

The importance of a value proposition

What value do you add to the lives of your clients? That's the pointed question that was posed to intermediaries who attended the recent "Navigating the Retrenchment Storm" webinar hosted by Glacier.

In these uncertain times, and in the context of rising numbers of retrenchments, what do you have to offer as an intermediary that stands out for your clients? What are your clients' reasons for choosing to work with you?

Rainier van der Nest, business development manager at Glacier by Sanlam, unpacks the top 10 reasons why it is has become really important to have a good value proposition as a financial intermediary:

1. It's a necessity. The current economic climate and consequent retrenchment processes have forced intermediaries to define their strengths, hone their skills and build a strong, easily understood value proposition.
2. You add value. Historically and statistically, clients who have a financial intermediary end up with more suitable investment solutions; updated wills; they possibly pay less tax; and they have more retirement savings from which to draw an income at retirement.
3. The industry has changed. What have you done to change with it? What is your pull factor? What is your unique selling proposition (USP)? What sets you apart from others in this industry?
4. Lower fees are meaningless. As any retiree who is fast running out of an income will attest to, your gamma effect (the additional expected retirement income achieved by you as a result of your intelligent financial planning decisions^[1]) is more important than the slightly cheaper fees that you may have charged.
5. Your qualifications are important, but don't define you as an intermediary. You may have the same qualifications as many other intermediaries, but every person is different with different strengths that appeal to clients. What are your strengths and how will you play to them?
6. Clients want to deal with a human being. Clients look to you for empathy and for understanding. Do you know who they are? Do you empathise with them? Do you know what makes them tick?
7. It's no longer about implementing a case. Retiring someone is as easy as sending an

instruction to your client's HR department. The more important issue is maintaining your client and designing a plan that caters for an income they can afford throughout their retirement.

8. Clients often require turnkey solutions. Wills, life cover, disability cover, income replacement – these are just some of the services and solutions that you may need to offer in addition to the investment solutions that you package.
9. You need to stay in touch. The days of never touching base with your clients again after you have sold them a product, are long gone. As an intermediary, it's useful to have a head for numbers, but in this new world, you need to be a pretty talented communicator as well. Your communication strategy in your practice needs to include how, when and what you will communicate to your clients and in what format.
10. You need to be on top of your game. Product knowledge, digital savvy, tax laws, query responsiveness, service excellence – the list is exhaustive of the subject matter that you need to be an expert in.

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[1] <https://www.morningstar.com/content/dam/marketing/shared/research/foundational/677796-AlphaBetaGamma.pdf>

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