

Creation Of The Value Ladder

Answer seven questions and give yourself the competitive edge.

By Leo J. Pusateri

The Tough Prospect Says:

"I don't know who you are.

I don't know your company.

I don't know what your company stands for.

I don't know your company's customers.

I don't know your company's products.

I don't know your company's reputation.

Now—what was it you wanted to sell me?"

—Harvey Mackay

Swim with the Sharks

Try to think of some of the prospect dialogues you've had over the years. Can you recall some of the successful interactions you've experienced with clients and prospects? I can.

"Peter, I invested an entire day to properly prepare for the one hour you are giving me today." Those were my words that began a meeting with the president of an organization I wanted to do business with. I could feel his appreciation in knowing I wasn't there to waste his time or mine. I researched his organization, spoke to his key employees—I knew the issues that were 'sitting on his desk.' Equally as important, I was prepared to answer his questions.

The scenario unfolded somewhat like Clint Eastwood's classic line in the movie, *Dirty Harry*, "Go ahead, make my day." Well I wasn't saying it, but I was thinking it. Ask me about my background, my value, my business beliefs, my process, client success stories, my differentiation, my potential, and my real value.

Go ahead, Peter, make my day.

Do you remember:

- High-five feelings of accomplishment?

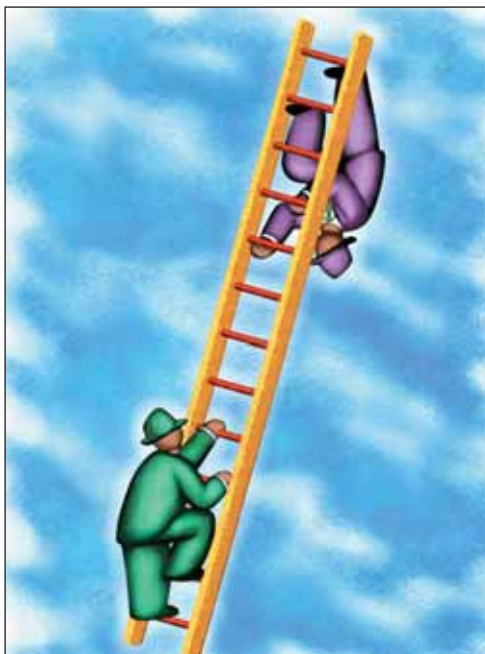
- Accolades from your management team?
- Trips and awards you've earned?
- Nice feelings rekindled?

How about the opportunities you've lost? Different feeling, huh? You get that knot in the pit of your stomach, and it's uncomfortable. If you've done everything possible to win, and still lose, you at least can look in your mirror and know that you gave it your best shot. The common denominator in these scenarios is: A sophisticated, more informed, competitively enlightened prospect who is trying to obtain answers to their questions so they can decide whether or not to work with you.

The best way to learn how to win new clients is to first understand what it's like to buy new services. Think of the logical questions you might ask before making an important buying decision for your company, or for you and your family. Common sense tells you that you want to know more about the individual or the company you are considering. You want to know more about what they do. For example:

dividual or the company you are considering. You want to know more about what they do. For example:

- Is their background impressive?
- Do they specialize in what you are looking for?
- Why are they doing this?
- What drives their thinking?
- Is their story compelling?
- Can you feel their passion?
- If you decide to work with them, what is their process?
- Who else have they done this for?
- Can you call somebody for a testimonial?
- What success have they had?



Do you feel more comfortable as you hear their answers? As your conversation deepens, especially if you're shopping around, you may want to know what makes them different. "I want to know more about your company," you may say. "I want to know more about your products/services/solutions. How are they different from your competitors? And, oh, by the way, I may want to know more about you as an individual. What do you stand for? What can I expect from working with you? And why should I make this decision to do business with you? What is the real value?"

If you are like me, you want to make a confident decision about someone who is confident with you. Throw in some passion and lack hesitation in responding to all of these buying thoughts and you've got the making of what we affectionately call the Value Ladder.

How It All Began

What, exactly, is the Value Ladder anyway? It is the core component of a strategic development initiative that helps you begin the discovery process of differentiating your value from the competition. The Value Ladder is a process consisting of seven strategic steps (critical questions prospects usually ask or might be thinking in one way or another) that prompt you to be introspective, ultimately helping you deliver your message with confidence, passion and speed (lack of hesitation).

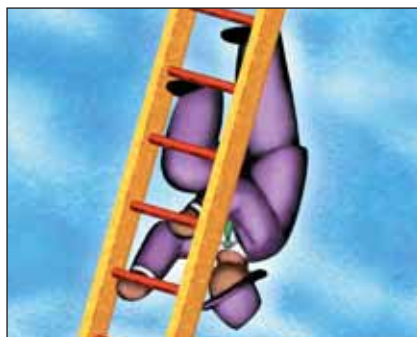
It sounds simple and logical. And it is. That's the power of the model: It's simple and it's liberating. You can reply to most prospects' questions with one of the seven answers. Developing your seven answers will arm you in any situation.

But it wasn't so simple in the beginning. Let me tell you my story:

I began earning what I call my on-the-job doctorate in sales and marketing in my early years with the former Xerox Learning Systems. During this period, I anguished over the questions: "How do I differentiate myself from the competition, what is my value, my process, and how do I consistently articulate all of that to a prospect?" I knew if I wanted to make an impression on the financial services community and be able to train, coach, and enlighten financial entrepreneurs, I needed to relate to them, and

deliver my unique value to them. That was my challenge.

One of my early influences was author Mack Hanan and his book, *Competing on Value*. I studied his concept of, "Before you can sell your value you have to know it." It made a lot of sense to me. After more research and some early practical applications, I decided to develop a value process for myself and my own business, which I later began teaching to others.



So, when I actually started creating the Value Ladder, I decided to go off-site for a strategic workshop with two members of my team to brainstorm and role-play. Where do I even begin, I thought?

Taking The First Step

I needed a starting point, so I thought, "What is the first, most logical question people ask when they meet someone new?" It's, "Hi, what's your name?" Or, "Tell me a little bit about yourself." How many times can you remember meeting someone and after all of the "what's your name" or "who are you"—type questions, the next one usually was "what do you do?" Most people say, for example, "I'm a stockbroker," or "I'm with Merrill Lynch," or "I'm an independent advisor." But I always tell people who answer this way, "No, I know who you ARE, but what do you actually DO?" Sometimes they confuse who they are with what they do because in today's society you ARE what you do.

But being able to concisely answer the question, "Who are you?" in a way that is compelling and differentiating will make an immediate impression on your prospect and go a long way toward making the first good emotional connection. It's also important to remember—it's the WAY you respond to the

question that is important.

So just who are you? Basically, it's your mission to give your prospect a tight definition of your organization/business/practice background with as much passion as you can muster. Your response must set the stage for the prospect to go to the next question, or step on the Value Ladder, "What Do You Do?"

The Next Logical Steps

So, as I continued to role-play with my team during the workshop, I realized that the second step on the Value Ladder, "What Do You Do," became the early evolution of answering the Unique Value Proposition (UVP). The UVP is the single most important statement capturing the essence of what you do that sets you apart from your competition.

As I moved through the process of developing the Value Ladder, it dawned on me that as we dissected and expanded the first two questions, we were unconsciously jumping to the eventual fourth question, which was, "How Do You Do What You Do?" and I realized that something was missing. A step was definitely missing. I noticed that in my role-playing, I would automatically answer the question—the next logical step—"Why Do You Do What You Do?"

This question becomes very important because people want a quick story of "why," even though they may not pose the question in quite that way. What they want to know, in essence, are your core business beliefs. They want to know what makes you or your organization tick. They want to know what motivates you and what compels you to be in this business. This is where your story comes alive.

The next logical point on the Value Ladder then became the "Why" portion, which we immediately included in the seven critical questions.

Next, we developed the question, "How Do You Do What You Do?" A prospect might ask, for example, "How would you work with someone like me or my company?" or, "Can you explain your process?" This is where you position and illustrate your process in such a way that conveys you are a black-belt

FE. I'll illustrate in detail how this step on the Value Ladder works so beautifully a little later.

So, as you continue walking up the Value Ladder (as we did in our own development process), you begin to understand how the questions—and your answers—become a finely tuned process. If you are talking to a prospect and you get to this point on the Value Ladder, the prospect usually will ask the next question, “Who Have You Done It For?” Or, more to the point, “Who else do you work with? Could I be a client?” They will want to know about the successes you've had, and who are some of your typical clients. “Have you helped others? Am I the type of person you could help?”

Next, your prospect will want to know, “What Makes You Different?” This is the sixth step on the Value Ladder. You can distinguish yourself on three levels: Your organization, your solutions and yourself. Here's where the theme of differentiation starts to come alive. In all likelihood, your prospects may be interviewing a number of competitive alternatives, and you will need to know how to properly distinguish yourself.

Ultimately, your response to this question will help prospects and clients understand the depth and breadth of your differentiation and establish you as being world-class.

The seventh and last question, “Why Should I Do Business With You?” is the prospect saying to you, “What's the real value to me, and what am I going to get out of this partnership?” My belief is that business becomes a meeting of the hearts first, and then business becomes a meeting of the minds. Real value may be measured qualitatively or quantitatively. If you meet both the emotional and the intellectual needs of your clients, you actually are providing real value. Here you differentiate yourself by connecting with the prospect, on both an emotional and intellectual basis.

Why Didn't I Think Of This Sooner?

In essence, the evolution of the seven questions came about as a common-sense way of articulating my own introduction, my message, and my call to action to prospective clients. I'm proud to

pass them on to you.

In reality, the Value Ladder simply helps the normal flow of conversation. By having all seven questions down pat, it further refines the critical answer to what is your value and how you differentiate yourself from competition. By my standard, answering all seven questions embodies the complete message of what your broad-based value is and how you come across to people. Prospects get a sense of the totality of who you are and what you represent.



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But, I must tell you that discovering and delivering your value is a strategic process. It's what I refer to as a chess game of questioning, answering, and understanding. As an introspective process of discovery, the Value Ladder Process allows you to understand the seven critical questions clients ask, and to answer them with confidence, passion and speed.

You will learn how to be flexible, in the moment, in control, and quick on your feet during your sales presentations. And you will learn how to meet the needs of your prospects while answering those seven critical questions. Plus, you can immediately implement these skills as you learn them.

The Value Ladder also can be viewed as your “virtual file cabinet.” What do I mean? Read on to understand the sim-

ilarity of this model and its similarities to the many files and filing drawer cabinets in your office. The biggest difference is that this virtual file cabinet eventually will become the most important one in your office.

Custom Answers In A Drawer

Think of the Value Ladder as your very own custom seven-drawer file cabinet—like an invisible, or virtual file cabinet. To better understand this concept, visualize the file cabinets you have in your office. You probably have your files organized like this: Client files, competitor files, marketing files, financial information files, and so on. Most likely, contained in these files are similar manila folders, separating your important information. Here's a preview of how the virtual file cabinet it works:

Simply, each drawer in your virtual file cabinet equals one question on the Value Ladder. Visualize the seven drawers labeled with the names of the seven questions. In each drawer are your virtual manila folders containing the many ways you could answer each question. For example, if your first drawer is labeled, “Who Are You,” then you will have folders in that drawer labeled, “Business Background,” and “Personal Background” both with as little or as much information as you may need to rely on during the appropriate moments of a client presentation, and so on for the remaining six questions.

As you continue to climb the Value Ladder, you'll have to think about your answers to each question as though you were building or creating your own virtual file cabinet. You need to take it with you everywhere—from prospect meetings to client meetings; from charitable events to social gatherings; from golf outings to elevators; from trains to plane trips—you never know when a question might pop up. Trust me, though, questions will come up in one way, shape or form ... everywhere.

Start climbing the Value Ladder! ©

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