

Show me the value

SUE VISKOVIC asks what your client value proposition will look like in the fee-for-service environment.

You've probably heard time and again that one of the early – and most critical – steps in the process to transition a business to a fee-based pricing model is to get very clear on your client value proposition (CVP).

Why? Undertaking an exercise to improve or create your CVP will do two things:

→ It will help explain what you do for prospective clients and hopefully attract them to you – to be used in your marketing material; and

→ It will help you and your staff to truly understand and appreciate the value you bring to your clients. You will need to be able to enunciate the value of what you do in order to assist your clients to make a value judgement and be happy to pay for your services.

Before you can enunciate it, you have to embrace it yourself. It will be imperative for you as a planner to be clear on the value you provide your clients so as to be confident enough to ask for – and be paid – what you're worth. Your clients are not going to buy you or your fee unless you do. Your confidence in your own value will influence theirs.

We use the term client value proposition, rather than unique service proposition, (another favoured 'best practice' term in consulting circles) on purpose. Your CVP doesn't have to be totally unique. Don't get too hung up on defining why your service is different to all of your competitors. The fact is, there are a lot of clients out there needing advice, and plenty of work to go around the shrinking number of qualified, experienced financial planners.

What is important is defining what is special about what you do. Your CVP should not be a bland statement about what you do – "We provide holistic financial planning services to help our clients achieve their financial and lifestyle goals." It needs to have some of your personality in it – that of your firm, that is.

If your clients love the fact that you share their enthusiasm for their holidays and



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retirement plans, build that in. If you have a relaxed manner with your clients, say so. "Our clients like that we help them understand their money – and even make it fun to plan for and achieve their goals."

If you find it difficult to ask clients to pay for your services, it may help to consider what you do through the eyes of your clients. There are some instances where you can measure the tangible difference that your advice can make to a client in the form of increased savings, higher Centrelink benefits, decreased tax payable and so forth. However it is far more difficult to quantify the other benefits that your clients value, such as the comfort they take in knowing that someone else is watching over their financial affairs – the 'sleep at night' factor.

In providing financial advice, what else do you do for your clients that is worth paying for?

→ Investment selection: sorting through the thousands of investments available to arrive at a portfolio that is appropriate and robust.

→ Portfolio management: keeping it within the client's risk profile regardless of what the markets do (and of course, helping them understand what their risk profile is in the first place!).

→ Goal-setting: as we know, the first step to achieving your goals is to write them down. It is surprising how many people meander through life without really thinking about what they want and setting goals.

→ You help them make sound investment decisions, rather than emotional reactions.

→ It's not just the actions and decisions that you help people to make, it's the actions and decisions that you help them avoid that are sometimes more powerful and valuable.

→ Strategic advice: how to maximise their outcomes while working within the law.

→ Accountability: not only do you help define what a client needs to do to achieve their goals, but you keep them accountable by ensuring that these actions get implemented.

→ A steady influence in volatile times.

→ Someone to provide answers to their financial questions: if you don't know them off the top of your head, you will know how to find them.

→ A translator: of tax law, of investment philosophies, of the (money) language that you know so well, but which is foreign to most people.

→ You're also an educator, teaching clients about how to handle their money and grasp financial concepts.

And while doing all of this, you take care of the boring paperwork – a task few people enjoy.

Clients don't care how long it takes you to do something (provided it doesn't take too long!) – they are only concerned with the outcomes of your advice. They come to you with an issue or a problem, and they are seeking a solution from you. It is not only your time that your clients need – it's your intellectual property, and your ability to consistently coach them in making and then carrying out the right decisions about their money.

Now that's worth paying for! ♦

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