeatable. You'll understand specifically what your lead costs are for a sales-ready lead. You'll understand specifically what your cost per sale is, all kinds of great things.

These are some of the things that it will monitor. How many people did we speak with? What are the costs to produce a sales-ready lead? What are the sales relative and generated from the program that we're putting in place? How much money did we have to put in? Again this is all just based on rolling up these meaningful conversations using technology and monitoring all the key metrics.

This is just a sample of the type of information and the percentages of measuring those key market metrics. Everything's measured, that's what I love there's no chance. You control all the variables.

And then we take all that information and we roll it up into very meaningful reports. That now we as CEOs, investors we can validate our projections or we can discredit those and make the right adjustments. And so by looking at the marketplace, first listening to the marketplace then looking at the data, that's why you feel so confident you're making the right decisions because you're taking the guesswork out. You know where to be, when to be and how to be there. And you can literally find out everything; everything that you need to know.

All right so before we get to questions I thought it would be just worthwhile to talk about, for those of you who are deciding right now to move into Inside Sales and want to get involved with the program, again I highly recommend it. It will change your business and change it for the just greater good for your shareholders, for your employees, for everybody. It's a significant move forward.

Well there's two decisions that you're going to have, really there's two choices. One is whether you do it in-house and one is whether you outsource it. I cannot each one of you I'm not going to tell you that it's one or the other based on this. I would need to have a conversation with you and understand your specific business because there are so many nuances that would make or break a decision that I would recommend to you. But that being said I did want to give you just some things to think about and if you decided to call me I'd be happy to discuss the details with you further about your specific business.

But realistically when do you bring in a program in-house? Well very similar to the example that I shared with you at TRIAD Medical when I took that company from six million to 80 million, if it's a consumable disposable company with lots of SKUs, lots of meaningful interactions that are necessary with the customer base, having an in-house program starts looking like a good idea.

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You also then need to have the management expertise. So the first and most critical hire if you decide to build an in-house program is getting somebody onboard that has demonstrated a proven track record in healthcare inside sales. End of story, you don't want to bet on anybody else.

You want to make sure that you're ready to invest in technology and in training. The person that you hire is going to demand that because that's what they've been successful with there's only one way to do this right. You need to be willing to invest and build and see a rate of return. Around two to five years is when it really will start popping again into a lot of variables there that would make become two years instead of five.

And then startup cost just a rule of thumb on a low end for a small company you're probably looking at around \$300,000 to get a program off the board. You have to have a manager, you have to have folks on the phone, you have to have the technology and it's going to take some time to recruit, train and build all those things.

So those are the considerations for in-house. If you have a program that has the following criteria, it may make sense to outsource. And capital equipment is really, if you have a piece of capital equipment you're selling in healthcare, it makes sense to outsource most of the time. All the big companies do it and the reason that they do it is because they've done all the analysis, all the research and they can do anything, they have deep pockets. It just makes sense to outsource because once you do that project and it's a finite number of call points, you really don't have to be doing it that frequent after the first initial investment.

If you have a disposable product line where your sales your end customer are \$50,000 or higher on an annual basis and it's a limited number of SKUs, it would make sense to start thinking about outsourcing. If you want to lower your risk and your investment point, you typically can get started depending on the project anywhere between \$5,000 and \$10,000 to get it off the ground.

You can test the concept and refine it. So let's say you know that Inside Sales is the direction you're going to take but that you want to limit your exposure and work with a proven model, a lot of folks test it with an outsourced company and then they move it inside.

And then lastly if you're looking for really fast results, we get the call a lot where turnaround is a part of our business as well and people need financial results quickly. Outsource, a company like ours we're ready to go in native language in many countries ready to help you within a few weeks to get started. So it really depends upon where you're at with your company, with your funds, with your marketplace on what's the best way for you to move forward with Inside Sales.

All right Joe I know I went through a lot, I'm ready for questions.

Joe Hage: Thank you Mike. Yes, and I know that there are ... You want to talk to us about what we're looking at here?

Mike Sperduti: Sure I'd be happy to. So I know that I've gone through a lot, I know I've talked fast and I know that this is a big decision for everybody. And again it's a smart decision to move forward with

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Inside Sales. We've decided at Emerge that if you want to see how these Inside Sales strategies can specifically help you achieve your sales and profit and shareholder goals, we are willing to give you a complimentary one hour strategy session.

So we will completely understand your business and make recommendations relative to Inside Sales for you. And quite frankly if you have a broken inside sales component, we're happy to talk to you. Whether we do business with you or not is not my intention here. I know that we'll help people and that Emerge will do well, but I really want everybody to use this mechanism and be influenced by this webinar because it will change your business. And those of you who own the company it will change your life.

Joe Hage: Go ahead and show the next two slides, I'll talk to those and that is that Mike will be speaking at our 10x Conference in five weeks, I appreciate that. He'll be talking about Neuro Sales and Marketing. And then the next slide he and I are going to do the next two Marketing and Sales workshops in Boston and Philly. Now Mike hates that picture, I think it's quite funny but I think we make a good team.

So Mike the first question is mine and that is it's no secret to the folks on the phone or between us that I personally advocate working with you because I've sent clients including one that's on the line right now to you and they've been happy.

But so that this doesn't become the Mike infomercial, what would you have people look for if they consider working with a telemarketing firm they wanted to do a request for proposal? What should they look for?

And by the way folks we are recording this, we may run a little over. If you need to stop, hard-stop at the top of the hour that's fine. We'll get these slides replayed to you.

So Mike how would you go about doing an RFP to determine who's a good firm with whom to outsource?

Mike Spurduti: Sure so if I'm looking to outsource with somebody I want to see that they have an expertise in healthcare. I want to make sure that they provide complete transparency of their activity. So they give a full accounting of how many calls they make, how many contacts. They record all their phone calls and make them available to you on demand so you can see the activity that they promise you is real. You can hear that the representatives that are going through the training program and executing your campaign are up to your standards. I would make sure that they work on some level of accountability, that for the investment in that there is a hard deliverable out.

So I think it's those things. It's really show me that you've helped other people, have them demonstrate that. Have them tell you what the investment point is going to be and the result that you can expect. And then what happens if it doesn't work? Look there are times when things don't work, how do they resolve those issues. And ultimately will they be transparent in everything that they do. I think those are the things that I would be looking for.

Joe Hage: Greg wants to know if you'd speak a bit on how does it work for capital equipment companies? Is a good model for that?

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Mike Sperduti: I love this model for capital equipment simply because capital equipment is usually a purchase that, it's usually a significant dollar amount and it lasts for a period of years. So why I love this approach for capital equipment is once, let's say this again let's go back to an example of, let's say there's you're calling cancer treatment centers and you're selling a linear accelerator. And that linear accelerator is a million or higher. Well once you call all the cancer treatment centers in America which there are a few thousand and you catalog all those conversations, you now know where you should be today, tomorrow, where you shouldn't be wasting your time and when the replacement cycle will start taking effect so you can be at the right place at the right time with your sales and marketing dollars.

So capital equipment is a great great use, I can't think of a better use.

Joe Hage: Great and a lot of nice questions are coming in so if you can stay with us. Debra says that she has a company with one product and a few accessories. She's been shipping product for eight years and she needs to ramp up fast this year. She asks can you help her? But for the benefit of the audience how would you go about, that sounds a bit maybe like a turnaround situation or that sales aren't meeting objectives. How do you go about what wasn't working and ... Is this a magic pill, get on the phone and things will turn around right away?

Mike Sperduti: I think it's a magic pill in the sense that you'll start dealing with facts and not fiction. If there is a true competitive differentiator and for a reason for this product to exist because it helps the market with a better solution than they're currently using, then you will see sales turn around very very quickly with this approach...

Conversely if there's a product flaw, a messaging issue, a problem that's not inherent with the communication but there's an actual either company or product flaw or a marketing flaw, that's going to come up also. So either way you win. We've worked on some of the greatest successes in healthcare and some of the greatest failures. And the failures we've gotten a lot of accolades for them because people were appreciative that they learned why their solution didn't need to exist in the marketplace and save them a tremendous amount of dollars like exiting the market.

It's not magic that it makes your product better, what it is is it's the most efficient way to communicate and understand your marketplace.

Joe Hage: Thank you. Two questions on CRM systems. Jordan asks, "Which is the best one for setting up Inside Sales?" And Christopher asks, "How do you share that data at the point of handoff to your Regional Sales Director?"

Mike Sperduti: Okay so let's go back to question number one, what's the best CRM system for Inside Sales?

Joe Hage: Yes.

Mike Sperduti: So I'll give you the, for me the best system would be to design your own. So it's just like a suit, a custom suit is going to be the best fit for your particular body and nobody will look better than you in that particular suit. So if you have the wherewithal and the funds to design a system, that's what I

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would do first. Because then it's just intuitive to everything that you need and it's made for your particular sales process.

That being said Salesforce.com, Sugar, there's a lot of companies out there that make CRM but they're all generically the same. I don't see one being that much valued over another. So again I would have to take a look at your particular product and see what it is that you are trying to do, and does that specific system facilitate your process. I would take a look at the top names that you'll just Google who are the top CRM systems like Salesforce and Sugar and such and evaluate those and see what the best price-value proposition.

Joe Hage: Christopher wants to know when do you hand off to regional sales? How do you do that?

Mike Sperduti: So what I'm going to assume is that the handoff is going to incur when it makes appropriate sense for the rep to go see the account if it's an outside sales handoff. The best way to hand it off is have the Inside Sales person set up the appointment, have access to that person's schedule and literally set them up with an appointment so the handoff is the Inside Sales person works for the outside sales person and sets them up.

If the outside sales person wants more control, wants to do more qualification and maybe build a little rapport themselves, before they go on the sales call that's the right process for you, then it would make sense when it becomes sales-ready.

When the customer says, "I'm in the market, have a need and have a budget." Or it comes up on the replacement cycle where you know equipment needs to be replaced anywhere between five and seven years and they've just hit that five-year mark, that would be a good time to send it over to an outside sales person.

Joe Hage: Sue wants to know where do you get your sales leads from?

Mike Sperduti: So when you say the word 'lead' I'm just going to define that as information. So basically what we look to do is we look to market to the person within the organization that is either the key decision-maker or key influencer or one of the key influencers to the product purchase that we're representing. So there are a lot of different 01:04:27 companies that are out there that validate and telephone-verify and very credible companies that sell that basic information. Basic information is very inexpensive and very accurate today.

And you can also get, for healthcare specifically you can really refer to bedside specialty, geography on the research side if you're selling the research labs, the type of research that they're doing. There are some if you want to get into really high-level data, there are companies that sell specifically how many tests of a specific test that they do. So depending upon your particular product or service or software there's a lot of great information to start with.

Joe Hage: And Sue if you look at the, I sent out a link for today's slides, if you look on the among the webinars that we've done in the past, there's one specifically about lists for healthcare that is especially compelling. I encourage you to take a look at that.

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A follow-up from Christopher about CRM data, do you guys ... So if they were to work with you, do you have a CRM system? And then he wants to know how and when would your data be transferred into his department? That's the handoff.

Mike Sperduti: All right, so if you work with us we custom-build our CRM system to facilitate Inside Sales exactly the way that we need it done. The nice part about it is you then have access to that system so you'll have a 24/7 365 web-based portal you'll go into. You can see all the activity, you can hear all the phone calls wherever you are in the world.

And once we get done with the data and we get it in shape where it's actionable, then we deliver it to you and it uploads into every CRM system that's out there. So we are completely seamless integration with every CRM that's out there today.

Joe Hage: Thank you. Jen says that she has a newly FDA-cleared one-time disposable product and the cost point is \$20/piece. It needs to be sold into a hospital. It's not her primary product so she's deciding whether to sell it herself, to license it or to sell it outright.

Perhaps that's beyond the scope of this call, she says she'd like to have a conference with you to discuss, and Mike shared his contact information on the screen now Jen if you want to follow up with him. But Mike a quick comment on that? She has a disposable \$20 price point. Is Inside Sales, outside sales calling appropriate for her?

Mike Sperduti: I need to know a lot more. Is it \$20/piece but they but they buy hundreds or them or thousands of them in that institution? What's the distribution strategy? Who's the ... There's a lot there that we need to uncover before I can make any recommendation.

Joe Hage: Fair enough. She can reach you afterward.
