



**THE ROLE OF FAMILY OFFICES IN SHAPING THE FUTURE OF FAMILY
BUSINESSES AND BUSINESS FAMILIES**



**FAMILY BUSINESS
ASSOCIATION**

NATIONAL GOLD PARTNER

Who is EWM Group?

- Entrepreneurial **W**ealth **M**anagement
- 1st **Independent** Multi Family Office in Australia
- Clients nationally and internationally
- Expertise to work with a select group of successful entrepreneurs, multi-generational families and families in business
- “Sitting on our client's side of the table”, working in unison with their existing advisory team – complimenting with access to global best of breed services and providers
- Focus is to assist families in protecting wealth and legacy for current and future generations
- National Gold Sponsor with Family Business Association across Australia and New Zealand
- Member of the EWM Group Network

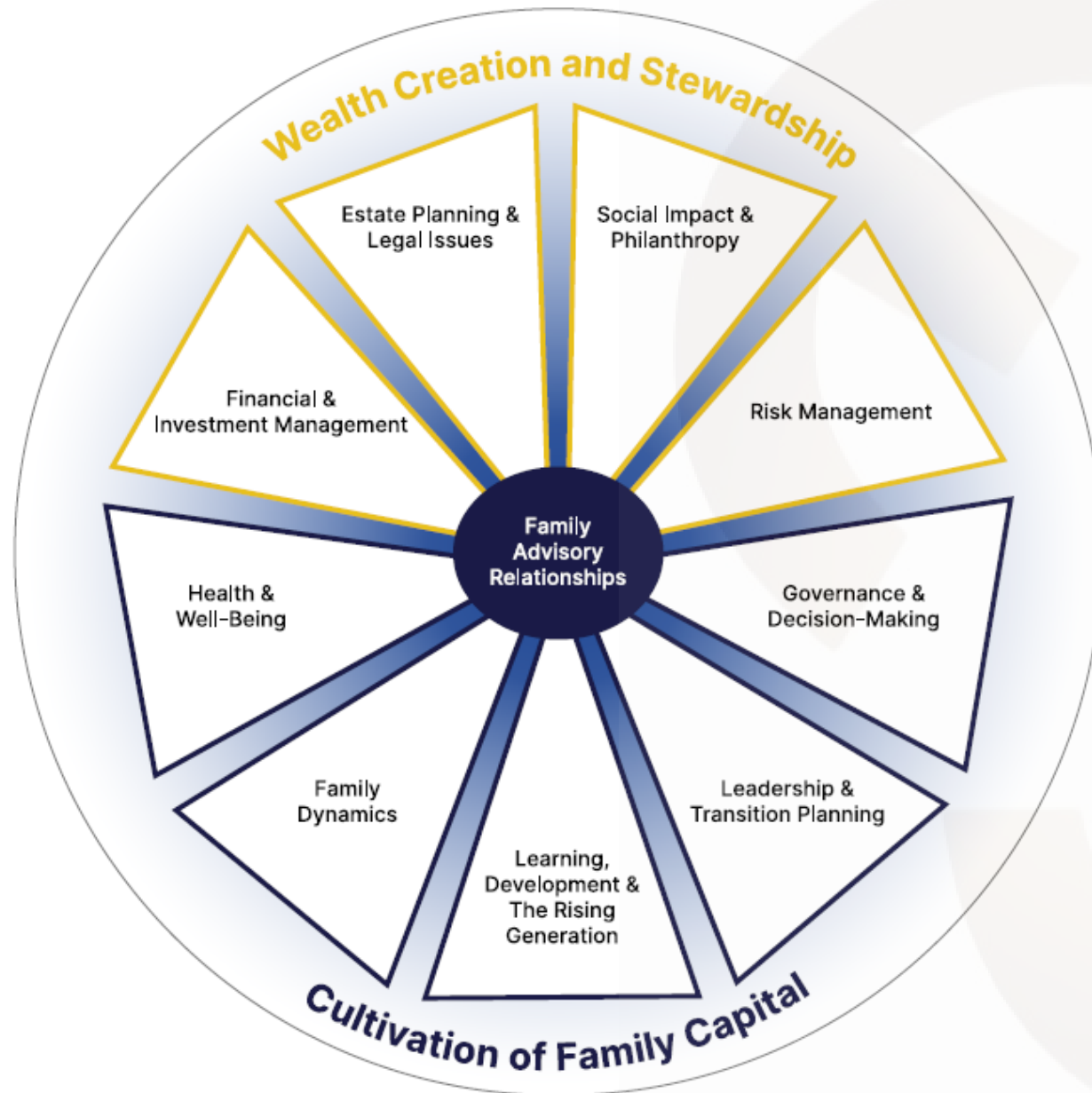
20^{Years} | EWM GROUP

“With over 30 years of experience and supporting entrepreneurs from Business, Entertainment, Sport, Media and Technology, we understand the balance and challenges that wealth and profile brings for individuals, families in business and family business”

Brisbane – Sydney – Adelaide – Melbourne – Perth



“If you have seen one family office, then you have seen one family office”.



What is a Family Office?

- Role of a Family Office?
- When should I set one up?
- How should I set one up?
- What does it cost?
- What roles do / should I outsource?

Types of Family Office

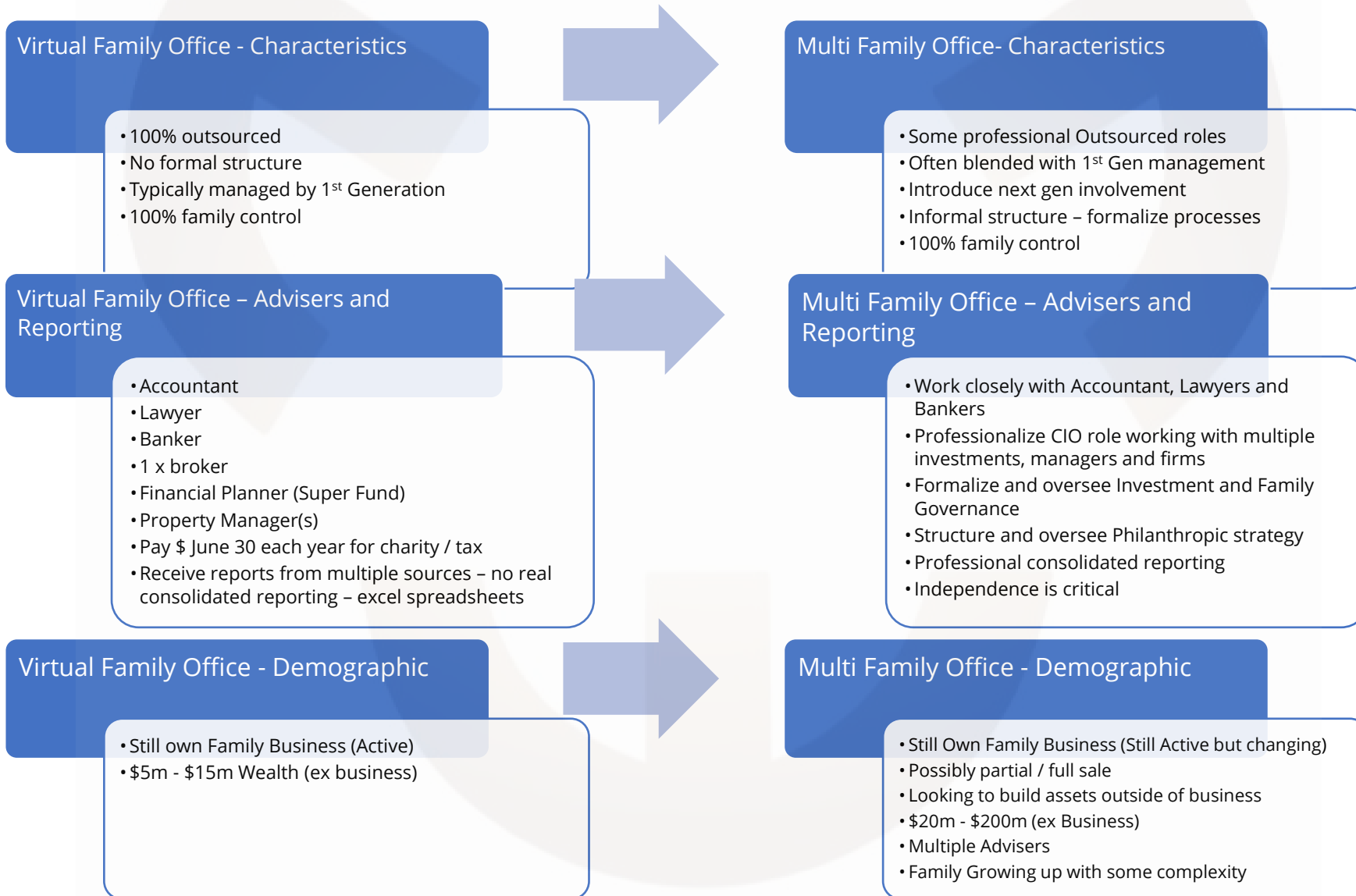
Virtual Family
Office

Multi Family
Office

Hybrid
Family Office

Single Family
Office

Virtual Family Office / Multi Family Office



Hybrid Family Office / Single Family Office

Hybrid Family Office - Characteristics

- Blend between using a MFO and small # of family office employee(s)
- Formalised structure begins to professionalize family office
- Who? Family member(s), former employee, accountant, banker
- Managed and controlled by Family

Hybrid Family Office – Advisers

- Similar to MFO criteria
- MFO has clear roles which may include:
 - Independent CIO / Governance
 - Family Governance expertise
 - Philanthropic expertise
 - Reporting
- Employee has clear roles which may include
 - Bookkeeping/Bill Payment
 - Family Office CFO
 - GM duties

Hybrid Family Office - Demographics

- May or may not still own business
- If owned – likely move to Chair/MD/Strategic role and other in Executive capacity
- \$200m - \$1bln+

Single Family Office - Characteristics

- No Compromise solution
- Most expensive and formal structure
- Large majority of roles in house as employees
- Often engage with MFO for some complimentary services
- Managed and controlled by family

Single Family Office Advisers/Reporting

- Still have external accounts, lawyers and bankers.
- External Family Governance expertise
- Operate as a standalone business with same principles, KPI's and expectations
- Board structure and management team
- Significant investment in IT, systems and people
- Deal with multiple investment firms and providers
- Greater exposure and investments in highly active investments including PE and property

Single Family Office - Demographics

- In the main, family business sold or listed
- Family lead Chair and board positions.
- Next gen members in various roles (executive or non-executive)
- Starting point is now \$750m of assets

Keys to Success + Traps

- Same business principles that made you a success apply
- Play to your strengths and experience – surround yourself with good people – with experience to complete roles
- Independence
 - Investment
 - Family Governance
- Family Harmony / Unity / Clear Communicated Succession strategy
 - *“They will sort it out when I’m dead”, does not work*
 - “Mum and Dad’s Plan is not the family plan”
 - “Shirtsleeves to Shirtsleeves” – 4 areas where 95% of transfers fail/succeed

Keys to Success + Traps

- Education
 - All Generations
- Governance
 - Family - Family Charter
 - Investment - Investment Strategy and Policy
 - Family Roles – watch for “jobs for the boys”
- Transparency + Clarity
 - 60% of wealth transfers fail due to Trust or Communication Issues
 - Easily resolved if done well and independent facilitated process
- Consolidated / Comprehensive Reporting
 - Clarity- Avoids Family Conflict of specific asset
 - Accountability for family, advisers and managers
 - Improves decision making ability

Thank You

Questions

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A MEMBER OF THE



EWM Group NETWORK