What is a Family Office and how can it serve you?

Generally considered to be the exclusive domain of the ultra wealthy, the Family Office provides integrated services to support the Family Vision. Now specialized teams using new technology and efficient processes bring these services economically within the reach of the average family business owner. Every business owner can benefit from having a dedicated group of advisors look at their business and family financial affairs in a holistic way from a variety of professional perspectives.

A **Family Office** is a formal organization dedicated to the support and administration of financial, tax, legal and philanthropic intent of all of the family members. As the primary point of access for all of the services, it acts as guardian or gate keeper of the family's wealth and exists to serve the family members in the exercise of their dreams and objectives. Historically these offices have evolved from the accounting, legal and administrative services provided to the owners of the business by their trusted staff that work within the company. However, as owners retire and as wealth passes to subsequent generations who are not involved in the family business, the collective interests of the family are served by a team separate from the business.

Primary services of the Family Office:

- Defining a family vision statement that reflects the needs of each family member
- Understanding the needs of each family member
- Providing objective financial, tax and legal advice
- Developing creative solutions to financial problems
- Developing risk management and investment policies to meet the family goals
- Negotiating relationship/preferential pricing for specialized services
- Providing administrative processes and reporting on family assets and investments
- Acting as a learning and resource centre for family members
- Investment manager selection & monitoring
- A family environment for conflict resolution
- Ensuring accountability of all service providers

For the vast majority of business owners, many of these services are provided by different advisers. Accordingly, some of the most important elements, such the family vision statement - which reflects the needs of each family member, are frequently overlooked.
Establishing and maintaining a dedicated Family Office with a suitably qualified and experienced professional team can be an expensive undertaking. As a result some Family Offices provide their services to a number of other families, sharing the costs and benefits. Such "**Multi Family Offices**" still focus their services on families whose assets are greater than $20 million. Some major private banking institutions, recognizing the need for these services, have developed financial planning and investment management programs to provide for clients with a net worth in excess of $10 million, but again their focus is targeted primarily at investment management services and few, if any, address the family dynamics associated with business and other non investment assets. Consequently, there is a void for real family office services to meet the needs of the majority of family business owners in Canada.

With this in mind the Investaflex Financial Group has developed a virtual office capability called the FAN Family Office. These services have grown out of the **Financial Advisor Network [FAN] Program™** which started in 2001 providing professional development, client education, a resource center, and advanced planning support to professional accountants in public practice and selected independent financial planning groups. Highly regarded, the program boasts a recognized faculty of specialists in aspects of taxation, business valuation, trust and estate planning, leadership development and change management, and insurance and investment structuring. It has been attended by over 350 designated accountants since its introduction with more than 60 of these accessing the resource center and advanced planning support capabilities to help meet their clients' needs.

The **FAN Family Office™** (FFO) uses an intranet technology to create a dedicated virtual environment in which all of a client's advisors may participate at any time. This collaborative environment is supported by the **Structure Diagram Methodology™** which creates a common communication language free from technical jargon which can be visually understood by the client and all of the advisors. Advisors who are selected by the client will be given access to the FFO area, and will be notified by e-mail any time information or correspondence is added to the area. This will ensure that the client sees the effective communication between their advisors, and the advisors will be able to closely monitor the advice given by other advisors as it affects their primary role to the client. This should ensure that insurance and investment programs do not compromise tax structuring or estate planning and are structured to optimize outcomes according to client objectives. It will also create an environment for educating younger family members about business and investment matters, mentoring them for their responsibilities when financial or business succession ultimately takes place. Specific training or development programs may be accessed through the FAN Learning Library, or through access to specific programs from the FAN Faculty and Resource group. What separates this program from others is that it is specifically designed to work with your most trusted advisors and create outcomes specific to your family vision and purpose.

Bringing you closer to what's important!

The FFO also provides access to advanced voice-over IP technology to allow any family member or advisor to participate in a virtual conference (provided they have an Internet connection, a microphone and speakers). Meetings hosted in this environment may be recorded and stored in the Family Office area, permitting those family members and/or advisors who were unable to attend the meeting to access the content at a later or more convenient time. The combination of these two tools creates a new level of efficiency for information sharing, collaboration and communication. The advantages of the FFO will be evident not only to the average business owner who does not have access to these services today, but the larger and more complex business families who also look for cost efficiency and to look for more effective ways to protect and transfer the values and wealth they have developed to their heirs and beneficiaries.

The founding principles for this program are the fundamental beliefs that people and relationships are more important than assets and toys, and that the most valuable resource we all share is time. Invest your time wisely, and explore how the FAN Family Office can assist you, your family and your advisors to work together to achieve your family vision and purpose.