Every business should stand on four legs: values, a mission statement, a vision statement and a value proposition. I discussed the first three items in a previous Advisor Perspectives article. This fourth item, a value proposition, must provide concrete data about your organization, why it exists and who you serve.

To develop the content for a value proposition, you must review and analyze the benefits your organization delivers to clients, prospects, centers-of-influence and service providers.

**What is a value proposition?**

A strong value proposition speaks directly to your target audience and tells them exactly why they should purchase your products and services. It is a clear statement of the results a customer will receive from doing business with your organization.

Your value proposition should not recite platitudes, such as that your company offers great customer service, comprehensive financial planning and stellar portfolio performance or that your clients trust you implicitly. Those are not differentiators — all financial advisors do and say those things.

Your value proposition needs to communicate:

- Who you are.
- What you do (not how you do it).
- What problem you solve. (You want people to say, “This is exactly what I am looking for.”)
- Who your ideal client is.
- Why your approach is more valuable than other approaches.
- Why you can help people reach their goal. (After all, this is your core competency.)
Everyone on your team must be able to communicate your value proposition to anyone at any time. In addition, your clients and centers-of-influence should be able to easily talk about your value proposition to others.

While your value proposition is public-facing, it can be used internally to ensure that the messages you communicate are consistent. Use your value proposition when developing communications, marketing materials or sales proposals.

**How will a value proposition help my company?**

Regardless of the size of your organization, your company will benefit from having a value proposition.

A strong value proposition does the following:

- Decreases time with unqualified or uninterested prospects.
- Increases the speed with which new clients come on board.
- Allows you to tailor your products and services to your ideal client.
- Illustrates to clients and prospects that you have their best interest in mind.

Make certain your value proposition comes from the heart, not from the head. People can tell when you are not being truly genuine. And, by all means, stay away from so-called brochure speak.

Don’t know what specific value you bring to your clients? Ask them. Tell them you need help understanding, from their perspective, the real value of your service offering. They are your best resources and should be happy to help.

A well-crafted value proposition should be:

- Specific and detailed, yet simple.
- Outcome-based and believable.
- Compelling and interesting.
- Easy to communicate.

Use descriptive words that are not commonly used but are commonly understood to capture people’s attention.

When you have the opportunity to engage others with your value proposition, be prepared to provide stories illustrating how you have delivered on your value proposition. Tell these stories with passion. When you are passionate, people will pay attention.
Once you have created your value proposition, it will be easy to develop your elevator pitch, which is no longer a thirty second speech. The new version of the elevator pitch is approximately fifteen words.

Creating your values list, mission statement and vision statement is beneficial when putting together the content of your value proposition and elevator pitch. If you haven’t yet gone through the exercise of creating those documents, consider doing so.

Sample value proposition worksheet

To begin thinking through your value proposition, review each question below and the two types of responses that are offered: typical responses and an improved version for each response.

<table>
<thead>
<tr>
<th>5 Questions Prospects Have About You</th>
<th>Prospects Typically Ask/Say</th>
<th>Possible Responses</th>
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</table>
| 1. Who are you?                     | Tell me about yourself.     | Typical: My name is … and I have worked at XYZ for XX years, I manage $xx in assets.  
Better: My name is … and I have spent XX years with XYZ Wealth Management, a firm that serves the needs of accomplished professionals and guides them toward integrated wealth management solutions. I believe that our team’s core strengths in cultivating relationships based on trust, integrated solutions and expert service give our clients a high degree of confidence. |
Better: We work with clients to identify where they are versus where they are headed, being sure to efficiently integrate the key components of wealth management, such as investment management, financial planning and estate planning). In the post–financial crisis era, our clients want guidance and support in understanding the solutions that can help get them there. Our clients have confidence in a team dedicated to helping them work toward their goals. |
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| **3 How do you do it?**              | How do you help your clients? | **Typical:** I research and select top investment managers for my clients.  
**Better:** Our integrated approach to wealth management means we evaluate and coordinate investors’ life needs and financial goals, manage assets and execute strategies to achieve specific goals and support efficient wealth transfer across generations. This process gives clients a clear understanding of where they are financially versus where they are headed. |
| **Examples?**                        | Tell me about your clients. | **Typical:** I have a very diverse client base.  
**Better:** We serve the needs of accomplished professionals who have achieved personal and financial goals and watched their wealth grow. However, many never anticipate the complexity that increasing wealth brings. They feel unsure of appropriate next steps. Our integrated approach to wealth management helps clients maximize the wealth they’ve earned and spend more time enjoying the achievements of their life and work. |
| **4 Why should I do business with you?** | Why you? | **Typical:** I look at my clients’ risk appetite and propose an appropriate strategy and products.  
**Better:** Whatever the market environment, we engage our clients in collaborative, in-depth discussion to gain clear understanding and develop integrated solutions. Many of our clients, for example, want to grow and protect their wealth as they prepare for retirement. Some seek strategies to transfer wealth to their family or business partners. Our goal is to help clients achieve these goals through long-term relationships based on trust. That provides our clients with peace of mind and time to pursue their passions. |
| **5 What makes you different?**      | I have a meeting with someone from Firm ABC next week. | **Typical:** You can count on my experience. I have been in the business for XX years, and I have worked with hundreds of clients.  
**Better:** Three core capabilities differentiate XYZ Wealth Management. We build personal relationships based on trust. We provide integrated solutions to meet |
5 Questions Prospects Have About You | Prospects Typically Ask/Say | Possible Responses
---|---|---
| | | specific needs. And we provide expert service that uses simple language to explain complex topics. We give you advice you can trust from a team that cares about your financial life.

Source: Goldman Sachs Asset Management.

For the past 16 years, **Teresa Riccobuono** has been a professional organizer, business consultant and practice-management specialist to the financial services industry, helping advisors bridge the gap between their existing and their ideal financial planning practice. Although she lives in the San Francisco Bay Area, she works with advisors across the country. She is a member of the board of directors of the East Bay Chapter of the Financial Planning Association and is currently the co-chair of its public relations committee.

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