



OPERATIONAL EXCELLENCE IN THE FAMILY OFFICE

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING



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
 - Insource versus outsource
- 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 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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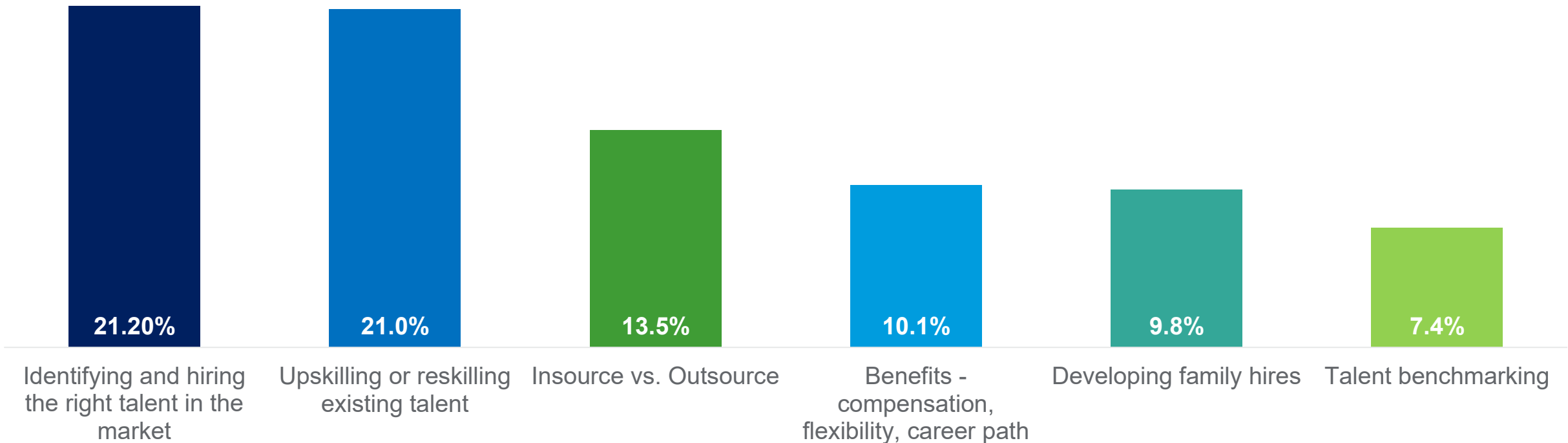
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The four pillars of operational excellence for family offices



Family office talent challenges

Q. What is the biggest talent challenge you anticipate over the next 12 months?



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

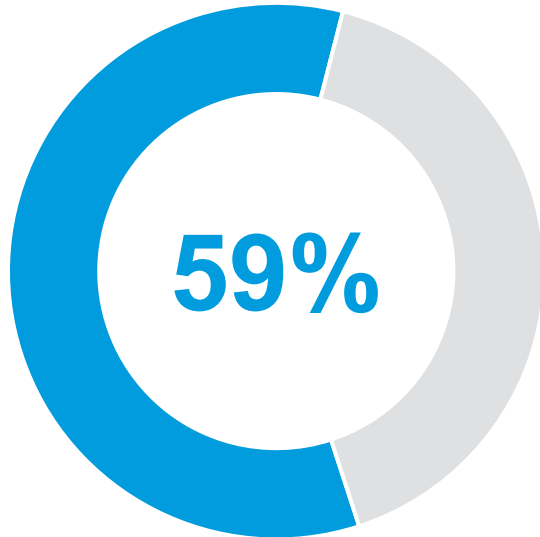
Hiring and retaining talent

Upskilling and training talent

Insource versus outsource

Macro view: Family offices are competing in a tight labor market

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



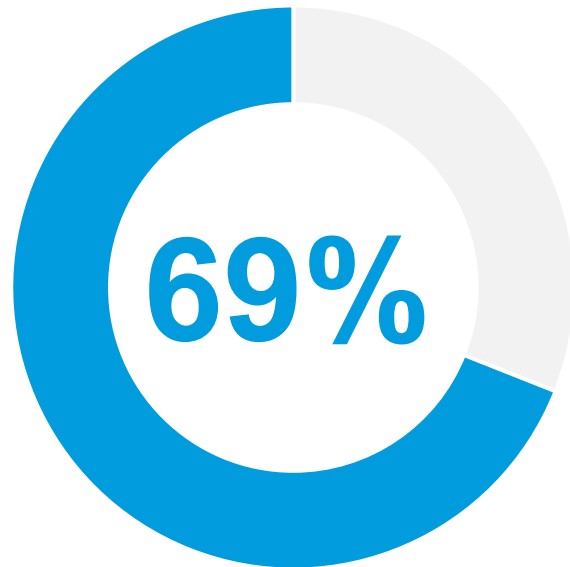
5% Leaders who experienced
no hiring challenges

Top hiring challenges identified:

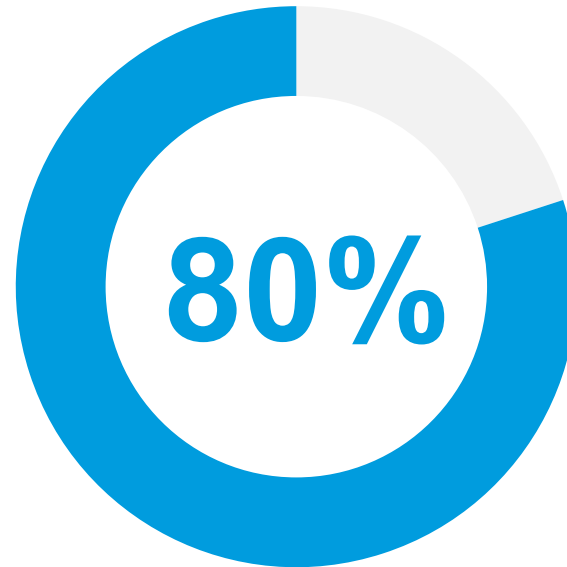
- Can’t find needed skills
- Low retention/high turnover
- Finding a way to offer flexible working arrangements
- Attracting more junior talent
- Competing against large enterprises
- Can’t compete on salary
- Limited career development and training opportunities
- Staff retiring

Costs to run the family office

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



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



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

Family office

A strategic and proactive approach to human capital management

Saves time, resources and money

Identifies critical intellect, skills, behaviors

Improves candidate and employee experience

Prepares for changes now

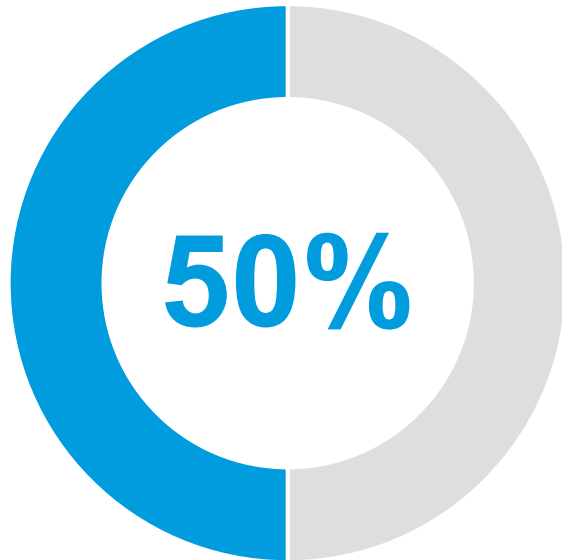
Sustains the family legacy



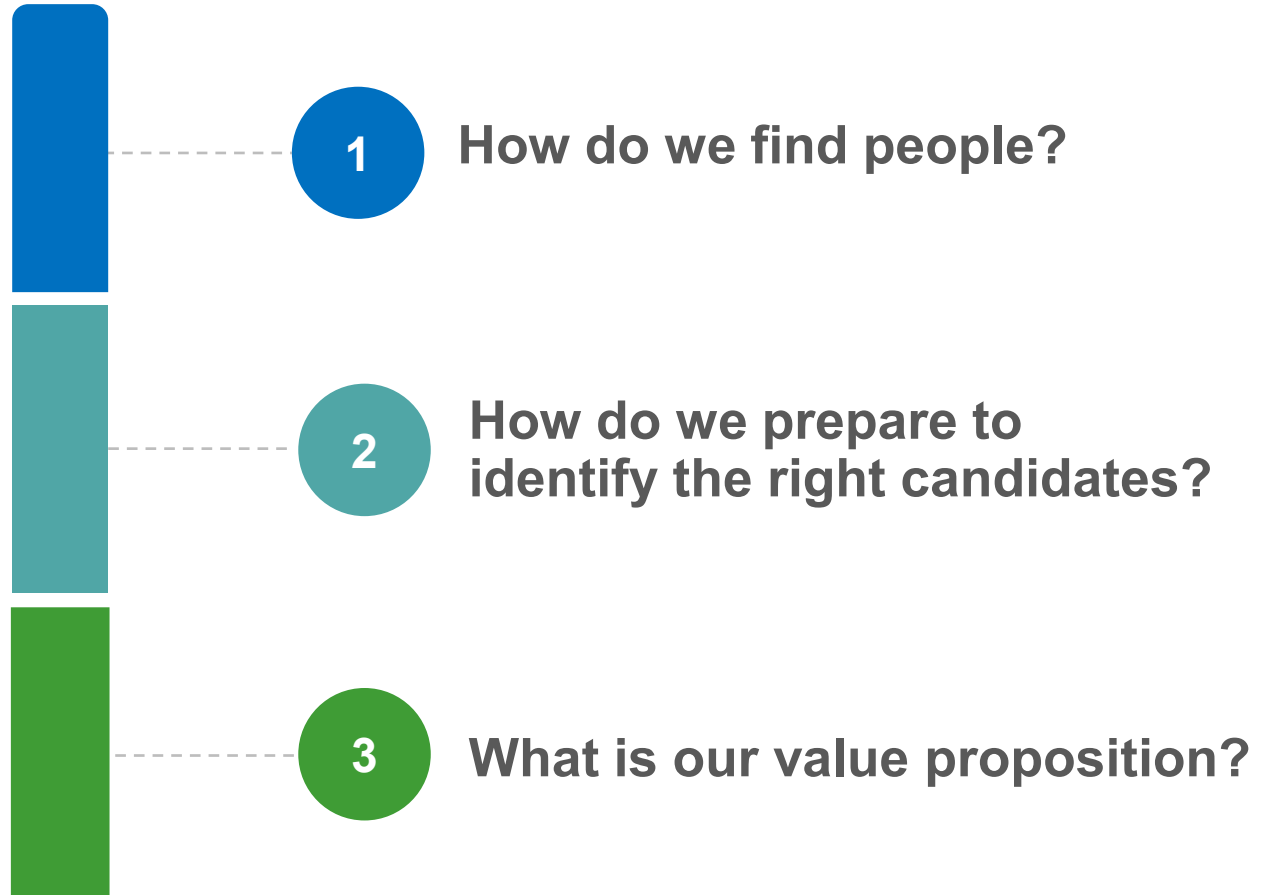
HIRING AND RETAINING THE RIGHT TALENT

People – the key advantage of the family office

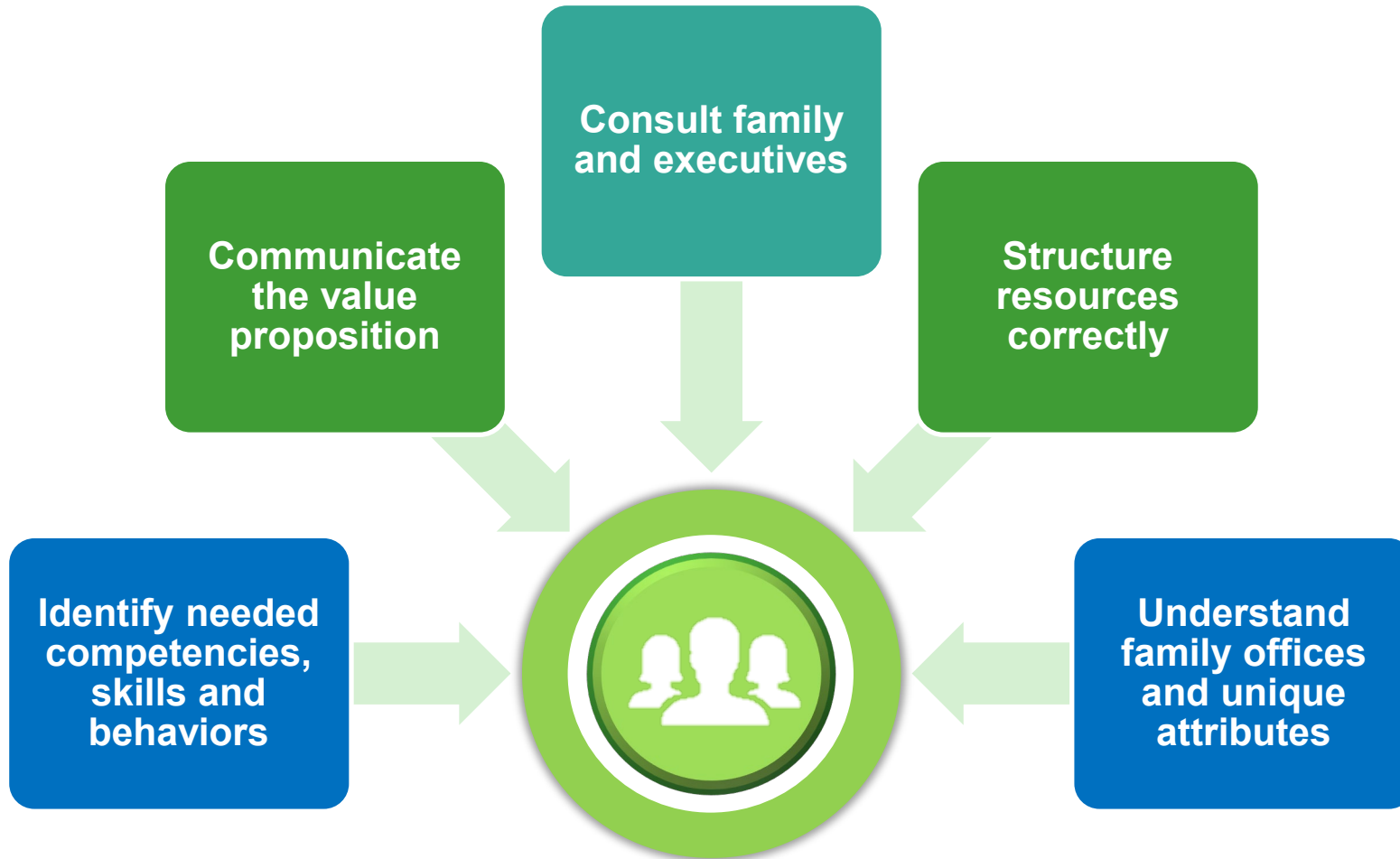
Businesses that **cannot find employees** at any career level with the skills they need



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



Defining the ideal candidate



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

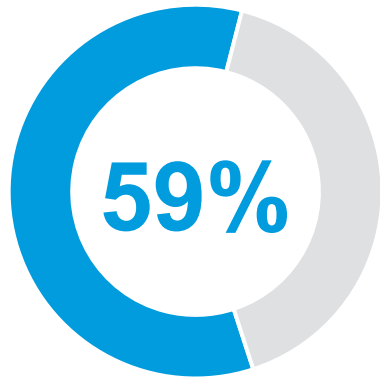


INSOURCE VERSUS OUTSOURCE

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



Organizations using **outsourcing/managed services**



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



KEY TAKEAWAYS

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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