



## 2005 Conference - High performers

SAN DIEGO--Leaders are in the business of creating communities within their companies, and strong communities almost always lead to high-performing teams.

That was the message from Lawrence King, Ph.D., keynote speaker at IMDA's recent 25<sup>th</sup> Annual Conference and Manufacturers Forum. Based in Downers Grove, Ill., IMDA is the association for specialty sales and marketing companies.

Organized by Shawn Walker of Bay State Anesthesia, North Andover, Mass., the Conference offered leadership training as well as discussions about issues affecting medical specialty sales and marketing organizations, including group purchasing, sales rep compensation, creative marketing techniques, and business continuance in the midst of natural or manmade catastrophes. In addition, the association sponsored its annual Manufacturers Forum, in which specialty distributors and reps got a chance to visit with manufacturers of new, innovative medical technologies.

### High-performing teams

High-performing teams almost always exhibit the following characteristics: clarity and focus, talent, a project-oriented approach to work, an appetite for challenges, and innovation, said King, who is president of King Strategic Alliance, Santa Monica, Calif.

Business owners or managers can't expect to create such teams from the safety of their offices, however, said King. "You have to spend time face to face with your people, pressing the flesh, making sure your vision is communicated." And you need a scorecard to keep track of your team's performance.

Nor can leaders create an effective team if they persist in hiring on the basis of personality or longevity. In fact, the only way to field a high-performing team is to hire for performance. "You have to be selective about who is on the team," King said.

Once the high performers are in place, they must be recognized as such. But their leader must be specific, pointing out those things that the team members are doing correctly and coaching them when they veer off course. And he or she must do so *frequently*. It's far better to huddle with one's people on a weekly basis than to let misunderstandings or resentments build up over time. That's a recipe for an explosion.

In order to consistently field high-performing teams, leaders have to assume all of the following roles:

- Strategist. The leader must set the future direction of the company.
- Ambassador. The leader must call on key customers periodically to find out what's on their minds.
- Inventor. The leader must play a key role in developing new services based on the anticipated pain and needs of the customers.
- Coach. "CEO" stands for "chief education officer." The leader must train her people about the industry and the company's role in it.
- Investor. The leader must put himself in the shoes of someone who might want to buy the company. He or she can increase the company's market value by investing in the people and the systems that will help it succeed in the long run.
- Student. Leaders must never fall into the trap of thinking they have nothing more to learn.



## GPO issue aired

Patients are being deprived access to the best and most innovative medical technologies, and group purchasing organizations are partly to blame, said Mark Leahey, executive director of the Medical Device Manufacturers Association, Washington, D.C.

Several years after its founding in 1992, MDMA members began complaining that even though they had received 510(k) clearance for their devices from the Food and Drug Administration, they still could not penetrate the hospital market because of group purchasing contracts, Leahey told IMDA members.



“There’s nothing wrong with the GPO model,” he said. “But the concern is that through massive consolidation, by 2001, you had two GPOs controlling two-thirds of the marketplace.” Purchasing decisions have moved away from local and regional cooperatives, to national organizations based far away from their hospital members, he said. Worse, the amount of money GPOs collect from manufacturers in the form of administrative fees far exceeds their operating expenses. “Small companies can’t play in this game,” said Leahey, referring to small manufacturers.

In October 2004, following a number of Senate hearings over the course of two years, Senators Mike DeWine (R-Ohio) and Herb Kohl (D-Wis.) introduced the Medical Device Competition Act. The Act would have prohibited GPOs from receiving administrative fees greater than 3 percent, prohibited some perceived conflicts of interest, and would have called for regular certification by an outside body that GPOs were acting in accordance with the law. The bill died when Congress adjourned in November 2004, but Leahey urged IMDA members to write to their lawmakers and call for the bill to be resurrected.

“Based on some of the reports we’ve heard, we think the fees [that GPOs] are collecting need to be brought back to a reasonable realm, and to make sure that their decisions are being made in the best interests of patients instead of their own financial well-being,” said Leahey. “And to achieve that, we think additional steps need to be taken.”

## Shop talk

In response to IMDA members’ requests for more networking time and opportunities to “talk shop” with peers, Walker built into the program a number of member-led sessions, including sessions on how to:

- Prepare to keep your business running in the midst of natural or manmade disasters.
- Prepare to face hidden dangers in your business, such as Internet attacks or employee embezzlement schemes.
- Protect your business’ cash flow.
- Provide excellent customer service.
- Compensate your sales reps for maximum results.
- Tap into new markets.
- Actively market your business to current and prospective customers.
- Overcome market barriers with creative selling techniques.

In addition, IMDA members learned about product and professional liability insurance, as well as opportunities to help their customers with creative financing for their new equipment.

## Association news

Bob Wahlenmaier of Scottsdale, Ariz.-based Products for Surgery stepped down after serving as IMDA’s president for the past two years. Wahlenmaier presided over the organization during a crucial period, as it switched

management companies and joined forces with a new provider of medical product liability insurance – Medmarc Insurance Group, Chantilly, Va.

Replacing him as president is Ed Boracchia, Boracchia + Associates, Petaluma, Calif. Additional officers for 2005-2006 are:

- President-elect: Shawn Walker, Bay State Anesthesia.
- Secretary/treasurer: Terry Hinchliffe, Advanced Medical Systems Inc., Littleton, Colo.
- Director-at-large: Jim Herrmann, Med Alliance Group Inc., Carol Stream, Ill.
- Director-at-large: Leo Mindick, DMA Med-Chem Corp., Great Neck, N.Y.
- Director-at-large: Kevin Trout, Grandview Medical Resources Inc., Bridgeville, Pa.
- Manufacturers representative to board: Bruce Brierley, Maxtec Inc., Salt Lake City, Utah.

IMDA Executive Director Judy Keel announced that the association's next Conference will be held June 7-10, 2006, at the Grove Park Inn in Asheville, N.C.