



Vanguard®

Client
relationships



Creating your value statement

Best practices for building a value statement

Effectively expressing how you provide value is essential to establishing a foundation of trust and transparency. 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.

1. 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 yourself when creating a new mission statement or re-evaluating 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?

2. Explain your advisory approach in terms your clients understand.

Describe how you help your clients succeed, and list the steps you use in your approach. This establishes a road map that you and your clients can refer to, providing transparency and building trust.

Ensuring that your clients understand your approach is critical. You may want to place extra emphasis on this section.

3. Target your services to your clients' needs.

Listing your investment planning services and resources 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 research¹ 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. Let your clients know up front when and how you plan to communicate with them. Setting the right expectations early in your client relationships 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 call-back 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.

¹ Spectrem Group, in partnership with Vanguard, 2015–2016. *The affluent investor: Insights and opportunities for advisors*. Valley Forge, Pa.: The Vanguard Group.



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