

INTHE SERVICE OF

GREAT WEALTH

Richard J. Flynn, principal-in-charge of Rothstein Kass Family Office Group, and Russ Alan Prince, president of Prince & Associates, co-authors of *The Family Office*, *Advising the Financial Elite*, explain the essence of the most successful family offices.

Throughout the world, tremendous amounts of capital is flowing into the hands of relatively few people. The wealth controlled by this elite group is proportionately mounting more rapidly than the wealth controlled by the steadily increasing numbers of single and double-digit millionaires.

This trend is fueling another trend – the growth in the number of professionals catering to great wealth. One striking and resounding example of this is the worldwide increase in the establishment and sophistication of single-family offices. Concurrently, the explosive growth in the number of multi-family offices signals the burgeoning attractiveness of this holistic service model.

The Family Office

Generally, family offices provide two sets of expertise – wealth management and support services. In wealth management, we commonly have investment management and advanced planning, with private investment banking sprinkled in. Under support services we see administrative and lifestyle services. Unfortunately, creating a platform providing these various services doesn't necessarily translate into the solutions the extremely wealthy are looking for.

The essence of the truly exceptional family office is high-caliber know-how coupled with access to the requisite expertise and products, wrapped in astounding reaction times. The extent to which this combination of brains, sourcing and responsiveness is achieved distinguishes the diminutive number of top-flight family offices from the expanding pack.

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Analytic Processes and Techniques

In virtuoso family offices, providing optimized solutions is the norm because there's an insightful in-depth understanding of the extremely wealthy family or families. Like some of our peers, we achieve this understanding with a structured analytic process known as the Whole Client Model. By developing a broad-based and intense appreciation of the needs, wants and preferences of the extremely wealthy, we're able to source and coordinate the specialized resources they require – and do so quite cost-effectively.

We also employ a select array of analytic processes and techniques to intelligently and efficaciously address the financial and, often, very personal issues and concerns of our exceptionally wealthy clients.

Implications

The explosion of private wealth at the very top of the financial hierarchy is producing a cadre of professionals who are readily offering up their specialized skills and talents. As part of that cadre, we recognize the need to constantly refine and upgrade our knowledge and capabilities in order to expeditiously provide the solutions great wealth requires.

Over time, supported by innovative communication and decision-making technologies, the family office model may very well become democratized. However, presently, the well-designed and managed family office is the definitive coordinating structure reserved for great wealth.

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Russ Alan Prince is one of the most published authors on the topic of private wealth. His body of work is regularly consulted by affluent individuals and families, elite advisors, family offices, private bankers, wealth managers, academics and the press.

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