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### Mastering Questions-Based Selling: Ask Questions That Generate Desire

By Dan Finley

*Years ago a top producer pulled me aside and gave me words of wisdom to live by. He said that I did not need to know all the answers, but that I did need to know how to ask the right questions. Learn how to master questions-based selling and transform your ability to uncover the financial needs that will sell your solutions.*

We have all heard the old saying "You can lead a horse to water, but you can't make it drink." Financial advisors who do not close the sale oftentimes find themselves working against this wisdom, trying to make prospects buy. It is not your responsibility to make prospects and clients do anything they do not want to do. It's just your responsibility to make them thirsty!

How do you do this? By using specific questions. The right questions will create curiosity in prospects and clients. That will lead them into wanting your services—instead of getting your services pushed on them. When you shift from convincing people to buy your products and services to inspiring their desire, uncovering how much they want your products and services, you are in fact creating a stronger relationship. Why? Because you're basing the relationship on understanding what the prospect or client needs, and you're providing solutions. Questions-based selling gives you a road map to do just that.

Questions-based selling is about not so much what questions to ask but how to ask the right questions. As you will see in the following examples, the "how to" can be applied in any situation, at any time, anywhere, and you will get the results you want. That's because you will be applying techniques that help the prospect bridge the gap between needs and solutions.

Questions-based selling is also about understanding the types of questions to ask: closed-ended questions vs. open-ended questions, situation-based questions, problem-based questions, implication-based questions, and solutions-based questions. We'll discuss all of them.

Before we get into the specifics, let me ask you a question. Which is easier to do, ask a question or make a statement? If you said make a statement, you are right! Making statements is easier, because you are expressing what you believe to be the solution.

Here's the challenge: to secure a commitment from the prospect to buy your products or services, you must present a solution. But to present a solution, you must first uncover a need. And to uncover the need, you must do the harder thing: ask the right questions.

Asking the right questions: 4 biggest challenges

There are four ways advisors can go wrong when they start asking questions. Here they are:

#### 1. Failing to understand mismatching

Mismatching is a form of disagreement that all financial advisors hear from prospects and clients at one time or another. It is an instinctive emotional-behavioral response that prospects use as defense mechanism. People tend to rebuff questions, to disagree, to give the opposite response of what is assumed in a rhetorical question. Everyone does this to a degree.

Here's a classic example of mismatching. You walk into your boss's office and ask this simple question: "Did I catch you at



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a good time?" You will probably hear a cautious response such as, "That depends." Now, if you try the opposite, "Did I catch you at a bad time?" You will probably hear a cheerful response such as, "No, what can I do for you?"

Knowing how to phrase your question obviously makes a big difference in the reception you get.

If you are constantly hearing mismatching statements during your presentation, you are telling, not selling! Remember: Telling is not selling. The old saying "People love to buy, but they hate to be sold" really is true. Think about the last time you went shopping. When you entered the store, you were probably asked the age-old retail question, "Can I help you find something?" You probably gave the natural response that everybody gives: "No, I'm just looking." This is a classic example of mismatching that happens in stores across this country every day!

## **2. Asking too many limited questions**

Questions come in all different types. They can be closed-ended, open-ended, situation-based, problem-based, implication based, or solution-based, just to name a few. Knowing the right questions to ask starts with understanding what type of questions you want to ask and why. Many financial advisors go into a presentation with little or no preparation regarding the questions they will be asking. Oftentimes, newer advisors use corporate questionnaires as a cure-all for uncovering needs. However, if you analyze the questions on your corporate questionnaires, you will find that most of them are situational questions designed to illicit a fact-based response such as following:

- What is your age?
- When would you like to retire?
- How much money do you have?
- What is your risk tolerance?

This type of questioning does little to uncover a need if not followed up on by other types of questions. Keep this in mind, and we'll talk about other kinds of questions later.

## **3. Not layering the conversation**

Most advisors know that relationships are the key to effective selling, but they aren't sure how to build strong relationships. One way to do it is by layering conversations. In this approach, you take a step-by-step process for engaging qualified prospects in productive sales conversations, focusing on a different goal at each level. Once you have reached the goal of the first step, you can shift your focus and move them forward, so that each party, at each step of the way, realizes the value in working with each other.

In *Secrets of Question Based Selling*, Thomas A. Freese explains the process of building effective relationships by asking questions and making statements. These are the five levels of his relationship-building process:

- Curiosity
- Credibility: Expanding the relationships
- Needs development: Qualifying the relationship
- Presenting solutions
- Commitment

It is interesting to note that although this is a process for developing relationships, relationship itself is not the first step in the process. Most advisors would not cold-call a prospect and say, "I am Joe Advisor with XYZ Corporation, and I want to have a business relationship with you." As you know, most prospects would run screaming from such an approach.

Instead, this process begins by getting the prospect to be curious about your services. Freese believes skipping this critical step increases your risk of failure and significantly reduces your probability of success.

## **4. Lacking insight on your own selling process**

How many times have you been in a presentation and realized that things are not going so well? You are not sure what will become of this, but you know at best that you might have an opportunity to call the prospects back. The door is not completely shut to your ideas and recommendations, but you know that as it stands, you are definitely not in!

How about the opposite scenario? How many times have you been in a presentation and realized that things could not be going any smoother! The client is giving you several indications that they want to work with you, or at least that they are

willing to meet again and see what recommendations you may have to help them solve their challenges.

The problem is that most advisors never take the time to understand their own selling process, or the question they use in it. They don't quite know why things went wrong or went right. As a result, they are doomed to generate the same poor results by asking the same poor questions. Answer this honestly: Do you thoroughly understand your own selling process?

The number-one way to understand your sales process is to understand and analyze the types of questions you are asking. To do that, you first must learn the qualities of each type of question. The following gives you the basics on the types of questions available for your presentations.

### Questions: Open and closed

All questions must be either one of two types: closed-ended or open-ended. Each type of question has its strategic place; closed-ended questions help finalize a point, while open-ended questions help elicit deeper responses.

**Closed-ended questions.** Closed-ended questions are designed to elicit a "Yes" or "No" response. Typically, a closed-ended question begins with one of these words: "do," "is," "would," "should," or "could." Here are a few examples:

- Do you own the business?
- Do you invest in stocks?
- Would you like a good stock idea from time to time?
- Could I call you if I find what you are looking for?

Too many closed-ended questions should not be used at the beginning of a presentation, because you only have two possible outcomes: yes or no. If the client says no too many times, he or she may begin to view you as someone who offers little value.

**Open-ended questions.** Open-ended questions elicit responses that are much more conversational. They get clients and prospects talking. That's because they cannot be answered with a simple "Yes" or "No." Typically, an open-ended question begins with one of these words: "what," "where," "why," "when," and "how." Here are a few examples:

- What does money mean to you?
- When was the last time you had your portfolio reviewed?
- Why are you heavily overweighted in the technology sector?
- When is the best time for us to get together?
- How important is it for you to reduce your taxes?

Open-ended questions should be used often, because they deepen the conversation and help form a solid foundation for the relationship. Most long-term relationships are formed through open-ended questions.

### Analytical questions vs. emotional questions

Understanding the difference between analytical and emotional questions is critical to connecting with clients. If you ask only one of these types—which you may do because of your own primary way of thinking—you run the risk of disconnecting with prospects.

Any given person will relate better to either the analytic type or the emotional type of questions—if you're sticking with the other type, you run the risk of alienating them.

For example, let's say you're working with the proverbial sweet little old lady. This traditional, World War II-generation woman wants an advisor who understands her and cares about how she feels. In fact, that's her primary motivation for choosing one advisor over another. Let's say you pepper her with only analytical-type questions. She might feel uncomfortable and push away from you, even if your solutions are right on target.

Another stock-character example might be the busy business owner. He wants you to understand his challenges and present solutions. He may not place a high value on feelings, but he wants specifics about how to get the results he wants. He might push you if you focus on emotional-type questions.

**Here are the basics on analytic and emotional questions:** Analytically based questions quantify. Analytical questions

are designed to elicit a quantifiable response on the status of a specific issue or the status of what could happen if that issue continues. The two most common types are:

- Situation-based questions
- Implication-based questions
- Emotion-based questions qualify. Emotion-based questions are designed to elicit a qualitative response that helps the advisor understand how the prospect feels about a specific issue and the possible solutions to the issue.

**Two styles here are:**

- Problem-based questions
- Solutions-based or need/pay -off questions

#### **Using all 4 question types**

Each of these four types of question will elicit different kinds of information, as Neil Rackham points out in *The SPIN Selling Fieldbook*. Here are some examples of what you can find out with each kind of question:

#### **1. Analytic: Situation-based questions uncover facts**

- Are you the business owner?
- How long have you owned the business?
- How many employees do you have?

#### **2. Emotional: Problem-based questions uncover problems**

- Does it concern you that you do not have a company plan?
- Does it concern you that if anything happens to you, your spouse will not want to run the business?
- What concerns you most about making sure your family is taken care of in case of an emergency?

#### **3. Analytic: Implication -based questions uncover the problem's consequences**

- How would your spouse be affected financially if something were to happen to you today?
- What are the implications for a secure retirement if you continue not to contribute to your company plan?
- What are the possible consequences of taking too much risk in your portfolio if we have another bear market?

#### **4. Emotional: Solutions or need/pay-off questions uncover the value of your solutions**

- How would having a detailed retirement plan benefit you most?
- Would it be useful to know how your future budget will be affected if you wait five more years before putting money away for your son's college education?
- How important is it to you to know that your kids will be financially taken care of if anything should happen to you?

#### **Using questions-based selling in your presentations**

The secret to being successful at questions-based selling is to understand each of these four types and use them strategically, not just to get information, but to pace your conversations and build the relationship. As you practice your techniques, you'll be able to make your presentation conversational; you'll stay in tune with the client so that you'll seem casual even though you are being quite strategic. In no time at all you will be asking better questions, getting better answers, and setting the stage to present your solutions and close more accounts!

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