

Designing Your Infrastructure

Identify, prioritize, build and network your way
to a family office practice

1st Annual *Creating a Multi-family Office* Conference

Hotel Sofitel

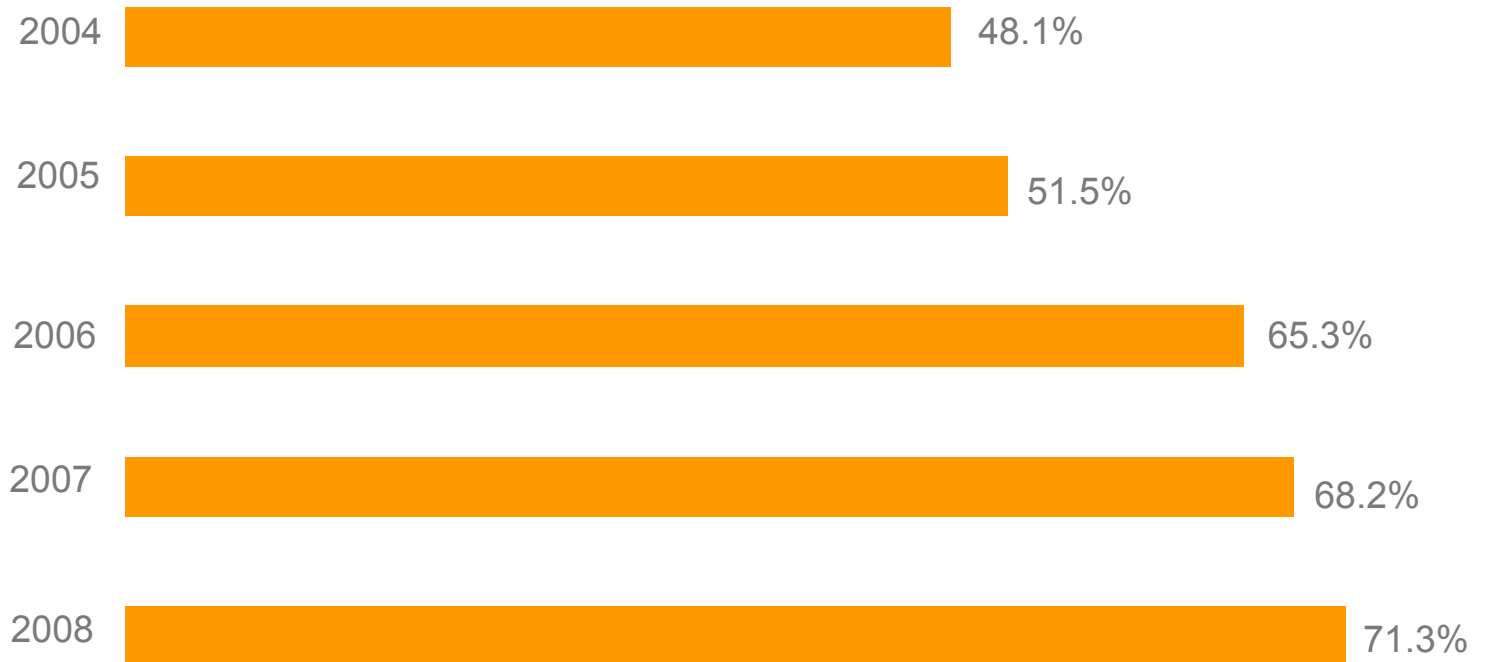
May 23-24, 2012

HSGROVE

ON PRIVATE WEALTH

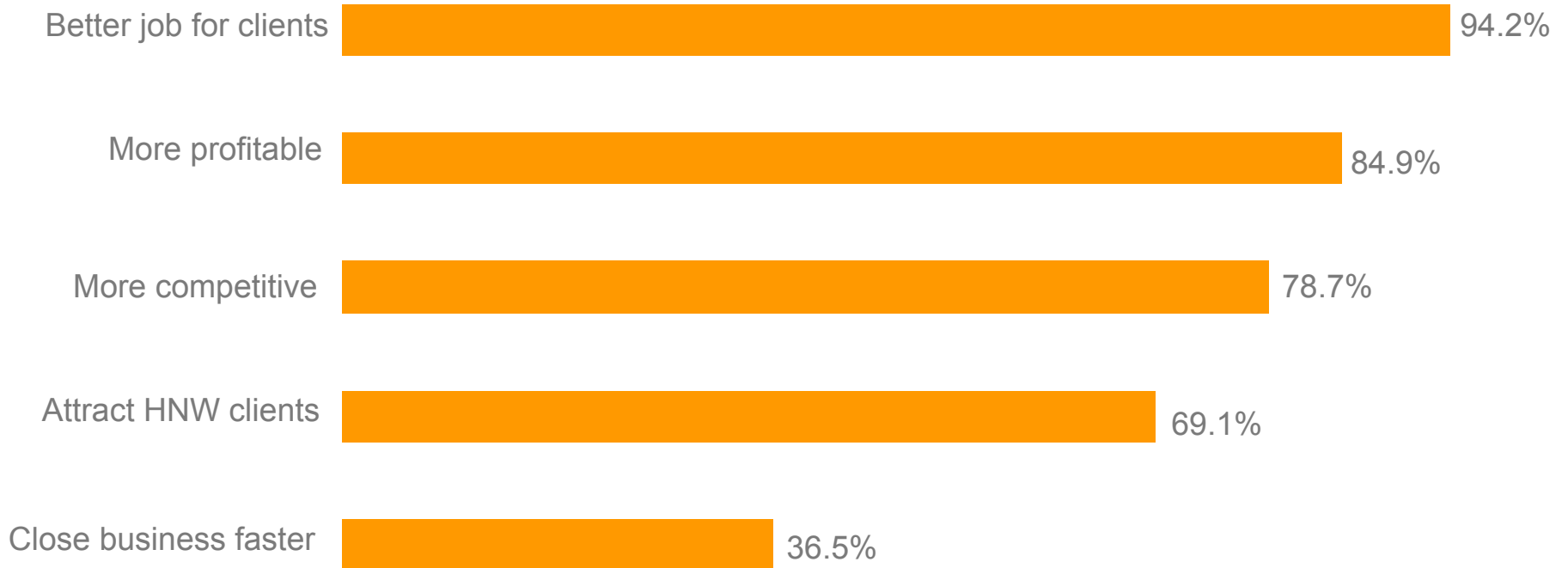
Planning to Reposition

Increased interest among advisory firms in the MFO model



Motivations for Change

A more robust and profitable model has broad appeal



What is the ownership structure?

Is there a precipitating situation?

What is the relationship between the company and the family office?

What kind of legacy do you want to leave your children?

Is there an operating company?

Are your children fiscally aware? responsible?

Is your estate planning up-to-date?

Is everyone in agreement?

What range of products and services are needed?

Does your family have a mission statement?

Are you happy with your investment program?

What are your longer-term concerns?

What are your goals?

How many family members will be involved?

What level of assets need oversight and how are they structured?

How much responsibility and control is ideal?

Do you meet regularly as a family?

Are you willing to pay for high-quality staff?

How close are the financial needs across family members and units?

What are your immediate concerns?

What would you do differently than your parent's generation?

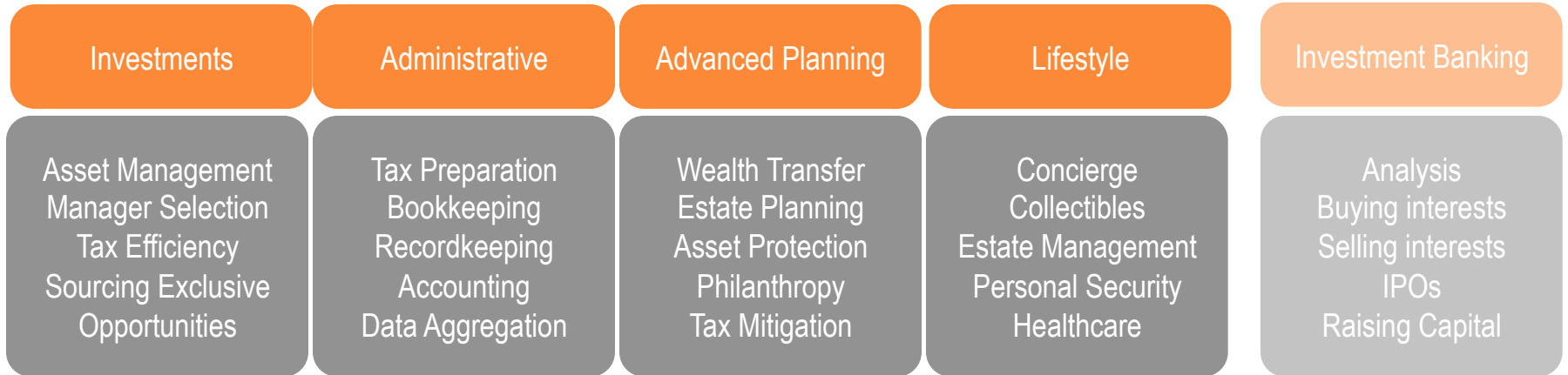
In the beginning...

A clear sense of goals and current status is a good start

- Why do you want to create an MFO?
- What are your goals?
- What type of MFO do you want to have?
- Which clients can be part of your transition?
- Which can't and how will you deal with them?
- What range of products and services do you need to offer?
- Which of them will you have trouble sourcing?
- Who is the ideal client family?
- How will you get new clients?
- Do you have referral relationships?
- What do you like about your business today? What don't you like?
- How can you accommodate those preferences in a new business model?
- How will you bring value to multi-generational families?
- What will you do differently?
- How long will it take you to transition your business? Can you weather the gap financially? Psychologically?
- Which professional partners will be part of your new business?
- What professionals do you need to create alliances with?
- Will your clients and partners accept you as an MFO? What needs to be done to build your reputation?
- How much of an investment are you willing to make?
- What are your immediate concerns? Longer-term concerns?
- Do you have a succession plan?

The Basic Platform

Investments are ubiquitous, everything else is tailored



Appeal of the Multi-family Office

Qualities that are synonymous with wealth management



Points of Intersection

Professional, personal and cultural fits must be established



Food for Thought

Hard decisions are easier to make on the front-end



Know your motivations and goals, understand your business decisions and trade-offs



Use clients as a guide for expanding your platform and network, as appropriate



If 'high-touch, high-customization' isn't your mantra... stop now!



Set standards for your key business partnerships and don't compromise



Attracting the right clients and partners will require unique value and thought leadership