

Keep the family fortune under one virtual roof

Now your financial advisers, brokers and accountants can all work together, wherever they are



MICHAEL KANE
VANCOUVER SUN
SMART MONEY

How do you keep track of money matters when they involve your business, family and a raft of different professional advisers? Take a page from the Rockefellers' book and open your own family office, suggests Vancouver financial adviser Malcolm Ross.

Few of us can afford to have our own lawyers, accountants, bankers, insurance specialists, consultants, trust officers and financial planners, all working full-time on our affairs under the same roof. That's how the great family fortunes are preserved and passed from one generation to the next.

But people of more modest means may be able to achieve similar results by signing up for a virtual family office that keeps every family member, adviser and key business partner on the same page electronically, no matter where they live.

The cyberspace approach saves time and money when it comes to complexities such as estate and business succession planning, or the ongoing management of family trusts. It also keeps the experts



STEVE BOSCH/VANCOUVER SUN

Victor Whang (left) with colleagues Malcolm Ross (centre) and Ben Lane discuss application of the 'virtual family office' which is designed to help investors work with their financial professionals more effectively and efficiently.

accountable while avoiding confusion and potential conflicts by keeping everyone else in the loop.

As a bonus, it is more likely to engage younger family members who would sooner eat prunes for a week than spend an hour in the company of a lawyer or trust officer.

Ross, of Investaflex Financial Group, and Vancouver's Nortia Technologies, have created what they believe to be the first truly client-centred collaborative environment offered in Canada, and probably in North America.

They say a personalized online FAN Family Office — FAN is an acronym for Vancouver's Financial Advisor Network — keeps control in your hands while helping you to integrate more effectively advice you get from various sources to administer the financial, legal and philan-

thropic objectives of all family members.

Ross says the traditional approach of separate one-on-one meetings is slow and can lead to communication breakdowns or "analysis paralysis" with each adviser promoting his or her own pet strategy at the risk of confusing the client.

"Most frequently the client isn't getting an optimal solution because they are not leveraging off the relative strength and experience of each of the disciplines."

The online office reduces expensive duplication of advice and improves communication by ensuring that each adviser has the most up-to-date documentation, said John Nagy, a Richmond accountant and former president of Canada's certified general accountants.

Recently it allowed Nagy to act on behalf of a client while

vacationing in the U.S., avoiding what could have been a costly delay. All the information he needed was available electronically.

Ross says family access to the online office helps those who are going to be affected by an estate or succession plan to understand their roles and have input as to what those roles are going to be.

The technology allows all concerned to review agreements as circumstances change, recognizing that succession and estate planning is an ongoing process, rather than a singular transaction.

For a Rockefeller-style bricks-and-mortar family office, you would need at least \$100 million in assets under management.

Ross says the FAN Family Office can be delivered to clients with assets in the region of \$400,000 to

\$500,000, and possibly less.

He says the online approach recognizes that many clients already have trusted advisers and, instead of reinventing the wheel, offers a way to bring them together and create a collaborative environment. At the same time, it brings younger family members and partners into the picture.

"We have lots of people in the 65-plus age group. They have to be conscious of incapacity planning — who will take over if they lose their marbles, and will those people understand everything that is going on."

Nortia's technology allows the online office to be customized to meet the needs of each client with access as open or restricted as they desire.

Ross says the service starts at just over \$1,000 a year.

mkane@png.canwest.com