

# How do you shift from managing others' assets to preserving your own?

Family office design for alternative  
managers

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## From investor focus to family focus

You've built an enterprise investing and managing assets for others, but increased regulation, investor demands, performance headwinds and operational costs continue to challenge your current operating model. It's time to use your experience to build something bigger for yourself and your family as a private investor.

A family office provides the structure necessary to grow and preserve your wealth. It gives you the freedom to embark on other goals, such as new business ventures and philanthropic efforts. Your CFO already may be functioning as a family office leader, balancing the business and your personal interests.

As wealth continues to grow around the world, family offices will play a bigger role in the years to come. Moving away from managing customer assets to focusing on your own private capital is a journey. A few questions can help you get started and increase your chances for a smooth transition.

## Have you considered?

Structure	Talent	Operations	Yes	No	I don't know
Fund structure: how do I rationalize and consolidate my current structure to enhance my proprietary investment model?	Roles and responsibilities: what key positions do I need to fill first (e.g., CFO, CTO), and does my current fund team have the skills I need?	Investment strategy: what are my investment goals, and how will I manage my strategy?			
Vendor relationships: what will the impact be on my relationships with prime brokers, custodians, administrators, attorneys and accountants?	Talent retention: how will I attract and retain the best talent?	Core operating model: how will the family office conduct business and deliver value? What are the critical financial controls and technology systems? What should my governance model look like?			
Regulation: should I de-register with the U.S. Securities and Exchange Commission? What other regulatory considerations should I identify?	Compensation/incentives: what are the benchmarks for compensation, including bonus and incentive programs? How does this model differ from a traditional asset manager compensation model?	General and administrative needs: what will be the up-front investment for operations, and what is the most tax-efficient way to pay for it?			

These questions may lead to others, but you don't have to work through them alone. EY professionals can support you throughout the process, from closing your fund to designing the right family office structure for your new vision.

## A multiphased approach

Our teams can guide you through each step necessary to transition your current alternative investment operation, offering tax-efficient strategies for a seamless process.

Prepare	Execute	Dissolve
What are your options for returning capital, i.e., cash or in-kind?	How will you manage key service provider relationships?	Will you need to liquidate assets?
What's your timeline?	How will your asset classes affect the transition, including liquidation?	Do you have the necessary cash reserves?
What notifications do your investment management and partner agreements require?	How will you settle contractual obligations with counterparties?	What are the regulatory and jurisdictional requirements?

Private investing is a new world, but it doesn't mean abandoning every aspect of the old. We've worked with hundreds of family offices, family office executives and family business owners. And we can work with you to assess what part of your operations to keep and develop, while identifying what new measures are necessary to move forward.

## People, process and technology: the family office

Taking a holistic view of the family, we help you shape the policies, procedures and business plans to create your family office. It starts with people, process and technology:

- **People** – recommend staffing and roles, cost allocation methodologies, and policies and procedures
- **Process** – change the focus from a fund to a personal services organization with the management and legal structure essential to protect the family and your assets
- **Technology** – search for and select the right platform for your family office, including systems that interface to eliminate redundancies

EY professionals understand what makes family offices successful in the long term. We provide the tools and methodologies for effective design, innovation and implementation. Ours is a dedicated team whose purpose it is to help you shape this next chapter.

With those elements in place, we can assist you with a five-part implementation plan:

- 1 Scope and purpose
- 2 Structure and design
- 3 Source and build
- 4 Test and implement
- 5 Launch and monitor

# Contact us

For more information on our services, please contact the Ernst & Young LLP team:

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