

# THE FAMILY FINANCIAL ECOSYSTEM



## Questions to Consider:

- › Do you have a map of your current ecosystem?
- › Do you know what changes in your current ecosystem could have the biggest positive long-term impact on your legacy?
- › Are the purpose and role of each member clear?
- › Do you review performance first preset standards every year?
- › Isn't effective selection and renewal process set?
- › Is the alignment of Interest confirmed between family and advisers and any misalignments surfaced and addressed

## INTRODUCTION

**Family investors and family wealth managers need to have a very effective ecosystem in order to design and implement their own strategies.**

The family financial ecosystem is the combination of family, internal family resources and external suppliers, and the web of advisers and influencers who make up the interconnected system that shapes and defines a family's wealth management strategy.

Having the wrong advisers, or accepting the wrong advice, can be more of a risk for a family than an institution, especially if the family is relatively inexperienced. Selecting, assessing and managing advisers require expertise and an objective view of performance.

Predators in the family ecosystem are inept advisers, with poor skills, bad motivations, or both, are another notable source of great loss of family wealth

## Guidance:

Family investors and wealth managers need a very effective ecosystem in order to design and implement their own strategies. A lot of experience and information is required to invest well, and many views must be working in harmony.

While the family is at the core of any family business ecosystem, they are surrounded by other institutions. The inner circle are the very closest people to the family and share the family's philosophies and goals. Outside them are trusted advisers and staff who are long term and valuable partners. On the very outside of the family ecosystem are the professionals who are involved in many various ways with the family, and the broad entirety of the information network. When you understand who falls into these different categories, map out your current family ecosystem and make changes as needed based on performance.

Make sure that people in the ecosystem are monitored for their contributions. By managing people and tracking performance you can create the most effective system for the family. Define your goals, build the right team to support you, and be thoughtful when implementing them.