

Emerging Trends in Medical Device Sales: Interview with Dr. Richard Ruff, Co-Founder of Sales Horizons

In this interview with Dr. Richard Ruff, co-founder of Sales Horizons, we learn more about current medical device sales trends and what it takes to become a dominant medical device player in today's economic environment. Here are a few things we are going to learn in this interview with Dr. Ruff.

- Richard's impressive bio including the time he spent with Neil Rackham at Huthwaite. Yes, Neil Rackham that wrote SPIN Selling.
- How Sales Horizons has managed to increase the ROI of medical device sales training.
- Why are hospitals hiring medical device sales reps? Perhaps more interesting, what are the future implications?
- Two concepts that Richard believes MUST be honed in order to succeed in today's medical device sales environment.
- The best practices of superior medical device sales reps.

Scott Nelson: Hello, everyone. It's Scott Nelson, and welcome to another edition of Medsider, home of the free personal medical device MBA, and for those of you who are listening for the first time, this is a show where I bring on interesting and dynamic medical device stakeholders, as I like to call them, so we can all learn a few things, hopefully, be entertained along the way. On today's call, our guest is Dr. Richard Ruff, and I'll refer to him as Richard to keep it a little bit more informal, but he does have his Ph.D. He is the co-founder of Sales Horizons, which is a sales training organization. So, without further ado, welcome to the call, Richard. I appreciate you spending some time with us here today, and I look forward to a nice conversation.

Richard Ruff: Well, good morning, Scott, and thanks for the invitation.

Scott Nelson: So, let's first start out with some interesting tidbits about your background. I want to have the audience get a better feel for who you are and where you spent your career. But early on you spent quite a bit of time, and I think actually you co-wrote a few books with Neil Rackham of the SPIN Selling fame and Huthwaite organization. I think everyone that's listening knows or if they haven't read the book at least knows about SPIN Selling, a very popular book. But let's start there because that's certainly interesting, to say the least.

Richard Ruff: Absolutely. Absolutely. Yeah, I've been in the sales training business for about 30 years and I spent the first 20 years at Huthwaite who was the creator of SPIN Selling. So, Neil and I worked together during the early years of Huthwaite. Then in the year 2000, my partner and I started a company called Sales Momentum, and there, Scott, the whole idea was to try to develop a whole new portfolio of products that were specifically geared for the B2B market, and that is, companies that were engaged in very large complex sales.

Perhaps the most interesting thing that came out of that work in the last 10 years has been the insights that we've gained in the use of customized sales simulations. We have used that with a

wide variety of clients in the healthcare market. Companies like Medtronic and Smith and Nephew, and so forth. The emergence of that technology as a way to deliver training we found to be incredibly powerful. That was probably the best insight that came out of that 10 years of work.

Then, last year, as you mentioned initially, we started a company called Sales Horizons, and there Scott the notion was a little different. What we were trying to do is to address the gap that we saw emerging between the amount of sales training that was needed by companies, which we saw growing, and quite frankly the amount of money available, which was decreasing. So, what we did there was to try to work not so much on the design side of the business but on the business side of the business. How could you have different kinds of business relationships with a client and use different kinds of pricing models that would enable you to deliver not only effective training but affordable training?

Scott Nelson: Okay.

Richard Ruff: So, we've been working pretty hard in the last year in that aspect of the sales training world, and the good news with us is that my partner is also my wife, so we get not only to do work together, but we also get to hang out. So that's kind of one of the upsides.

Scott Nelson: Yeah. That's very cool. That's one personal aspiration of mine as well so that's very interesting. But I want to definitely talk to you more about the customized sales simulations, and we may wait until a little bit later in the interview because I think that's interesting.

Richard Ruff: Sure.

Scott Nelson: In my experience, at least in the medical device sales world, I think most people would understand the importance of sales simulations and customized role-plays, etc., that kind of thing, but typically everyone realizes it's important, but then there's this gap between what's actually delivered in terms of its value, and there's always a gap. Yes, we understand it's important, but yeah, it never really seems like it works very well. So, I definitely want to come back and ask you about that.

Let's talk about Sales Horizons. That's one of the things I know that you advertise and promote as your ability to bring effective sales training to the table but also at an affordable price. Is that just a different model then? Because I think that's always an issue with sales because I know there are quite a few sales trainers that will probably listen to this. They struggle with the ROI of sales training. So, does that somewhat meet that issue?

Richard Ruff: Well, yeah. I think it's a big issue. I mean, if you look at the trends over the last couple of years, and if you look at a large company, if they're going to create a superior sales force, and I think more and more companies are recognizing that that is a must-do, then training is a big piece of the puzzle. They have to do more than one training program. They have to do more than just train new hires. So, that means you are talking about doing multiple programs and you simply can't afford to do that using some of the traditional pricing models. Now, if you

look, Scott, back in the past, the traditional pricing model for sales training vendors has been kind of a three-bracket model.

There's been a cost for customizing or designing the program and there's been a cost for the instructor or for doing train the trainer, whichever model you use, and there was a per-head cost. But if you're talking about very large companies, say, companies that have sales forces of 700 or 800 people, that per-head cost really mounts up because it's year after year. That's why we saw a couple of years ago companies really starting to push back. They don't mind paying for the design because they understand the importance of customizing. They don't mind paying for instructors because they can see the guy up there in the front of the room doing a really great job. But this per-head thing, that's kind of fuzzy.

Scott Nelson: Yeah.

Richard Ruff: I have to pay this huge chunk of money year after year for the same program. So, I think the challenge for training vendors is to find a way to reduce that cost, and what we have gone to in Sales Horizons rather than using a per-head model is we've used a license to use. So, yeah, you have to pay for the customizing, yeah you have to pay for the trainers, but we'll give you a license to print the product and you can therefore do away with the per-head. We'll charge you an initial fee, but after that, you have in perpetuity right to use it.

Scott Nelson: Got you.

Richard Ruff: So, it works particularly well, Scott when you have very large companies with very large sales forces. If you only have a sales force of 50, then the two pricing models don't really distinguish themselves. But if you have 800 sales reps, it's tens and tens of thousands of dollars difference in cost, and companies simply are not going to spend the kind of money they used to when you have 800 or 900 people. They're not going to spend the two million dollars.

Scott Nelson: Sure. Yup. The change that you're seeing on your end probably goes right in hand with the pricing pressures that medical device manufacturers are seeing as well as they encounter more pricing pressures, then they have to kind of force that back to the pipeline if you will.

Richard Ruff: It's a direct analogy.

Scott Nelson: Yeah.

Richard Ruff: There's no question about that.

Scott Nelson: Yeah. Very cool. So that's obviously something that you do differently at Sales Horizons, but let's get into some of this. You mentioned that's one trend that you're seeing, and you've since tweaked your business model to fit that gap. What other trends are you seeing? Because we came into contact because of something that I noticed that you wrote in regard to [11:43 inaudible] Hospital's actually hiring medical device reps to actually do marketing and do sales for the actual hospital entity. So, I think that's how we first were introduced to each other.

Richard Ruff: Yeah.

Scott Nelson: I thought that was really an interesting trend that you wrote about. So, can you explain that in a little bit more detail?

Richard Ruff: Absolutely. We have tended over the years, or probably the last 10 years since we started Sales Momentum, to focus on the healthcare industry. We think it's an interesting industry. We think it's multi-dynamic. So, we probably have done more client work in that industry than in any other, and there are some interesting trends there. Let me just kind of set the context of that a little bit.

Scott Nelson: Sure.

Richard Ruff: I think that if you look at the two or three years, Scott, no matter what market you're in companies have undergone change simply because of the economics of the time. However, in some markets, the changes have really been transformational, and I think the healthcare industry is a good case in point. Take hospitals. Hospitals in the last three to four years, have really changed their overall business model and they've changed what they buy from vendors, and they've changed how they buy, and they have certainly changed to the point that you made previously, how much they're willing to pay for it.

So, the example that you mentioned about hospitals hiring sales reps is one of the reactions that hospitals have done as far as their business model. Let me just give you a few details about that. What the story there is hospitals have actually hired sales reps to go out and talk to physicians so that they can get a higher number of referrals to that hospital.

Scott Nelson: Yup.

Richard Ruff: They've made some pretty serious commitments here. So, if you look at the large hospital change like Tenet and HCA and so forth, they have 150 reps. Well, that's a fair number of people. So, what these account execs are doing is going out and calling on physicians and trying to persuade them to have a larger number of referrals going to the hospital that they represent.

Scott Nelson: Okay.

Richard Ruff: Now, there's nothing new in the sense that hospitals have always tried to get more referrals, but what's new is the strategy. It's only recently that they've hired sales reps, and there are some real dynamics behind that. If you go back in history, your family physician, if you went to the hospital, would oftentimes visit you at the hospital. Well, that doesn't happen anymore. Doctors don't go to the hospital so much because of their own economics.

Scott Nelson: Yup.

Richard Ruff: So, the only doctors that are going to hospitals are concierge kinds of doctors who are living in that very rarefied atmosphere. But the average physician is not going there so the hospital really doesn't have an opportunity to have two-way communication with doctors. So,

hiring reps to go out and represent them to get the referrals is a fundamental change in the way the hospital operates and is driven by economics. It's been pretty successful. Those reps, and a lot of them, you know, are pharmaceutical reps, medical device reps, a few of them come from clinical backgrounds, but the major chunk of them are coming from the medical device companies because those people are extremely well-trained and extremely knowledgeable about physicians in a hospital environment.

Scott Nelson: Yeah. That's a fascinating trend, and I've got a couple of follow-up questions...

Richard Ruff: Yeah, you bet.

Scott Nelson: At first glance, I think everyone would think that's really interesting, but if you extrapolate out that phenomenon, most medical device reps are fairly well-paid...

Richard Ruff: Yeah.

Scott Nelson: ...and so you have this idea that the hospital has got to be willing to actually fork out a decent amount of money to bring over some of these reps. Then you've got the whole, do they have a quota? How are their sales measured, that kind of thing? Then I think there's an interesting phenomenon in your world, do you begin to develop sales training programs for hospitals then? Because when you mentioned that the healthcare system, I can't remember which one you mentioned, has almost a sales force of like 150 reps, that's a lot. That's a pretty big sales force, you know.

Interviewer: Right.

Scott Nelson: So, I guess there's kind of three follow-up points, but maybe if you can just speak to a couple of those, that would be fascinating.

Richard Ruff: Well, I think those are interesting questions. Well, let's take the one about the medical device reps. It clearly does represent, an alternative career path for the medical device rep. Now, I think if you have a very senior medical device rep working for a major company, let's say, that's in the cardiac space, he or she is going to be making sufficient money that the hospital-environment-type rep may not be attracted.

Scott Nelson: Right.

Richard Ruff: Because they're just pulling down so many dollars. On the other hand, if you're a younger rep in the medical device space, working for a hospital for a number of years could be a great opportunity. So, it's a steppingstone. It's a part of a career path.

Scott Nelson: Sure.

Richard Ruff: So, you might start off working for a commodity medical company, work for a small medical device company, go to the hospital, and then work for a major player.

Scott Nelson: Yeah.

Richard Ruff: So, I think it does represent, because it's a national phenomenon, you're working with a major hospital change. So, for the person in sales that's interested in healthcare and specifically targeted for medical devices, it's a different career path. So, it's clearly worth thinking about because you get smart about the hospital.

Scott Nelson: Right.

Richard Ruff: You get smart about their finances. You make a lot of contacts, which no question you get to know the docs.

Scott Nelson: Yeah.

Richard Ruff: Well, that's a good thing if you go to a major medical device company and somebody says, "Well, been your experience?" That's probably going to be impressive.

Scott Nelson: Alright. Yeah, no doubt. No doubt. I'm not sure if you're even able to answer this question but speak to the idea of goals and quotas. I mean, how are they measuring or what kind of metrics are they measuring these reps with...

Richard Ruff: Well, the major metric. They have the same sort of general compensation structures and they vary just like they do among companies, but the basic notion is still the same. There is some base and there is some commission structure. But the metric is referrals. What's the percent of the increase in referrals?

Scott Nelson: Okay.

Richard Ruff: So, some docs, for example, maybe presently working with the hospital, but on the other hand their referral rate has increased. In other cases, docs might not be giving any referrals to that hospital, so they get a new doc starting to refer patients. So, it's all-around how many referrals does that physician refer to that hospital?

Scott Nelson: So really, it probably, in theory, should be fairly easy to measure the effectiveness of that particular...

Richard Ruff: Absolutely.

Scott Nelson: Okay.

Richard Ruff: I think it's very easy to measure.

Scott Nelson: Yeah.

Richard Ruff: And the question that you asked which I think is a really interesting one is around what's the implication for sales training vendors?

Scott Nelson: Yeah. Yeah.

Richard Ruff: Because I don't think most of us in the sales training space has spent a lot of time calling on hospitals to do sales training. So, when you have a hospital change that, as you noted has 150 level reps, that's a pretty good deal.

Scott Nelson: Right.

Richard Ruff: I mean, that's a good piece of business. So, my sense is, not only is this change an opportunity for medical device reps as far as a career path I think it's also an opportunity for sales training companies.

Scott Nelson: Yup.

Richard Ruff: There is no question that, particularly if you're a large sales training company and have people specializing in the healthcare space if you're not telling them to call on hospitals why not?

Scott Nelson: Yeah, no doubt. Especially considering that there's probably going to be a tremendous need amongst most hospitals just because they're so unfamiliar with traditional sales training. They probably definitely do not have any sort of in-house sales training department, and so...

Richard Ruff: Well, that's absolutely right. I mean, let's face it. If you're a major medical device company, you probably have some pretty smart people in your sales training department. You have trainers, you may have designers, you probably have a manager of sales training that's pretty experienced. On the other hand, if you go into a hospital, I think you're exactly right, Scott. They may have no experience. So, the guy behind the sales training may be somebody in HR who is a general HR professional but has not specialized in sales training. So, it's a huge opportunity I think to do some innovative work.

Scott Nelson: Right. Right, no doubt. No doubt. Well, that's certainly an interesting phenomenon. I think I first saw that on one of your blog posts which for everyone listening, I highly encourage everyone to go to Richard's website and check out their sales training connection blog. There's a lot of great content. I think that's where I first saw that anyway. For those listening, it's salestrainingconnection.com, the website address for their blog.

But in regard to other interesting trends that you're seeing, let's take a look at those in more detail because there's certainly a lot of change going on within the medical device sector, three of those being... I mean, I guess two big ones, and they kind of go hand in hand, but two big ones that I personally experience on a day to day basis is more and more are requiring larger physician practices. So, no longer do you have this physician that is the ultimate decision-maker. You have value analysis committees. There's more financial impact regarding hospitals switching from one product to another. Then there's also this idea of the corresponding increased pricing pressure

as well, and they really go hand in hand as I mentioned. But maybe you can even speak to some of the trends that you're seeing, those being two of them.

Richard Ruff: Yeah. See, I think that's a really big deal. I mean, if you are the VP of sales for a large medical device company, you have to be looking seriously at all those things that you've just rattled off because I think it's pretty clear that you can't have a sales team that's going to prosper if they simply do a better job doing what they're doing in the future. They really have to do something different because the hospitals are doing something different. Just to highlight that, if you look at it at a macro level, there has been a general shift in hospitals over the last several years from talking about clinical value to talking about economic value...

Scott Nelson: Right.

Richard Ruff: ...particularly true in the medical device sector. I mean, hospitals today, if you're a rep, you have to, for example, be able to have an impactful conversation with a different kind of person. You have to be able to talk to a CFO. Now, the kind of conversation that the CFO has is a different kind of conversation than a manager of a Cath lab would have. So, they're interested in cost savings. So, there you are in the room with a CFO, you have to be able to sit down and develop a narrative that you can get their attention, and their attention is all about cost savings.

Scott Nelson: Right.

Richard Ruff: They talk about economic value. Clinical value, yeah they get it, yeah they'll say that's important, but their primary focus is on the economic value that you're going to bring to that hospital. Can you save them money?

Scott Nelson: Right.

Richard Ruff: That's a different kind of conversation and one that I think that sales reps automatically just don't pick up. You can't just go to Sally and say, Sally, I know you've been calling on docs. Now, I want you to call on CFOs and I want you to talk about the economics of the hospital and how our devices can really effectively help them drive their cost vision for the future.

Scott Nelson: Yeah.

Richard Ruff: That's a pretty hard conversation. That's where sales training needs to help.

Scott Nelson: Sure.

Richard Ruff: So that's a big shift. I also think it's a shift at the physician level because there's no question that it's not as if all future decisions in the medical devices are going to be purely economic. There is still going to be clinical value and you still have to talk to the physician about that. But even the physicians, when we've gone on sales calls, physicians now say, "Well, okay. I get it. I see how from a therapeutic perspective that's a superior device. But help me to understand how I'm going to convince the value committee, does this make sense from a cost perspective?"

So, you have to have the skills as a sales representative when you're talking to the physician now to be able to help them to help you sell that thing. So, you have to rehearse them to have an economic discussion with maybe their CFO or maybe some value committee that's going to be very, very engaged in making the decision around the devices.

Scott Nelson: Right.

Richard Ruff: Those are different kinds of conversations and I don't think most people just automatically wake up on Monday morning being able to do them.

Scott Nelson: Right. Especially those that have been in the medical device world a long time, because that's a major shift going from pitching a doctor at the scrub sink or in a case or something like that to having a high C-level Suite sort of conversation with a CFO, for example, or even being able to effectively not only find your physician champion but coach them as to what they need to present to the value committee to get it in. That's a whole other step that you need to make. You can't just find your champion anymore. There's definitely a certain amount of coaching that needs to happen with that champion physician in order to win over the value analysis committee because in my medical device career I've never been invited to a value analysis committee meeting myself.

Richard Ruff: Well, no.

Scott Nelson: You know, most sales reps are never going to be able to make that pitch themselves. They have to coach someone on how to do that.

Richard Ruff: Well, and if you extrapolate that the people who are medical device reps for the major medical device companies, they're about as smart as you get in sales. I mean, the ones that we have worked with have been awesome.

Scott Nelson: Yeah.

Richard Ruff: So that's a really smart crowd of people. So, if you extrapolate that to some other areas in healthcare, that's not quite so elevated. Imagine the trouble that those reps would have in trying to make that shift.

Scott Nelson: Right.

Richard Ruff: I think it's even more difficult because usually, they're not quite as experienced as a medical device rep, so the challenge for them I think is even greater.

Scott Nelson: Right. Right. It's so interesting that most of these, kind of the core concept here is the increased pricing pressure, the economic aspect of this, what's driving a lot of these different behaviors. You even see it as major medical device companies change their value propositions and incorporate the cost into their value proposition, you know, developing new therapies, patients first, that kind of thing, but then you also have this aspect of effective cost for our customers, that kind of thing. It's interesting to see, there's no doubt.

Richard Ruff: Well, it's a big deal, because I think it affects who you talk to. You're going to be talking to people more in the carpeted area of the hospital than you did before. You're going to have to have the ability to have a different kind of discussion. It's going to have to talk about cost savings. So, when people say, well, I know this device has some therapeutic advantages, but helps me to understand how this reduces the amount of time my docs have to spend in the operating theater.

Scott Nelson: Okay. Yeah.

Richard Ruff: Now, can you answer that question rather than just talking about the features of the product? That requires a different body of knowledge and requires a different kind of narrative with the person you're talking to.

Scott Nelson: Yup. No doubt. No doubt. I wanted to address this, one of your other blog posts as well, because I think it's really fascinating what I think was one of your best for 2011's. I think that's initially how I found it, but it was "The Six Sales Best Practices for Medical Device Reps or something along those lines. I'll just lift them off because it kind of goes hand in hand with this, but understands and develops customer needs, understands the customer's business, develops trust in the customer relationship, leverages resources, manages the long sales cycle, and manages the competitive threat.

We could probably spend a whole interview on each of those best practices but the one that I think kind of speaks to what we're talking about is the idea of understanding the customer's business and I think that's probably one where most reps maybe miss out on. They can develop some rapport, develop a relationship, go through the feature benefit kind of aspect of the particular device, but they don't maybe understand the customer's business, and I think that's probably a huge missing...

Richard Ruff: Well, yeah. Yeah, when we wrote that particular piece, we thought a lot about things, and we talked to some of the people in the field and so forth. I think that just to put a point on that one, what we heard from a sales manager was that their average reps understand the customer's business. I mean, they get it. They understand the organizational structure of the hospital and they understand in general the business model of the hospital. But the superior reps have an in-depth understanding.

Scott Nelson: Yeah.

Richard Ruff: That's the difference. It's no longer okay to be average. You just can't win by being average because the cost pressures are too great. So, you have to have a comprehensive understanding of the specific business imperatives and initiatives of that particular hospital. Where are they coming from? Unless you would take the time and have the skill to develop that comprehensive knowledge, even if you have a better product, you probably are not going to win.

Scott Nelson: Right. Yeah, no doubt. In an era where we have good customer service, that can't be a selling point anymore. I mean, the demands are just too high. The stakes are too high. As

you mentioned, I'm sure you'd agree, but that's one aspect where a superior rep can separate himself, is truly understanding the customer's business.

I'm going to actually pull up that post right now, and you even mentioned it. What are the trends impacting their customer's market or industry? How do these trends impact the customer's strategic direction? I mean, those are questions that if you ask that in the sales call, I'm sure you're going to stand out if you're able to not only ask that question but tweak your message around that sort of content and that sort of questioning. I'm sure the end result would be a lot better off than hey, this is my product. It would be better for your patients, that kind of thing.

Richard Ruff: Well, yeah. Imagine a conversation. Let's say you're talking, I mean, the other trends in the healthcare space, again, with hospitals is the number of mergers and acquisitions that have occurred in the last five years.

Scott Nelson: Yeah.

Richard Ruff: So, more and more there are these huge chains of hospitals. So, in some cases, these hospital chains are making decisions that would transcend their individual installations. So, you're talking to a CFO that might have a responsibility for a huge budget and a significant number of hospitals. Well, if you're sitting there having a discussion with that kind of person, they expect you to know the answer to business questions about that hospital chain. So, you can't go into a CFO and start asking questions like, well, so what is your business model? So, what are your strategic initiatives? You have to know that stuff before you get there.

Scott Nelson: Yeah.

Richard Ruff: Because that's the expectation of the person you're talking to.

Scott Nelson: Yeah.

Richard Ruff: That's a different set of expectations.

Scott Nelson: Sure. Yeah. That probably goes into the whole effective pre-call planning.

Richard Ruff: Absolutely.

Scott Nelson: That's obviously a kind of a cliché terminology but the caveat on that is pre-call planning that actually works and makes a difference in the actual sales call. I know we're running a little bit short on time here, Richard, but I'd like to kind of circle back around to—there's probably a myriad of trends that we could go into, but I certainly think that we've covered a decent number of them. But one thing I wanted to make sure I asked you about before I forget is the customized sales simulation. We mentioned that earlier on the call.

Richard Ruff: Yes.

Scott Nelson: But can you explain that? Like how is your simulation different than what most of us listening have maybe experienced in the past?

Richard Ruff: Sure.

Scott Nelson: They hear the phrase “role play” and they think, “Not again.”

Richard Ruff: Oh, that's pretty ugly. Right.

Scott Nelson: Yeah, “This stuff never works.”

Richard Ruff: Yeah.

Scott Nelson: What’s different about?

Richard Ruff: I think it’s definitely true. I mean, a lot of people say, “Well, you know, simulations are just a fancy word for role plays.” Well, shame on the person who calls a simulation a design that's based on just that model as a true simulation. I think the differences are a couple that is really important, and we spent a good 10 years fooling around with this.

One thing is, we just talked about classroom simulations. We’re not into computer simulations. That's a whole other field. But in the classroom simulation space, one of the things that are important is they must be customized. I think historically a lot of people likely develop a sales simulation for selling to hospitals...

Scott Nelson: Yeah.

Richard Ruff: ...and sell that to whomever. So, if you were selling a commodity to the hospital or a medical device, you went through the same simulation. That just doesn’t work.

Scott Nelson: Yeah.

Richard Ruff: That's not good enough for the demands of today’s market. So, the first trick is you do have to customize. So, when we work for a large company, we’ll a lot of times develop separate customization not only for that client but for each of their divisions.

Scott Nelson: Okay.

Richard Ruff: Now, we just worked with a company about a year ago that had four major divisions, and we developed a separate simulation for each of the operating divisions because of what they were selling and to whom they were talking, and their value proposition was different. So that means you have to find a way to do that cost-effectively because you can’t be charging these huge design fees. So, that's both a recognition that you have to do customization and you have to have as a training company, I think, the processes and protocols in place that will enable you to do that at some number that the client doesn’t go crazy over.

Scott Nelson: Yeah.

Richard Ruff: So, the customization I think is a really big deal. I think the reason that they work, Scott, is because what you are doing is you really are leveraging all the principles we know about adult learning. You are absolutely replicating the experiences that the salesperson is going to have out in the field in the classroom. So, like when we do a sales simulation for two days, there are no PowerPoints. So, those guys are gone.

Scott Nelson: Yeah.

Richard Ruff: So, we spend about 85% of the classroom time just practicing and giving feedback about how to plan and execute calls that look exactly like the ones that they're going to do in the real world.

Scott Nelson: Okay.

Richard Ruff: But that has to be highly customized to a much greater degree than you would see in a typical role play. We would create a four- or five-page background sheet on the hospital, giving the hospital specifics, describe the individual docs they're going to be talking to. So, it's the level of customization that is much, much greater than you would find in a classic role play.

Scott Nelson: Sure.

Richard Ruff: But they really work.

Scott Nelson: Yeah.

Richard Ruff: They really work, plus the people like them because they're not sitting there watching you go through a 50-deck PowerPoint slide set.

Scott Nelson: Yeah. Yeah, yeah. No doubt. And out of curiosity, in your typical simulations, do you videotape the sales rep presenting to...?

Richard Ruff: Sometimes we do and sometimes we don't, but what we find is literally we sit down with the internal training group and we may do it slightly different each time. Sometimes the people are, because of what they're doing, it lends itself to using video, so we do that. Sometimes that's not true and we don't do that. So, the customization occurs not only in the actual who you're calling on and what kinds of calls you're making. It goes to the level of, how are you actually doing the simulation, the fundamental design of the simulation changes.

Scott Nelson: Yeah, okay. Okay. So, it's not just the environment that you're customizing. It's the whole approach, how much is videotaped if any at all, etc., that kind of thing.

Richard Ruff: Yeah.

Scott Nelson: Yeah, because I mean I'm reading some of your testimonies on your website right now, and one of them, the first one I think that you've listed is a market-leading cardiac device company. I'm not sure who that is but it's probably a big company. Some of these quotes are, "The sales simulation provides a process for thinking about an account-doctor situation done in a way that makes it real, practical and simple." "I think, you know, an excellent sales simulation, mind-bending critical thinking," I've never personally been through a role play that actually causes me to critically think, so that's interesting that that statement would be made.

But to your point about customizing, I guess I should rephrase this point. For anyone that calls BS on role-playing, I think they have no idea what they're talking about. Because I recently read a book about how to effectively present PowerPoints, and the guy who wrote it I think did a lot of training with Apple.

Richard Ruff: Yeah.

Scott Nelson: Steve Jobs was always known for his keynotes, his presentations.

Richard Ruff: Yes.

Scott Nelson: It was insane the amount of prep work that went into each presentation. Incredible, like the hours that they would spend practicing and rehearsing and whatnot. So, anyone that calls BS on actually the idea of role-playing itself, that makes no sense. It's critically important, but it's the customization that's the missing component it seems.

Richard Ruff: Well, yeah. The other big difference we found, Scott, in addition to customization, is who's playing the buyer. So, when we do customization, we actually don't have an instructor running the program. We have a faculty.

Scott Nelson: Oh.

Richard Ruff: So, at each table, the person that's playing the buyer isn't just one of the participants. It's a sales manager.

Scott Nelson: Okay.

Richard Ruff: So, there's a sales manager at every table. So, while the salespeople are planning the call, the managers are getting together to think about the role, how they're going to play the buyer role. So, there you have first of all a serious person playing the buyer, and secondly, you have somebody who is in a better position to provide feedback. So, we literally won't do a sales simulation unless a company will commit to their sales managers playing that buyer role.

Scott Nelson: Okay. Yeah, that's interesting. I'm glad you mentioned that. I know we're running short on time and I wanted to make sure I asked you about that whole sales simulation aspect because I think that's really interesting. Because I know that's one of the many programs that you offer, sales call execution, sales strategies, sales coaching, a sales simulation, etc., etc. I want to mention your website again, saleshorizons.com. That's the actual website. Then from there,

there's a link I think to the blog on the main page, which is—what's the website you blog in? Is it salestrainingconnection, I think, dot com?

Richard Ruff: Yeah. Yeah.

Scott Nelson: Yeah, and I'll make sure I link up to both of those in the post, but is there anything else that you'd like to mention, Richard, before we kind of conclude the call, anything that stands out?

Richard Ruff: No, I think the questions have been good and I have enjoyed the conversation and the opportunity to speak with your audience.

Scott Nelson: Yeah, very good. Yeah, and I thank you again for coming on. Really appreciate it. You have a lot of wisdom and insight in regards to medical device sales training. There's no doubt about that. So, it's definitely been an interesting and enjoyable call, but hopefully, the people listening got some educational value out of it as well.

But again, folks, for those listening, go to saleshorizons.com. It's spelled exactly as it sounds, saleshorizons.com. I think on the main page I think there's a link, yeah, right in the center, there's the link to the Sales Training Connection blog. There's definitely a lot of good content on there, so definitely check that out and subscribe to their email list or their RSS Reader, however you like to consume the content. But check it out, saleshorizons.com, and then go to their blog as well.

Richard, I'll have you hang on the call here as we end, but I thank you again for coming on. Really appreciate it.

Richard Ruff: You bet.

Scott Nelson: For everyone listening, thanks again for listening. Really appreciate it. Just remember, you can download these podcasts or these interviews via iTunes. There's a Medsider interview podcast. If you want to consume it that way you certainly can. I do that myself, so just do a Medsider search on iTunes and you can, if you subscribe to the podcast for free, all the new interviews will be automatically downloaded to your iTunes accounts. Pretty easy way to do it. So, just wanted to make sure I mentioned that. But anyway, thanks again for listening. Till the next episode of Medsider take care.