

# PREPARING FOR THE UNEXPECTED

INSIGHTS & TAKEAWAYS | OCTOBER 23-24, 2018



**“This is the best opportunity to interact with other families and family offices dealing with many of the same challenges and experiences as your family.”**

At this year’s **FOX Fall Enterprise Forum**, we heard from families who have taken a purposeful approach to building resilient enterprise families. We learned from industry experts as they outlined macro trends and frameworks for identifying opportunities in uncertainty. We also reviewed best practices and strategies that families have employed to become their own change agents in building adaptable and robust enterprise families.

*“FOX is a very valuable, cost-effective resource for anyone in the family office industry or thinking about getting into the family office industry. The FOX research is extensive and the quality top-notch. The FOX relationship managers are my go-to resource, whether I am looking for access to existing research, or an answer to a specific question or an introduction to another member.”*

## HOW TO USE THIS RECAP

Select sessions from the **2018 FOX Fall Enterprise Forum** are summarized here.

Use this recap to:

- Confirm what you heard in the sessions you attended
- Learn about sessions you didn’t attend
- Access the presentation slides, video, or audio recordings, where available

**If you weren’t there**, read through for a thorough update on the leading ideas in our world of rapid change.

*Please feel free to share this with colleagues who were not able to attend.*



### HOW TO NAVIGATE THIS DOCUMENT

Click the tabs above or the session links below to quickly navigate to the desired session.

## GENERAL SESSIONS

**Growing a Resilient Family and Building a Sustainable Enterprise**  
Alexandre Monnier, President,  
Family Office Exchange .....Pg. 3

**Every Generation is a First Generation**  
Chris Stillwell, Chairman, Stillwell Family Enterprise and  
Marianne Stillwell, Chairman, Stillwell Motor Group  
.....Pg. 4

**Managing the Unexpected Using an Opportunity and Risk Framework**  
Sara Hamilton, Founder and CEO,  
Family Office Exchange .....Pg. 5

**Global Risks and Your Risk Management Strategy**  
John Drzik, President, Global Risk and Digital, Marsh  
.....Pg. 6

**Preparing for the Great Transformation in the Global Macro Environment**  
Austin Kimson, Co-Founder and Senior Economist,  
Bain Macro Trends Group, Bain and Company .....Pg. 7

**Global Family Voices: Perspectives on Future Opportunities and Challenges**  
Miguel Lopez de Silanes Gomez, Managing Director,  
International Market, Family Office Exchange.....Pg. 8

**Navigate Uncertainty by Building Vision**  
Robert Wolcott, Ph.D., Clinical Professor of Innovation  
and Entrepreneurship, Kellogg School of Management  
.....Pg. 9

## BREAKOUT SESSIONS

**Is Data the New Alpha?**  
Hardeep Walia, CEO, Motif Investing ..... Pg. 10

**Leadership: What Families Need Now**  
Jeff Strese, Chief Talent and Learning Officer,  
Tolleson Wealth Management.....Pg. 11

**Tax Planning Strategies for Real Estate Owning Families**  
Tina Milligan, Managing Director, BMO Wealth  
Management – CTC | myCFO  
and Patrick Moriarty, Partner, PwC ..... Pg. 12

**Lessons Learned from Seasoned Direct Investors**  
Kristi Kuechler, Managing Director, Investor Market,  
Family Office Exchange ..... Pg. 13

**FOX Compensation and Benefits Study**  
David Toth, Managing Director, Family Office Exchange  
and Ken Cameron, Director, Grant Thornton, LLP.. Pg. 14

**The Essential Wellness Tool Kit – For You, Your Family and Your Organization**  
Julie Wald, Founder and Chief Wellness Advisor,  
Namaste New York ..... Pg. 15

## Best of the FOX 100

We are pleased to share this year’s most popular selections of articles, reports, and whitepapers—the **Best of the FOX 100**—devoted to the issues of most concern to the FOX community of ultra-wealthy families and their advisors.

[Click here to see the Top 12 selections of the 2018 FOX 100.](#)



# FOX 100

[Click here to see the full listing of the 2018 FOX 100.](#)

# Growing a Resilient Family and Building a Sustainable Enterprise

## PRESENTER



**Alexandre Monnier**  
President  
Family Office Exchange



View Slides and Video



*"I don't know of another industry with so much information yet so little education."*

## SESSION DESCRIPTION

What makes a resilient family thrive and a sustainable family enterprise strong across the generations? Attendees were offered a deeper look at FOX's approach to Enterprise Thinking and how members utilize this mindset so that every generation can be a first generation.

## KEY TAKEAWAYS

- Families are complex social systems exposed to changes or shocks such as leadership succession, the sale of a family business, changes in ownership structures, the termination of a trust or external forces that impact a family. Families need to become resilient to stand the test of time.
- There are five key pillars to building a sustainable family enterprise, these include an enterprise vision, family capital, business capital, financial capital and philanthropic capital.
- To engage your family in creating an enterprise mindset, there are some critical questions you need to discuss with your family:
  - What do we most want to pass down to the next generation?
  - What are our reasons to stay together as a family enterprise?
  - What does our shared vision look like?
  - What are our best structures and governance?
  - What type of roles do we envision for the family?
- Understanding the past as a prologue to the future, generating alternative pathways for the future, and creating a shared vision and roadmap will aid in building a shared vision for your family enterprise.
- Develop clear enterprise goals, with the understanding that certain responsibilities cannot be delegated:
  - Articulate the vision and mission
  - Set up a governance framework
  - Resolving conflicts at family level
  - Fostering learning
  - Managing relationships with outside world
  - Ensure family fun and nurturing relationships
- Strategies must be integrated across the enterprise with a formal governance system in place that has three distinct goals: establish leadership, articulate enterprise vision and goals, and drive decision-making.
- Structure the governance system around shared interests and get the family to take ownership of the process. Build clear levels of authority in each layer and have checks and balances to identify abuses of power so that family members have trust in the system.
- Family members may be passive or active. This can change over time and isn't set in stone. It's important to educate owners about the responsibilities of ownership, including their attitudes, behaviors, and skills that may impact the sustainability of the enterprise.

# Every Generation is a First Generation

## PRESENTERS



**Chris Stillwell**  
Chairman  
Stillwell Family Enterprise



**Marianne Stillwell**  
Chairman  
Stillwell Motor Group



View Slides and Video



*“1/3 is fun, 1/3 is business, and 1/3 is eating and drinking – but our family retreats are the family glue and what help us build family resilience.”*

## SESSION DESCRIPTION

Embracing an enterprise view, the Stillwell Family of Australia has guided their family enterprise through generational shifts spanning 67 years. With intention and thoughtful planning across the enterprise, the family has defined the purpose for their wealth, embraced educating the next generation, planned for the retirement of the current generation, outlined a clear succession plan, and developed a shared vision for the future. The Stillwell’s discussed taking an enterprise approach and how it has laid the groundwork for a highly-functioning family.

## KEY TAKEAWAYS

- The Stillwell family started in business in the early 1900s in Australia, led by “Bertie”, a G1 entrepreneur in wholesale food products and commercial real estate. G2, Bib, grew the Stillwell car business in the 1950s, expanding into trucks, aviation and manufacturing in Australia and the U.S. Transition to G3 started with a decision: move forward together or separately. The five siblings decided to continue together – “for the family to survive the business needed to survive; for the business to survive we needed to work together as a single unit.”
- Current business includes car dealerships in the U.S. and Australia and extensive real estate holdings. The focus was to grow the size and scale to support six family groups. They operated as a family owned and managed business for 12 years and the past seven have been led by non-family professional management. The Stillwell’s have a formal board in place, with family members and an independent board member to oversee the family enterprise.
- As they grew, the Stillwell Family moved to a more integrated family enterprise approach. With a family forum, informed by a family constitution and committees, led by more organic than legal leadership. The family forum defines purpose, value, unity, direction for the family and brings together the wider family in annual family retreats for learning, leadership, and fun. It is the “extra glue” that keeps the wider family operating as an integrated single group. It enables the next generation to emerge in key leadership roles – everyone is “equal family” in the Family Forum, including spouses and partners. The family values diversity.
- The Stillwells utilized Family Office Exchange tools and templates to help create agreement, but the real value came in the process and discussions that brought these materials to life. They have formed a Next Gen Committee that meets as a group in their own forum. This forum builds early communication, meeting skills and the cousin generation creates their own policy, has an investment company and serves as directors, monitoring returns. They also engage in philanthropic projects and fun! One member of the cousins’ generation (G4) is nominated to serve on the Family Board.
- The legal structure starts at the G3 level with a shareholders group and business boards. The board works with executives on strategy and implementation, but “the buck stops here” with this board. It also oversees wealth creation and distribution. Overall, the Stillwells found it important to have a good governance structure, a unified sense of purpose, values and vision, actively engage the next generation, have transparency and feedback, and be more accepting and less judging.

# Managing the Unexpected Using an Opportunity and Risk Framework

## PRESENTER



**Sara Hamilton**  
Founder & CEO  
Family Office Exchange



View Slides and Video



*“We believe that major disruptions in the normal course of business are heading our way, and the best preparation will be to establish and practice a process before the disruptions disturb the status quo, developing a “muscle memory” response for how to deal with the unexpected.”*

## SESSION DESCRIPTION

Provided a first look at the new FOX research on managing opportunities and risks in the family enterprise. This research focused on a process for the family to address future uncertainties, recognizing both known and unknown risks a family may face in the 21st century. Families who can embrace change, seek opportunity, and manage uncertainty will create the most resilient enterprises of the future. The FOX model addressed the family view, the business view, the financial view, and the philanthropic view of the family enterprise, and provided practical tools for building thoughtful strategic plans for the future.

## KEY TAKEAWAYS

- Enterprise families see opportunity and risk in very different and intuitive ways. Most wealth owners can tell us what keeps them up at night, but they need help from capable advisors to decide what to do about their concerns. Conversely, family office executives and advisors are better at identifying certain forms of risk than family members are, but they need support from the family to prioritize and address the risks. Tangible risks are easier to plan for than the intangible ones, such as a lack of family engagement or a feeling of not belonging.
- A risk monitoring process is not yet a formal part of most family governance systems yet having an approach to managing the unexpected will be important in the decade ahead.
- Our ability to find opportunity amidst disruption compels us to rethink our views about how we analyze the driving forces and how we make our strategic choices. It calls for courage to embrace change and explore where new opportunities can be found. It requires that owners and executives be open-minded and adaptive.
- FOX’s Opportunity Roadmap identifies elements that are common to many of our members, regardless of country or culture. There are 25 building blocks a family might evaluate and select the key components they require to survive and thrive.
- The inverse of the opportunity is risk. These 25 building blocks identify areas that are currently unaddressed or under-planned in most families. Office executives and advisors can discuss this roadmap together to identify top priorities for the family governing board to address.
- There are five key steps in the Opportunity/ Risk Oversight process:
  - Assessment of owner attitudes about risk-taking and risk management at the board level or leader’s council meeting
  - Identifying opportunities and risks using the Roadmap
  - Formalizing a committee to address the identified issues for the enterprise, typically composed of family members, family office executives, and qualified external risk specialists in different disciplines.
  - Quantifying the Opportunity and Risk impact of each element and allocating capital accordingly.
  - Designing a reporting process for monitoring the strategies selected and reporting on a regular basis to the board about these issues.

# Global Risks and Your Risk Management Strategy

## PRESENTERS



**John Drzik**  
President  
Global Risk and Digital,  
Marsh



View Slides and Video



*“While technological, environmental, societal, and geopolitical threats have emerged as top concerns for families, emerging technologies are being introduced that may be able to mitigate these risks.”*

## SESSION DESCRIPTION

Each year, the Global Risks Report, published by the World Economic Forum at Davos, in partnership with Marsh & McLennan Companies and Zurich Insurance Group, is a critical guide to explore some of the major challenges and risks of the world. This session helped attendees understand how decision-makers across the industry can find opportunity amid today’s global challenges. From geopolitical turmoil, to environmental dangers, and cyber threats, we discussed how businesses may find benefit in applying some of the same contingency planning principles to a wider array of risk planning.

## KEY TAKEAWAYS

- In recent years, environmental, societal, and geopolitical threats have come to supplant economic risks as issues of greatest concern. Technological risks are also a top concern in 2018.
- Family offices fall right in line with the global trends. Cyber risks and Natural Disaster risks have risen to the top of their concerns in the past few years. 30% indicated Cyber risk as the risk that has become more important over the last few years, and nearly a quarter (23%) named it as the risk they are least prepared to deal with.
- There is a financial component to risk. Family offices play a significant investment management role, so it’s important to note that the financial impact of a loss (e.g. cybercrime, CAT, accidents, lawsuits, etc.) could have a significant impact on the family’s investments; much greater than the cost of properly managing risk.
- Technological, geographical, and physical property risks and opportunities are blending together. As family offices and enterprises take advantage of new opportunities, your risk profiles will change. Consider risks that have historically not been relevant to the family’s industries and interests.
- Whether the family office manager plays the role of risk manager, or if you have a dedicated person in that role, there are ways to be a better risk manager:
  - Align with strategic priorities
  - Devote more resources to emerging risks, and look beyond your current interests to consider non-traditional scenarios
  - Understand emerging technologies and how they can affect risk profiles
  - Focus on risk prevention in addition to response
  - Engage key stakeholders

# Preparing for the Great Transformation in the Global Macro Environment

## PRESENTER



**Austin Kimson**

Co-Founder and Senior Economist  
Bain Macro Trends Group; Bain  
and Company



View Slides and Video



*"I'd rather have a great business in a bad industry any day, than a bad business in a great industry. The key to remember is that macro trends can either serve as headwinds or tailwinds."*

## SESSION DESCRIPTION

Family Enterprises will be transformed by a shifting macro environment. Geopolitics, demographics, and technology are colliding to unleash a massive new boom-to-bust cycle in the coming decade. The Bain Macro Trends Group research predicts a new set of winners and losers. Trends of regionalism and populism will be profound as risk premiums rise, global institutions lose trust, and tech innovations change the way things work. This confluence of emerging trends must be understood in order to position the complex moving parts of the family enterprise to remain at the leading edge.

## KEY TAKEAWAYS

- Fading US hegemony over other global powers and new technologies breaching the Great Wall of America (a.k.a. oceans) are impacting the global power structure that supported turbo-charged globalization since the end of the Cold War.
- Post globalization may fundamentally reshape how businesses and investors need to think about their international strategies. This period may bring greater geopolitical fragmentation into smaller, focused trade-security zones, increased instability across Eurasia versus relative stability in Americas, and a decline in the ambient security level and increased social priority on defense.
- Since 1980, U.S. inequality has risen to levels last seen in the pre-WW2 era. The impact of automation will continue this trend – high wage workers will receive early gains from automation, while low wage workers will experience increased unemployment due to automation gains.
- With interest rates likely on the rise heading into the 2020's, look to invest in inputs/commodities, value-added transformation, and experiential delivery.
- Ask the following questions of any future potential investments:
  - Does it solve the problem of scarce labor and talent?
  - Will it do well in a higher interest rate environment?
  - Will it thrive without needing global scale?
  - Does it rely on demand from the big "middle class"?
  - Is there explicit or hidden option value embedded in the business?
  - Does the industry risk being a social/political lightning rod?

# Global Family Voices: Perspectives on Future Opportunities and Challenges

## PRESENTERS



**Miguel Lopez de Silanes**

Managing Director  
International Market  
Family Office Exchange



**Maarten de Groot**

Chief Executive Officer  
Eligius BV



**Jeff Steiner**

Head of Family Office  
Mutual Trust



View Slides and Video



*“As we look forward, we will live in a more digital world. More interactions digitally. All becoming global citizens. Millennials have different expectations of advisors. Not traditional in any sense of the word.” - Panelist*

## SESSION DESCRIPTION

Family leaders and office executives from different parts of the world shared their views on how global trends will impact their role in the family enterprise. The panel discussion centered on how families plan to manage risks and disruption in the next decade, and how we prepare family leaders to deal with the ambiguities they will face.

## KEY TAKEAWAYS

### An Australian family’s approach to addressing uncertainty and risk and preparing the family for the future:

- The family accumulated wealth in 1800s-1930s in agriculture, real estate properties, and zinc mining. There are 300+ family members across 7 branches – the family office helps them with wealth management, risk planning, governance, and sharing information and networks.
- They engaged an external team to identify and navigate risks and had to determine what their appetite was to risk. They did scenario planning to implement an investment policy outlining their risk appetite and asset allocation. The bottom line was to determine the purpose of their wealth.
- The combined pot of capital is now being directly invested in ways that contribute to family values (philanthropy, sustainability), but individual family branches all have different passions, therefore capital is set aside for each branch.
- The family has goals and responsibilities in place and are starting to tailor education plans to individual family members, but it takes time and effort to get it right.
- If succession forced upon you it’s important to have the governance in place. Strategic thinking and scenario planning are vital.

### A European family’s approach to addressing uncertainty and risk and preparing the family for the future:

- European family built their wealth from the business in the 1950s. They are low profile and have a strong risk objective with no return objective. They want to have personal impact. G2 preparation was not up to par, therefore the family office was established.
- The office established governance policies and talked to other wealthy families around the world to determine security best practices. They took stake in a company led by three top-level security experts to help wealthy families with their security issues. Today they are tracking dark web mentions to mitigate security risks.
- The family’s biggest challenge is getting all the family engaged in the decision making for their future. The family wants to ensure that G3 (17-23 years old) are prepared for the future by helping them grasp the importance of financial, investment, operational, reputational, and family council decision-making. It’s important to let them make mistakes and learn and grow from them.

The role of the family office executive will change over the next 20-30 years. We are all becoming global citizens. Millennials have different expectations of advisors. Adapting services will be most important. The future of the family office industry will be a virtual office. Ask the right questions and adapt to change. It’s vital to have great thinkers in your family office, as offices will get smaller with a higher concentration of talented people.



# Navigate Uncertainty by Building Vision

## PRESENTER



**Robert Wolcott, Ph.D.**  
Clinical Professor of Innovation  
and Entrepreneurship, Kellogg  
School of Management



View Slides and Video



*“It’s important to be directed by purpose. People only see the things for which we are looking. If we don’t have right purpose in mind, we won’t ask the right questions.”*

## SESSION DESCRIPTION

If you don’t create your future with purpose and intention, you will become the past. Professor Wolcott shared his insight on the discipline required to build your vision for your future, whether it be for your family or your family enterprise. Navigating through uncertainty by envisioning the contours of threats and opportunities is essential to prepare for the unexpected – and to create the future you desire.

## KEY TAKEAWAYS

1. In order to navigate uncertainty, it is important to have purpose, vision, and ask the right questions. We often do things even after the context for doing it is no longer relevant.
2. Some of the very best companies lost their way (ex. IBM, Xerox, Hertz, GM, Kodak, Kmart, Lehman, PanAm, Sears) because they didn’t have a portfolio of options for the future.
3. Every company needs to balance fortification vs. exploration. Fortification is operational excellence and exploration is looking toward the future. Many leaders have difficulty doing both. (Ex. fracking was something big oil companies were aware of but didn’t take seriously and it has now transformed the industry).
4. Set up leading indicators to help look into the future. Affected by Proximity (what’s happening), Paradigm (how we understand), and Periphery (where to look).
5. The 4th “P” is Purpose. People only see the things for which we are looking. If we don’t have the right purpose questions in mind – we won’t ask the right questions. Definition of purpose will drive what we see and the threats and opportunities we uncover.
6. Foresight is not about predicting the future, but you can see the wide range of plausible futures and have the leading indicators to track opportunities and threats.
7. Avoid trying to cram new innovations into the old paradigm: “how can we use this to do what I already do?” Reimagine the future.

# Is Data the New Alpha?

## PRESENTER



**Hardeep Walia**  
CEO  
Motif Investing



Listen and View Slides



*“There is a statistical answer to everything. If someone asks why we made a certain decision, the answer is never because we think so.”*

## SESSION DESCRIPTION

Alternative data is no longer an alternative. The digitization of our world has created an unprecedented data revolution that creates alpha opportunities for family offices in otherwise efficient markets. This cutting-edge talk examined the latest in Artificial Intelligence (AI) and data science and showcased where the future of alpha might come from. The asset manager of the future will need to evolve tools, processes, and personnel to exploit this alternative data advantage. The session demonstrated how data-driven products get developed and implemented in a portfolio.

## KEY TAKEAWAYS

- Data provides the ability for creative exploration; it makes investor expressions actionable. Right now, if you wanted to invest in “AI,” how would you do it? Thematic investments would take six months to build the old-fashioned way (fundamental research). Using this data approach, an investment idea can be designed within several hours.
- When looking at all data since the dawn of humanity, 90% was created in the last two years. Only 9% of data has been looked at by humans in any capacity. This highlights the importance of “web crawlers” that process data systematically.
- Using data to make decisions is not new. Wall Street has been doing this forever (using company financials, stock market signals, etc.) This “alternative data” is the different approach (mining CEO speeches, patent databases, conference agendas).
- Artificial intelligence has been around since the 1960s. Algorithms get smarter when we feed them more data. The rise in data volume over last few years is what is allowing us to better train the algorithms.
- Three things will never go away:
  - Human insight – Chief Investment Officers and Data Scientists will always come up with the investment ideas
  - Human relationships
  - Advice – must be tailored; can’t be automated

# Leadership: What Families Need Now

## PRESENTER



**Jeff Strese**  
Chief Talent & Learning  
Officer, Tolleson Wealth  
Management



View Slides and Video



*“A transition person is a constant learner about healthy family dynamics and has a commitment to personal well-being as a role model and coach for the next generation.”*

## SESSION DESCRIPTION

Family members from all generations are hungry for clarity on how to navigate the financial and emotional complexities of wealth. In order to do this well, families need leaders—all kinds, from all generations. This session covered how one Chief Learning Officer within a multi-family office helps families develop leadership skills that are pragmatic and cross-generational. Good leadership is easily identifiable when it is present within a family system, and often overlooked when a family lacks the skills to cultivate its own leaders. What do families need now? Leadership.

## KEY TAKEAWAYS

- When a family system is out of balance it has an impact on trust, sense of safety, and the roles that children play into adulthood. It can have a long-term impact on behaviors and communication patterns. Each member of the family often has an archetypal role that they play within family dynamics.
- A transition person is someone who breaks out of patterns to help build strong relationships with future generations. They develop new family stories and experiences to replace harmful or toxic past stories.
- Recent research shows that family enterprises expect the following from their advisors: comprehensive advice vs. products, broad as well as deep knowledge, more openness and knowledge of family dynamics, and a well-coordinated multidisciplinary team.
- Education and coaching are healthy pathways for growth. Lack of guidance from parents and influencers can lead to entitlement, narcissism, consumption, guilt, self-doubt, or passivity in the rising generation.
- Education should begin early and continue through adulthood ingraining values and providing behavior/training. Parents and those that influence the child (ex. teachers, siblings, peers, mentors) can play key roles in teaching, coaching and acting as role models.
- Active listening is a key skill for families and should focus on questioning, reflecting, empathizing, clarifying and summarizing.

# Tax Planning Strategies for Real Estate Owning Families

## PRESENTERS



**Tina Milligan**  
Managing Director  
BMO Wealth Management -  
CTC | myCEO



**Patrick Moriarty**  
Partner  
PwC



View Presentation Slides



*“The Opportunity Zones program offers investors three incentives for putting their capital to work rebuilding economically distressed communities.”*

## SESSION DESCRIPTION

Much has been written about the sweeping tax law changes as part of the 2017 Tax Cuts and Job Act. Ultra-wealthy taxpayers and business owners alike are faced with not only a myriad of changes, but also many planning opportunities. For real estate owners, investors, and developers, the impacts are significant. Experts covered the tax law changes and explored opportunities for targeted trust strategies that real estate owning families might consider.

## KEY TAKEAWAYS

- Evaluate real property trade or business election
- Determine eligibility for the gross receipts exception and real property business exemption
- Restructure to maximize ability to utilize deductions
- Model tax implications of new expensing rules
- Revise policies/practices on acquisition
- The Opportunity Zones program offers investors three incentives for putting their capital to work rebuilding economically distressed communities:
  - o A temporary deferral: An investor can defer capital gains taxes until 2026 by putting and keeping unrealized gains in an OZ Fund.
  - o A reduction: The original amount of capital gains on which an investor has to pay deferred taxes is reduced by 10% if the OZ Fund investment is held for 5 years and another 5% if held for 7 years.
  - o An exemption: Any capital gains on investments made through the Opportunity Fund accrue tax-free as long as the investor holds them for at least 10 years.

# Lessons Learned from Seasoned Direct Investors

## MODERATOR



**Kristi Kuechler**  
Managing Director,  
Investor Market,  
Family Office Exchange

## PANELISTS



**Keith Harbison**  
Founder & Managing  
Partner  
Alitus Partners, LLC



**Stephen Hohenrieder**  
CEO & CIO  
Meyer Family Enterprises



**H. Scott Silverman**  
CEO  
Agman



View Slides and Video



*“Look at the applicability of your past investment and business experiences before looking forwards and making a direct investment.”*  
- Panelist

## SESSION DESCRIPTION

Direct Investing is a key investment focus for a growing number of families as they seek greater control of investments and wish to encourage entrepreneurship within the family. A panel of experienced direct investors shared real-life examples of how they sourced and vetted opportunities. They shared lessons learned and best practices to help attendees develop their own family's private equity strategy.

## KEY TAKEAWAYS

- **There are four common lessons learned from experience in direct private investments:**
  - Patience: Families should take advantage of the longer time horizon direct investments provide compared to funds
  - Expertise: Focus in an intentional way on sectors that are well understood and in the comfort zone of the investor
  - Alignment: When entering a transaction, the alignment of the stakeholders (buyer and seller and others) must be evaluated
  - Due Diligence: It is important to look in an intentional manner at lots of deals and remember diligence is a sunk cost and dollars
- **This experience also revealed several common failures, including**
  - “failure to trust your gut”
  - investing with people that lack integrity or do not bring a requisite skill set to the deal
  - overconfidence of the investor.
  - concentrating on “secondary and tertiary markets”
  - being flexible when obstacles are raised
  - gaining a real meeting of the mind between the buyer and the seller of the business have been successful strategies.

# FOX Compensation and Benefits Study

## PRESENTERS



**David Toth**  
Managing Director  
Family Office Exchange



**Ken Cameron**  
Director  
Grant Thornton, LLP



View Presentation Slides

## SESSION DESCRIPTION

Offering a competitive compensation plan is essential to attracting and retaining the top talent that can ensure a family office's success. However, compensation is also consistently the biggest line item in every family office budget. This makes designing compensation plans that are competitive and effective especially imperative. Leaders from Family Office Exchange and Grant Thornton shared findings from this year's FOX Compensation and Benefits Survey, providing an update on trends in family office compensation along with the peer perspective necessary to benchmark, design, and plan for maximum return on investment.

## KEY TAKEAWAYS

- Family offices have a very stable work environment. Over two-thirds of survey respondents have no turnover, and 59% are unlikely to hire family office staff next year.
- 82% of respondents saw an increase in their base salary in 2018.
- An emerging theme is flexibility headlined by flexible time off (FTO). One attendee implemented an FTO plan and employee engagement surveys showed a 10% increase in work satisfaction. Vacation plans for family offices are competitive with large firms.
- Work flexibility, benefits, and training (including tuition reimbursement) lead to high retention rates in family offices. 75% of respondents offered a 401k plan and offered a competitive matching structure.
- The group discussed that another driver in retention may be because families don't want employees to leave and disclose private information about the family. This drives family offices to keep "the poor employees" rather than terminate employment. Additionally, the family office sector is not a large market for employment and many find it difficult to find other opportunities.
- Flexible work conditions help family offices attract a more diverse pool of employees.
- The biggest concern about retention is that institutional knowledge is high, yet there is a lack of clarity about how to document and retain all that knowledge to ensure the next generation of employees can eventually take over.



*"Family Offices have a very stable work environment. 69% have no staff turnover."*

# The Essential Wellness Tool Kit – For You, Your Family and Your Organization

## PRESENTER



**Julie Wald**  
Founder & Chief Wellness  
Advisor  
Namaste New York



View Presentation Slides



*“That’s life: starting over, one breath at a time.”*

*- Sharon Saizburg*

## SESSION DESCRIPTION

Research shows that effective self-care practices can lead to success at work and at home. This session discussed the four pillars of well-being and how they inform the way we care for ourselves, our families, and our organizations. Development of a practical self-care tool kit, including mindfulness, nutrition, and movement can increase your productivity in the office, impact your effectiveness as a family member, and engender greater fulfillment and longevity.

## KEY TAKEAWAYS

- Living life in the digital age and navigating the demands of work and family can trigger a damaging stress response, commonly known as ‘fight or flight.’ To combat this stress response, we need to take time to nurture our mental, physical, emotional, and spiritual well-being through a process called self-care. The process works by activating the parasympathetic nervous system, triggering a relaxation response, which enhances the immune system and boosts energy and wellbeing.
- To get started, we need to evaluate our own needs, develop a plan, then devise a toolkit that includes approaches to stillness, nourishment, movement, and touch. From there, integrate the plan into our lives. Helpful tips include: finding accountability partners, being realistic about commitments, and staying inspired by understanding what you need versus enjoy.
- Mindfulness is the foundation for self-care and is purposeful, nonjudgmental awareness. It involves paying attention in the present moment with curiosity, kindness, and flexibility.
- Organizational wellness starts at the top — model consistency and prioritization for your team, create group and individual experiences around the four pillars for your employees, and allocate necessary resources.
- Self-care creates happier, healthy, and more productive human beings. It’s a critical piece of an organization’s strategy, as those with well-being programs outperform the S&P 500 index over a six-year period and see 3x more profit than companies without such programs.

# For Your Calendar: 2019 FOX Forums



## FOX Global Investment Forum™

**March 13-14, 2019**  
New York



## FOX Wealth Advisor Forum™

**May 1-2, 2019**  
Dallas



## FOX Rising Gen Forum™

**Spring 2019**  
Date and Location TBA



## FOX Family Office Forum™

**July 16-17, 2019**  
Chicago



## FOX Rising Gen Forum™

**October 27-28, 2019**  
Chicago



## 30TH ANNIVERSARY FOX Family Enterprise Forum™

**October 28-30, 2019**  
Chicago





For more information on upcoming  
FOX Learning Programs, please visit:  
[www.familyoffice.com/learning-programs](http://www.familyoffice.com/learning-programs)



**100 South Wacker Drive, Suite 800 ■ Chicago, IL 60606 USA ■ 1.312.327.1200**

New York, NY ■ 1.646.278.1341 | San Francisco, CA ■ 1.312.327.1265

Madrid, Spain ■ 34.616.94.05.63 | Sydney, Australia ■ 61.414.444.405

info@familyoffice.com ■ www.familyoffice.com