



In the eye of the beholder...

Much has been written about the importance of defining your client value proposition. Your CVP communicates the benefits a client can expect to receive by choosing to do business with you and your practice. Common benefits included in many CVPs are honesty, professionalism, and dynamite service. But the benefits you deliver and the value your client perceives to have received are two different things. And it's not the benefits you deliver that create happy, loyal clients. It's the VALUE they perceive they are receiving that counts.

Take a look at the following formula:

$$\text{BENEFIT} - \text{COST} = \text{VALUE}$$

Your aim is to maximise your client's perception of the value they receive. If you keep the fees the same, the formula tells you that by maximising perceived benefit, you automatically maximise perceived value. So how do you increase your clients perception of benefit received? Not necessarily by more newsletters, golf days or reviews. But by clearly understanding which parts of your CVP are considered to be the most important by your client.

When meeting a potential client for the first time, most advisors describe their CVP. But consider this. If you are simply communicating your CVP, you are communicating how you perceive you can be of the greatest benefit. However, this relationship isn't about what you've got, it's about what you've got that your client wants most.

Think about asking a few new questions at your next initial client meeting. Sure, work through the numbers' questions involving income and expenses, assets or liabilities. These technical areas are covered by all advisors. You can talk about the qualitative benefits of doing business with you, about honesty, professionalism, and great service. But much of this is simply expected by a client. It is not viewed as a benefit. You need to go further and find out what your client's nerve point is. What are their deepest fears and frustrations? Let your client identify which of the benefits you offer they believe are most important to them.

Consider asking your client questions along these lines:

- For me to be a successful financial advisor, what do you need me to do for you? Or, what do I need to do for you to perceive me as successful?
- What experience have you had in the past with financial advisors? What did you like about your last experience? What didn't you like?
- What outcome are you looking for?



- What fears / frustrations / concerns / worries have led to you to conclude that you need financial advice?
- How do you see us working together?

This approach will have the following positive results for you:

- You will understand what items on your menu your client perceives as being of greatest benefit to them. By focussing on these you will give yourself a greater chance of creating the perception of value received.
- You will create a “pull” strategy. By pulling out your clients’ needs you create a momentum for the services you wish to sell. This is in contrast to a “push” strategy whereby you try and sell your services.
- By allowing your client to identify emotional issues you introduce a further dimension to the relationship.
- People don’t argue with information they’ve given you. Let your client tell you what they want and why it’s important to them.

It’s good business to let your client tell you exactly what they want. Coax it out of them with the right questions. Find their nerve point. Deliver benefits your client believes are most important to them. This will give you the best chance of creating perceived value and happy, loyal clients.

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