

# Best practices for building a value statement

Effectively expressing how you provide value is essential to establishing a foundation of trust and transparency in your client relationships. One of the best opportunities to articulate your value proposition is during the early stages of your client relationships.

A value statement allows you to create a highly personalized description of your advisory practice, which you can use to enhance your early client communication efforts.

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## Set yourself apart with a compelling mission statement

Your mission statement should clearly and simply explain what you do and how you provide value to your clients. A well-articulated statement should help differentiate you and create a positive, memorable impression.

Here are five questions to ask when creating a new mission statement or reevaluating an existing one.

- Is it short and to the point?
- Is it memorable?
- Does it describe the unique elements of your practice?
- Is it convincing?
- Is it up to date?

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## Explain your advisory approach in terms your clients understand

Defining how you help your clients succeed and listing the steps you use in your approach provide a road map that you and your clients can refer to while also providing transparency and building trust.

Ensuring that your clients understand your approach is a critical component of your value proposition. That's why you may want to provide extra emphasis to this section.

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## Target your services to your clients' needs

Listing your investment planning resources and services helps potential clients gain a practical understanding of how you can help them achieve their goals. It also creates the potential for additional business opportunities and referrals over time.

When listing your services, carefully consider your clients' interests and potential needs. Then tailor your services list accordingly.

## 4 Describe your client communications approach

Industry research<sup>1</sup> has found that your communications approach can make or break your client relationships. In fact, communications-related issues were one of the top reasons clients cited for leaving an advisor.

It's critical to respond to your clients in a timely manner or, better yet, to use a proactive communications approach. Setting the right expectations early in your client relationships that include how you and your clients plan to communicate will pay dividends down the road. The key is sticking to the agreements you make with your clients.

Be specific when describing your review schedule and client callback policy.

## 5 Discuss your fees

Fee discussions can be among the most difficult conversations for financial advisors. However, keep in mind that transparency is vitally important in fostering a trusting relationship with your clients. An open, honest fee conversation is critical to achieving that.

Support your fee discussion with a clear explanation of the services you'll provide. Also, describe your fees in simple terms your clients can understand.

If you anticipate a difficult fee discussion, consider breaking it into two parts by presenting a general price range during your first meeting, while assuring that a final fee will be presented at a later meeting, when all of your client's needs have been evaluated.

Another alternative is to give your clients the option of reviewing your fee schedule *before* you describe your services or waiting until *after* you've had that discussion. This approach can work to more actively involve your clients in the discussion.

## 6 Provide biographies for yourself and your key team members

The personal profile is an opportunity to introduce yourself and your team members.

In addition to listing professional experience, educational background, and any industry certifications, it's a good idea to provide brief personal descriptions of yourself and your team members.

Consider including some details about your personal life, including information about your family, hobbies, and any community involvement.

<sup>1</sup> Spectrem Group, in partnership with Vanguard, 2014.  
*The affluent investor: Insights and opportunities for advisors.*  
Valley Forge, Pa.: The Vanguard Group.