OPERATIONAL EXCELLENCE IN THE FAMILY OFFICE
CPE learning objectives

One CPE credit for today’s session will be issued to eligible participants

By the end of this presentation, participants will be able to:

• Explain key talent trends impacting family offices
• Describe important factors family offices face when hiring and retaining talent
• Compare differences and benefits of both insourcing versus outsourcing for a family office
Today’s agenda

• Family office talent trends
• Biggest talent challenges for family offices
  • Hiring and retaining talent
  • Upskilling and training talent
  • Insourcing versus outsourcing
• Closing thoughts
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 cross-Line of Business services, technology, and insights, RSM is uniquely positioned to deliver long-term value to family offices.

- 500+ Single-family offices served by RSM
- 60+ 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
<table>
<thead>
<tr>
<th>Talent Challenge</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Identifying and hiring the right talent in the market</td>
<td>21.20%</td>
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<tr>
<td>Upskilling or reskilling existing talent</td>
<td>21.0%</td>
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<tr>
<td>Insource vs. Outsource</td>
<td>13.5%</td>
</tr>
<tr>
<td>Benefits - compensation, flexibility, career path</td>
<td>10.1%</td>
</tr>
<tr>
<td>Developing family hires</td>
<td>9.8%</td>
</tr>
<tr>
<td>Talent benchmarking</td>
<td>7.4%</td>
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Source: RSM Operational Excellence webcast, “Achieve operational excellence in the family office” on Feb. 21, 2023; 17% of attendees selected “not applicable”
FAMILY OFFICE TALENT TRENDS

Hiring and retaining talent
Upskilling and training talent
Insourcing versus outsourcing
Macro view: Family offices are competing in a tight labor market

Leaders who found hiring “very” or “extremely” challenging during the past year

59%

Top hiring challenges identified:

- Can’t find needed skills
- Low retention/high turnover
- Finding a way to offer flexible working arrangements
- Attracting more junior talent
- Competing against large enterprises
- Can’t compete on salary
- Limited career development and training opportunities
- Staff retiring

5% Leaders who experienced no hiring challenges

Source: RSM commissioned survey of 466 middle market business leaders across finance and accounting, information technology, operations and human resources (October 2022)
Costs to run the family office

Percentage of pure costs of running a family office* dedicated to internal staff in 2022

69%

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

80%

Global perspective

Family offices who expect staffing costs to increase over the next three years by region:

- China: 67%
- Middle East and Africa: 63%
- Western Europe: 53%
- Asia-Pacific: 44%
- Latin America: 22%

Source: UBS Global Family Office Report, 2022

*Pure cost includes: Staff, legal and/or compliance, IT/technology, research and other
A proactive approach to talent

<table>
<thead>
<tr>
<th>Family office</th>
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<tr>
<td>A strategic and proactive approach to human capital management</td>
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<table>
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<th>Saves time, resources and money</th>
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<tr>
<td>Identifies critical intellect, skills, behaviors</td>
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<tr>
<td>Improves candidate and employee experience</td>
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<tr>
<td>Prepares for changes now</td>
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<tr>
<td>Sustains the family legacy</td>
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HIRING AND RETAINING THE RIGHT TALENT
People – the key advantage of the family office

Businesses that **cannot find employees** at any career level with the skills they need

50%

Source: RSM commissioned survey of 466 middle market business leaders across finance and accounting, information technology, operations and human resources (October 2022)

1. How do we find people?
2. How do we prepare to identify the right candidates?
3. What is our value proposition?
Defining the ideal candidate

1. Identify needed competencies, skills, and behaviors
2. Consult family and executives
3. Communicate the value proposition
4. Structure resources correctly
5. Understand family offices and unique attributes

Companies that improve the quality of hires are more likely to witness an improvement in their first-year performance by 3x

Talview Talent Acquisition Report 2022
UPSKILLING AND TRAINING
Family Member: What happens if we invest in developing our people and then they leave us?

Family Office Director: What happens if we don’t, and then they stay?
Upskill and reskill

1. What is upskilling and reskilling
   Improvements and new competencies

2. How to facilitate upskilling and reskilling
   Resources and considerations

3. Why is it beneficial to family offices
   Career growth and other advantages
INSOURCE VERSUS OUTSOURCE
A sourcing model fit for you

Current pain points:

- Insufficient information to support critical family office decisions
- Quality concerns
- Risk exposures
- Lack of controls and assurance
- Low innovation and creativity

Source: RSM commissioned survey of 466 middle market business leaders across finance and accounting, information technology, operations and human resources (October 2022)
KEY TAKEAWAYS
Connect with us

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Key takeaways

1. Hire, upskill and retain talent
   Family offices are focused on top-tier talent that delivers value to the family.

2. Find the sourcing model right for you
   Outsourcing or hybrid models can drive efficiencies in the family office.

3. Plan your operational excellence journey
   Family offices who aspire to operational excellence need a strategic approach to talent management.
THANK YOU