

# Practice Development Series

## Module 9: The Value of Advice / Activity 3 – Writing your Value Proposition

Aligned with the PFA™ Designation Program

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### Activity 9.3 - Writing your Value Proposition



## **Activity**

Go back to your value proposition. Using the information given in the tips from Pershing and BNY Mellon (beginning on page 3 of this document), re-write your value proposition. Use the recipe from point 5 to guide your writing. Ensure that you incorporate statements about your integrity, expertise and the understanding of your clients needs.



## Tips

- i. Based on Pershing and BNY Mellon research<sup>i</sup>, your value proposition should include the following three basic promises as they have proven to resonate with investors. Although, these promises are common amongst advisor value propositions you still need to consider adding them to ensure your value proposition will resonate.
  - Tailored solutions that meet your needs
  - Work in your best interests
  - Experienced investment managers
- ii. A message containing promises to simplify your client's life appeals to a limited market: the young and the very high-net-worth clients. If one of these demographics is your target market, then go ahead and use language describing simplicity however if it is not then your message may be lost or ineffective.
- iii. If your investment philosophy is conservative and focuses on preservation of capital, then you should include this in your value proposition. Pershing and BNY Mellon research revealed that very few value propositions contained statements suggesting caution and prudence such as:
  - We focus on capital preservation and income
  - We take a conservative approach to help you live comfortably today and protect your legacy for the future
- iv. Investors place a very high importance on the values of trust, integrity and accountability. However, it's not as simple as saying "Trust me to handle all your financial needs". Trust, integrity, and accountability are demonstrated in your everyday dealings with clients and prospective clients. You may be able to include this messaging on your web-site through testimonials from satisfied clients.
- v. Consider using the following recipe when formulating your value proposition. All of the value propositions that ranked highest in the Pershing BNY Mellon study contained each of the following ingredients:
  - Attributes. Characteristics of the advisor, such as a firm's size or years of experience
  - Benefits. What the investor gains as a result of working with the advisor



- Reason. A rational explanation of how the firm's (or financial advisor's) attributes produce benefits for the client
  - Emotion. Language that evokes a feeling
- vi. Review your target client market. Does your value proposition appeal to what you know are the needs and concerns of your target client market?
- vii. Watch your language. Avoid the use of industry jargon and use plain language and an emotional appeal to craft your message. Where possible, link emotional and rational appeals together. Pershing and BNY Mellon found that some words resonate better than others. Here are some of the client preferences revealed in their findings:
- Comprehensive over holistic (88% to 12%)
  - Comprehensive over expansive (85% to 15%)
  - Unwavering over committed (84% to 16%)
  - Passionate over dedicated (81% to 19%)
  - Comprehensive approach over 360 degree view (80% to 20%)

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<sup>i</sup> BNY Mellon and Pershing. What do Top Advisors Say and What do Investors Really Think? (Accessed May 28, 2020). <https://information.pershing.com/rs/651-GHF-471/images/peruk-what-do-top-advisors-say-what-do-top-advisors-really-think.pdf>