



The Risky Business of Buying Technology:  
**The Most Important  
Questions to  
Ask a Sales Rep**




# **BECOMING AN EDUCATED BUYER**

**INVESTING IN TECHNOLOGY IS A VERY BIG DECISION THAT SHOULD REQUIRE COMPLETE TRANSPARENCY.**

Purchasing a new medical aesthetics device is an investment that should work in your clinic's favor while offering safe and effective treatments for your patients.

That being said, purchasing a product without doing the right research can put both your patients and your business at risk. Even with increased regulations, manufacturers, distributors, or suppliers will do what they can to boost their top line, sometimes at a cost to their customers. The only solution you can control is to ensure you are a self-educated buyer. Use this report to help you recognize the red flags and ask the right questions to ensure you're making an informed decision.

# RED FLAGS TO WATCH FOR WHEN PURCHASING YOUR NEXT DEVICE

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1. Unfair Business Practices
  2. Mass Discounting on List Prices and Hidden Costs
  3. Hidden Fees: Lease Agreements
  4. Negative or Evasive Sales Reps
  5. Short-Term, Partial, or Unclear Warranties
  6. No Promised Post-Sale Support
  7. No Support of Staff Training and Certification
  8. A General Feeling of Fear or Pressure

# 01 UNFAIR BUSINESS PRACTICES

Unfair business practices may include false representations of products or services, receiving incentives or mass discounting to purchase on the spot (more on this below), a lack of compliance to a region's manufacturing standards, or other instances of fraud or false advertising. It can be difficult to spot these unfair business practices prior to negotiating your device purchase, particularly for medical aesthetic professionals who may have not purchased a device before. A general rule of thumb is that if it seems too good to be true, it probably is. If something doesn't seem right, don't be afraid to ask plenty of questions. If the sales representative truly has your best interests in mind, they will eagerly provide you with the information you need to disprove any notion of deception or fraud.





# 02 MASS DISCOUNTING ON LIST PRICES AND HIDDEN COSTS

Pricing schemes fall under unfair business practices, but they are a common sales tactic that deserve a little more attention. As a professional in a competitive field with higher costs of entry, a really good price on a new device can be persuading, but a significant discount on a device's standard list pricing sends a critical warning. Falsely setting inflated list prices to hook in customers with a massive discount is a prolific issue in the medical aesthetics industry. Oftentimes, a device claimed to be the only one of its kind may come at a premium price point that is slashed for customers who get in early. Likewise, some companies may guard their pricing schemes like trade secrets, unable to offer insight into their cost breakdown. Together, these artificial pricing schemes can suggest a lack of post-sale support or proven technology, or that the company may be instituting questionable cost-cutting measures that will reflect in the machine's performance, treatment outcomes, or your clinic's inability to generate sufficient revenue.

Additionally, significant discounts on bloated list prices may reflect higher operational costs, of which the buyer should be aware of to better calculate the potential return on investment (ROI) over the life of the device. In some cases, hidden consumables and operational costs can add up to more than 50% of the device's list price. If a manufacturer believes a higher margin on consumables or operational fees may provide a better long-term return, they are more likely to accept a lower margin on the sale of the device now for greater profits later. While sales and promotions are attractive, it is imperative to ensure any savings will not be at a cost to the day-to-day expenses of your clinic, which could result in money lost as you work to market a new device and acquire the requisite patients just to break even.

## HELPFUL TIP

**Beware of ROI pro formas that detail unrealistic annual revenue generation for your clinic. These are typically created to justify a high purchase price, but are unsupported by validated data or dedicated teams to help drive performance post-purchase.**



## 03 HIDDEN FEES: LEASE AGREEMENTS

One major red flag to keep an eye out for is hidden kickback fees, wherein a sales representative urges you to use a particular leasing company because, unbeknownst to you, they have an arrangement to pocket a percentage of the transaction. This can range from an additional 1% to 5% over the life of your lease, which is very expensive to you. Alternatively, a lease agreement with 0% financing often impacts the commission that the sales representative will make. In these instances, it's not uncommon for the sales representative to slightly increase the lease price in order to offset the hidden discount and make back their commission.

When negotiating a purchase, particularly if using a payment plan, sales representatives should not balk at the request of a detailed cost breakdown and payment schedule alongside a summary and definition of any and all associated fees. The fine print may contain many pertinent details in these cases, and it may be of benefit to request the opinion of a lawyer or financial professional to ensure terms are fair and fully understood prior to the signing of any agreement.



# 04

## NEGATIVE OR EVASIVE SALES REPS

Vendors should be confident in the quality and abilities of the devices they sell. Providing user manuals and technical specifications for each device from the vendor is mandated by most regulatory bodies. However, companies should also be able to offer a list of the features or benefits that set them apart from the competition without focusing on trash-talking their competitors. Any sales reps that spend more time discussing a competitor's weaknesses than their own advantages should raise a red flag.

As for approaching evasive sales reps, ask for any negotiations or offers to be put in writing and signed by the sales rep guaranteeing the information is complete and accurate. This includes any warranty terms and conditions, alongside any extended support programs, upgrades, additional coverage charges, or expected response time for service repairs. If there is a dispute later on and verbal assurance is the only evidence of prior discussions, you will have opened your clinic up to further risk and potential additional fees or penalties. If a sales rep isn't receptive to these requests or offers vague answers while refusing to place agreements in writing, it is best to discontinue negotiations for cause of concern over trustworthiness.

A woman in a white blazer is looking at a document. The background is a soft-focus office setting. The number '05' is large and light blue, followed by the title 'SHORT-TERM, PARTIAL, OR UNCLEAR WARRANTIES' in bold black and blue text.

## 05 SHORT-TERM, PARTIAL, OR UNCLEAR WARRANTIES

Beware of short-term or limited warranties that do not cover all parts, such as device applicators. A comprehensive warranty is a reassurance that a company believes in the quality and performance of their device. A company's unwillingness to provide any warranty in the sale price of the device could be a sign that they have little confidence in its manufacturing or may simply be a sign that a company is looking to pad its profits with high costs for repair and/or replacement of parts. Not knowing what expenses could incur from broken or malfunctioning parts, let alone the cost of lost revenue when devices are down, increases the purchaser's risk and makes budgeting for a new device nearly impossible. Rather than having to cover a hefty repair bill later, choose a company that offers a comprehensive warranty that is included in the price from the get-go.

It is also important to note any limitations that may impact your warranty. For instance, does the warranty cover everything regardless of how many treatments have been done or how many pulses have been fired? Many companies will entice you with what sounds like a full year of unlimited servicing without any restrictions. For starters, one year is basic coverage—most companies will offer this. Additionally, the one-year term may or may not include restrictions in the fine print, such as such as how often the machine has been used (perhaps based on the number of treatments), reduced or even no coverage on certain parts of the device, and no promise of replacement devices if needed.

When selecting a vendor, favor companies that offer extended warranties that cover the entire device—regardless of treatment or pulse tallies. Be sure to also always ask about options for extending your warranty should you choose to and be clear on how much servicing will cost after the warranty eventually expires. Progressive companies should be able to provide you with full three-year warranties without exclusions. A typical service contract should not cost you more than 8-10% annually after the expiration of the warranty period. If you only get a one-year warranty with your device, you must factor the extra two years of costs into your decision.



# 06 NO PROMISED POST-SALE SUPPORT

A lack of voluntary discussion on the topic of post-sale support can be a major red flag. Sales representatives should always be eager to pitch the programs offered to customers following the initial sale as yet another benefit of choosing that manufacturer over a competitor, and these post-sale support programs should not expire at any point during the partnership. Post-sale support is imperative to a strong business strategy that can keep a clinic functioning at tip-top shape in terms of how best to use the technology, how to ensure patient safety, how to continue to get the most out of the device with each software upgrade, and how to best market its features and capabilities for improved customer acquisition. Vague explanations of the support offered, time limitations on support programs, or a mere mention of post-sale support options when prompted may signal a lack of understanding of the significance of this part of the sale equation or simply a lack of care for your ROI following the initial sale.



## HELPFUL TIP

Purchasing a device from an independent representative or third-party organization risks losing local support if they decide to drop the line or if the manufacturer pulls it from them. Purchase directly from the manufacturer to ensure local support remains intact.



07

## **NO SUPPORT OF STAFF TRAINING AND CERTIFICATION**

The company should want to ensure their device is used correctly to better manage their reputation and continue to have their customers deliver outstanding results for their patients. If a company lacks adequate support in training and staff certification, that is a clear red flag. Costs of certifying staff on a new device should be a significant consideration with any device purchase. While some companies charge an additional fee to send a trainer to the office, it is better to partner with a company that considers staff training a critical part of every device sale. The company should offer a complimentary certification program for the device owner's current staff as well as affordable options for future staff members. Of course, a salesperson should never be considered the only source of information regarding who is allowed to perform a treatment. Every state and region has their own laws and regulations. Purchasers need to do their own due diligence and research these regulations to ensure compliance.

# 08 A GENERAL FEELING OF FEAR OR PRESSURE

There shouldn't be any feelings of fear in acquiring a new device. Excitement and eagerness to get started using it are the best indicators that you have found a good choice for your clinic. Companies that push purchasers to accept a device that's "good enough" are simply in it for the sale and don't have your best interests in mind. Instead, seek out a device company that works to offer a solution that meets your practice's unique needs, both clinically and financially, and is honest if they do not have a device that falls within those parameters. All companies are looking to turn a profit—that's the nature of business. However, a sign of a well-run business is one that seeks out a positive ongoing partnership with their customers rather than a simple sale. Do not ignore any feelings of anxiousness or lingering concerns; address them with the sales representative and ensure you feel good about what has been discussed before firming up any type of purchase.

As an added note, there should never be the pressure of an end-of-quarter deadline for any purchase. While in business there are always quarterly sales goals, adding pressure to sign by a deadline or lose out on the agreed-upon terms is simply a tactic used by sales representatives to meet quotas and get commissions. As a buyer, your business' best interests should come first—not quotas and commissions. Making a purchase with any sense of buyer's remorse creates a poor foundation for implementing a new device into your practice. Instead, ensure each purchase is surrounded by excitement and anticipation in providing your patients with the latest leading, in-demand services.





# TOP QUESTIONS TO ASK WHEN PURCHASING A NEW DEVICE

- Tell me about your company. Where did the business begin and how has it evolved over the years?
- Can you give me the names of the practice support, clinical trainer, and/or service manager who will be responsible for my purchase once it is completed, along with their contact information?
- What is unique about your company or devices that I should know about? How might these benefits apply to my practice?
- Can you provide me with the names and contact information of past or repeat customers who can speak to your company's support services?
- How often does the device's software need to be upgraded and what is the average life of the device?
- If I am mid-term with your company and want to upgrade my device, are there any financial penalties I'll have to pay and if so, is there any way to avoid steep penalties?
- Are there any ongoing or operational expenses? How frequently might these expenses arise?
- What is covered under the warranty? Is the warranty included in the device price? How long is the warranty and are there any options for extending it?
- What is the cost of any post-warranty service contract and will you put it in writing at the time of my initial purchase?
- Are there any known common concerns with the device, device parts, or software that have been or are currently being resolved?
- What is the cost of replacement applicators if they are not covered under warranty? Can you provide this in writing?
- What kind(s) of post-sale support do you offer and is there an additional cost? Who will be my point of contact for said support?
- Are there any before-and-after images you can provide me?
- How do you see this device benefiting my business in particular?
- Do you have any real examples of customers who can validate their financial returns using your devices?
- Can you please send me the terms we have discussed in writing for further review?

# CONCLUSION

Due diligence should always be top of mind. As the purchaser, you are responsible for ensuring your clinic obtains a positive ROI while committing to patient safety and delivering optimal results. The best way to do so is to partner with a trusted medical aesthetics device company with a track record of proven results both in terms of their customers' financial success and patient satisfaction.

Serving customers in over 60 countries worldwide with over 40% repeat customers, Venus Concept is a leader in the global medical and aesthetic device industry. Pairing best-in-class technology with the first and only true subscription model in the industry, our goal is to help both new and established practices succeed in this growing field by helping you obtain the maximum ROI from your new device investment with predictable monthly payments and no hidden costs. Plus, in partnering with Venus Concept, you gain access to never-before-seen business features, such as the most comprehensive warranty program, unmatched marketing support, continuous clinical education, valuable Practice Consulting programs, and more. From compact tabletop units to versatile multi-treatment platforms, we will help you find the right solution that meets your clinic's unique needs and priorities without the industry's usual pressure tactics. At Venus Concept, we are completely focused on "Delivering the Promise."



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