

## Results-Driven Solutions October 2009 Newsletter

by Sarah E. Dale and Krista S. Sheets

*"The ultimate success of a financial services practice means maximizing ROP - Return on People and Return on Process"*  
Sarah Dale and Krista Sheets

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### Do Your Clients REALLY Know What You Do? The Power of Proper Positioning

Consistently articulating your true value proposition to prospects and clients will lead to increased client retention. One of the reasons why advisors may have lost clients over the last 18 months is that they failed to articulate their ENTIRE value proposition. You really can't blame clients for solely looking at bottom line performance when you haven't taken the time to let them know ALL the value you bring to the table on an ongoing basis. Take a moment to think about all the elements that you and your team provide for your clients; then consider how many of those elements are really articulated and demonstrated to each and every client. Advisors who have done a great job of sharing their entire story to prospects and clients have not suffered a loss of clientele during recent turbulent times.

*"Try not to become a man of success, but rather try to become a man of value." - Albert Einstein*

When clients don't understand all of what you do for them, they will often undervalue your services. They may try to put you into a "box". It may be a "product box," such as "Oh, that's John; he's my insurance guy." Or it may be a "pricing box," such as, "That's Sally; she's my money manager." Your client's perception is reality, and any misperception makes the relationship tenuous at best. When tough times come (as they always will in this cyclical world we live in), you are risking being dispatched as their advisor. You do not want to be judged by a single number, factor, or quality because at some point you will lose the relationship. Rather, you want to be assessed by the totality of the value of your work and the relationship that you develop with your clientele. If you want to increase client retention, loyalty, and referrals, YOU have to take the time to ensure your clients really understand the full value that you offer to anyone who does business with you. If you haven't reviewed your value proposition for current relevance in the last year AND let all your clients know what it is, then you should!

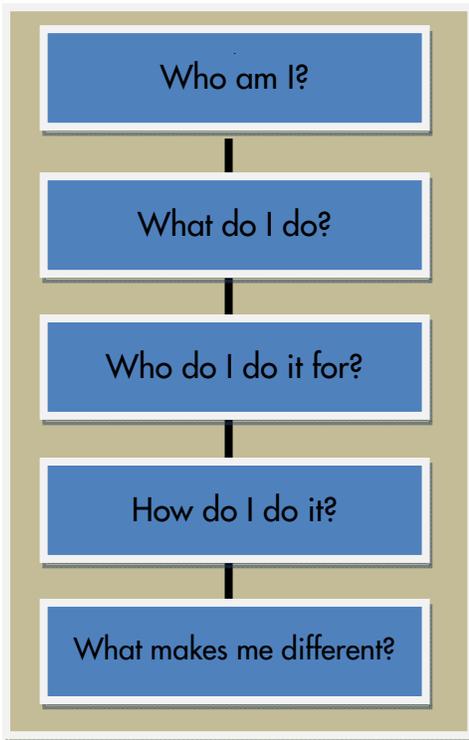
### 5 Simple Questions Provide a Solid Foundation

We suggest that you answer five simple questions to form the basis of your value proposition.

1. **Who are you?** There are many different types of financial professionals with different levels of expertise, experience, and knowledge. By clearly answering this simple question, you can educate clients on how your expertise fits into a very complicated and convoluted industry of titles and professional designations. Are you a generalist or a specialist, a financial planner, a broker, an insurance specialist, a wealth manager, an investment consultant, a financial advisor, etc. and what does that title mean? It is important to not only view this question from your individual perspective, but also from that of your team. You must get beyond your 'title' as it relates to this question. Put yourself in your clients' shoes and consider what these words mean to them. Who are you really?

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2. **What do you do?** As you think through this question, consider all of your offerings, solutions, and services. Within the industry, we know that you do more than just put together an investment portfolio; but do your clients know what these additional components are? Whether you are a specialist or a generalist, there is certainly more than one element to your offerings and value. You should have an organized, systematized, and proactive service model as part of your business. Consider the ingredients of your service menu as you answer this question, in addition to the obvious products, solutions, and planning services that you provide for your clientele. And a more important question to answer can be – “What do you NOT do for clients?” Often advisors promote too varied offerings, which only leads to inefficiencies in the practice and bringing on the wrong clients who take you from your core business and end up not being profitable.



3. **Who do you do it for?** When answering this question, you want to consider your ideal client relationship definition. You may or may not have a very specific niche that you serve, but either way, every financial professional should be able to verbalize the type of clients you work with. This is important to your PRACTICE for efficiency, profitability, and enjoyment reasons; it is important for your CLIENTS so they can provide you with QUALIFIED referrals rather than people who may not fit your model. It is impossible to be successful at being all things to all people, so you need to define the value that you bring to your specific target audience.

*To learn more about defining your ideal client relationship, review step one of our book **Know Service**. Visit [www.BoundlessPublishing.com](http://www.BoundlessPublishing.com) to purchase a copy.*

4. **How do you do it?** With this fourth question, you should consider your process. Clients need to know how you do what you do. How do you put together the right selection of investments for them and how do you know when to make a change? They don't need to know the "nitty-gritty" because that is why they have you, their trusted advisor. However, when they are looking at the "cost" of your services, you want them to know it is an ongoing *process*, not a one-time *event*! Today, TIME is a most precious commodity for everyone; do your clients really know the time capacity you invest in taking care of their needs?
5. **What makes you different?** With this final question, you should consider your differentiator. You must be able to answer the question, "Why should I do business with you?" or "What do you offer that I couldn't get from Jo Smith at ABC Investments?" Today's industry is commoditized; the same products can be purchased from almost anywhere - they are just wrapped up in slightly different packaging!

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Typically, YOU, your TEAM, and your SERVICE are key differentiators, but you better be able to articulate HOW and WHY you are unique. We highly recommend using a service commitment agreement with both prospects and clients so you can begin to not only TELL them (words), but also SHOW them (actions) why they should do business with you! In our Know Service book, we include everything you need to create the agreement and position it properly to prospects and clients.

### Cultivating Your Value Proposition

As you embark on creating your value proposition, be sure to make it a team activity. You want all team members to tell a consistent story so that you all come across as a united front. Additionally, PEOPLE are your most important asset; they are a critical component of your value proposition. The more engaged they are in helping you create your 'story,' the more committed they become to demonstrating that value on a daily basis.

As you take the time to answer these questions and cultivate your value proposition, make sure that you and your team incorporate it into all areas of your business.

- **Marketing Materials:** Adapt and update all your marketing materials and initiatives to reinforce the message:
  - Story and elevator speech
  - Team brochure
  - Website
  - Service commitment agreement(s)
  - Other client communications as appropriate
- **Commitment Meetings:** Establish commitment meetings with your existing clients to be sure they understand your entire proposition. This activity, by the way, nearly always leads to finding new business and attaining more depth or breadth to your product and service mix! Clients often have no idea how much you do as an advisor. This conversation will help you get out of the "product box" and into the holistic value model! The commitment meeting, held annually, also provides the opportunity to reset expectations, which are the very foundation of client retention!
- **Prospecting Process:** Incorporate your new 'story' into your prospecting process; this will help you set expectations and have your value understood right from the onset of the relationship.
- **Evolving Value:** Review these questions and your value proposition at least annually during your strategic planning sessions. So much can change in your business in one year and you want to ensure that you are always communicating any NEW value that you bring to your client base. For example, adding a new team member typically enhances your value proposition and subsequent offerings to your clientele. Don't overlook professional designations or educational opportunities your team members achieve. Let clients know when you attend industry conferences that add to your ability to serve them. Clients need to know that you and your team are completely committed to excellence. Be sure to articulate changes or achievements to your clients.

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### Converting Words into Actions

Creating your story and value proposition is step one; articulating it to your clients and prospects is step two. The most critical step, though, is to ensure that you DEMONSTRATE that value on a daily basis with each and every interaction. Remember, perception is reality. So, to stay out of the "box," whether product or price, and not be judged solely by a "performance number," your words about value must transcend into actions that create real value on a regular basis! Consistent execution to this end will lead to increased client retention even in the most turbulent of times!

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### TEAM RESOURCE

If you believe you need to turn reactive client service into proactive relationship management, visit [www.BoundlessPublishing.com](http://www.BoundlessPublishing.com) and take a look at our book, *Know Service: Connect with Clients. Shape Your Future. Differentiate YOU.* Filled with instructional content and specific tools, this resource will help ensure that you build a service model that is differentiating and will lead to driving new business! Additionally, the tools included in the book are available for download.

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### DRIVE REVENUE WITH 5-STAR SERVICE Workshop for Branches, Firms, and Industry Associations!

In order to retain ideal client relationships and attract new ones, SERVICE is paramount. You must have a service model in place that adequately articulates, demonstrates, and validates your value proposition. Our workshop provides participants with a simple process and enumerable tools which lead to dramatic results including:

- An increase in both assets managed and revenues generated
- An increase in asset retention, client retention, and loyalty
- An increase in referrals
- A more efficient practice and team

This program is being offered to branches, firms, and industry associations as a ½ day, 1 day, or 1½ day program.

*Visit our website at: [www.paragonresources.com/services/knowserviceworkshop.php](http://www.paragonresources.com/services/knowserviceworkshop.php) for more information.*

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### TEAM DEVELOPMENT PROCESS

Our Team Development Process is an ideal solution for building awareness about the people who drive your business. This process includes personalized consulting on the strengths, motivators, and unique attributes of your team members. We utilize well-researched and validated online assessments to identify the talents of each of your team members, and give you tips on how to define your team infrastructure, individual roles and responsibilities, and increase communication and management effectiveness. Included in the process are two 60-90 minute telephone consulting sessions to help you act on the results.

*Visit our website at: [www.ParagonResources.com/products/team.php](http://www.ParagonResources.com/products/team.php) for more information.*

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### PRACTICE MANAGEMENT EXPERTISE

Are you a firm leader who is interested in further developing your practice management offerings? We provide corporate consulting, train-the-trainer(s), and program content based on our **People + Process = Performance™** and our **Find-Grind-Mind Model for Financial Professionals**. Please contact [Krista Sheets](#) at 770.319.0310 or [Sarah Dale](#) at 757.258.0008 to discuss your specific needs.

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If you have any comments or suggestions on how we can better assist you and your practice, please know that we welcome your input. If you are looking for assistance on a specific project, please feel free to contact us so we can craft the best solution for you using our own expertise or that of our strategic partners.

Warmest regards,

Krista & Sarah

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