

Advanced Applications For The Value Ladder

Use key questions to connect back to your unique message.

By Leo Pusateri

In my previous column [September 2003] we reviewed what we learned from the seven Value Ladder steps, discussed the 14 key points in the ladder process, and talked about two real-world applications. Now let's see how our Value Ladder answers can help you connect with new clients and earn the right to manage more of your existing clients' assets.

The Value Ladder really shines when you start applying your strategic and consultative questioning skills along with the proper emotional connection skills. For example, a prospect might say, "I have a 20-year horizon, and I don't want to get caught up in some flashy, quick-hit investment. That's what's important to me." You reply, "Well, tell me more about that. Did you have a bad experience in the past, or have you been in a negative situation, or is this just a philosophy you have?" "Go deeper. Acknowledge. Clarify. Confirm."

Most advisors might not ask a prospect a question quite like that. Instead, they may say, "You're right, and I am in this for the long term for you as well." But if you responded the first way, you would refer to your business beliefs, which state that you believe an investor must have a customized investment policy statement and that they need to think long term relative to their financial planning.

Then you say to your prospect, "When you mentioned your time horizon and not wanting some quick-hit investment—well, that totally aligns with one of my core business beliefs. I've learned this in my own business as well."

Unfortunately, some advisors throw all of their products, services and investment solutions against the wall and hope something sticks. They "spray and pray." They are not even thinking clearly about positioning solutions that should be seamless and

integrated. To be more effective, you must be consulting with your prospect, asking the critical questions on the Value Ladder, and responding and connecting back to your unique message.

Application: Use The First Three Questions To Determine Compatibility

Many times, the first meeting with your prospect is one of mutual interviewing. The prospect should interview you, at the same time you interview the prospect. It can be an even, give-and-take exchange of information. The first meeting is the best time to understand your prospect's background, his or her unique value to others and to determine what type of advisor he or she is looking for.

To facilitate the process, I recommend you start with the first three questions on the Value Ladder. You provide answers of your own about who you are,

what you do and why you do it—and they provide their own answers to the same questions you ask of them.

You could spend your entire first meeting with a prospect on just these first three questions, while getting to know each other. If there is a disconnect with a prospect at this point on the Value Ladder, most likely incompatibility will force you to reconsider taking this individual on as a client.

If you have a sense of compatibility based on the answers to the first three questions on the Value Ladder, then you have a solid reason to schedule a second meeting where you can go deeper into your process and answer other, higher Value Ladder questions.

It's Great As A "Probing Tool" For High-Level Prospects

Turn the Value Ladder over to your prospect!



This tool is used to help you in a competitive situation. The prospect can use it to help discern your value from your competitor's. You are, in essence, handing over the seven Value Ladder questions to a prospect and suggesting they use them as a "probing model" in discussions with other prospective advisors. By "reversing" the concept of the Value Ladder and teaching a prospect to probe a competing advisor with the questions, you are enhancing your own level of confidence and trust with this person.

A word of caution though: You'd better be a black belt with your own answers before you consider this one.

If you are at a point in your presentation where you ask the prospect where you stand in terms of what and whom they are evaluating, and they say, "I'm talking to another financial planner from a larger firm," you might respond, "That's great. Help me to understand your situation better—in which stage are you in this evaluation process? How are you going to make your decision, and which criteria will you use?" "

As I mentioned before, if you know for certain that you are in a very competitive scenario—and this might be perceived as risky, but confident—here's what I would say to your prospect: "Maybe I can add more value to you in your decision process. Write down these seven questions and ask them of the other firm or planner you are interviewing."

Then say to your prospect, "If I had to make an important decision like this, these are the seven questions I would ask in order to make my decision. You should receive nothing less than black-belt answers because you are making a big decision for your future. And if you haven't asked these questions, you need to. You need to respectfully challenge us (advisors), because we need to enhance your comfort level with our value in order to partner with you. This way you are more informed, and you make the best possible decision."

This is a powerful approach. It's important for you, as a financial advisor or planner, to not only ask the right questions, but also to also help your

prospect ask the right ones. Remember, though, you shouldn't try this approach unless you already have your own world-class answers and can deliver them with confidence, passion and speed.

When you learn to deliver the many answers to the seven critical questions on the Value Ladder with confidence, passion and speed, you and your message will become so conversationally compelling that your attitude will be, "Why wouldn't this prospect want to do business with me?"

One successful advisor I know developed a brochure adopting this concept of educating clients. He took the seven Value Ladder questions and created his own reverse—or probing—model to properly educate some of his key prospects and help them with their own questioning. Here is his list for your review:

Seven Questions To Ask A Potential Financial Advisor

1. Who is this advisor? (What are this financial advisor's credentials and experience?)
2. What does this particular financial advisor do? (What services does this person provide, including specialized services?)
3. What is the advisor's philosophy? (What are his or her core beliefs and principles regarding money management?)
4. How does this financial advisor accomplish his or her goals? (How does this financial advisor implement solutions and is the process unique?)
5. Who is this financial advisor's clientele? (Are testimonials provided?)
6. Does anything distinguish this advisor from the others? (Are this person's services different or unique vis-à-

vis others' services?)

7. How will my using this particular advisor benefit me? (What real value does he or she bring to the table and how will it improve my life?)


I know it would impress the heck out of me if someone presented his or her approach with authority and respect like this advisor did with his list. I would know I was dealing with a professional who really had his or her act together.

The Last Word

It never fails that after my presentations advisors come up to me and ask, "Leo, how can I get to the point where I am eloquent and articulate in all my presentations? It seems so easy for you."

Well, I give the same answer whenever I'm asked these questions. It's no different from what YOU do every day. I just rehearse my presentation over and over. I do it consistently, and I make a conscious effort to make it sound the same all of the time. That way I have the basics down, and I can add or subtract from my presentation depending upon the particular circumstances. It is now in my soul, in my blood, in my veins. That is what makes the message compelling when I deliver it, because it is evidence of the "practice what you preach" analogy. You have to embody it. You have to apply it.

When you learn to deliver the many answers to the seven critical questions on the Value Ladder with confidence, passion and speed, you and your message will become so conversationally compelling that your attitude will be, "Why wouldn't this prospect want to do business with me?"

This is another example of practicing what you preach, feeling so strongly about what you do that you can say something like this with respect and sincerity. When you apply your knowledge and skills, you'll be amazed at the results you will see. 

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