Today's plans for your family office can mean the difference between surviving and thriving in the future.

What's your legacy?
Family office staff may be compared to a rubber ball, bouncing between tactical needs and requests of the various family members they support. We find that most families are very diligent about strategic planning for their business, but family offices often find it difficult to step back from the daily demands to take time for longer-term planning.

For a family to achieve its desired legacy, it must be intentional about strategic planning. The greater the complexity and size of the family, the more important such planning becomes.

Where do you start?
- **Strategic plans.** Create a 5- to 10-year strategic plan to align the family office executives and team members across departments to meet key changes in business or technology and prepare for long-term business changes, investment opportunities or development projects.
- **Business plans.** One- to 5-year plans will support your strategic plan that describes key initiatives to meet the family’s short-term objectives as well as meet the goals of your 10-year strategic plan.

Family office strategic and business planning

Plan for the next year
- **Annual business plan.**

Multiyear plan to accomplish milestones toward the family vision
- **5- to 10-year strategic plan.**

Vision of family legacy for 100 years
- **Family governance.**

In a crisis (such as the COVID-19 pandemic), it is more important than ever that families have a long-term outlook on the businesses and investments they own. The strategic plan should be looking at "stress testing" assumptions on asset growth and income against the projected number of future family members and their consumption.
Our approach—family office strategic planning

The greater the complexity and size of the family and investments, the more important strategic planning becomes to effectively manage competing priorities of the business and needs of the family, and to ensure their goals and objectives are aligned to preserve your legacy and enable growth and long-term success for your family enterprise. Our Family Office Advisory Services team can support you by focusing on strategic priorities through the family's lens and the family office perspective.

Strategic alignment
Align family and business strategic focus on eight interdependent key areas of the DNA of a family office

People and oversight
Identify roles and responsibilities and governance framework

Support family office strategic planning

Process improvement
Assess and enhance processes to achieve efficiencies and quality improvement across operations

Technology architecture
Protect family privacy and support timely strategic planning and decision-making while mitigating risks

Our approach—family office design

We have examined global family offices to understand what makes them successful in the long term. Our professionals take a holistic view of the family, strategic, operational, regulatory and tax aspects in order to support the family members’ move toward their long-term legacy.

Why set up a family office?
1. Your family and business are growing, and your business staff is distracted by supporting family needs.
2. You have a liquidity event, such as selling the business.

There are many reasons setting up a family office might make sense. Below are the advantages and concerns most frequently identified:

Advantages
- Maintain family cohesion
- Enhance privacy and control over assets
- Manage family risks
- Support family entities and investments
- Service family houses and other holdings

Concerns
- Cost of family office setup and operations
- Complexity of market, legal and tax infrastructures
- Difficulties in identifying and managing staff
- Obtaining leading advice across a wide range of topics
Family office – design process
Iterative analysis and modeling to design and test the need for a family office, the type of family office and the operating model for the family office:

1. Assess
   - Establish the purpose and long-term goals and objectives
   - Understand the family’s core assets, current needs and future plans
   - Consider initial thoughts on scope of services
   - Understand how each family member wants to participate in services

2. Design
   - Assemble a working team of advisors
   - Develop a detailed business plan
   - For each service, define whether to conduct it in-house, outsource or combination
   - Review resources, technology, people and facilities
   - Estimate operating costs and capital requirements
   - Consider potential sources of capital funding
   - Evaluate legal structures; consider legal and tax impacts for the office and participating members

3. Build
   - Refine operational models and family roles
   - Write job descriptions and recruit candidates
   - Select technology platforms and evaluate data security
   - Initiate contracts for outsourced services
   - Identify, contract and build out space
   - Chart processes, workflows and benchmarks
   - Develop framework for governance

4. Test/implement
   - Test systems and processes and implement
   - Review business continuity needs and develop emergency plans
   - Consider disaster risks (cyber attack, theft, personal security, etc.)
   - Fine-tune hardware and software
   - Assess initial governance and determine whether additional efforts are needed
   - Create policy and procedure manuals
   - Perform final review of processes

5. Operate
   - Begin family office operations
   - Refine budget models to manage capital constraints and surprises
   - Develop formal periodic review process for people, processes, risks, vendors and technology
   - Measure results against benchmarks
   - Review networking opportunities for peer-to-peer education and leading practices

Family office design enablement – EY wavespace™
An EY wavespace family office design workshop enables the design of your office with three core benefits:

1. Project acceleration
   - Accelerated approach, including prioritization, process design, implementation planning and preparation, and organizational alignment

2. Exploration and codevelopment
   - Client codevelopment and collaborative approach using technology, graphic innovation and hands-on activities

3. Speed to decision
   - Clarity of scope, project acceleration, road map development and action plans

What services will we perform?
Now/next/beyond

How will we be served?
People and oversight

Support family legacy, family office design

How will we operate?
Insource/outsource/both

How will we be structured?
Operation and tax/legal
Please visit [ey.com/familyoffice](http://ey.com/familyoffice) for our latest insights on how to get started with the strategy and design of your family office.

To learn more about how Family Office Advisory Services can support you, visit [ey.com/familyoffice](http://ey.com/familyoffice) or contact one of these Ernst & Young LLP professionals:

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