

# Maximize Your Value: Solidify Your Firm's Role With Clients

## *Managing Your Business in Challenging Times*

A finely tuned value proposition makes it easy for clients to see the unique benefit an advisory firm brings to them. Learn how to craft your team's message and reinforce the importance of your relationship, insights and expertise.

### **TELLING YOUR STORY QUICKLY AND EFFECTIVELY**

With today's uncertain markets, successful advisory firms are both responding to client calls and proactively reaching out to understand clients' core concerns. In the process, advisors and their teams often find that they must affirm their ability to provide expert support in challenging times. Everyone must be prepared to tell the firm's story quickly and convincingly, must be ready to answer basic investor questions, such as "What are you folks doing for me?", "How can you justify your fee?" or "How are you different from other advisory firms?"

If you've been in such a situation, and felt as if your responses had missed the mark, now is the time to sharpen your message about the value you deliver. Today's challenges can shed a light on your team's insights and expertise and reinforce your roles as trusted resources to clients.

**“Now is the time to sharpen your message about the value you deliver.”**

Having and articulating a strong value proposition is critical if a firm's advisors and service team are to serve as an island of calm during uncertainty. But why is communicating the benefit of what you deliver to clients so hard? Is there any way to make the process easier? What are the secrets to a really compelling value proposition?

A study of 1,000 high-net-worth investors conducted by BNY Mellon's Pershing offers a data-driven perspective on the process of creating a value proposition. This value proposition study generated some practical tips for creating and articulating a more distinctive, convincing value proposition.

### **FOUR TIPS FOR BETTER COMMUNICATING YOUR VALUE TO CLIENTS**

#### **TIP #1 DON'T GET LOST IN THE CROWD**

Your voice won't be heard if you say the same things as everyone else.



To see whether firms were expressing unique viewpoints or echoing each other's words, the Pershing study mined the websites of the 2017 *Barron's* Top 100 Independent Financial Advisors. The "word cloud" below shows what top firms are saying about themselves—and how often they repeat the same phrases. The larger the text in the word cloud, the more frequently the phrase appears on multiple advisor firm websites.

Look how many phrases appear on multiple firms' websites. Don't they seem generic? In fact, is there anything in the word cloud you wouldn't say about your own firm? Do any of these phrases feel like they belong to only one advisory firm—such as how “the everything store” clearly refers to Amazon and “helping people connect and share” points right to Facebook?



Investors don't see much differentiation in advisory firms' messages. In the study, 63% of investors agreed that, “All financial advisors make the same promises, making it difficult to distinguish between them.” The lesson is: if you aren't saying something unique, you won't get noticed. Evaluate your own messages, websites and materials as compared to your competitors'. See where you overlap and identify what might make your firm stand out to your clients and prospects.

“If you aren't saying something unique, you won't get noticed.”

### TIP #2: HIGHLIGHT BOTH TABLE STAKES AND DIFFERENTIATORS IN YOUR MESSAGES

Certain messages have such universal appeal that you must say them regardless of whether they're distinctive or not. In the survey, investors overwhelmingly cared more about three themes than any others:



- “Tailored solutions that meet your needs”
- “A fiduciary duty to work in your interests”
- “Committed to trust, integrity and accountability”

These popular themes seem to be table stakes for having a productive conversation with investors. However—and this is where many advisors go astray—these themes should not comprise the whole conversation, or even the biggest part of it. They are simply boxes to be checked to create a baseline of trust in your relationship. But, then turn your focus to your points of differentiation, demonstrate your value and reach out to clients. Your actions will communicate far more than your words.

### TIP #3: MAKE IT ALL ABOUT YOU AND YOUR CLIENTS



The study found that investors give low importance ratings to statements that are all about the advisory firm, with no reference to investor benefits. Value propositions also must promise a benefit, according to the study, and they must engage the investor both rationally and emotionally.

Here is one of the highest-rated statements in the Pershing study:

*We built our firm on integrity and trust, because doing what is right for you is better for our business in the long run.*

What makes this statement so powerful is that it combines four critical elements:

- **Attributes.** A feature of the firm, such as size, experience or, in this case, values
- **Benefits.** What a client gains from working with you, such as trusting the advisor to do the right thing
- **Reason.** A rational explanation of how a firm's attributes produce client benefits; here, the statement explains that “doing right” is in the firm's own long-term interest
- **Emotion.** An appeal to feelings, including hope, worry, ego, love, aspiration, trust or respect

*As the saying goes, “Persuade by reason, but motivate through emotion.”*

## TIP #4: STAY IN TOUCH WITH CHANGING INVESTOR PRIORITIES

Client goals, needs and aspirations are always in flux.



In the 1990s, investment performance alone was a strong selling point. Today, one of the most remarkable investor trends is the importance they place on achieving happiness, enjoying life and feeling good about their wealth and security. In the Pershing study, 72% of investors said it's very or extremely important to have a financial plan that addresses their life goals, not just their finances. They also want advisors to make them feel more confident, self-assured and empowered.

Many of *Barron's* Top 100 advisors are picking up on this emerging theme with websites that talk about achieving dreams and using wealth to live life well. As you talk with clients, consider how you can incorporate these themes. Connect conversations back your clients' long-term goals and overall financial plans.

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Communicating your firm's value clearly to clients isn't an impossible task. As research shows, you simply need to stay focused on investors' needs as they define them, using language that resonates with them. Team members must talk more about investors' goals and concerns, say a bit less about the firm, and use words that carry emotional weight. Above all, find the one thing that makes your firm the only natural choice for the investors you serve. Then they will truly understand your unique value.

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### Putting Insights *Into Action*

Share this with others and look for more tips to stay connected with clients during challenging times—to strengthen client relationships and ensure the health of your business.

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