

CASE STUDY

HIPAA Help Center

The experience of a mid-size software company specialized in medical compliance software is observed as it prepares to implement in-house sales for the first time.

May 2018
perpetualsales.com

Abstract

This case study was performed and written by Knox Ink, Inc., (Los Angeles, California) using customary standards and practices for studies of this nature.

The experience of a mid-size software company is observed as it prepares to launch in-house sales of its product for the first time. “HIPAA Help Center” was a new entrant to the medical compliance software market during the time period observed by the study.

The company had initially attempted sales through a partner program in which IT service companies were authorized to sell the software product to customers of their own. However, sales were consistently far below goal leading management to become uncertain of the market itself. ***The question was whether the lack of sales meant the product was unviable, or that the sales method was not working.***

Management acknowledged that the sales partners had been provided with extensive autonomy, but little training or oversight.

This study observes the time period during which the participant considered options for turning around sluggish sales. Management authorized an assessment of existing selling practices and resources and requested recommendations.

Introduction

HIPAA Help Center is a mid-size software company located in Dallas, Texas specialized in software products to help doctor offices and hospitals measure and achieve compliance with HIPAA privacy laws. This article describes the experience of the company following the processes executed by the service and advisory contractor Perpetual Sales to ...

- Diagnose causes of low sales
- Implement training and controls to increase and maintain sales

Observation was made considering existing sales practices and personnel already in place, some of whom were as troubled as management by low sales.

Observation One: Brand Development.

Investment had been made into brand development, including a strong name, identity, and website. Brand development remained to be done in the areas of voice, language, and verbal brand assets.

Observation Two: Nascent Sales Organization.

After investment of substantial time and expense, sales were very low. All selling had been entrusted to autonomous sales partners working independently, so no collection of successful sales processes or language had been amassed. Sales partners clamored for more leads and support but management was skeptical given the lack of ROI on support already provided.

Speed, cost containment, and hard outputs like revenue and new customer registrations provide the context for evaluation of the processes and their outcomes.

Related topics discussed include dependence on external partners, organizational culture, and expert positioning.

Methodology

To achieve the stated objectives, the participant, HIPAA Help Center (private corporation), engaged Perpetual Sales (independent consultancy) to diagnose causes of low sales and recommend solutions.

Perpetual Sales (*Perpetual*) provided staff who worked fulltime at the Dallas offices of HIPAA Help Center (*HHC*) throughout the project.

- ▶ Perpetual's findings and recommendations were provided to HHC management at recurring progress report sessions, and authorization was provided for actions requiring budget.
- ▶ Based on secondary research, a detailed market segmentation study was conducted to identify the vertical industries most likely to buy first. For each segment, general buying criteria was noted from research for verification during selling activity.
- ▶ The existing partner sales program was evaluated to identify why most partners were non-performing.
- ▶ Seminal sales efforts were launched by Perpetual staff, and the findings condensed into training programs for additional HHC staff to be hired to replace Perpetual following the engagement.

The project's two phases were both completed in nine months.

HHC was unaware that it would later be asked to participate in an interview after the engagement.

At the conclusion of the engagement, Bobby Bowyer, HIPAA Help Center's COO agreed to be interviewed about the project.

During the interview, the facilitator posed a series of twelve (12) prepared questions. After the participant's response, the facilitator was authorized to pose a maximum of one (1) follow-up question for each original question.

Processes

On HHC's behalf, Perpetual carried out two of its business processes for resolving the issues identified by management: Brand Development and Implementation of First-Time Sales.

Perpetual revealed its process plans and sequence to management prior to commencing. The processes were approved and designated as the framework for progress reporting to HHC management throughout the process.

Brand Development

► DEVELOPMENT OF VERBAL BRAND ASSETS

Perpetual developed verbal brand assets to convey HHC's value proposition in the terms the market segmentation revealed as important to prospective customers. Verbal brand assets are elements of dense, distilled messaging about an organization, (Brand Promise, Brand Ideology, Brand Voice, etc.)

The verbal brand assets became the basis for the drafting of lead generation scripts, sales language, and marketing collateral.

Development of brand verbal assets required analysis effort, identity development effort, and high-skill copy writing.

► DEVELOPMENT OF COLLATERAL

Based on the verbal brand assets now established, Perpetual created external resources, including multiple product demos, upgrades to the website, brochures, and sales letters.

Development of collateral entailed analysis effort, sales management effort, copy writing, and creative effort.

Brand Development

► DEVELOPMENT OF EXPERT CONTENT

Content marketing is the practice of regularly publishing expert theory, evidence, commentary, or advice. Perpetual created academic content for HHC in the form of customer case studies for publication to prospective new customers. Customer interviews were conducted with volunteer customers and their experiences were documented and drafted for publication.

Designing a framework for content marketing and producing seminal expert content involved research effort, analysis effort, strategy effort, and high-skill copy writing.

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Launch Sales

Because HHC's first tactic to launch sales was through external partners, any existing customer knowledge and sales language was distributed among a diverse set of people, none of whom were selling at goal. Although a handful of customers existed, Perpetual began with no substantial knowledge or insight into the selling process. Consequently, Perpetual approached the scenario as a startup sales organization.

► DISCOVER CUSTOMER PRIORITIES, BIASES, & DECISION PROCESSES

Discussions with external selling partners revealed no methodic approach to sales and no proven sales language.

Perpetual's first task was to verify the customer priorities identified in the market segmentation study by conducting exploratory sales calls and refining the methods based on those sales calls. In addition to objective buying criteria like features and price, subjective biases were also discovered including a strong customer bias toward audit threat and audit protection.

Once Perpetual had developed a sufficient number of initial customer accounts, customer buying behavior and criteria could be seen clearly. A strong bias existed among small medical practices that they were not liable for compliance because they would never be selected for an audit. It was also discovered, however, that this bias acted primarily as a verbal protest and did not actually affect buying.

When buying, customer priorities were largely similar across the board and were identified as: efficacy, cost containment, ease, and multi-user capability.

Launch Sales

► **DISCOVER CUSTOMER PBD** (continued)

Having identified buying criteria and customer biases, Perpetual concluded the exploratory phase of sales development and prepared to move the company to a scalable sales organization.

Discoveries from this phase were documented in resources to be used by the upcoming sales team to be hired. Materials delivered by Perpetual included lead generation scripts and decision tree, multiple formats of product demos, talking points, FAQ, closing methods, etc., all combined into a Sales Training Manual.

Discovering customer priorities, biases, and decision processes required high-skill selling effort, analysis effort, and high-skill closing effort.

► **COMPETITIVE ANALYSIS AND MARKET SEGMENTATION**

To better understand customers and identify the most desirable ones, Perpetual conducted a market segmentation study. The study divided the total market into sectors, each with similar HIPAA compliance needs and buying capacity. Based on review of existing studies, each market segment was identified with:

- Likelihood of buying in the absence of enforcement activity (high, medium, or low)
- Size of the segment in relation to the total market
- Known buying criteria

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Launch Sales ▶ **COMPETITIVE ANALYSIS AND MARKET SEGMENTATION** (continued)

Based on the market segmentation, it was observed that the market segments most likely to buy and buy soonest were:

- Doctor offices between six (6) and twenty (20) doctors
- Hospitals with fewer than 200 beds
- Assisted living facilities with staff size 51-200

In addition to the market segmentation, secondary research was conducted into the names, products, differentiation claims, and territories of companies offering products that compete with HHC. Perpetual categorized product offerings and ranked competitors based on strength of offering relative to HCC. Key competitors were identified, and differentiation claims were drafted for use in sales.

Analyzing the competing market and crafting effective differentiation claims entailed research effort, analysis effort, and high-skill copy writing.

▶ **DEVISE CLOSING METHOD AND LANGUAGE**

HHC management required a method of training new sales reps to continue Perpetual's sales closing rate after the engagement concluded. Perpetual produced a training-ready closing method based on customer priorities, biases, and decision processes discovered during early sales.

Designing and training the closing method involved analysis effort, closing skills, high-skill copy writing, and training effort.

Launch Sales ▶ **SCREEN, HIRE, AND TRAIN NEW SALES REPS**

With newly acquired knowledge of both the customer and the market, Perpetual was ready to implement in-house sales for HHC.

Customer priorities, biases, and decision processes were documented in a sales training manual along with insights into the market segments and the offers of competitors. Training modules were devised for the HIPAA law itself, features of the HHC software, and the various formats of product demo available.

Working with HHC Human Resources, Perpetual screened candidates to select the six (6) first sales reps that would launch the in-house sales effort. Hires were made, compensation negotiated, and start dates set for training.

New sales reps were trained in a two-day classroom environment followed by two weeks of team selling with a trainer for two weeks. Prior to making sales calls alone, each rep was required to demonstrate their ability to perform a product demo and field customer questions.

Screening, hiring, and training sales reps required effort in the areas of copy writing, interviewing, negotiating, and training.

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► IMPLEMENT LEAD GENERATION SYSTEM AND CRM

To enable high volume lead generation, Perpetual implemented and configured a SaaS CRM (Customer Relationship Management software) for HHC, creating separate modules for use by the lead generation team, sales reps, and customer service reps.

Data was sourced from three (3) third party providers and tested for accuracy. A primary data supplier was selected and engaged.

- The CRM system was used to implement high volume lead generation in an in-house call center environment. The lead generation call center was set up as an adjunct to the small user support call center HHC had already launched.
- Scenarios, scripts, talking points, and FAQ were documented into a lead generation training manual. Six (6) new lead generation callers were hired and training workshops were conducted.

Erecting the lead generation operation entailed analysis effort, data management skills, copy writing effort, and training effort.

► SALES REP COMPENSATION MODEL

Based on the pricing model and sales forecasts, Perpetual drafted and refined a new sales rep compensation model which was approved by HHC management. The compensation model was used in recruiting, hiring, and performance evaluations for new sales reps.

Developing the compensation model involved research effort, analysis effort, and QM (quantitative methods) effort.

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► MANAGEMENT REPORTING

Management reporting includes all resources management needs to oversee the ongoing processes of a functioning sales organization.

Perpetual articulated critical success factors from the sales processes and designed management reporting to demonstrate those factors numerically and visually. Reports were designed to feature actions executed and progress achieved on all accounts by all reps.

Designing and implementing the management reporting systems required analysis effort, design effort, and training effort.

► CHANNEL SALES FRAMEWORK

Despite low performance, the number of external selling partners already signed-on warranted an attempt to improve the system. Although virtually no sales had been produced by the external partners, management wanted to preserve whatever value might exist in the relationships.

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Launch Sales ▶ **CHANNEL SALES FRAMEWORK** (continued)

To recover value from the external partner sales program, Perpetual revised the program, creating structure that would lead to higher support of partners simultaneous with higher accountability.

- Partner requirements were implemented including quarterly reports from the partner on actions taken, marketing budget invested, and sales closed.
- A Partner Training Workshop was developed and required of all new partners. Existing partners were offered the training and those who accepted it fared better in the coming quarters as nonperforming partners were shaken out.
- All knowledge discovered for and by HHC's in-house sales team was also made available to the external partners. Partners who participated in the training received the market segmentation study, the customer buying criteria, customer biases, lead generation scripts and FAQ, sales scripts and FAQ, new demo formats, Case Studies, brochures, and custom links to the HHC website that tracked the lead back to the individual partner in case of purchase.

Implementation of a channel sales framework entailed analysis effort, management skill and effort, and negotiation effort.

Findings: Part One

BRAND DEVELOPMENT

Implementation of the Perpetual business processes for Brand Development revealed multiple opportunities for selling which were integrated during the diagnostic and development steps in the processes.

- Customers had not responded to previous product demo formats primarily because they were overly technical and assumed too much knowledge on the part of the customer. Based on this, new customer demos were designed and suited to varying degrees of customer proficiency. Previous technical claims were rewritten to describe their outcome for the customer instead of the technical aspects of how they worked.
- High demand existed for expert content and the new Case Studies Perpetual published for HHC resulted in leads that converted to sales at a higher rate.

Findings: Part Two

IMPLEMENTATION OF FIRST-TIME SALES

The Perpetual business processes for Implementation of First-Time Sales revealed the reasons for previously low sales and provided many actionable insights for increasing sales.

- The reliance on wholly autonomous external selling partners was found to have been an impediment to closing sales. While a few of the partners had invested some effort, most had not, and efforts invested were largely guesswork and improvisation by the partners and were ineffective.
- Strong but highly nuanced demand was found to exist for the product. The majority of prospects were simultaneously cavalier and fearful of compliance. This prevalent tension hid many closable sales behind a nervous defiance which often greeted sales reps on cold calls.
 - Overcoming customer resistance to discuss compliance required high-skill selling and led to a decision to select fairly experienced sales reps when hiring.
 - This customer stance also resulted in Perpetual's decision to deliver a signed NDA (Non-Disclosure Agreement) to every prospect **before the first sales call**.
 - Delivery of the NDA was used as an opportunity to simultaneously deliver a brochure and Case Study prior to the introductory sales call.

Offering and delivering the introductory packet to prospects prior to the first meeting resulted in a 200% increase in agreement to see a product demo, as well as higher quality introductory sales calls in which prospects were more engaged, more at ease, and more inquisitive.

Findings: Part Two

IMPLEMENTATION OF FIRST-TIME SALES (continued)

The absence of an automated CRM (Customer Relationship Management software) was observed to be an impediment to speed of execution as well as follow-through, and consequently to closing sales.

Using sales language crafted as part of the brand development phase, the products were found to be saleable by various levels of sales expertise.

Sales goals for the new products were found to be rationally forecastable.

Conclusions

Based on the experiences of the study period, the HHC compliance software was found to be viable and profitable. The participant reports that:

- Strong demand exists for online HIPAA compliance software. The market is viable and low sales were a function of effort, not the market.
- Vertical specialization within the market is required to economically capture sales revenue to facilitate further growth.
- Trust is the primary element that affects whether prospective customers will go forward.
- Published academic content facilitated sales by building credibility and trust.
- External partners will not develop the brand or selling methods. Branding, discovery, and in-house selling must precede external selling partners.
- The external partner sales program is viable with training and accountability.

The participant credits Perpetual's methodic approach with identifying the cause of low sales and crafting the solutions.

In describing the overall experience and effect of working with Perpetual's business process methods, the participant replied "It was faster than we could have predicted. We knew they knew what they were doing, but we didn't realize how much their methods would accelerate the outcomes. It was a relief."