8 Steps to Increasing Credibility and Professionalism at Your Firm

The investment industry is competitive and changing quickly, but investor trust remains a foundational element for success. The good news is that there are ways to increase trust. In turn, these actions will create a more professional industry, one that is worthy of greater trust from current and future investors—and has the capacity to build greater wealth and well-being as a result.

**CREDIBILITY**

1. Maintain strong brand identity and follow through on brand promises

   Brand is becoming a more important method of establishing credibility, and is increasingly becoming a proxy for trust.

   THE IMPORTANCE OF BRAND TO INVESTORS
   
   IN 2016: 33%
   
   IN 2018: 46%

2. Employ professionals with credentials from respected industry organizations

   INVESTORS THAT BELIEVE IT IS IMPORTANT FOR INVESTMENT PROFESSIONALS TO HAVE CREDENTIALS
   
   RETAIL 73%
   INSTITUTIONAL 78%

3. Stay focused on building a long-term track record to demonstrate competence and deliver value for money

   74% RETAIL INVESTORS feel strongly that fees should reflect the value they get from their relationship with their investment adviser, but only 41% are currently satisfied.

   73% INSTITUTIONAL INVESTORS indicate that it is important that firms set fee arrangements so everyone's financial interests are aligned, and 69% report being satisfied in this regard.

4. Adopt a code of conduct to reinforce your firm’s commitment to ethics

   TRUST OF A POTENTIAL INVESTMENT ADVISER OR FIRM IN COMMITMENT TO ETHICAL CONDUCT
   
   70% of global institutional investors say an investment firm that adheres to a voluntary code of conduct for the industry would increase trust.
Investors worldwide indicate that having fees and other costs fully disclosed to them is important in their relationships with investment professionals.

Investors worldwide agreed they would trust their adviser more if the investment staff performed continuing professional development.

Given the importance that investors place on aligning interests, it is concerning that approximately one-third of retail investors and one-fourth of institutional investors think their investment adviser or firm consistently puts their interests first.

About the Survey
The Next Generation of Trust data collection was conducted by research firm Greenwich Associates and consisted of a 15-minute, online survey conducted in November and December 2017. Learn more about the survey and read the full report at nextgentrust.cfainstitute.org.

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