

The Number One Priority for Advisors

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What's the single most critical need for advisors to succeed? There are lots of candidates – investment knowledge, communication skills, the ability to sell, and attracting and motivating a strong team.

None of those will allow you to excel, however, unless you clearly articulate how clients will benefit from working with you in a way that cuts through the clichés.

Over the past decade, consultants and speakers at conferences have told advisors that they need a distinctive branded process to differentiate themselves. As a result, a growing number have created a “*unique process*” to set them apart.

Despite this, most advisors struggle to get clients to see their value. At a recent roundtable lunch that I hosted for highly successful advisors, the attendees identified this as their number one issue. A comment by one participant drove home what advisors need to do to convey value.

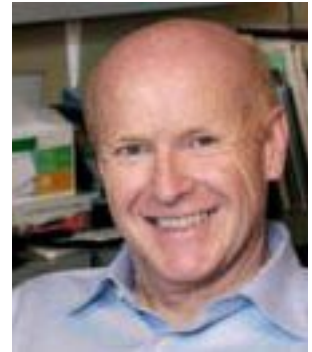
Here's what he said:

“A few years ago, I spent a ton of time on fine tuning the way I articulate my process. I hired a designer and a branding consultant and the six-step process we ended up with looks great on my website. For some reason, though, it really doesn't seem to resonate with clients.”

Sameness rather than differentiation

This advisor is very typical – and his comment illustrated two big problems with what consultants have been saying on this issue.

First, if you take a look at the websites of many advisors, you'll see a “unique process,” generally consisting of four, five or six steps. These processes have different names and configurations, but ultimately look alike. As a result, what was intended to be a differentiator has ended up conveying sameness.





That's not the biggest problem, though. The killer is that this focus on process has led many advisors down the entirely wrong path.

A feature or a benefit?

The very first training course that I attended after graduating from business school many years ago was a course on basic selling skills. First on the agenda was a discussion of features versus benefits.

"If you're selling a cup of coffee," the instructor said, "buyers don't care that the beans were grown on a sunny hillside in Columbia and handpicked at their peak, then roasted in small batches. Those are all features.

What buyers care about is the benefit of a great tasting cup of coffee. You may need to talk about attributes to make the benefit believable, but never forget that people don't buy features, they buy benefits. Start with benefits to get buyer's attention, then follow with features for credibility."

In most websites featuring an advisor's "unique process," you have to search to find the payoff. In essence, the benefit had been obscured by the features.

Starting with the right benefit

Start by clearly articulating exactly the benefit that clients obtain by working with you. For this to work, the benefit has to be concrete and specific and have real teeth – generic bromides about helping clients sleep at night don't cut it.

Your benefit can be fairly broad or very narrow and can be focused on investments or on broader financial outcomes. In some cases the benefit needs a bit of elaboration; in each example below, the benefit is in bold.

Here are three investment-focused approaches:

- **We select managers with the demonstrated ability to outperform over full market cycles.** We focus on investment managers with a proven process and established track record of finding undervalued companies, employing the same contrarian investment principles used by Warren Buffett. Even though these managers may lag over short periods, over time this approach has added considerable value to client portfolios.
- **We deliver superior risk-adjusted returns over time.** To do that, we use a proven cash-flow focused approach to evaluate stocks and bonds and to construct truly diversified portfolios, regularly rebalancing those portfolios to contain risk.



- **We help affluent clients control portfolio volatility while still achieving capital growth**, using the same risk management principles employed by university endowments and pension plans. As part of this, we tap into alternative investment vehicles and solutions that are typically only available to sophisticated investors.

Here are three benefit statements that focus on broad financial outcomes:

- **Working with clients planning for retirement, we implement strategies to maximize the chances that they'll achieve their financial goals.** We start by customizing a financial and investment plan to each client's unique needs and objectives. Having developed that plan, we help clients adhere to it through both good and bad markets; we see ourselves as an emotional anchor for our clients, keeping the highs from being too high and the lows from being too low.
- **We help retirees ensure that they won't have to worry about funding their retirement years**, developing detailed investment and cash flow plans and stress testing those plans to ensure that they'll deliver positive cash flow under a broad range of scenarios.
- **We minimize the tax burden for our clients**, using advanced tax planning strategies and employing tax advantaged insurance and investment solutions to deliver efficient after tax income.

Finally, here are three narrow benefit statements:

- **We advise successful executives, professionals and business owners on maximizing tax-efficient income and transferring wealth to successive generations.**
- **We specialize in working with successful entrepreneurs to realize maximum value from their businesses**, collaborating with existing professional advisors to implement integrated tax, estate and investment planning strategies.
- **We help physicians plan for today and tomorrow**, managing current business and personal finances in the most tax effective fashion possible while implementing plans to ensure that long term goals are attained.

Bringing your benefit to life

Once you've honed in on your key benefit, everything in your practice has to be structured to allow you to execute that benefit and to reinforce what you do to existing and prospective clients. While a strong benefit statement is a good starting point – that's typically all it is. The challenge is to make that benefit real – for it to be more than just words.



That's where you need to incorporate the process that allows you to deliver benefits. With existing clients, use every meeting to remind clients of your key benefit and where they stand in the process that you use to deliver that benefit. It may not be the very first thing you talk about, but it should feature prominently.

And find a way to reinforce your key benefit in written communication to clients. If you send frequent market letters, you may not want to make your benefit the centerpiece of every letter (repetition that's too frequent can cause clients to lose interest and stop reading), but your benefit should always be there and from time to time should be prominently featured.

With prospective clients, you've got a different challenge. Because the typical process can look generic and abstract, look for ways to make your benefit more tangible.

One way to bring your benefit to life is with case studies. If your focus is on investment outcomes, use past periods to demonstrate how your approach produced results. And if your benefit is more broadly focused on financial issues, you can use the classic case study framework (problem, solution, results) to make your story compelling

None of this diminishes the importance of having a well-articulated process. Remember though that your process alone isn't sufficient to convey value to existing and prospective clients; it is there to support your benefit. And never forget the lesson from my sales trainer: lead with salient benefits, follow with features.

[Dan Richards](#) conducts programs to help advisors gain and retain clients and is an award winning faculty member in the MBA program at the University of Toronto. To see more of his written and video commentaries, go to www.clientinsights.ca. Use A555A for the rep and dealer code to register for website access.

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