

May 2, 2024

# An Evolving Framework for the UHNW Business

Session: A - Building Family Advisor Teams of the Future  
Session: B - Strategic Choices and Partnerships

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# UHNW Business is Being Influenced by Fundamental Shifts

- 1) Increasing focus on the family (human capital) in addition to or in place of centering on assets (financial capital) is causing providers to rethink their business and delivery models.
- 2) We are witnessing both a divergence and convergence of advisor roles to families and yet the practice of integrated wealth continues to be essential.
- 3) Driven by complexity and family dynamics, structures for family decision making are becoming more formalized, but not easier.
- 4) The impact of these changes are reshaping business economics.

# Architecting the Delivery Model

## Family Wealth Industry Stage

Focus on  
Family  
Well-Being



Focus on  
Wealth  
Well-Being

**FWM 3.0**  
Transition/  
Change Managers

**FWM 2.0**  
Wealth Managers

**FWM 1.0**  
Investment Managers /  
Specialists

**Wealth 3.0**

- Psychology integral to advice
- Focus on purpose of wealth
- Shared values and positivity

**Family Advisor**

- High EQ
- Questions-Driven
- Change Leader

**Wealth 2.0**

- Holistic financial and wealth planning
- Focus on “shirtsleeves-to-shirtsleeves”
- Enter family dynamics & the “rising gen”

**Integrated Wealth Advisors**

- Team Leader
- Planning-Oriented
- Decision-Driven

**Wealth 1.0**

- Rational transactional advice
- Preserve and grow the wealth
- Multi-gen wealth view

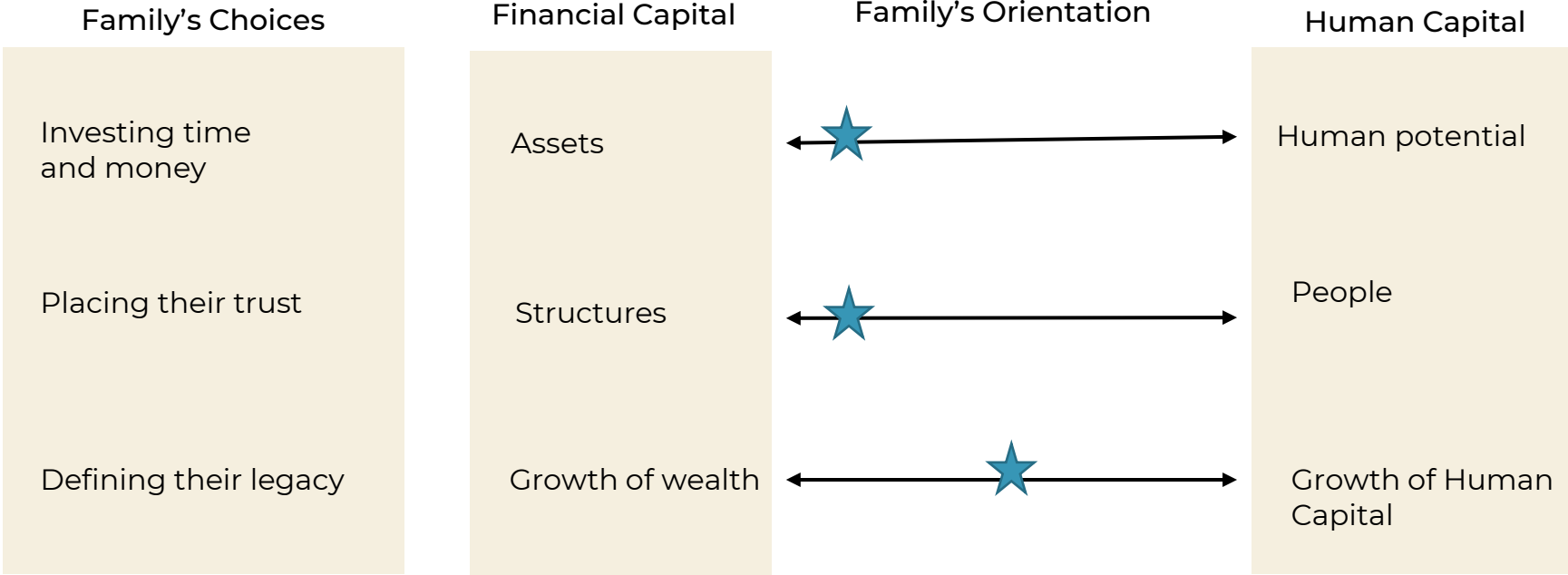
**Mono-Line Specialists**

- Deep, unparalleled expertise
- Problem Solver
- Solutions-Driven



Note: Wealth 3.0 model outlined by James Grubman, et al, in their article "Wealth 3.0: From Fear to Engagement For Families and Advisors," 2022

# Serving Clients and the Family's Orientation Around Human and Financial Capital



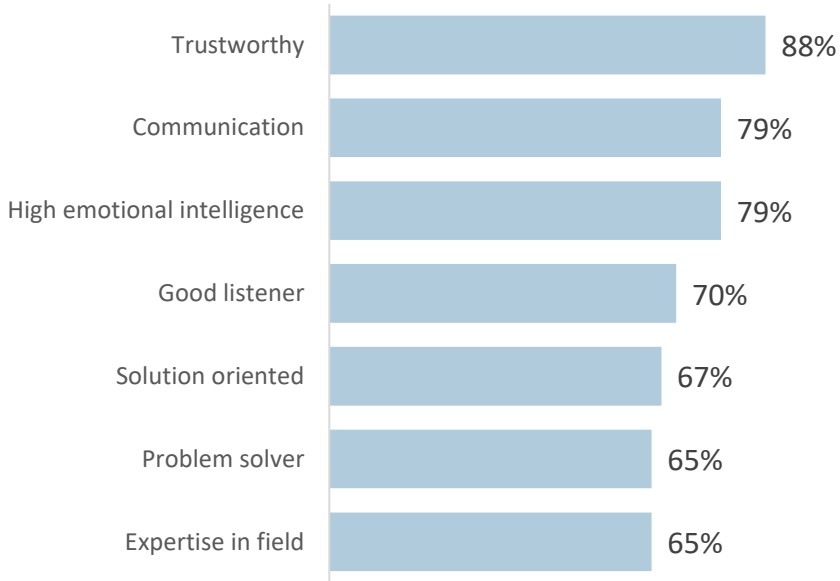
# Where is the Change Showing Up – Teams/Talent

Firms are seeing increased demand for the following services:  
(bars represent percent of firms)



# Where is the Change Showing Up – Teams/Talent

## Top leadership skills of the ideal family wealth advisor:



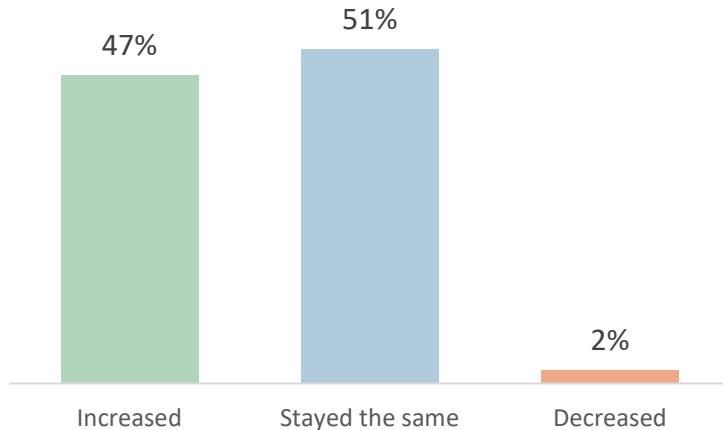
## Percentage of staff who possess the firm's preferred top leadership skills

48%

staff with top leadership skills

# Where is the Change Showing Up – Teams/Talent

The firm's current budget dedicated to employee training and development has increased, stayed the same or decreased from last year?



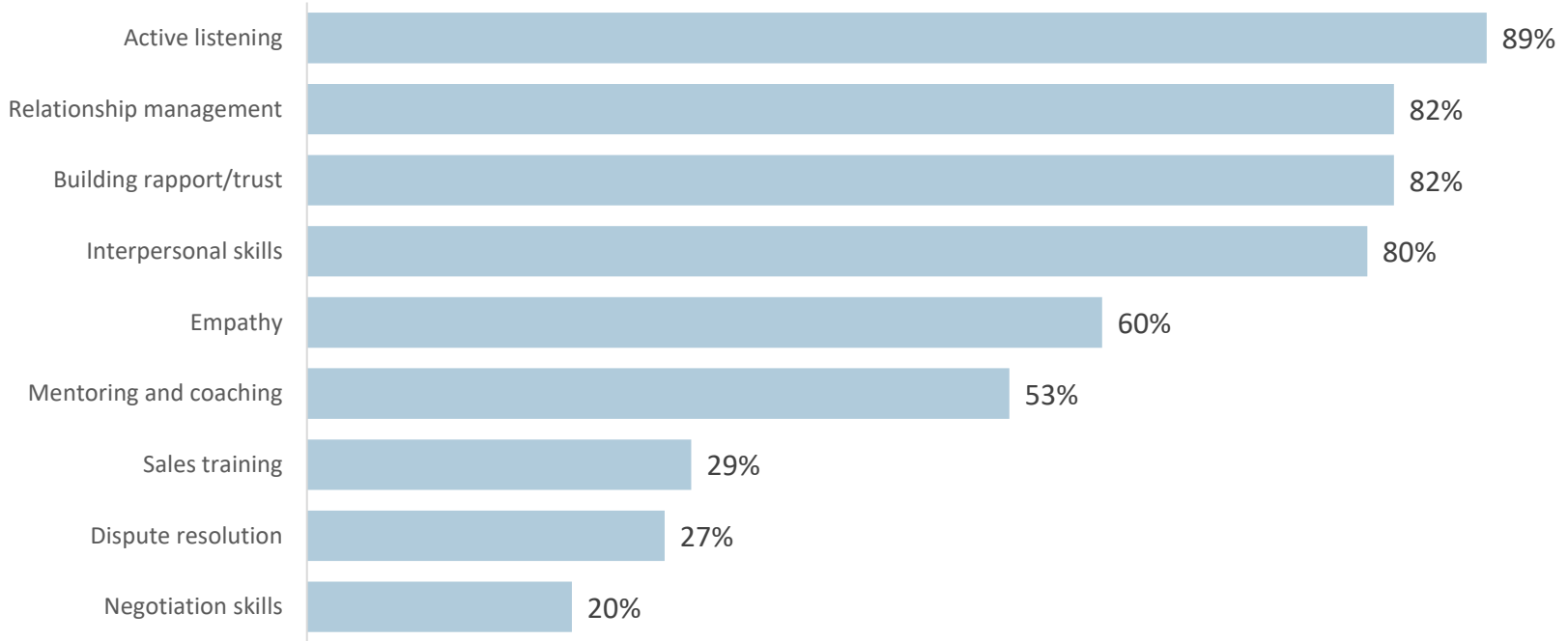
How much does the firm plans to spend on employee training/development per advisor/employee

**\$12,344**

Per employee  
training/development  
allocation

# Where is the Change Showing Up – Teams/Talent

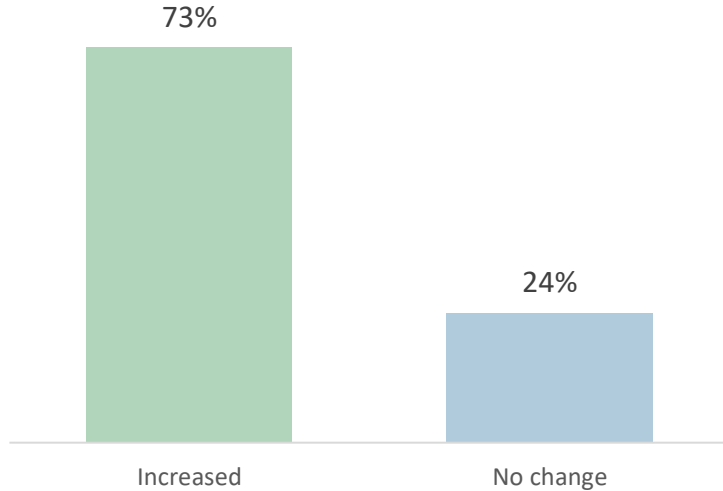
Qualitative training the firm desires an employee to have  
(multiple responses allowed)



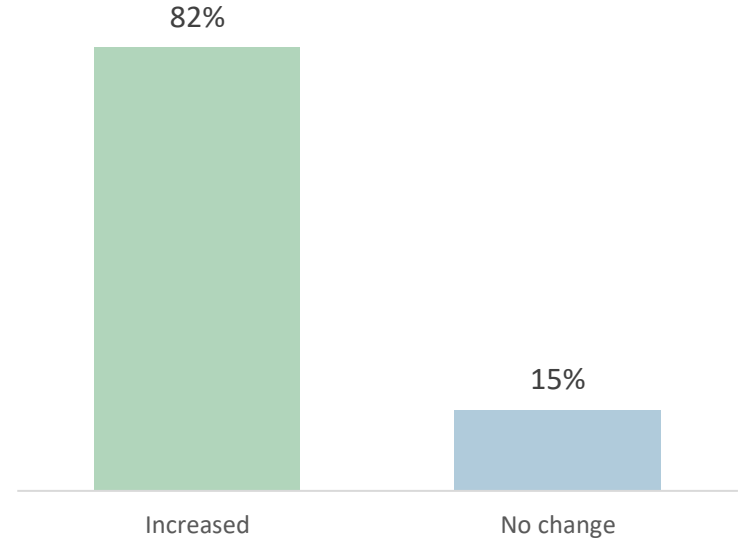


# Where is the Change Showing Up – Business Impact

**2023 revenue results**  
(bars represent percent of firms)



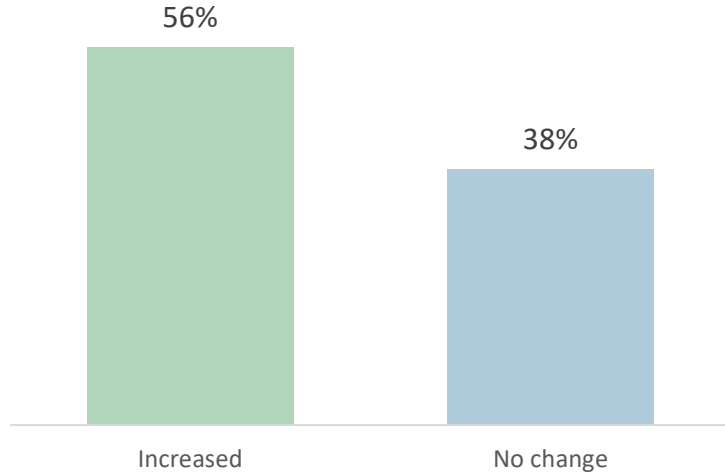
**2024 revenue expectations**  
(bars represent percent of firms)



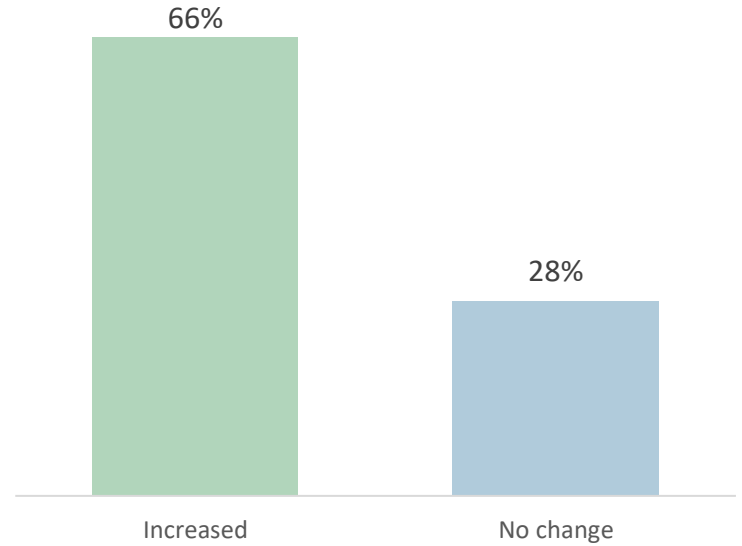
*Note: 3% of firms experienced a revenue decrease in 2023 and 3% expect a decrease in 2024*

# Where is the Change Showing Up – Business Impact

2023 total FTE staff  
(bars represent percent of firms)



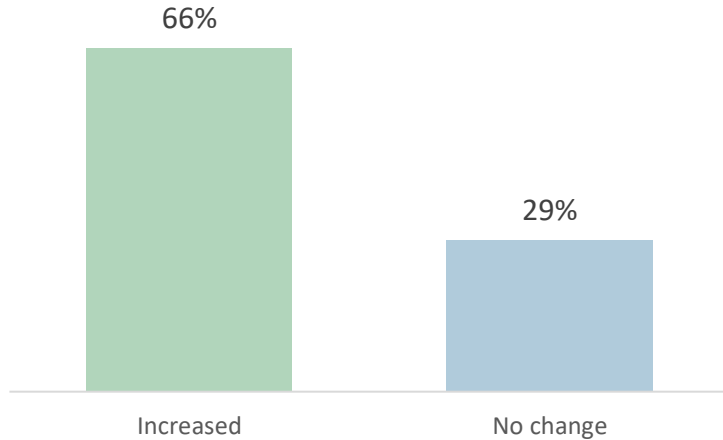
2024 total FTE staff expectations  
(bars represent percent of firms)



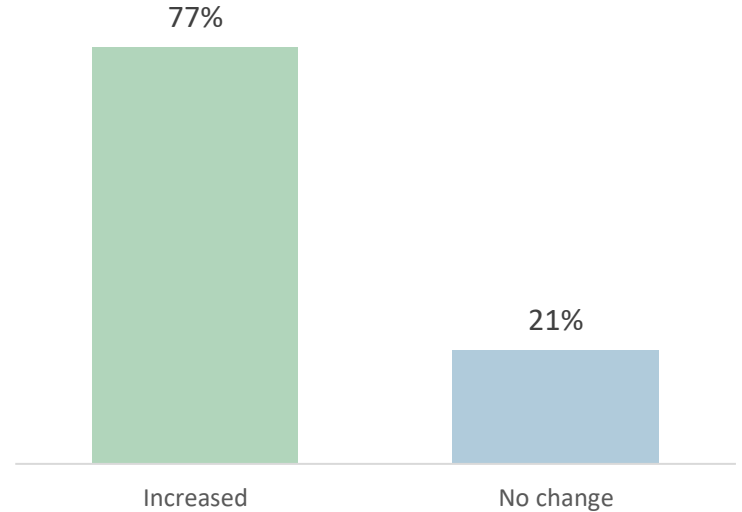
*Note: 6% of firms experienced a decrease in FTE during 2023 and 6% expect a decrease in 2024*

# Where is the Change Showing Up – Business Impact

2023 sales results  
(bars represent percent of firms)



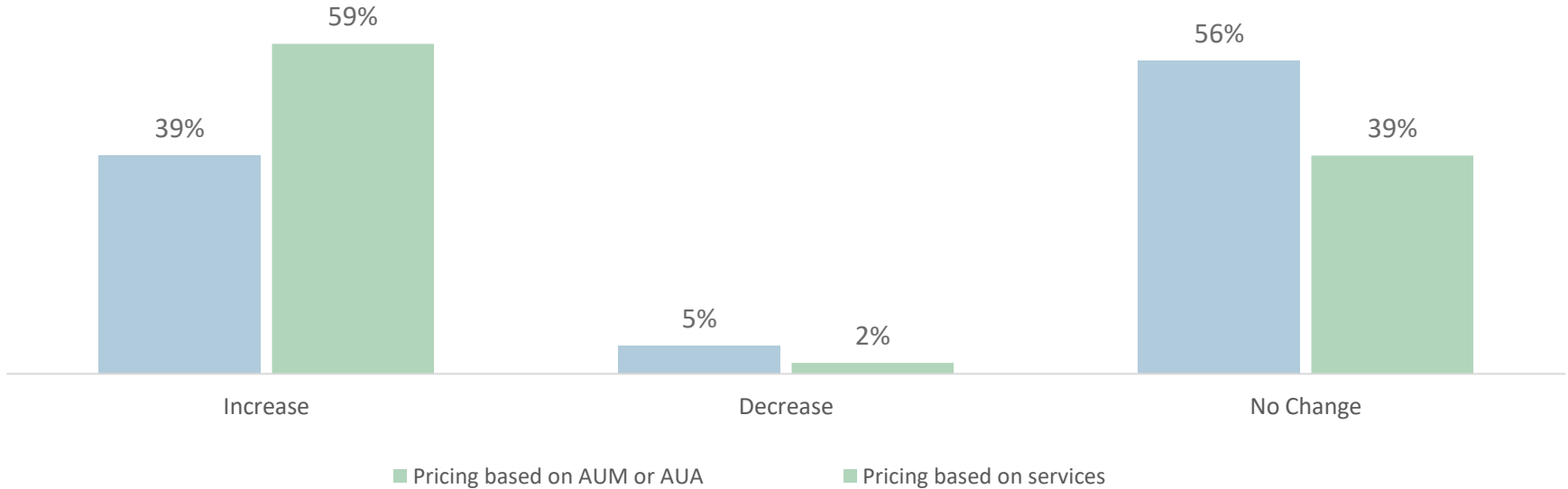
2024 sales expectations  
(bars represent percent of firms)



*Note: 5% of firms experienced a sales decrease in 2023 and 2% expect a decrease in 2024*

# Where is the Change Showing Up – Business Impact

2024 expected fee growth under AUM/AUA versus fee growth under services pricing structure  
(bars represent percent of firms)



# Session: A - Building Family Advisor Teams of the Future

## Questions to be addressed during this session:

1. How will the MFO of tomorrow be different than the MFO today?
2. What are the practice management strategic choices; e.g. Wealth 1.0, 2.0, 3.0? How will we decide what approach(es) to take?
3. What skills will advisors need? How will advisors be developed/trained?
4. How will teams be organized? How will they interact with the family's other advisors? What will collaboration look like?
5. How will they interact with the wealth-owner, spouse, succeeding generations?

# Session: B - Strategic Choices and Partnerships

## Questions to be addressed during this session:

1. How have you decided what to offer and not offer?
2. What services/products are on the list to add and how did you arrive at that decision?
3. What services would you seek to do with others and why?
4. Do you have an approach for selecting outside partners? Are there best practices? Are there new practices?
5. If so, what are some of the key partnership principles and/or expectations?
6. Where are you finding efficiencies? How has that changed?



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