



## **7 / 7 / Process for creating a unique Value Proposition**

### **Communicating the Benefits of Your Service Simply and Clearly**

A unique value proposition will help your clients see the value of what you do and be willing to pay for your advice. As long as they understand how to value your advice, they will understand the costs. We eventually want to get the value proposition on paper, in the form of a powerpoint for clients and prospect discussions, and in a brochure and download PDF document in your proposals.

It helps your client understand your value by making it simple, specific, and help them solve a problem. It is a shift from selling products to providing advice. In the past you would complete a financial, retirement or estate plan and get paid to sell a product. In the future, the plan (or advice) is what the client will act on and becomes more valuable. In other words, how do you become a trusted and valued consultant?

### **Creating a Unique Value Proposition in 5 simple steps**

#### **Step 1: Client feedback (The first 7)**

Select seven (7) client reviews ( progress meetings) in the next month that you would like to discuss for feedback .Ask seven (7) clients for their feedback on your value and their experience. There are 3 KEY questions to ask

1. What are the 3 things that you value the most about our services? (Ask both husband and wife and write them down as women and men vary in what they truly value)
2. How important are these 3 things to your family's financial future, important, very important or critically important? Is there anything else that is critically important?
3. What is it worth to you? (Usually they ask what do you mean, say the EXACT same question again) use the attached worksheet as a guide to record your answers.

Then sit back and say, I value your comments, as we are rebuilding our value proposition and client experience to serve you better, we could use your help. How could we serve you better and improve the experience you have with our firm? What do you clearly value? How often do you want to see us? How can we make the review time more valuable and improve your experience? (Add in any question you feel important)

Once you have this information DOCUMENTED, then sit with your staff and ask them the same questions. Ask them to identify your ideal client. Now the hard part, put in

writing what you feel is your NEW value proposition. It's easy to try to second guess what your clients want. And very easy to get it wrong.

We want to use your client's words (with their permission and compliance approval of course) in your value proposition document. For example it can read two ways:

"We communicate to our clients on a timely basis to meet their needs" OR

"I like how Neil and his team communicates proactively to us on a regular basis to keep us up to date" Fred, client since 2003

Do some market research: This could be a simple matter of asking clients directly, or organizing a focus group or surveys. Focus on the client experience, which sometimes is difficult to put into words.

Now write out what you feel your value proposition is. Some of the words are your client's words and experience, which sometimes can be told by a story. This is to be tested on another 7 clients in step 2.

## **Step 2 - Preparing for CRM2 ( the second 7 clients)**

To prepare for CRM2, you need to select 7 more clients who you will ask the feedback questions, the same ones in step 1. Only before you ask the questions, you prepare a sample CRM2 summary discussing what the total cost of advice is, and rates of return. You can find the sample at various fund company websites. Doing this exercise will help you understand what the clients will see in the future, and understand the costs of advice. The challenge is that it is only the cost of advice, not the total cost or MER. Being totally transparent means just that, showing and discussing the total cost in dollar terms.

There will be some challenges in doing this. First it will be difficult getting the exact cost of advice for the last 12 months, as you may have different cost structures. Bond funds versus balanced or equity funds, DSC, Low Load and front end, segregated funds, GIC's and mutual funds etc.

Even if it is a fee based account now, add up the total fees for the calendar year for advice and find the estimated number.

### **Key discussion tool**

One other tool you can use is a cost of advice graphic which outlines where the money goes and what clients are paying for. It helps advisors and their clients identify what they "GET" on an ongoing basis for their fees.

You can show the cost of advice first, then the total cost as the second page, to help clients understand fees and full transparency. See cost of advice slide and total cost slide.

### **Step 3: Articulate and illustrate your new unique value proposition**

Create a document (Power point , brochure, pdf ) that puts your value proposition in writing. This may include your process, your investment philosophy, your client communication commitment or other relevant documents. When you actually put it in writing, you become the expert. As most firm advisor account opening checklists suggests, review your value proposition, investment philosophy and approach including how frequently you will meet with and /or contact your clients for future meetings. Present this to 7 people and see how they react to it. The easy way to get this done is to buddy up with another advisor, articulate your process, value proposition and fees and have them record it and write it down for each other. This is an easy way to “get this done” . Consider dictation apps such as Dragon Dictation app by Nuance

( [www.nuance.com](http://www.nuance.com) )

### **Step 4: Testing it and pulling it all together**

When some clients see their statements in the future,( as it relates to CRM II) it will illustrate the fees they pay along with the rates of return. When they see this, will they ask, what am I getting for and what I am paying? What should it cost? Is the value worth it or should I look elsewhere where there may be more value? Value is perception in your clients mind. You have to make sure your perception is simple, specific and solves their problems. A key piece in your reviews with clients is a one page document listing ALL of the services ( advice) you offer and how you will communicate this to them. Consider completing case studies to tell the story of an ideal client, expectations and outcomes.

In the next year, you should be able to shift from an upfront value (For new clients) to an ongoing value ( existing clients, what do I get for the money I pay each year ) by re-engaging clients about the services you have to offer. Become client centric by feedback and focusing on what people value and your client’s experience.

**To do list of ideas in writing to consider are:**

- Ideal client profile
- Unique Value proposition in writing PDF and power point (Based on client and staff feedback about their “experience”)
- Investment philosophy in writing
- Client experience document
- Review agenda with a summary of past, future and present plans in writing
- List of all your services you offer or mind map
- Cost of advice chart
- No stone unturned worksheet

Once you have collected feedback, schedule time to discuss this with others such as a branch manager, your regional support team or other advisors.

Advisor Practice Management’s goal in all of our initiatives is to elevate standards of practice for financial advisors and their teams. Remember, any marketing initiative should include communication with your compliance team.

Enthusiastically yours,

Grant Hicks, CIM, National Director Practice Management

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## Client feedback form

1. What are the 3 things that you value the most about our services? (Ask both husband and wife and write them down as women and men vary in what they truly value)

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2. How important are these 3 things to your family's financial future, important, very important or critically important? Is there anything else that is critically important?

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3. What is it worth to you? (Usually they ask what do you mean, say the EXACT same question again)

4. Is there anything else we can do to make our progress meetings better?

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We want to use your client's words (with their permission and compliance approval of course) in your value proposition document. For example it can read two ways:

"We communicate to our clients on a timely basis to meet their needs" OR

"I like how Neil and his team communicates proactively to us on a regular basis to keep us up to date" Bob, client since 2003

**Use this form as part of your formal feedback process for all clients**