

The Value Ladder In Review

Learning how to use your skills in the real world.

By Leo Pusateri

In my previous column [July '03] we discussed the seventh and final step on the Value Ladder: Why Should I Do Business With You? in which we outlined ways to articulate “real” value, as well as how to establish clients for a lifetime.

Now it's time to talk about real-world applications. But, before we address advanced applications, cultural issues and what you need to act on, let's re-visit 14 key points you've learned so far:

1. We are in the midst of a value revolution.

2. You have an improved understanding of the concepts of competing on value.

3. Your clients are changing, have greater options, and are demanding custom solutions.

4. The financial services industry has become commoditized.

5. You realize that first impressions only happen once, and improving your answers to background questions will help you make a good first impression.

6. You learned techniques for introspection and the creation of your Unique Value Proposition (UVP).

7. You can identify your core business beliefs and philosophies regarding the solutions you present to others.

8. You can define your unique process, an important element through which to distinguish yourself based upon how you partner with clients to achieve their goals.

9. You can analyze your client base, discuss retention and growth of your client base over a lifetime, and understand its value to you.

10. You can share client successes and their solutions without piercing confidentiality issues.

11. You can differentiate yourself from your competition in three ways: through your firm, your solutions, and most important, yourself.

12. You understand real value and how to measure it qualitatively and quantitatively.

13. You learned that your Value Ladder is like a virtual file cabinet. You can use it instinctively, in the moment. It is a compelling, seven-drawer cabinet that can be “opened and closed” at any time. Too many financial advisors hide behind glossy brochures and cannot articulate their value in conversation.

14. You can improve your ability to deliver your message with confidence, passion and speed—and no more winging it.

Developing seven answers merely is a first step. Articulating your value at black-belt levels is a process. Keep these thoughts in mind:

- The power of the model is in its *simplicity*. It's an easy model to understand and follow; it flows logically.

- The Value Ladder is *flexible*. The real world dictates that you not only need to be prepared, but you also need to be “in the moment” with a client. Answer questions, but guide them back to the natural order of the Ladder. Your intuition will help

you. Remember, the Value Ladder will help you stay in control.

- The Ladder was built for a total *consultative* approach. Clients want to know how your beliefs align to what they value. Author Mack Hanan (Consultative Selling and Competing on Value) stated, “You have to know your value before you can sell your value.”

- Although the Value Ladder is taught in a linear fashion, your final answers are best developed when you *tighten up* previous steps after you learn a new one. As a youngster, when my father taught me to change a tire, he showed me how to tighten the lug nuts slowly to support the wheel and then go back and make sure each lug nut was on tight enough. The same principal applies to the Ladder. You work on your Unique Value Proposition, then come back and tighten your “background” screws a little more. Then, after



you work on your business beliefs, come back and tighten your UVP and background screws. Repeat the process as you continue your climb.

- The Value Ladder steps should be *memorized*. Just as a good actress or actor memorizes his or her lines, you can play the role at levels you might not have imagined. Athletes and other star performers get their routines down so well that we might be wowed by their performances, but never fully appreciate the time and effort that go into the quest for excellence. Allow your clients to have the same experience.
- *Internalize* your responses. You must get your answers down so well it will seem like you're preparing for the biggest test of your life. Invest your time. How much time do you suppose those top performers invest to truly become world-class? How much more time will it take before you can improve your ability to stand out in the crowd?
- *Personalize* your responses. You should have one set of answers for all seven Value Ladder questions, but learning how to make them come alive for various people in various scenarios is a real art and science. Learn to communicate fully through your Ladder questions.

There are many ways to apply the Value Ladder in your practice. We'll talk about them all in upcoming columns, but today we'll start with the most basic. First, let's look at the four-step process for learning. You need to understand the fundamentals of this process before you can truly apply the applications in the real world. They are:

- You have to acquire a new skill.
- You have to practice it.
- You have to transfer it.
- You have to apply it.

And that's the challenge: The application of your new skills to the real world. To reach its highest level of validation, this application needs to help you achieve results. In your case, it might be increased assets or improved profitability, fewer clients, and/or improved quality of life.

What The Value Ladder Sounds Like

The following is a dialogue you could have with a prospect that illustrates how

to effectively use the steps of the Value Ladder. This is the long version, but it can be used confidently with a prospect:

"Thank you, Bob, for allotting time for our meeting today. After reviewing your objectives, I have developed an agenda and some core, critical questions. As my first step, I would first like to review with you who I am, as well as provide some personal and professional background to give you a better perspective.

"The second area I would like to focus on is what I do. I've developed a compelling and unique value proposition. It's a statement that aligns my value to what I believe might be the areas in which you are interested.

"Next, I'd like to answer the question of why I do what I do. I have five core business beliefs that explain how I do business (invest funds, partner with clients). I'd like to spend some time with you to review these beliefs.

"The fourth area, Bob, is how I work with investors such as yourself. I have a very comprehensive, five-step process. And I'll be happy to illustrate this process for you.

"The fifth step in my presentation will give you a better sense of who else I have done this for. I enjoy working with individuals like you, and I'd like to share with you some of my clients' broader parameters and how I've been able to align my unique value to their needs.

"My sixth step is what makes me different. My clients want to know, specifically, how my practice is different, and how my solutions are different. I am prepared to talk more about what I stand for individually, and what you should expect from partnering with me.

"Last of all, and perhaps this might be one of the most important questions you may be thinking about, is why you should consider doing business with me. What's the real value, what do I bring to the table, and how do I connect to the things you value?

"Is this in line with the expectations you have planned for the time we'll be spending together today? Are there any other issues I should be aware of?"

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?"

A Shorter Application, Same Results

Let's say you and your prospect have limited time together. If you only have about 30 minutes, for example, the following dialogue makes a concise use of the time, and gets your message across succinctly and confidently.

You want to make sure you give the best impression and hit all the points on the Value Ladder. So, here's how you can do it without sounding like that guy in the old FedEx commercial (who used to talk so fast) and still use the seven questions:

"Bob, I really appreciate your time today; and I'd like to be sensitive to the half hour you've given me. So why don't I spend a little time sharing with you who I am, and explaining what my unique value is, followed by my five business beliefs. These beliefs are supported by a very comprehensive five-step process. I've spent a lot of time on this and I truly believe every step is differentiable, and I'd like to walk you through it.

"I'd also like to share with you a little bit about the clients I work with. You are exactly like one of my typical clients, and I'll give you some examples of my successes. I'll spend some time distinguishing myself, my solutions, and why you should consider partnering with me (and my team). I'd like you to understand the real value behind what I do, and what I can do to align my expertise to help you accomplish your goals. Now, is that in line with what your expectations are for our time today? Is there anything else I should be sensitive to?"

The Value Ladder comes alive even further when you start applying your strategic and consultative questioning skills along with the proper emotional connection skills. In your questioning process there will be areas in your "virtual" file cabinet you can selectively remove so they will make sense to any prospect or client. We'll talk more about those skills as a valuable business-builder opportunity in the next issue. ©

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