OPERATIONAL EXCELLENCE
IN THE FAMILY OFFICE
Today’s agenda

• Family office technology and data challenges
• Your digital transformation journey
• Search and selection
• Implementation
• Key takeaways and closing thoughts
RSM’s family office enterprise practice

RSM’s dedicated family office enterprise (FOE) practice helps define and sustain a family’s vision across their operating business, investment structure, and the family office.

By pairing the power of understanding of the goals of families with our customized and integrated services, technology, and insights, RSM is uniquely positioned to deliver long-term value to family offices.

- 500+ Single-family offices served by RSM
- 30+ Multifamily offices served by RSM
- 800+ RSM professionals from across our Lines of Business with family offices and ultra-high net worth clients
- 39 Countries in the global RSM enterprise with private client and family office capabilities
With you today

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The four pillars of operational excellence for family offices

- People: The key advantage of the family office
- Process: The blueprint for how work gets done
- Data: The key to confident decision making
- Technology: The engine that powers the family office
What is the biggest technology and/or data challenge over the next 12 months?

- Finding software that can add value (e.g., integration software to create an enterprise view of a family office's data): 25.5%
- The cost of adding and implementing new technology: 24.8%
- Risk management to prevent data breaches and cyberattacks: 13.1%
- Determining the right technologies to license: 11.7%
- Change management efforts associated with new processes and technologies: 5.5%

Source: RSM Operational Excellence webcast, “Achieve operational excellence in the family office” on May 15, 2023; 18% of attendees selected “not applicable” or “other.”
FAMILY OFFICE TECHNOLOGY AND DATA CHALLENGES
Investing in digital transformation

Plan to increase their IT budgets in 2024

Said digital transformation was the most important area of investment

Source: RSM US Middle Market Business Index survey, 2023
Costs to run the family office

Percentage of U.S. family offices expecting **increased technology costs** over the next three years

54%

“Cybersecurity will also increase in terms of cost...it’s a very high agenda point at the board and family level.”

Source: UBS Global Family Office Report, 2022
The family business is embracing technology

The large majority of families say they are embracing **new technology**

84%

Top priorities of the **next gen** when joining the family business

1. Protect and sustain the business
2. Embrace digital transformation
3. Increase the use of technology

Source: Campden Brightstar North America Family Business Report 2023
59% prefer to have as much of their systems, data, and documents in the cloud as possible.

Source: Forge Community 2023 Technology Benchmarking Report
Technology needs in the family office world

Percentage of respondents who are currently making or planning to make technology changes this year

79%

Top technology used in family offices

- Trust accounting
- Property management
- Portfolio analytics
- Partnership accounting
- Outsource service provider
- Office management
- IT/cloud/cybersecurity
- Investment/portfolio accounting
- Integrated systems
- General ledger
- Financial reporting
- Document management
- CRM/client management
- Client portal
- Banking
- Aggregation
- Accounts payable/receivable

Source: 2023 FOX Technology Showcase Report
YOUR DIGITAL TRANSFORMATION JOURNEY
Vision and strategy

Capturing and refining strategy that empowers employees to become valued business partners that execute processes with targeted outcomes in alignment with business goals.

Organization and people

Aligning people with specific roles and responsibilities within an organizational model that is responsive to change and utilizes formal projects for developing the next generation of leaders.

Policy, controls and compliance

Defining a common business language that is disseminated across the organization and identifying proper segregation of duties to balance cost, risk and quality of output.

Data and reporting

Standardizing and governing data to balance source system supply with reporting and analytic demand.

Technology

Integrating transactional, storage, and reporting systems end-to-end to drive automation across critical business processes and data elements.

Process

Designing tasks and activities with clear ownership in order to execute business objectives with efficiency and effectiveness.

Change and performance management

Developing KPIs that align to strategic goals and enable operational efficiency and performance improvements that create enterprise value.
The journey

**Strategy & Vision**
- **Assess**
  - Business Value Assessment
  - Rapid discovery of current state aligned to strategy to accelerate an informed Design
- **Discover**
  - Rapid Review
  - Strategy Goals & Targeted Metrics
  - Current State Capture
  - Benchmarking Data Capture
- **Analyze**
  - Baseline Current State
  - Current State Process & Tech Architecture
  - Process & Tech Gap Analysis
  - Observations Summary
  - Change Readiness Assessment
- **Design**
  - Business Value Design
  - Architect the Model
  - Future State Process & Conceptual Data Model
  - Future State Functional and Technical Requirements
  - Future State System Architecture
  - Data Strategy Assessment
- **Select**
  - Determine Solution Set
  - Vendor Down select through RFP process
  - Scripted Demonstrations
  - Pre-implementation Planning
  - Solution Selection Decision
- **Advance**
  - Develop Transformation Plan
  - Final Contract Negotiation(s)
  - Transformation Plan Execution
  - Change Management Plan Development
  - Define Data Strategy
- **Transform**
  - Tested Solution ready for Adoption
  - Organizational Transition Readiness
  - Process & Technology Model Operationalization
  - Define Data Strategy
- **Manage**
  - Measurement of Deployment Value
  - Optimize
  - Transition Support & Management
  - Performance Management
  - Continuous Improvement Monitoring
  - Transformation Plan Refinement

**Go-live**
- Program Change Management & Quality Assurance

**Outcomes**
- Current State Documentation & Project Plan & Alignment
- Maturity Alignment, Results & Internal Stakeholder Focused Design Areas
- Future State Process Documentation
- Future State Application Architecture Confirmed
- Strategic Transformation Plan
- Cross-functional Process & Technology Model Enhancements

Transformation readiness

**Initiate project**
- Review current business processes
- Document system requirements
- Determine key decision drivers
- Identify software vendors in market
- Determine software vendors to be evaluated further

**Business requirements analysis**
- Conduct OCM capability assessment
- Gain understanding of full technology environment
- Define high-level data strategy and future state data flow
- Document current business processes

**Solution options**
- Facilitate vendor discussions and demonstrations
- Conduct follow ups and reference checks (as required)
- Qualitative/quantitative analysis of each vendor
- Evaluate solutions
- Discuss contract negotiation and implementation options

**Implementation readiness**
- Demonstrations

**Decision**
IMPLEMENTATION
Implementation methodology

Mobilize
- Establish project Team
- Project orientation
- Project planning
- Project kick-off
- Data migration templates
- RSM environment
- Environment provisioning

Analyze & design
- Define business process flows and requirements
- Define migrations and integrations’
- Interactive configuration reviews
- Solution design doc
- Functional requirements doc
- Solution validation
- Verification sign-off

Build & validate
- Configuration
- Master data conversion and migration
- User acceptance scripts
- End to end system testing
- Client process documentation
- Quality configuration review
- Implementation environment

Deploy
- User acceptance testing
- End user training
- Go-live staging & validation
- Go / no go decision
- System deployment and reconciliation
- Final migration
- Production
- Go-live

Operate
- Post go-live & operational support
- First month close support
- Project closure
- Transition to support
- Future phase planning
WRAP UP
Final thoughts

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Key takeaways

1. Investing in the right technology
Family offices are embracing new technology to optimize their operations.

2. Implementation is a critical operational success factor
Prioritize implementation for sustainable performance benefits over frequent restructuring.

3. Plan your OpEx journey
Start with an enterprise-wide technology assessment and develop a clear plan to unlock value going forward.
THANK YOU