Protect your legacy?
Break new ground?

Today's plans for your family office can mean the difference between surviving and thriving in the future.
In a low-interest-rate environment, it is difficult to preserve and grow family wealth over generations. While 62% of family business owners have not chosen a successor, choosing a discrete successor is less important than general transitions and fractures in family cohesion that threaten sustainability and continuity. The tax and regulatory environment varies throughout the world and is constantly shifting.

Consider the evolution of family offices

A family office can take many forms. As family wealth increases and business needs get more complex, the family office may evolve from a simple founder’s office into a complex, full-service company. And the office could revert over time.

Our approach

Each family office is positioned at the center of the owners, families, and the businesses and investments they own. Family office leaders support the family’s vision and legacy, leadership, ownership and wealth transition priorities with a focus on protection, improvement and growth. Our job is to support the legacy of your family office through our proprietary family office metrics tools for leading practices, risk, technology, strategy and design. What does legacy look like to you?

• Assess current systems and needs of the family office related to data accumulation and reporting
• Search, assist and select business technology for the family office
• General ledger, investment reporting, data aggregation and data integration
• Architecture, market scan and short list of recommendations
• Request-for-proposal process for vendor selection
• Advise and assist with implementation efforts

Compare leading practices in the following areas:
• Operating strategy and processes
• Organization and management structure
• Alignment of talent and other resources
• Functional processes and controls
• Family governance
• Risk management

• Assist the family office with the development of a long-term strategic plan
• Conduct family succession planning, touching on four dimensions: leadership, ownership, legacy, and the transition of value and wealth
• Coordinate with your wealth transfer advisors
• Advise on family office governance and setup (e.g., family council or committees)

1 Private trust companies help a family govern, manage and administer the trusts of the family.

Family offices face challenges that distinguish them from other entities – challenges that, if not addressed, can reduce wealth, jeopardize family unity or derail the family’s legacy. Here are a few of the common challenges:

• In a low-interest-rate environment, it is difficult to preserve and grow family wealth over generations. Professional management is needed.
• The tax and regulatory environment varies throughout the world and is constantly shifting.
• Cyber attacks, phishing schemes and other personal attacks can create financial losses or jeopardize secrecy and privacy.
• General transitions and fractures in family cohesion threaten sustainability and continuity.
• While 62% of family business owners have not chosen a successor, choosing a discrete successor is less important than having a succession plan.

Whether you are creating a new family office, separating the family office from the family business, or shepherding an existing office, it is important to ask how you are helping your family secure its financial future and legacy for the next and future generations.

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It’s a journey ... where are you?

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• Functional processes and controls
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• Assess levels of risk in the family office, while comparing with leading practices of global family offices
• Provide recommendations to improve efficiency and effectiveness, proper controls, and support the family’s growth toward a leading organization

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Founder’s office

This often consists of an assistant or a few staff members who pay bills, make travel plans and handle the financial needs of the founder.

Embedded family office

A shareholder services group, it may handle the family’s personal financial affairs as well as corporate duties.

Compliance or tax office

A CPA-led office, it oversees investments and takes care of record-keeping, insurance and tax returns.

Investment management office

In addition to accounting services, it manages private equity investments, hedge funds and more, and may seek to manage money for outside families as well.

Full-service office or private trust company

For the most complex scenarios, this is a full-service office that manages all aspects of service: family education, tax, investment, governance and accounting, usually across multiple generations.

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Leading practice review

Vision and strategy

Family office

Owners

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Improve

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To find out how EY Family Office Advisory Services can support you, please contact one of our professionals:

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