

# Medical Device Company Restructures Sales Coverage Model to Drive Productivity

## **Situation:**

A global medical device company deployed its sales organization by multiple hospital departments and call points. With five separate specialist sales forces often calling on the same account, sales pursuits were uncoordinated and cross-selling was limited. As a result, sales productivity and growth lagged expectations.

## **Challenge:**

This vendor of multiple hospital and alternate site products needed to determine if the excessive specialization was justified or if a different mix of resources would return higher margins. More specifically, the vendor needed to redeploy sales resources to deliver the required clinical value to hospitals while managing sales costs more tightly. Key questions included: (a) What was the point of diminishing returns for clinical specialization? (b) How effectively could a specialist in one area call on different departments? (c) How broad could we stretch a salesperson's product bag and call points before damaging the vendor's brand and clinical relationships?

**The company made the decision to trade off specialization for more reach, frequency and cross-selling focus, resulting in incremental revenue growth of 6% and incremental E/R improvement of 2%.**

## **Solution:**

Alexander Group assessed the sales coverage model and quickly determined that the company had specialized too much. We recommended a

new sales structure that provided greater field focus on strategic accounts, improved cross-selling and reduced redundant coverage. In the new coverage model Account Managers own accounts and bring in Specialists as required. Region Managers cover IDNs and Inside Sales owns small and geographically dispersed accounts. Clinical Specialists and Field Service support pre- and post-sales activities.

## **Benefit:**

The company made the decision to trade off specialization for more reach, frequency and cross-selling focus (i.e., Account Manager), resulting in incremental revenue growth of 6% and incremental E/R improvement of 2%. The use of alternate channels, such as inside sales for low opportunity accounts, helped to optimize costs and drive productivity.