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## Selling to the Health Care Vertical: Issues, Opportunities and the COVID-19 Effect



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*The decision to target one, three or five verticals is personal, and likely will bring up many questions. Which vertical aligns with my business philosophy? Which vertical interests me? Which vertical has lasting power? That last one carries special weight right now as businesses deal with the consequences of COVID-19. Although direction is changing rapidly, health care orders are still booming. Travel and hospitality orders, on the other hand, have come to a grinding halt with trips, trade shows and other events temporarily postponed or canceled altogether.*

*There is so much gray area to explore, but what we do know is distributors who position their companies as true marketing value-adds, selling on the merits of creativity and resourcefulness, will fare well. To help you along in the decision-making process, Print+Promo consulted with leading suppliers and distributors in three key verticals. Below, they expand on end-user needs, common pitfalls and the effects of COVID-19 in the health care vertical.*

The admissions department of a major hospital group was ailing from an ongoing problem with patient ID bands. Its printers were jamming, oftentimes resulting in multiple sheets to successfully produce a single wristband. Time was lost. Resources were wasted. Nurses and patients were frustrated. With more than 20 years of manufacturing its best-selling stock and custom medical ID wristbands, [Ward-Kraft Inc.](#), along with its distributor partner, had the remedy.

“The distributor was able to get us a sample of the current product, as well as the make and model of the printers used in the hospital, so that we could do internal analysis and testing in our lab,” Gina Staudinger, chief business officer for the Fort Scott, Kansas-based supplier, recalled. “We were able to keep the same

construction the hospital was currently using (i.e., standard laminated band), and change the material to eliminate jams.”

As a result, the hospital was able to switch the bands over without changing processes or retraining staff on how to apply a new band. Rather, it removed the faulty band and replaced it with the new one, which easily eliminated a pain point.

This is nothing new for Ward-Kraft Inc. Over the years, the company has leveraged its knowledge and experience in the health care market to support distributors with actionable solutions. In addition to laminated, non-laminated and direct thermal wristbands, Ward-Kraft Inc. offers second sheets, known as charge labels or companion labels—a great complement to its bands. It has also built a reputation for other wide-ranging medical products that include pharmacy labels, laboratory/chain-of-custody forms and requisitions, pathology forms, patient sign-in forms, laser membership forms, badge buddies and laminated plastic signage.

“Because this is our top vertical market, we have a dedicated team of people to support our distributors and help them work throughout the process,” Staudinger shared. “With our machinery division and our R&D division, we are able to act quickly to our distributors’ needs. Our marketing division provides top-notch sell sheets, flyers, images, free samples, etc., to give our distributors the tools they need to sell.”

## The Issues

From prescription tampering to health care reform battles, the health care market certainly hasn’t lacked excitement. In fact, this vertical is in a constant state of change. Providers are challenged with new regulations and compliance requirements whose effects trickle down to medical forms and documents. Security features for prescription forms—or bar codes to ensure privacy and track patient care—need to be error-free and consistent. But the sector has never experienced anything like COVID-19 and its economic impacts. Beyond shuttering businesses and pausing daily routines indefinitely, the pandemic has challenged Americans to rethink their positions on the long-standing medical infrastructure and how they conceive the professionals they pay to provide care.

**Thomas D’Agostino Jr., CEO of Smart Source LLC, a top 50 distributor headquartered in Atlanta,** has seen the shift firsthand. His firm has enjoyed a long and rich history selling to the health care industry. Similar to its peers, Smart Source LLC’s roots were firmly planted in traditional printed materials, including operational forms, and promotional products serving hospitals, clinics and physician groups. However, as patient satisfaction emerged as a primary theme, D’Agostino and his staff soon recognized the impact such a change would have on reimbursements, directly affecting each organization’s bottom line. To respond to the new level of need, Smart Source LLC turned its attention to data-driven patient communications.

“Our data-driven communications begin with the first steps of the patient relationship, being appointment reminders that include all details related to the visit, even driving instructions to the treatment location,” D’Agostino explained. “This level of detail is followed in each step of [the] relationship and related communications, concluding with patient billing, which provides patient-friendly content. Our goal is to remove the mystery for the patient. This is a quantum leap from the original products provided for years [that] we still supply.”

Now, almost as suddenly as toilet paper and sanitizer disappeared from retail shelves, Smart Source LLC has found itself pivoting to personal protective equipment (PPE), while making updates to existing systems.

“PPE has been a critical part of our product mix in this business segment for the last three months,” noted D’Agostino, who named masks, gowns and sanitizer as high-demand items. “In addition, as hospitals and larger providers are depending on government subsidies to support much of their current operations, their need for revenue cycle improvement has increased dramatically.

“As Smart Source is a leading provider in health care-related revenue cycle products and services, we have introduced further enhancements to our current statement processing functions, which include a wider variety of payment mediums, patient financing options and procedure estimating services,” he continued. “Once again, our focus is assisting our customers with improvement in their bottom line during an extremely challenging time.”

The direction has changed for Ward-Kraft Inc. as well. Staudinger mentioned that some areas have increased, such as stock integrated form and label orders, and custom lab forms used for COVID-19 testing. Other popular requests are badges and signage that promote social distancing, handwashing and cleaning.

With governors beginning to ease restrictions pertaining to elective and ambulatory surgeries, for example, trends are changing on a quarterly basis.

“The first quarter had a significant increase in wristbands and charge labels as hospitals stocked up in preparation of the pandemic,” Staudinger said. “The second quarter has dropped tremendously as hospitals canceled and postponed surgeries, as well as shut down non-essential visitors, which includes sales reps. Unfortunately, this meant many opportunities that our distributors had in the works have been put on hold. As hospital and surgery centers open back up, the numbers continue to increase, and the opportunities that were put on hold are now moving forward.”

To bridge the gap caused by the acceleration to telemedicine, Smart Source LLC now provides patients with various types of communications containing education in the areas of telehealth and virtual visits.

“These services are being driven by the providers, but also in equal measure by the managed care companies,” D’Agostino said. “There is a defined cost savings derived from this form of health care, which are able to assist in communicating to each party involved in the treatment process.”

## **The Selling Process**

Health care differs from other markets. This vertical requires nurturing and patience, because clients here are known to commit only after trust has been earned. In turn, the selling process can be quite long. Hospitals and medical groups cannot run out of product or have a product that doesn’t work. But because these professionals are so busy, they don’t have time to think about anything besides their patients.

“Selling in the health care space requires an understanding of the needs of patients, providers and managed care companies,” D’Agostino remarked. “All three parties are an integral part of each transaction. Then, we have another layer, which includes companies ranging from pharmaceutical organizations to medical device manufacturers, with many others in between. Many of these companies have stringent compliance requirements.”

Considering that health care is one of the largest segments of the U.S. economy, it may be surprising to learn that there is a relatively small community of decision-makers. As distributors prepare to move prospects along

the path to purchase, they must first research how buying groups operate. Staudinger acknowledged that health care organizational structures can be tricky to map out, and with many GPO contracts out there, distributors are often hesitant to play in that world.

“I have found that although some hospital groups are very compliant with the GPO contract, there are still a number of hospitals, surgery centers, clinics, etc. that buy outside those contracts because they know they can save money in the long run,” she said. “It’s extremely important to understand the hospital’s organizational structure. Sometimes, it can be hard to identify who makes the actual decision. Some health care organizations have a single decision-maker, while others require you to work with a buying group. You can be competitive against the GPO contract on many products, but you need to understand their structure.”

Of course, getting a recommendation from someone within the organization is always helpful in reaching decision-makers. Before talks occur, however, distributors should know what the prospect is currently using and be ready to discuss how their product or service can offer a better experience for patients, employees or organizations. Staudinger offered a list of sample questions to ask that include:

- Are they under contract?
- Can they buy outside the contract if you are more competitive?
- What is their pain point?
- Can they benefit from multiple products or services?

To that last point, Staudinger has noticed a tendency for distributors to stick to one product offering instead of bundling solutions.

“If you already have a relationship with the purchasing department, then the resellers should let them know about all the other products they could sell to them,” she instructed. “For instance, if you are selling wristbands to a hospital, you should also consider selling them plastic badges or plastic signage. Hospitals are purchasing those products, so the reseller should let them know that they can help them with those other products.”

Do keep in mind that for as technologically sophisticated as hospitals and physician groups may be, they are slow to adopt new ideas and philosophies. This is a common challenge D’Agostino faces particularly when pitching Smart Source LLC’s data-driven patient communications.

“When we introduce the concept of patient communications improving bottom lines through increased patient satisfaction scores, there is typically no shortage of skepticism,” he said. “The only way to overcome this level of reluctance is to share statistical results that we have delivered for other organizations, accompanied by ample referrals.”

No matter how successful Smart Source LLC’s efforts are, D’Agostino said that wouldn’t be possible without the help of reliable trade printers. In his mind, those relationships are key to finding new clients and sustaining trust with his existing base.

“As with all of our customer relationships, they are only as strong as the relationships we share with our partners/suppliers,” D’Agostino said.