

## Creating Stronger Medtech Partnerships to Increase Growth. Part 2 – Collaborative Proactive Relationships

### Introduction

In the medical device, equipment and supplies (medtech) industry, collaborative partnerships between manufacturers and distributors are critical to market success.

- Why do we spend so little time trying to manage and improve these relationships?
- What can we do together to ensure that fewer partnerships fail?
- What are the keys to success for driving sales growth through great partnerships?

Our panel of industry experts discuss how to create stronger, more successful partnerships in new and existing relationships.

**Note:** For the purpose of this discussion, we assume that we have the right partner AND a solid contract, as we discuss how effective communication and impactful Business Reviews can help create stronger, more successful partnerships in new and existing relationships.

### Panel Members



**Marcus Baiano**, National Sales Manager, AMT Surgical

Over the past 13 years, Marcus has driven growth at AMT Surgical, a leading distributor of surgical systems in Canada. As National Sales Manager, Marcus has responsibility for building and managing successful partnerships with leading surgical products manufacturers from around the world. In addition, Marcus manages a sales team with relationships into over 400 hospitals.



**Denis Cantin**, Principal Consultant, Advisor, Expediter, True North Health

Denis is an experienced advisor and expediter to the Medical Device and Consumables Sector, supporting manufacturers and distributors to achieve commercial success in new overseas markets. With over 20+ years in the medical device industry, Denis is an accomplished sales professional with senior leadership positions at Cardinal Health and Medline. He is qualified by measurable achievements in sales growth and business development, bottom line profitability, and a stellar track record of superior performance in sales results and customer relationship management.



**Andy Molnar**, SVP Global Sales and Business Development, Dental, Milestone Scientific

Over the last 20 years, Andy has gained a wealth of experience leading teams and achieving substantial growth for medtech companies including Straumann, Hu-Friedy, Belimed and Milestone Scientific. As managing director at Straumann, the company grew to the number one dental implant manufacturer in the UK. After helping launch UVD Robots' infection prevention devices into the Americas, Andy has returned to Dental as the SVP Global Sales and Business Development for Milestone Scientific (NYSE: MLSS).



**Proactive Communication - Question #1: Partner communication often seems to be reactive not proactive. Why do you think this is so pervasive in the medtech industry? [5:12]**

- People are totally consumed on the day to day, they're busy firefighting on issues, the supply chain interruptions that have been caused by COVID is putting a big burden on leadership and ops teams, they don't have time to report back and reflect
- Set and forget phenomenon, most parties assume everyone is doing their part and there is no mechanism to check otherwise
- Most people report/respond on events after they occur, not while they're happening
- They may have many partners, and they have to prioritize which partners to be proactive with and which they leave to the back burner
- Order fulfillment distributors tend to be more reactive
- Specialist distributors with a tighter portfolio tend to be more proactive and engaged in selling and demonstrating the product

**What role does fear play in the lack of communication?**

- For distributors the ultimate fear is growing the business and having the manufacturer go direct, which is always a possibility
- Fear is what's left if trust is not established
- To avoid this, it is critical to bake the frequency and type of communication right into the contract, up front, so both parties know what is expected
  - This will enable your partnership to be more proactive



Watch Part 1: Contracts & KPIs: <https://cariboumed.com/resources/videos/stronger-partnerships-part-1/>



**Proactive Communication - Question #2: How can we pivot to more proactive conversations with our partners? [12:58]**

- It all begins with starting the relationship with aligned expectations
- Bake into the contract:
  - Key elements to track
  - Cadence for review
- The frequency one panelist communicates is:
  - Informal weekly contact (with larger partners)
  - Monthly operational discussions with sales and/or marketing director
  - Quarterly with more senior stakeholders
- Trust is huge in open communication, without each of these aspects, you lose the ability to be strategic in conversation and move to reactive conversations and putting out fires:
  - Openness and communication
  - Acceptance of intentions (that they are working in best interest for both parties)
  - Reliability/accountability, if they say they will do something they will do it
  - Competence from both sides of partnership
- Forecasting is mutually valuable to ensure that you can plan accordingly on both sides
  - A lot of proactive conversations come when you start to look and plan ahead



View how to manage Sales Forecast in workspaces:

<https://support.cariboumed.com/dashboardoverview>



**Proactive Communication - Question #3: How should we incorporate discussions around KPIs and Sales Targets into our conversations?** [16:52]

- Successful partnerships require execution from both parties on respective activities
- Select KPIs that ensure you move towards sales performance:
  - Leads generated – numbers not details
  - Demonstrations completed
  - Educational events undertaken
- Having a shared scorecard is valuable viability for both parties
  - myCaribou workspace scorecards ensure that your data is never out of date and both parties have access to those numbers
- If you feel like you're being micro-managed, you've missed the boat on the onset of expectations set at the beginning of the contract
  - Ensure that each partner understands and is aligned on goals and objectives

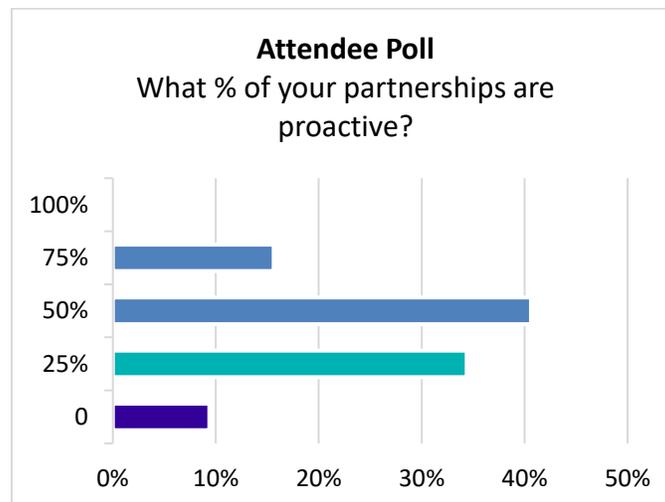


Video podcast Establishing Key Performance Indicators (KPIs) with Denis Cantin:  
<https://cariboumed.com/resources/videos/mycaribouconnections-001/>



**Proactive Communication - Question #4: What are some of the lessons learned in terms of partner communication?**  
[23:21]

- Establishing trust is key
  - You both must be striving for the same outcomes
- Hold everyone accountable for their roles in the relationship
  - Are we missing things that people had agreed to commit to?
- Face-to-face meetings still have a place in building relationships and strong communication
  - They can accelerate trust between partners
  - Conversations can be richer and the insights deeper
- Conduct a yearly review of the overall structure and status of the business and do a reset
- Stick to strategy, not tactic
  - Keep the business reviews to a high-level view
    - ROI
    - Progress towards goals
    - Potential roadblocks
    - Emerging opportunities
- Don't overlook non-verbal communication like body language, facial expressions
  - Ensure what they are saying, matches what their body is telling you, are they agreeing to something verbally just to be easy
- Schedule separate time for problem solving and complaint resolution so the business review doesn't get off track
- Responsiveness levels can vary from partner to partner
  - Parties need to respect how different companies operate, but you both need to set the frequency and type of communication up front and agree on it



Workspace Playbook for Successful Partnerships:  
<https://support.cariboumed.com/workspaceplaybook>



**Business Reviews - Question #1: Which aspects of the relationship should be discussed in a business review? [29:02]**

- Set a consistent agenda to ensure both parties have their needs met.
- Always send/share the data in advance of the discussion and ensure all parties have reviewed to have a better discussion
  - If everyone is better prepared with the background you spend less time reviewing and more time planning the current quarter, fixing problems and more robust conversations

**Discuss and confirm what has transpired in the past and review challenges to have a shared sense of what the problems are so we can work together to fix them:**

- Progress vs sales forecast
  - What contributed to the results that occurred?
- Understanding what marketing activities have been done and lessons learned
- What external factors are out of our control that may be happening in a specific market?
- What internal factors are having an impact on the results?
  - i. Turnover with sales
  - ii. Supply chain backorder issues
- Always keep a record of the issues and resolution to show we are working together to fix problems

**Strategic and collaborative discussions for future growth:**

- Look forward into the next quarter, what are the activity plans and lead measures and what help is required from the supplier to ensure success
- Establishing quality KPIs and correcting misaligned KPIs from the past
- Collaborate on how manage external factors that are impacting the future of the business
- Get ahead of conversations and focus on strategy (for example training sales representation, understanding lead times or projects would be for specific consumable items)



Facilitate Quarterly Business Reviews in myCaribou: <https://support.cariboumed.com/facilitate-a-quarterly-business-review>



**Business Reviews - Question #2: How often do you think business reviews should be conducted? What factors impact this? [33:36]**

- Quarterly formal business reviews are great and should be the longest gap you go without doing a full business review
  - We like to call them Quarterly Strategic Meetings
    - It's a meeting about looking forward, not reviewing the past the entire time
  - The distributor partner general manager or divisional manager should be involved in these and keep them high level metrics that were touch upon above
- Monthly operational meetings should be held as less formal meetings the sales and marketing leaders
  - This helps to get things done that lead to the quarterly reviews
- If any problem or challenge arises, do not wait for the next meeting
  - Open communication should be taking place to get in front of issues

**The cadence above may not be possible for all partners, especially when you have a large number of partners**

- A formal business review may not be possible, but having a place for providing quarterly numbers and sending emails may be the best solution here

**New relationships may require more frequent business reviews**

- In the first year, it is important to keep higher frequency of touch points
- Build transparency and trust

**In unstable markets or with new products a higher level of communication may also be required**

- Frequent business reviews are critical



Manage a business plan for your partnership in myCaribou: <https://support.cariboumed.com/what-is-a-business>



**Business Reviews - Question #3: How can we have meaningful discussions around the sales pipeline while balancing the sensitivities of customer information? [38:57]**

A common fear we hear from distributors is divulging too much detail at risk of the manufacturer going direct to market.

- Establishing the expectations at the beginning of the relationship is going to determine the amount of information the distributor is providing
- Trust is a critical piece
  - If a manufacturer doesn't trust you, they will ask for more information
  - If a distributor accurately forecasts sales and hits expected targets, the level of information expected will drop significantly because they have what they want
- Providing numbers should be enough information, rather than names for the sake of forecasting

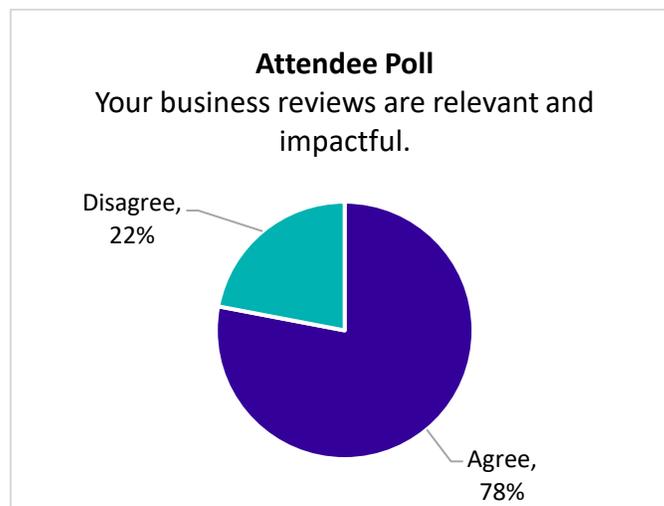


Watch Part 3: Sales Expectations & Execution: <https://cariboumed.com/resources/videos/creating-stronger-partnerships-part-3/>



**Business Reviews - Question #4: How can we avoid the tendency to rehash the same issues over and over in our business reviews? [43:48]**

- Every issue should be tracked in a log to monitor the moving pieces that go into resolving them
  - Who's going to take this issue on?
  - How will they fix it?
  - When will it be finalized? **\*\*This often get missed\*\***
  - What is the priority of these issues?
- There should be a system for logging issues as soon as they arise in real-time
  - The right people are notified
  - Issues are tracked right away so they don't become too big and side-track a project
- Having a system to track and manage issues ensures that the same issues don't repeat themselves



Workspace Playbook for Successful Partnerships:  
<https://support.cariboumed.com/workspaceplaybook>