



Develop a Stronger  
Value Proposition  
with a Financial  
Planning Strategy

# Table of Contents



The Financial Planning Gap.....p. 3

Making a Connection By Better  
Communicating Your Value Proposition.....p. 4

What Clients (and Prospects) Need to Know.....p. 4

How to Develop Your Financial Planning Story.....p. 5



# The Financial Planning Gap



The benefits of providing a financial plan to clients have been well documented over the years: clients who have a financial plan save more money, are more confident in their financial situations, readily believe they will meet their financial goals<sup>1</sup>, show greater loyalty toward their financial advisors, report higher levels of satisfaction, and ultimately, refer more clients to their advisors than those who don't<sup>2</sup>.

And there are compelling benefits for advisory firms, too, including more revenue from adding fee-based services, as well as increased incremental AUM and enhanced advice alpha in areas such as insurance, tax, mortgages, estate planning, charitable giving, and business owner issues.

But there are still a vast majority of clients without financial plans, even though they work with financial advisors.

## WHY?

With significant advances in advisor technology, some of the major roadblocks to planning — namely, tedious manual processes, large volumes of client data, massive time and resource commitments — have been all but eradicated, making financial planning easier, simpler, and more scalable for advisors.

Even with those advances in tech, a disconnect still exists between what clients value, which is a dedicated human being who deeply understands their financial goals and can guide them toward those goals, and what advisors are providing. A recent study found that 70% of advisors that have planning technology **do not** serve plans to their clients\*.

# 70%

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## WHAT'S STOPPING THEM?

The answer may be as simple as a lack of communication.

<sup>1</sup> 2019 | Ab "Schwab Modern Wealth Index Survey out Schwab." <https://www.aboutschwab.com/modernwealth2019>.

<sup>2</sup> "Why Advisors Should Offer Financial Plans - Iris.xyz." 19 Nov. 2019, <https://www.iris.xyz/research/advisors-should-offer-financial-plans>.

# Making a Connection By Better Communicating Your Value Proposition



You understand the financial industry. What you may not understand is how to develop, design, and deliver compelling messages around financial wellness trends, client challenges, and the way your solutions address those needs — particularly when it comes to financial planning.

Financial plans can be beneficial to clients: consider that 78% of planning clients pay bills and save money each month vs. 38% who don't have a plan. Or that 68% of planning clients have an emergency fund vs. 26% of who don't have a plan<sup>3</sup>.

But that's not common knowledge to anyone outside of our industry. Your clients don't know what they don't know. And blissful ignorance neither serves your clients nor you as a fiduciary with responsibilities to deliver the best possible outcomes for them.

It's not enough to just offer financial planning services. You need to promote those offerings, not only to help grow and differentiate your firm, but also to better serve your clients.

## What Clients (and Prospects) Need to Know



The great news is that financial planning genuinely has incredible potential to help investors succeed: it's not a smoke-and-mirrors trend to generate more revenue for your firm. It works. And if you're the one to show them how, that's a major opportunity for establishing trust and improving relationships.

The bad news is that financial planning, on its own, is going to become a redundant message across the industry. With its myriad benefits for both clients and advisors, plus the rapid advancements in technology making it simpler and more scalable, more and more firms are going to adopt financial planning, tell their clients about it, and promote it wherever they can.



<sup>3</sup> "Schwab Modern Wealth Index Survey 2019 | About Schwab." <https://www.aboutschwab.com/modernwealth2019>.

## SO HOW DO YOU STAND OUT?

Think about not only what your clients value, but about what they already know — or don't know. If the vast majority of your clients can't differentiate financial planning from investment management, begin there. Meet them where they are and educate them — starting with the “what” and transitioning to the “why.”

But if you have clients or prospects who are deeply familiar with the financial industry, don't talk down to them. Skip the “what” and get specific about why financial planning is so important and how it can improve their investment outcomes.



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# How to Develop Your Financial Planning Story



## Begin with Goals

KPIs, or Key Performance Indicators, are the bread and butter of marketing and communication campaigns — after all, you can't improve upon a strategy that you can't measure. And to determine your KPIs, you first need to set goals for your financial planning initiative.

Are you looking to enhance your firm's brand? Drive client engagement? Engage more prospects? Increase revenue? Build business value?

To achieve any of these goals requires a thoughtful strategy with precise milestones that you can measure on a regular basis and adjust according to performance.

## Consider Your Target Audience(s)

You've already thought about your clients in terms of their industry knowledge, which will help you decide where to start your story. But effectively communicating your value proposition mandates much deeper insight into your target audiences.

Are there certain client demographics in your practice or prospect pipeline that make sense to target, such as groups with common employers, hobbies, interests, gender, age, or stage in their life cycle? What about other “money



in motion” segments, such as business owners interested in selling their businesses, senior corporate executives about to retire, or real estate owners looking to sell their holdings? Or even “sudden money” people like those experiencing an inheritance or other windfall situation, such as a legal settlement or lottery win?

All of these target audiences will have complex planning needs associated with their financial situations that create the opportunity for you to target them with a specific financial planning message. In fact, advisors with a niche are able to better differentiate themselves, are more profitable, and grow faster because of their ability to appeal directly to segments that have common needs<sup>4</sup>.

For example, there are many success stories of advisors who have learned the intimate details of a local large employers’ benefit plans and retirement saving options so that they are able to customize their planning and investing advice to integrate these specific options. This niche focus of a target market is extremely powerful and leads to referrals from other executives and long-term employees who have amassed sizable qualified wealth from their employment at this one large company.

Aggregating prospects with similar financial planning needs positions the advisor as an expert in that area, and investors invariably seek out professionals who are experienced in dealing with their specific situations. For small, independent firms who simply can’t be all things to all people, carving out a niche audience and targeting their unique needs is a powerful way to build their businesses.

## Create Compelling Content

Once you’ve defined your market, you can identify their pain points — the needs, wants, and challenges that you’ll solve for with your financial planning offering. From those pain points, develop a clear value proposition around how your financial planning services help investors meet their goals, take control of their finances, and establish smart savings habits that position them for long-term success.

There are several key components to creating content that resonates with your target audience.

- **Meet them where they are.** Depending on if you’re targeting current clients or prospects, your audience may not have ever heard of you or your business. So don’t start by selling to them: start with educating them. Teach them what financial planning is — or, in the case of your more financially savvy clients, teach them why they need it.
- **Consider the stages of the “funnel,” or buyer’s journey.** Most likely, your prospects will begin at the top of the funnel — with little to no knowledge of you or your business. The content for those potential clients should be very general. As you nurture them toward the middle of the funnel, you can start making a case for your financial planning services, specifically.

<sup>4</sup> "The 6 Types Of Financial Advisor Niches - Michael Kitces." 8 Jul. 2019, <https://www.kitces.com/blog/6-types-of-niches-for-financial-advisors-to-differentiate-themselves/>. Accessed 19 Nov. 2019.

- **Be disruptive.** Ours is a noisy, crowded industry, and with more and more advisors adding financial planning to their business catalog, it's going to become difficult to differentiate your practice from the advisor down the road. But you can do that through disruptive communication. Don't retell the same story you see in every trade publication; find a new angle to explore.
- **Make it personal.** The human element is a real thing, especially for investors, who are going to be entrusting you with their assets, their goals, and their dreams. Don't be afraid to let a little of you into your content, whether through an anecdotal blog post, a fun social ad, or even a personal letter.

The good news is that by its very nature, financial planning leads to tremendous opportunities for advisors to develop educational content showcasing their expertise in a particular subject area, such as a Roth IRA conversion. This content does not have to be picked up by a consumer publication (although this content can be great for PR), it can simply live on your blog, company website, LinkedIn profile, Facebook page, YouTube channel, Twitter feed, and more.

To continue the example, investors who are pondering a Roth IRA conversion will most likely Google that subject and click on the educational content that shows up. If your blog post or video is specific enough, chances are that a potential prospect will read your post and perhaps look for more of your content or even follow up with you for more information, creating a very powerful lead generation opportunity that didn't cost you any hard dollars other than the time it took to write and post the content.

## Determine Your Budget

Developing a communication strategy can be as expensive — or not — as you want it to be.

You need to think about a budget in direct alignment with what you want to achieve, and how you'll best be able to do that. Is your target audience active on social? Is it worth using paid ads, or do you have enough of a following to rely on organic social posts?

What about actually creating marketing campaigns, writing and designing collateral, and keeping your website modern and relevant? If you don't have the resources in house to do that, you have third-party options, from freelance contractors to dedicated marketing agencies.

Again, no matter what your budget, you'll make the most of it if you do the research up front to determine how and where your prospects look for information.



## Choose Your Distribution Channels

Your budget will largely determine your distribution channels. Luckily, the digital age has made it nearly effortless to extend your reach. From social media to email to simple internet searches to webinars and podcasts, content is everywhere. It's up to you to determine which channels will be most effective for you.

Here are a few best practices:

- **Keep your message consistent.** Your language surrounding financial planning and its benefits shouldn't be all over the place. Create a few distinct value propositions, and use them across your marketing channels. This will help your prospects associate your unique message with your brand.
- **Don't inundate your prospects.** In marketing, less isn't necessarily more — but it is necessary. Prospects, especially those at the top of the funnel, don't want to receive five emails a day from you, or wade through dozens of social posts. Think quality, not quantity, and you'll keep your audience wanting more.
- **Make connections.** As humans, we love a closed loop. For example, start with a high-level social post about retirement planning. Use that social post to promote a blog that offers five tips for getting started saving for retirement, then link to a detailed whitepaper about how to hit retirement savings goals.

And while you're targeting your audience digitally, don't forget about in-person distribution: it could be very beneficial for you or other advisors at your firm to attend industry conferences, charity events, or even social gatherings. Networking will always be a valuable way to make connections and get your name — and your message — in front of your prospects.

## Leverage Marketing Technology

Marketing isn't a nice-to-have, it's an absolute must. So why not figure out how to do it as efficiently as possible?

That's where technology comes in. According to a recent survey, 72% of top performing firms are interested in leveraging digital marketing technology\*. And if they're doing it, you should be too.

Marketing technology can help you build financial planning awareness and literacy through digital campaigns, as well as monitor new leads and drive more effective client conversations. Automated email campaigns, for example, allow you to "set it and forget it" — once the workflow is developed, new emails are deployed depending on whether or not recipients engage with what they've received.



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Using technology empowers you to gain scale and enhance productivity in your marketing efforts. Integrating marketing technology with your CRM will allow you to see in real time the state of your prospect pipeline, providing powerful business intelligence and growth opportunities for your firm.

## Practice Management Benefits



Financial planning by its definition includes financial advice. So the process of going through a financial plan enables advisors to “show their work” and justify their fees. Additionally, by identifying held away assets and consolidating them, advisors can grow their revenue while also providing a new service they can charge incremental fees for.

The planning process also helps advisors enhance their client relationships by engaging clients in meaningful discussions about their goals, hopes, and dreams. These highly personalized conversations go a long way toward developing client loyalty as relationships are strengthened, leading to more and more referrals.

From a technology point of view, financial planning software enables you to scale your digital client experience beyond the typical investment portal offered to clients. Additionally, the latest financial planning technology enables you to monitor new leads and drive more effective conversations as you gain visibility into investors’ prospect-to-client journey, while easily extending those automated planning workflows to clients to drive even more activity.

Ultimately, better marketing for your financial planning services goes a long way to enhancing the client experience, the process and “point of sale” that will differentiate your business from the increasing competition by digital players, the discounters, and the full-service firms.

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