

Wealth Reflections

Insights on building, preserving and passing wealth
Gwen K. Harvey, B. COMM., CFP, CLU, CH.F.C., TEP

The Family Office

By Gwen K. Harvey, B. Comm., CFP, CLU, TEP

How best to manage all as wealth grows and as we age? How to ensure clarity and wise decision making as complexity sets in and we face questions around optimizing, managing, preserving, sharing and distributing? In the search for help, we see wealth-holders frequently forming relationships and structures to address their needs for pro-active, consistent and thoughtful assistance. With time, the Family Office is born. The Family Office seems to appear in the following forms:

"My Right Hand" - is a version where a trusted advisor, most frequently the family's accountant, an experienced planning professional, or a business owner's financial officer, takes on a more advanced role than keeping investment records and filing tax returns. This key person pulls together all the pieces of planning and helps to instigate planning and integration of ideas with the wealth-holder.

"My Team" - is a version where the "Right Hand" is actively working with additional hired administrative staff in order to accomplish a growing list of responsibilities.

Multi Family Office - is a business model where a wealth-holder and their family become the client of a set of professionals and staff who have built a business to serve a number of families (can range from 2 to 100+ families).

Single Family Office - is the model of choice for wealth-holders with great complexity and large holdings (eg. five hundred million) and who are looking for the service, control and confidentiality of a dedicated, specialized professional and administrative staff.

The services offered by the various Family Office platforms vary widely and depend on the skill sets of those working within the Family Office. While knowledge of tax, investing, and estate planning issues

are regularly dealt with, it is the creative handling of philanthropy, risk management, wealth stewardship and next generation planning that can differentiate one offering from the next.

Typically, one would look for knowledge and service for the following areas:

- Tax Planning
- Investment Planning
- Wills & Estate Planning
- Insurance & Risk Management
- Strategic Philanthropy
- Integrated Financial/Wealth Planning
- Cash Flow Management
- Next Generation Counselling/ Wealth Stewardship

When wealth has been self made, the rugged individuals who have built this wealth are frequently happy to self run their growing resources for an extended period of time. But as complexity grows and as stewarding this wealth into the next generation becomes an issue, piloting all from a seat where all data points are continuously gathered, examined and thoughtfully measured against competing future goals becomes attractive. The infrastructure and support of a Family Office beckons.

With a Family Office an understanding develops that by looking back sometimes we can see the road ahead more clearly. By taking stock of what is and what has been we are better served as we choose what is next. And by developing & having a Master Plan in place with a process to run it, there is a clarity and confidence that surfaces and allows a compounding level of wise decision making ahead.

If you have any questions about this, please give us a call.

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