SHARPEN YOUR GAME
CHICAGO, IL
June 7-9, 2017

Friday

11:00 - 12:00

Importance of a Team Uniform/Mascot:

Do Your Clients Recognize Your Value Proposition?

Jerry Cobb from Schwab

Advisor Services

Do your clients recognize your value proposition?

Jerry Cobb
Managing Director
Business Consulting Services

charles SCHWAB

Why do teams wear uniforms and have mascots?

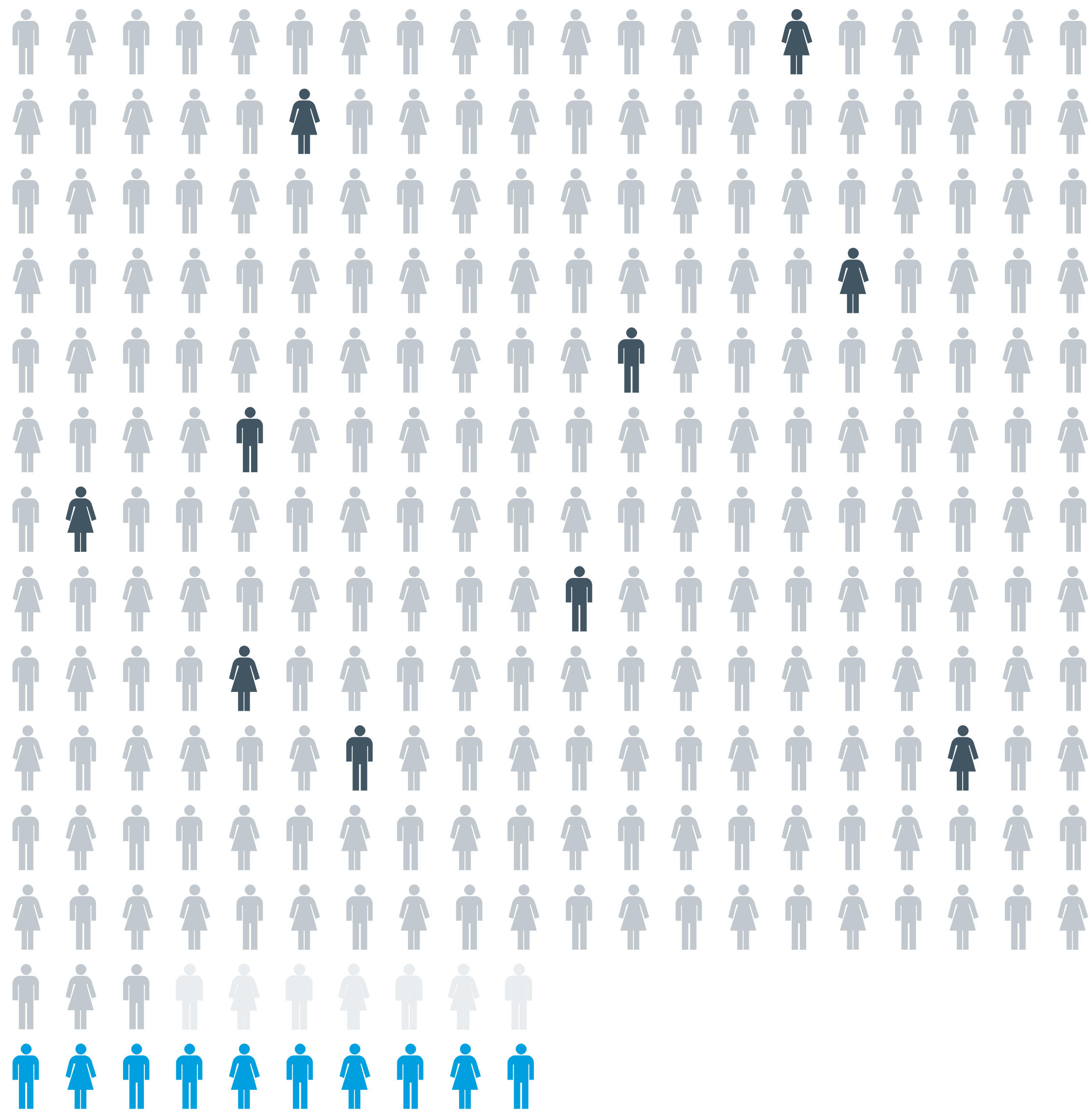
- To identify members of a group with a common purpose.
- To differentiate a team from the competition.
- To indicate that every member has an equally important role to play.
- To symbolize the values of the team.
- To build a loyal team following.
- To bring good luck to the team.

The case for a referral culture

4% of clients are referring

250 existing clients or households

10 new clients from referrals



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The case for a referral culture

8% of clients are referring

250 existing clients or households

20 new clients from referrals

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Client value proposition

nent about the
ideal clients
vorking with

Client value proposition examples

Our firm delivers a personal, proactive wealth management service tailored to the specific needs of each individual.

We provide customized wealth management including charitable giving expertise that helps simplify our client's complex financial lives. We understand affluent women who have divorced or been widowed and help them regain financial independence. Many of our clients haven't managed their finances for quite a while so we provide guidance, education and expertise. Our clients feel informed, confident, and reassured as they enter the next phase of their lives.

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68% of client-facing advisors can effectively articulate their firm's value…

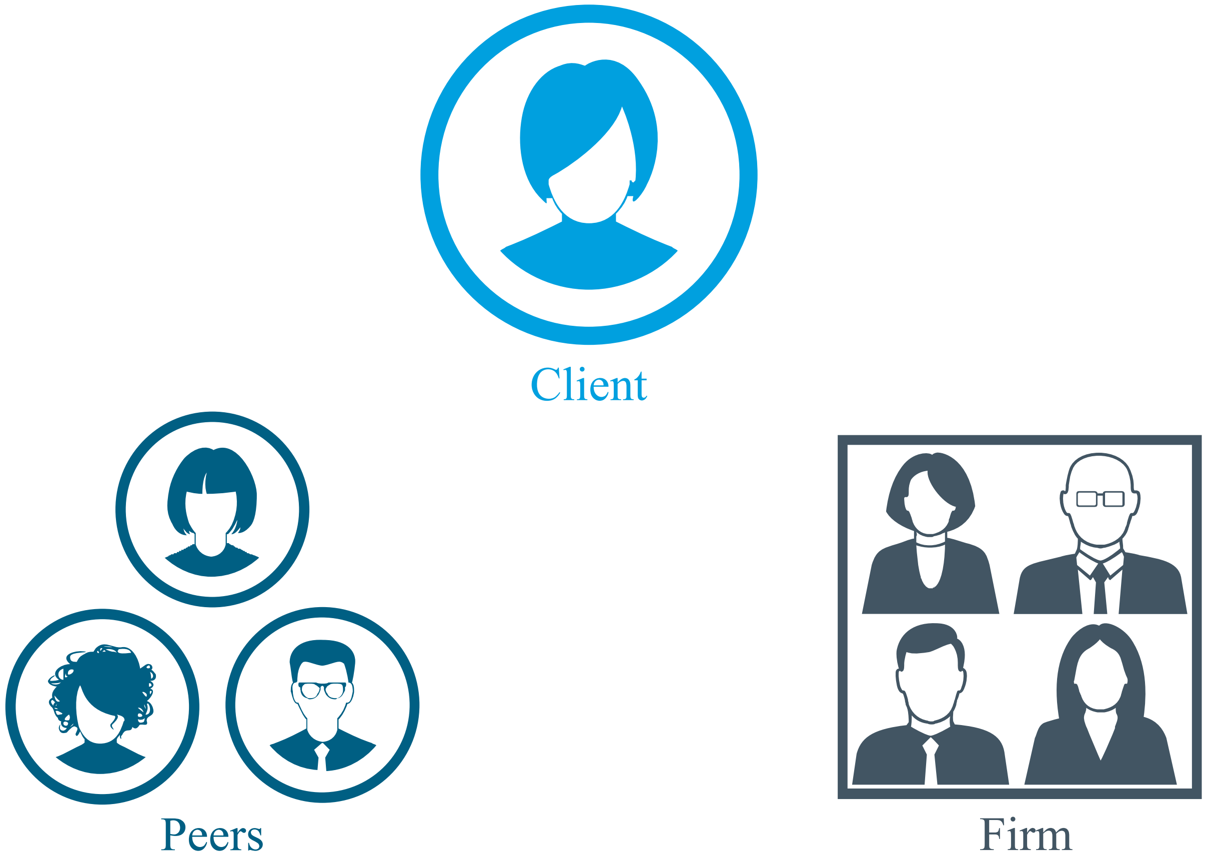
but only 25% of operational and office staff can.

68% All of the time	25% All of the time	31% Most of the time	44% Some of the time, rarely or never, uncertain, or none

Q10: To what extent can members of your firm effectively articulate your firm's value proposition when speaking with prospects, clients and influencers?
(Base = Total advisors, current wave = 720.)

Source: The 15th semi-annual Independent Advisor Outlook Study reflecting opinions of 720 independent advisors representing an estimated $180 billion in assets under management. Responses were gathered during April and May, 2014.

Trust powers the entire referral cycle



Referral scenarios

51%	A friend asks for a recommendation
49%	A friend describes a financial need

Source: Advisor Impact, *Rules of Engagement,* 2014. The report draws on input from more than 1,200 respondents from across the country.
Responses to the question "What were the circumstances of providing the last referral? Please select all that apply"
In addition to the 51% and 49% highlighted above, 13% responded "My advisor expressed interest in referrals and I provided a name at that time"

Why do you work with your financial advisor?

I want more communication with my advisor. Mine is too busy.

My life is more complex now.
I need professional financial advice.

Source: Advisor Impact, *Rules of Engagement:* 2014. The report draws on input from more than 1,200 respondents from across the country.
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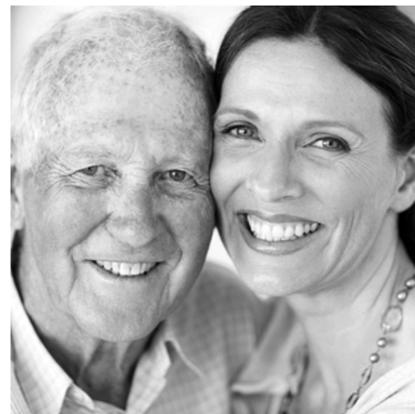
I'm expanding my business to a new market.



My father is ailing and
I've been asked to manage his finances.

I was just promoted to an Executive VP position!

Source: Advisor Impact, *Rules of Engagement:* 2014. The report draws on input from more than 1,200 respondents from across the country.
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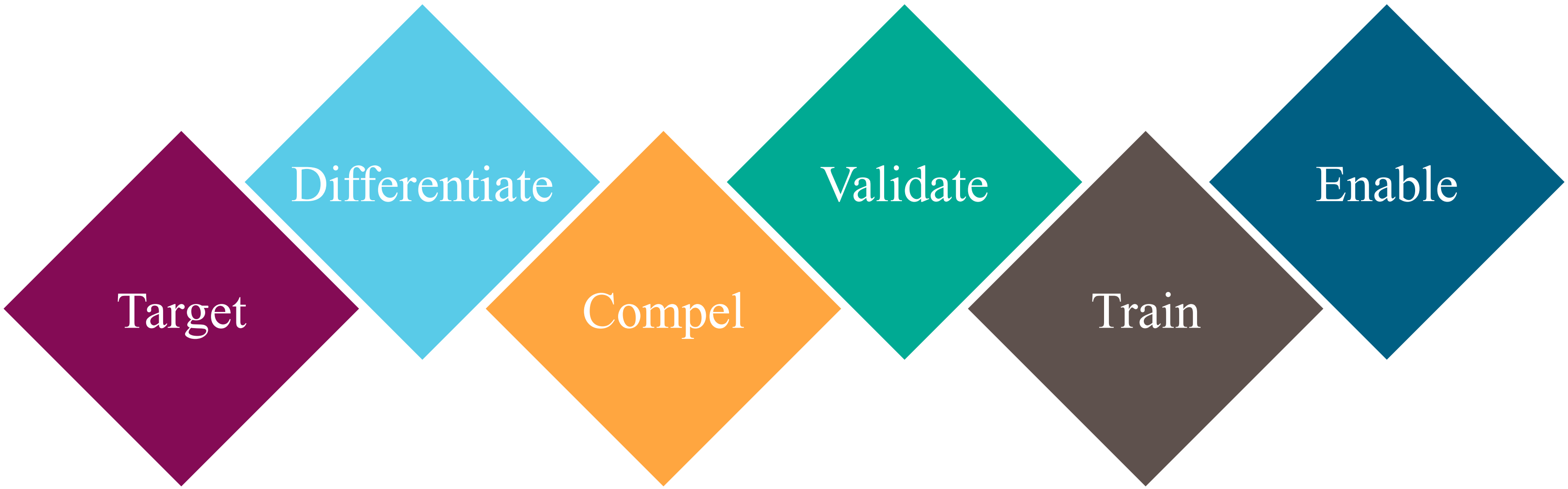
Build a firm-wide growth strategy



Target

Target

The specific ideal client you want to attract for whom your firm does its best work

Defining a target helps attract the right kind of clients

Source: The "Get a Mac" television advertising campaign created for Apple, Inc. by TBWA\Media Arts Lab, the company's advertising agency, ran from 2006 to 2009.

Physicians and dentists who have built their wealth through their practices, and need planning for a secure retirement.

Clearly defined ideal clients

Executives/professionals who want to ensure that their wealth achieves family goals for generations to come.

Business owners in transition who want to ensure that wealth which results from a liquidity event is transferred in a tax efficient manner and will be sufficient to achieve their life goals.

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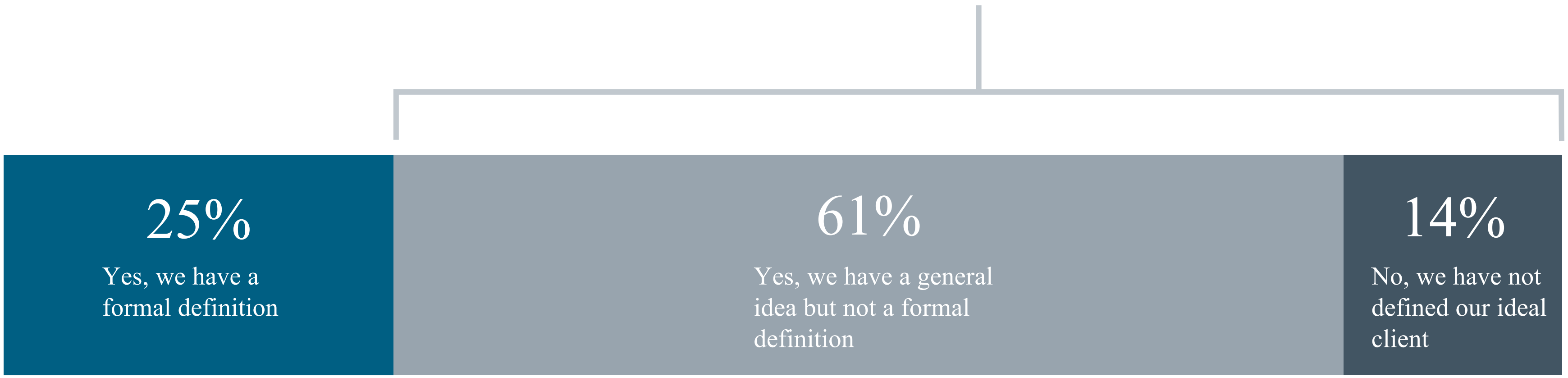
75% of advisors **do not** have a formal ideal client definition



 Source: Financial Planning Association, *The Future of Financial Planning,* Dec. 2013.

Picturing your ideal client

Sally Smith

Demographics

- Age 53
- Divorced
- Children ages 13, 17, and 20
- Former advertising agency account executive
- Net worth: $7 million
- Investable assets: $3.5 million

Psychographics

- Thoughtful and creative
- National Charity League board member
- Financial goals to fund children’s education through college, participate in charitable causes, and maintain lifestyle
- Inclined to delegate when investment rationale is explained
- Moderate risk tolerance

Relationship

- Seeking help to identify independent financial profile post-divorce
- Providing consultation to assess goals and determine personal objectives

Services, Products

- Quarterly portfolio reviews
- Guidance on all financial decisions

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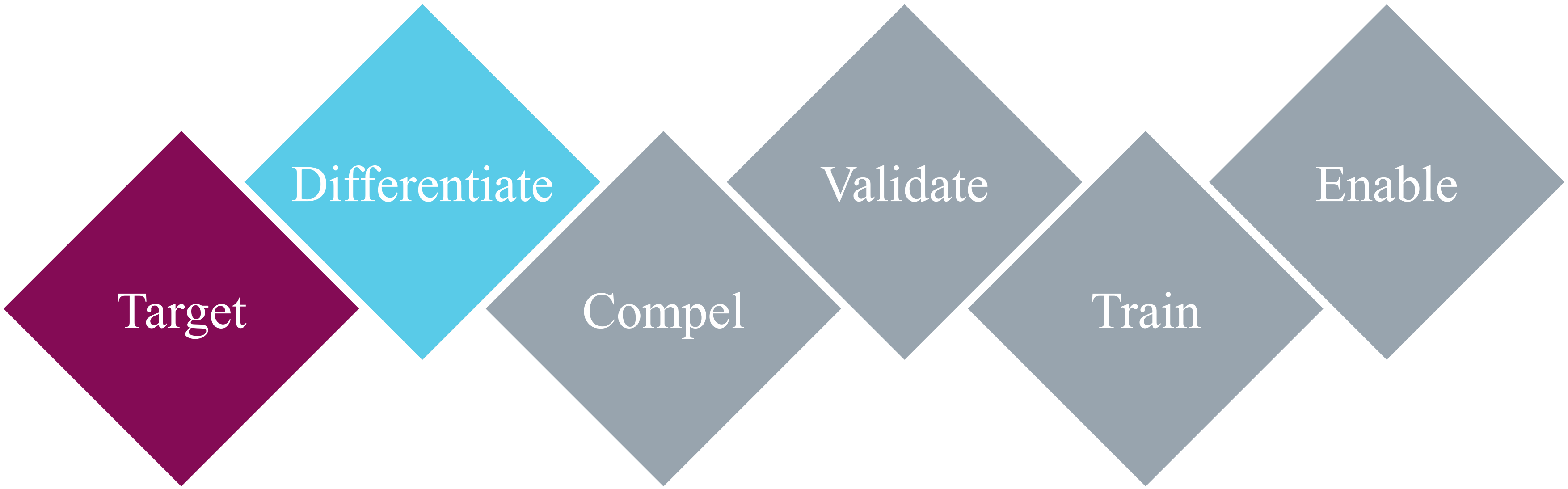
Build a firm-wide growth strategy



Differentiate

The difference you deliver for clients that makes your firm distinguishable and attractive

Sea of sameness

RESULTS • PERFORMANCE • QUALITY • VALUE-ORIENTED • SERVICE • STRATEGIC • PERSONAL
GOAL-ORIENTED • EXPERIENCED • TRUSTED • DEPENDABLE • RESPECTED • COMPETENT •
CLIENT-FIRST • INDEPENDEDNT • LEADER • COMPREHENSIVE • **FEE-BASED** • EXPERT •
I N F O R M E D
CLIENT-FOCUSED • OBJECTIVE • FLEXIBLE • FOCUSED • STABLE • UNIQUE • LONG-TERM
RISK-SENSITIVE • RESEARCH-DRIVEN • COMPETITIVE • SOPHISTICATED • PROVEN SUPPORT
SECURE • UNBIASED • ONE-ON-ONE • COMMUNITY RELATIONSHIPS • PRIVATELY OWNED
ADAPTABLE • CONFIDENT • DISCIPLINED • **DEDICATED** • WELL-ROUNDED • PROFESSIONAL
VALUES-BASED • ANALYTICAL • WEALTH • HIGH RETURNS • HIGH-YIELD • RESULTS
PERFORMANCE • QUALITY • VALUE-ORIENTED • SERVICE • STRATEGIC • GOAL-ORIENTED
EXPERIENCED • TRUSTED • DEPENDABLE • RESPECTED • COMPETENT • CLIENT-FIRST
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QUALITY • VALUE-ORIENTED • SERVICE • STRATEGIC • PERSONAL • EXPERIENCED • TRUSTED
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STABLE UNIQUE • LONG-TERM • **RISK-SENSITIVE** • RESEARCH-DRIVEN • COMPETITIVE •
S O P H I S T I C A T E D
PROVEN SUPPORT SECURE • UNBIASED • ONE-ON-ONE • COMMUNITY RELATIONSHIPS

Offer attributes

Value-oriented service

Fee-based approach

Unbiased

Flexible

Client-focused

Client value

Customized service

Aligned incentives

Puts my interest first

Focus on my needs

Attentive to me

Value drivers

Confidence

Control

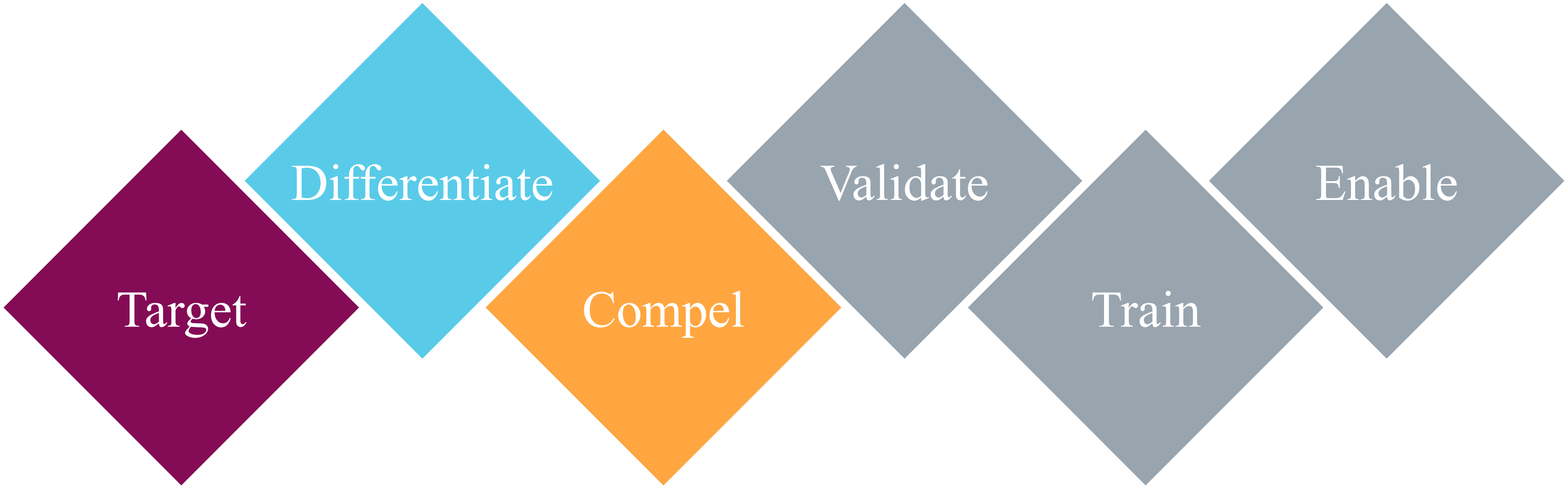
Predictable

Protected

Assured

Good value

Build a firm-wide growth strategy



Compel

Compel

The ability to talk about your firm in a way that resonates, inspires interest, and leads to the desired action

If someone asks you about your firm and what you do, what do you say?

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What do you do for work?

I am part of a team at Valley Wealth Management that helps women who have recently divorced or been widowed to regain their financial independence and feel more confident and in control of their financial future as they enter the next phase of their lives.

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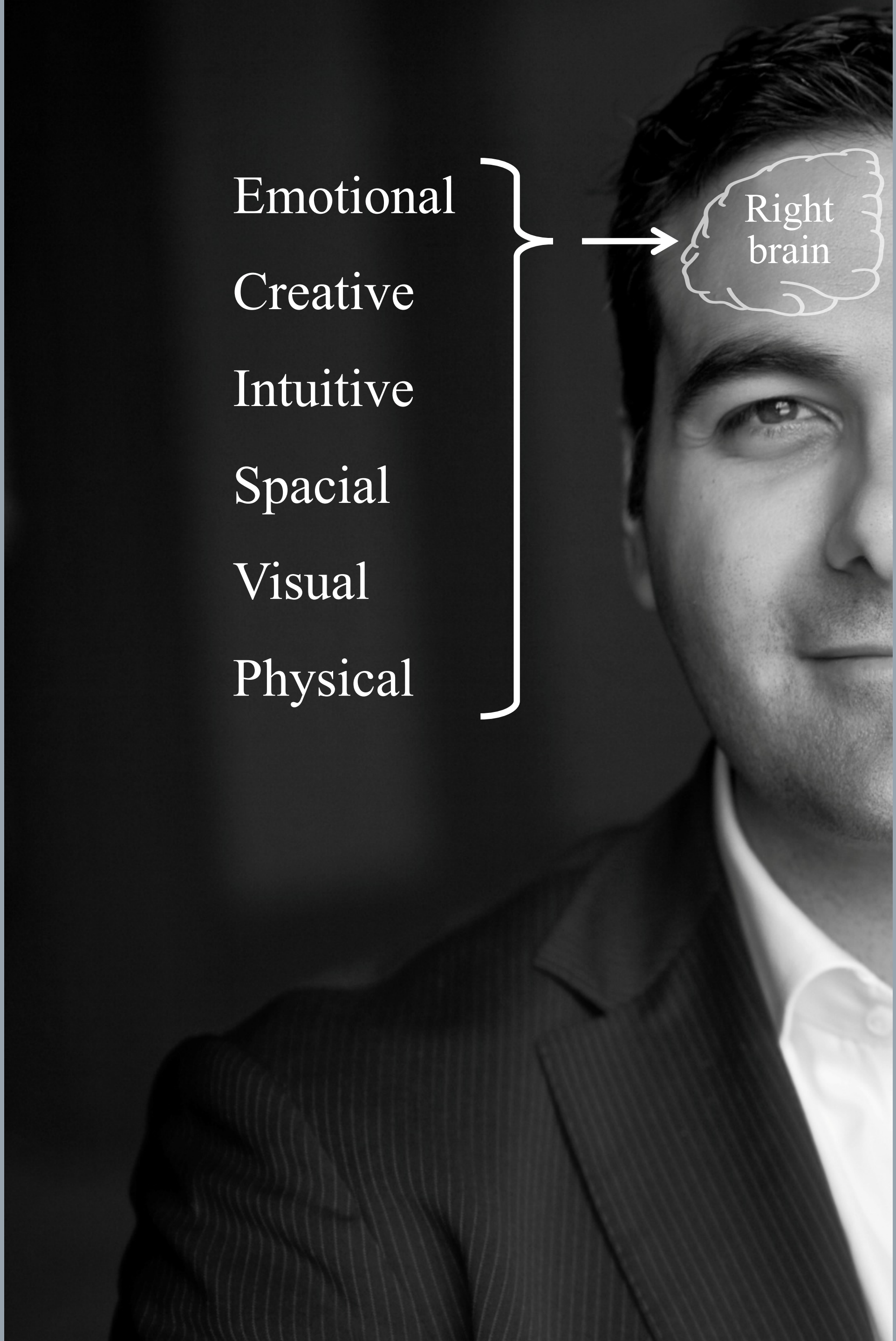
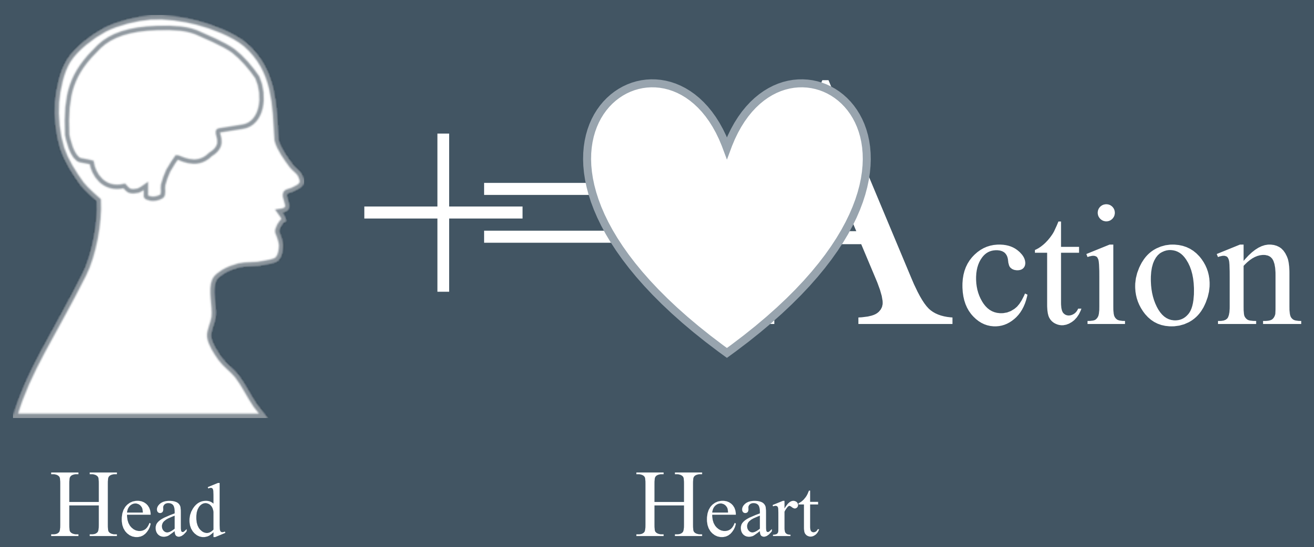
Head Heart


Emotional
Creative
Intuitive
Spacial
Visual
Physical
Right brain

Relatable
Powerful
Memorable
Natural
Repeatable

Simple
Concrete
Emotional
Credible
Unexpected

Adapted from *Made to Stick*, Chip Heath & Dan Heath


+
=
Action
Head
Heart

Think

Feel

Do

 +  = Action

Head

Heart


What story are you telling?
How about others at your firm?
What do your clients say when you aren't around?
What do your clients' friends and colleagues remember?

The 5 essential story types

Origin story

Highlights your firm’s purpose and values by explaining how and why the firm was started

Financial situation story

Firm’s offering story

Referral process preview story

Outlier client success story

TOMS®

One for One

The 5 essential story types

Origin story

Financial situation story

Explains the type of financial challenge the firm is uniquely suited to solve

Firm's offering story

Referral process preview story

Outlier client success story

The 5 essential story types

Origin story

Financial situation story

Firm's offering story

Introduces an aspect of the firm's offer that the client may not have previously experienced

Referral process preview story

Outlier client success story

The 5 essential story types

Origin story

Financial situation story

Firm’s offering story

Referral process preview story

Builds trust with clients by showing the care the firm takes in handling a referral

Outlier client success story

The 5 essential story types

Origin story

Financial situation story

Firm's offering story

Referral process preview story

Outlier client success story

Showcases an example of how you have "wowed" a client

What makes a great story?

Structure

Has a beginning, middle, and end.

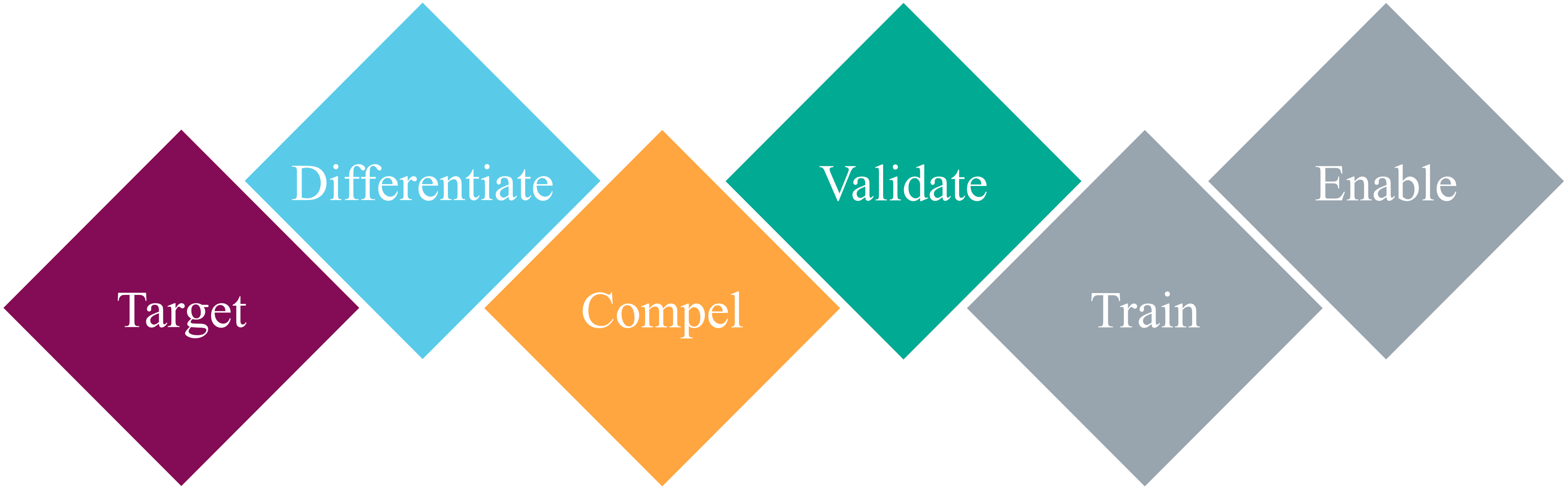
Characters

Brings the story to life.

Outcome

Conveys the end result and value delivered.

Build a firm-wide growth strategy



Validate

Validate

T… feedback … builds rel…ps, increases loyal…, and improves outcomes

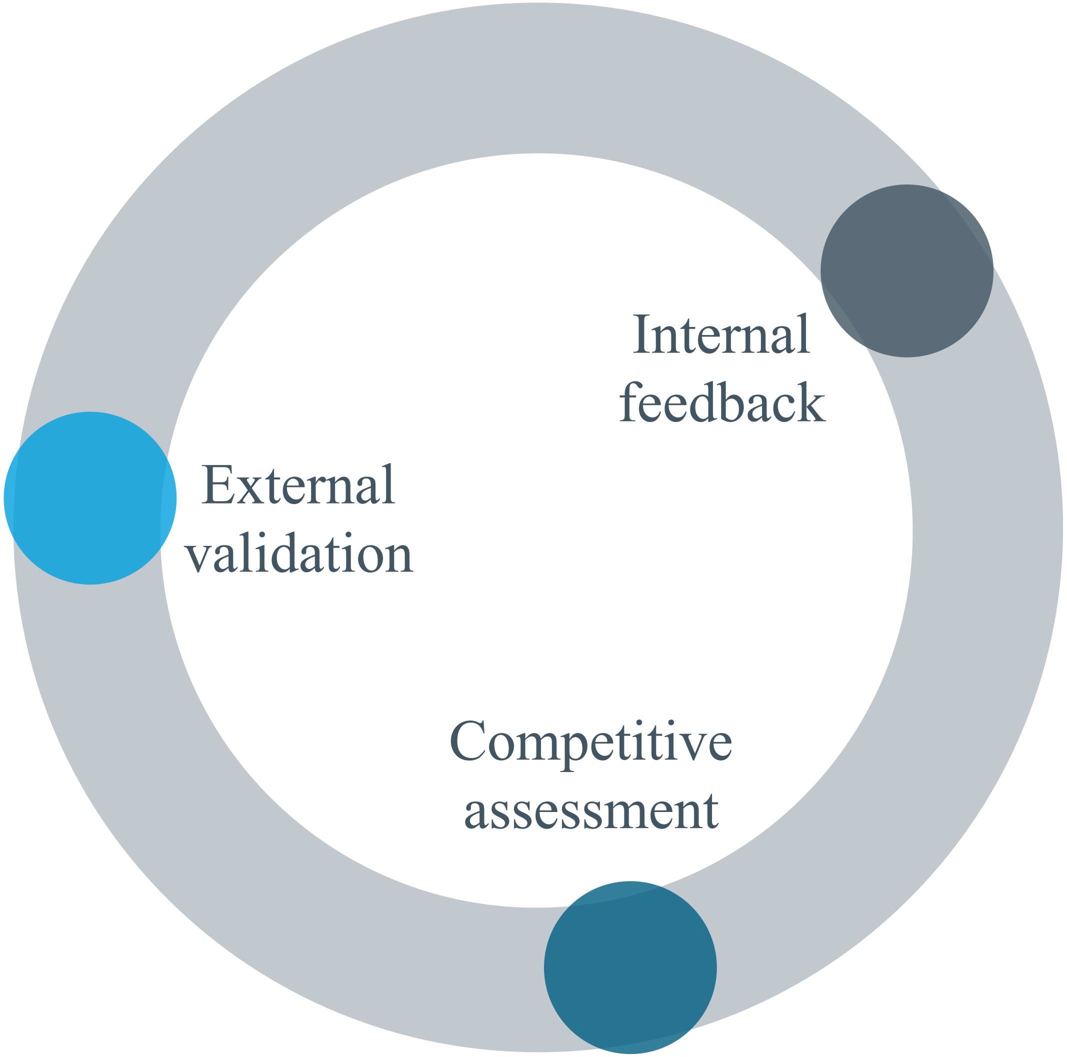
Importance of gaining insights

Internal feedback

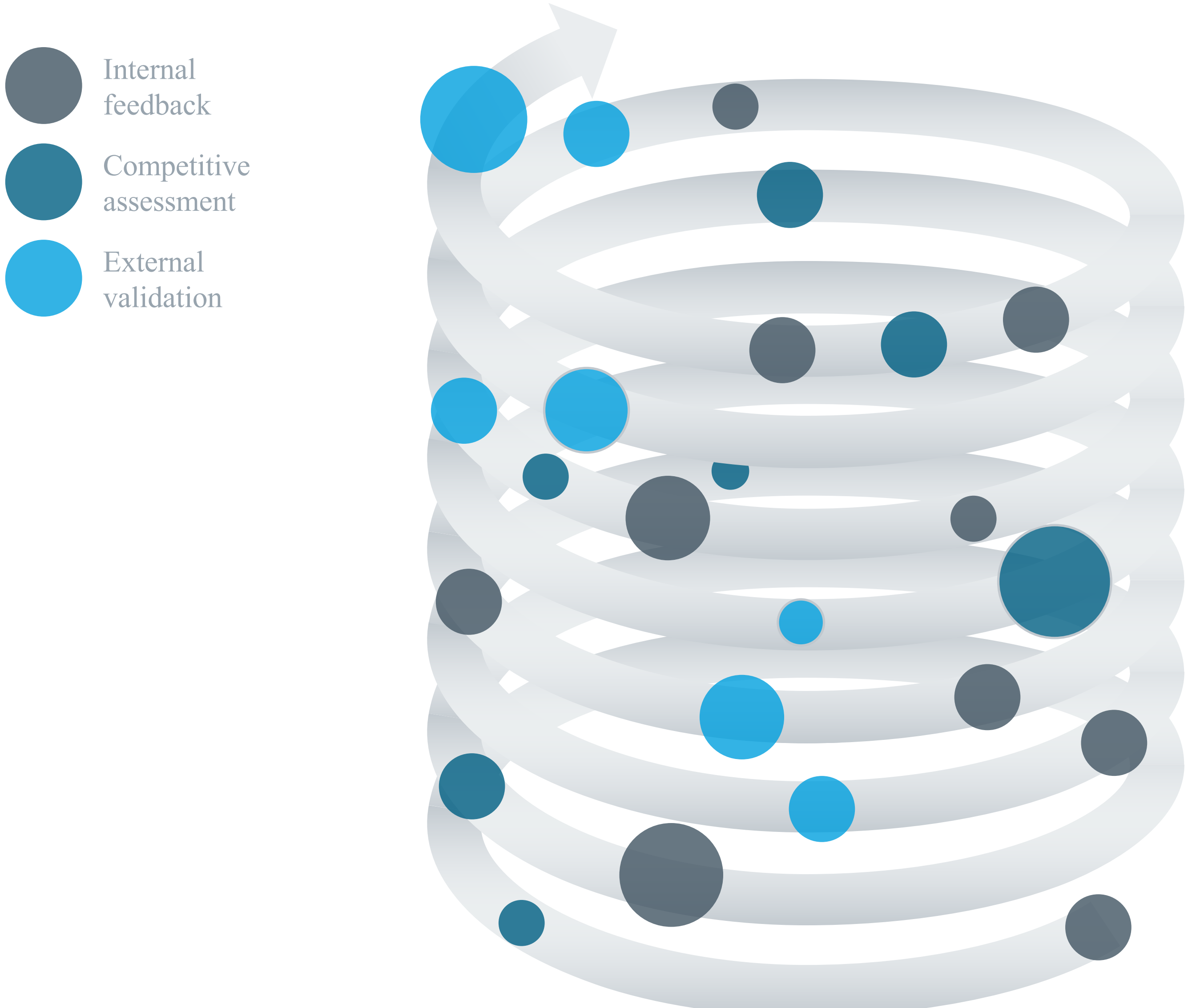
External validation

Competitive assessment

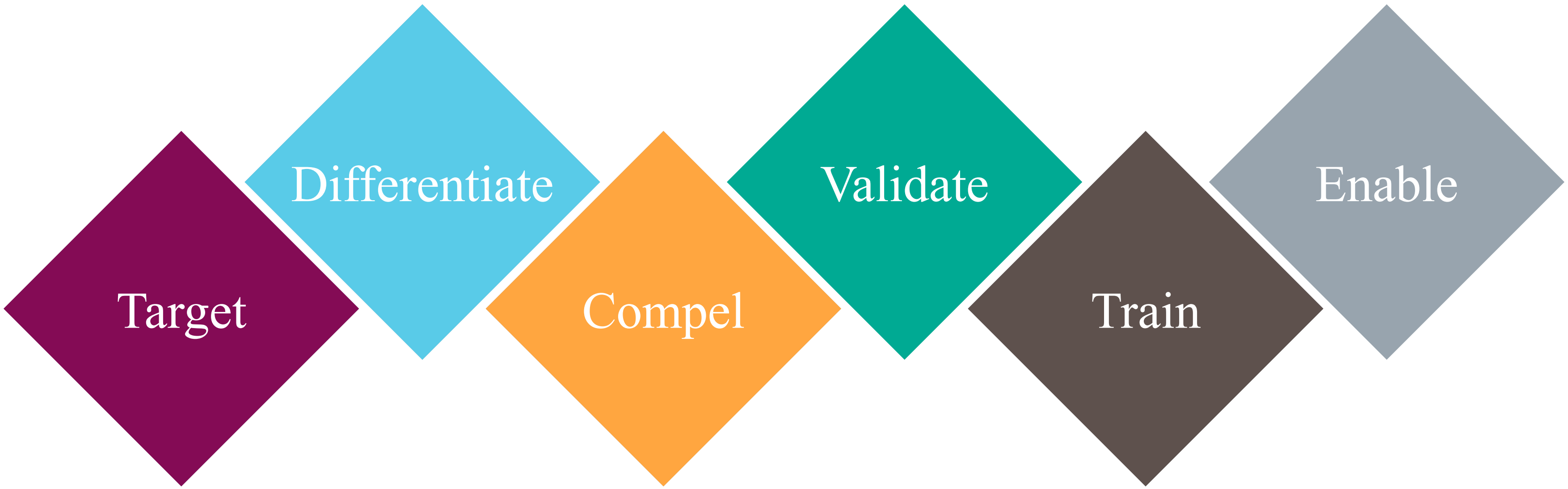
Leverage all three approaches to gaining insight



Continuous refinement through on-going validation



Build a firm-wide growth strategy



Train

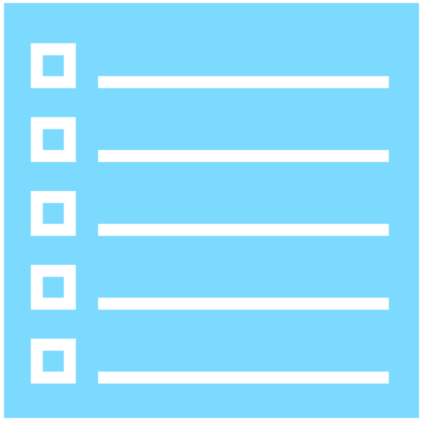
To educate and mpower
employees t nize,
create, an n
referable m

Train

Train to align

Get everyone on the same page with messaging

Recognize referable moments and trigger phrases



Institutionalize the process

To create a firm-wide referral culture, every employee needs to know…

The type of client the firm serves best

Ideal client persona

The firm’s stories and how to tell them

Singular concept

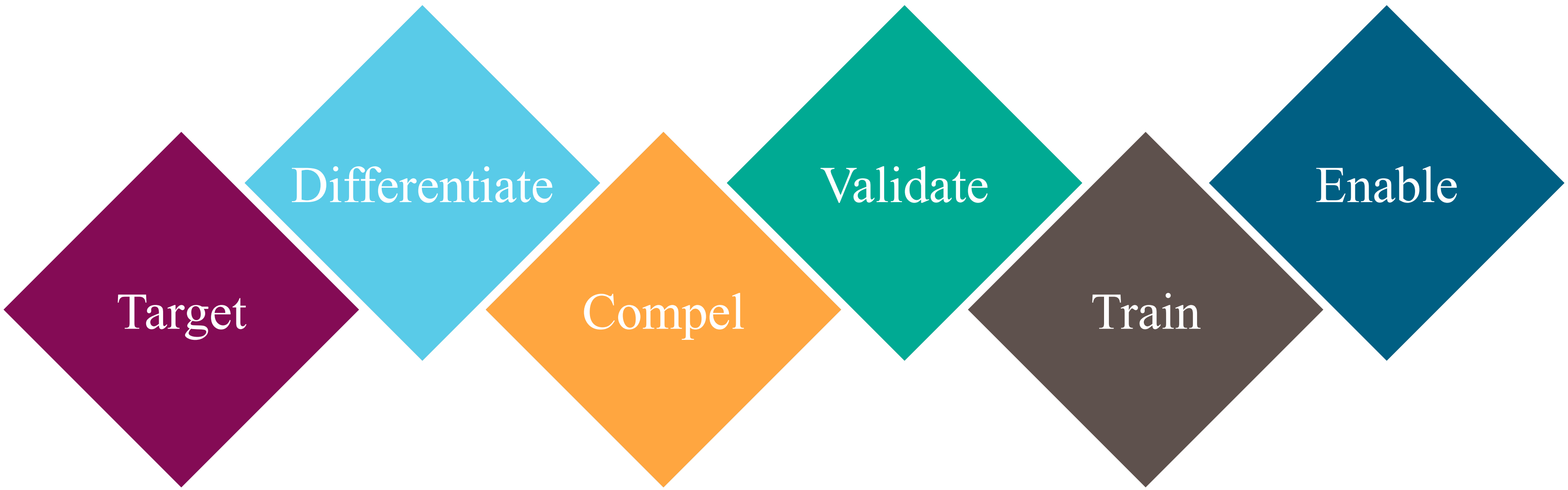
Client value proposition

What clients value most and the benefit the firm provides

The 5 essential stories


What story are you telling?
How about others at your firm?
What do your clients say when you aren’t around?
What do your clients’ friends and colleagues remember?

Build a firm-wide growth strategy



Enable

The actions and c
that support ongoing
wide referral success

Enable

Expectations and goals

Communicate expectations

Determine numeric goals

Establish behavioral goals

The difference between growth and sustainable growth

Hunting

Farming

Thank you

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About the 2016 RIA Benchmarking Study from Charles Schwab
Schwab designed this study to capture insights in the RIA industry, based on survey responses from individual firms. The 2016 study provides information on topics such as asset and revenue growth, sources of new clients, products and pricing, staffing, marketing, technology, and financial performance. The study is part of Schwab's Business Consulting Services, a practice management offering for RIAs. Grounded in the best practices of leading independent advisory firms, Business Consulting Services provides insight, guidance, tools, and resources to help registered investment advisors (RIAs) strategically manage and grow their firms.

The 2016 RIA Benchmarking Study from Charles Schwab, fielded January to March, 2016. Study contains self-reported data from 1,128 firms. Schwab did not independently verify or validate the self-reported information. Participant firms represent various sizes and business models categorized into 12 peer groups—7 wealth manager groups and 5 money manager groups, by AUM size. Each participating advisory firm submitted only one set of responses.

The Charles Schwab Generation Now Study for RIAs was conducted for Schwab Advisor Services™ by Egg Strategy, a strategic research firm. The study, which was released in 2014, included 40 participants, men and women ages 30-45 with earned or inherited investable assets of $500,000 (excluding real estate and business holdings), or a house-hold income of at least $150,000. The term Generation Now reflects the immediate opportunity that this incoming cohort of high-net-worth investors may represent for RIAs. All data was self-reported by participants and not validated or verified. Egg Strategy is not affiliated with nor employed by Charles Schwab & Co., Inc. Investors participated in this study between March, 24 2014 and April, 11, 2014.