

## Gamma Company

A Market-Partners Client Success Story

**A medical supply distributor reverses its client attrition trend in an increasingly competitive market.**



### About Market-Partners

Market-Partners is the leading independent consulting company focused on increasing sales effectiveness. We bring proven methods, thought-leadership, and pragmatic expertise together in offering solutions that provide swift, significant, and sustainable results. We have been working with clients since 1995, from start-ups to industry giants, and have worked with literally thousands of sales professionals in more than 39 countries.

For more information about our leading Customer Acquisition Management solutions, please get in touch with us at [info@market-partners.com](mailto:info@market-partners.com), or 707-575-4712.

Gamma Company, a distributor of medical supplies to over 1,200 hospitals and clinics historically had been able to offer its customers the lowest prices, but was finding that increasingly aggressive price competition was proving an unsustainable approach to the market.

New competitors were using predatory pricing tactics to win away Gamma's customers. Medical facilities themselves had developed the ability to negotiate directly with product manufacturers such as Johnson & Johnson, reducing the value Gamma was perceived to provide. To combat client attrition and generate new revenue, Gamma sought to offer new value-added services to its clients, but was challenged by a lack of a clear strategic direction for integrating the new services into its existing product and service base. Compounding the problem were the differing views of the company mission between the field sales offices and corporate headquarters. The field offices believed their mission was to provide clients the lowest possible price on a large number of individual transactions, while corporate wanted to take a more holistic, service-based approach to reducing overall expenses across the organization.

<p><b>Client Description</b></p>	<p>Gamma Company distributes medical supplies and outsourcing services ranging from commodities such as gloves to MRI devices to over 1,200 clinics and hospital in North America. Gamma has 13 regional offices and over 100 account executives, not including manufacturing reps and partners.</p>
<p><b>Highlights</b></p>	<ul style="list-style-type: none"> <li>• Gamma Company, a distributor of medical supplies to over 1,200 hospitals and clinics found that price competition was no longer feasible due to their high cost of sales and their competitors' increasingly aggressive pricing.</li> <li>• Gamma was suffering from decreasing client loyalty and attrition</li> <li>• Field sales offices wanted to service existing demand for high volume low-cost transactions, while corporate sought to generate new business by providing services to help clients reduce expenses across the organization.</li> <li>• Market-Partners discovered four distinct segments within Gamma's market and collaborated closely with Gamma's management to leverage their existing resources, and align their organization around the new business strategy.</li> <li>• Eighteen months after working with Market-Partners, Gamma's sales revenue had increased by 6.9%, or \$40 million.</li> </ul>
<p><b>Business Challenges</b></p>	<ul style="list-style-type: none"> <li>• Ongoing price reductions by competitors who were resorting to predatory pricing in order to win Gamma's existing accounts</li> <li>• Decreasing client loyalty, resulting in attrition of long-standing accounts</li> <li>• Culture of servicing existing demand in field offices versus corporate's desire to generate new business by providing new services             <ul style="list-style-type: none"> <li>• Field offices sought to generate a high volume of transactions at the lowest possible price</li> <li>• Field offices lacked desire to build new business and offer value-added services</li> <li>• Lack of trust between field offices and corporate</li> </ul> </li> <li>• Shifting market             <ul style="list-style-type: none"> <li>• Increasing number of competitors</li> <li>• Medical facilities negotiating their own contracts with product manufacturers</li> <li>• Downward price pressure and lower margins</li> </ul> </li> <li>• Sales averse culture and increasing distrust of corporate within field offices</li> <li>• Lack of desire on the part of field offices to market new value-added services</li> <li>• Medical facilities beginning to collaborate together in order to gain buying power and negotiate directly with product manufacturers</li> </ul>

<b>The Solution</b>	<ul style="list-style-type: none"><li>• Market-Partners conducted a thorough assessment of Gamma’s market and discovered four distinct segments that employ different buying processes:<ul style="list-style-type: none"><li>• The assessment process was highly inclusive and ensured that personnel from the field and corporate were able to provide input</li><li>• Over 60 customer and internal interviews were conducted</li><li>• Client interviews gave an objective external perspective on customer buying behaviors as well as Gamma’s challenges</li></ul></li><li>• Market-Partners collaborated closely with Gamma’s management to envision and build selling strategies and processes for each segment:<ul style="list-style-type: none"><li>• Groups consisting of field and corporate staff members were brought together to capture best practices from both areas</li><li>• Consensus was gained as the processes were being developed, creating a shared view of how to address the increasingly competitive market</li></ul></li><li>• Market-Partners worked with Gamma’s management team to leverage core competencies and mobilize field offices to generate new business:<ul style="list-style-type: none"><li>• Align field offices to a common strategy and vision</li><li>• Define new field sales roles to sell service lines</li><li>• Defined telesales role for selling to smaller accounts and for low complexity services</li></ul></li><li>• Focus transactional account managers on servicing existing accounts and generating transactions</li></ul>
<b>Results</b>	<ul style="list-style-type: none"><li>• Eighteen months after working with Market-Partners, Gamma’s sales revenue had increased by 6.9%, or \$40 million.</li><li>• Nearly 200 hospitals were added to Gamma’s client base.</li><li>• Cultural shift in field offices, and a desire to offer new products:<ul style="list-style-type: none"><li>• Teams in field offices saw how selling, and especially early-stage discovery helped them to better understand clients and optimize client solutions.</li><li>• Improved client discovery led field teams to seek new ways to create client value using new products and services.</li><li>• Transactional account managers are secure in their role and leveraging their core expertise.</li><li>• Field offices have specialists who focus on new business and selling value-added services.</li></ul></li><li>• Trust between field offices and corporate grew as the sales processes provided a common communication framework around clients and sales opportunities.</li><li>• Reduced cost of sales on services that are now sold through a call center which also allows field based sales to focus more on the development of new business opportunities.</li></ul>