



[www.switzerland-family-office.com/what-is-a-family-office.html](http://www.switzerland-family-office.com/what-is-a-family-office.html)

## **What is a Family Office?**

**There is not just one definition of a family office. A family office can be a single-family office or a multi-family office. A single-family office supports only one family and a multi-family office supports at least two families. A multi-family office comes in all sizes, serving any number of families, ranging from only a couple to a hundred or more. Some offices only accept clients with a minimum amount of wealth and others serve all families able and willing to pay their fees.**

### **Multi-Family Office providers**

A family office is normally set up as a privately-owned company and supports wealthy families with the management, organisation and maintenance of their wealth. Although a family office can be established anywhere in the world, you will find them primarily in Europe (mainly in Switzerland and London) and the United States of America. In the past few years some firms in Hong Kong and Singapore have also started providing these services. A family office can assist you with a wide range of services but there are only a few family offices that offer all services you are looking for to safeguard and increase your wealth. So the key to your success and satisfaction is to find the family office in Switzerland that offers exactly the services you want and need.

As there is a growing number of (Ultra) High Net Worth Individuals ((U)HNWIs) all over the world, demand for family office services is growing accordingly. As a result there are many parties, such as independent asset managers and former bankers, who state (on their websites) that they offer a wide range of multi-family office services whereas they actually only offer asset management services. Due to the fact that use of the title 'family office' is not in any way regulated, anyone can freely state that he/she provides family office services. There are also numerous family offices which, being connected to banks (as shareholders), are not independent. UHNW families should therefore take the process of selecting a family office very seriously.

### **How does a family office support you?**

A professional multi-family office offers services such as wealth planning, administration, asset management, asset consolidation, asset performance monitoring, charity services, tax and legal services, trusteeship and risk management. These services are either offered in-house or the family office cooperates with dedicated external partners. A family office could also offer to organise your travel arrangements, provide insurance solutions, manage your yacht or help you invest in private equity or manage real estate. Other services may be

added according to your personal needs. But in the end every service comes at a price. More information about the variety of services offered by a family office can be found here.

Ultimately it is you who decides exactly how the multi-family office will serve you and your family. The family office can invest your money or only manage your relationship with the bank(s). It can manage all of the family's assets or only a certain part and it can be responsible for disbursement of payments to family members now and in the future. A family office can also manage your corporate (holding) structure and your private investment structure and assist in setting up wealth protection or other wealth planning structures. In most cases wealth management, wealth planning and safeguarding your assets are at the core of the business.

In practice we clearly see that most of the family offices in Switzerland tend to focus on one or just a few kinds of services. Some of them are, for example, strong in asset management, some in charity services and others in real estate management. Mostly the focus originates from the background of the founders of the family office. It is therefore important for you to find *the one family office* with a focus on the services that interest you most.

### **Family office staff**

The average staff of a family office consists of investment managers/specialists and a number of tax and legal experts. Depending on its size, there can be as few as three or as many as a hundred employees. The average multi-family office in Switzerland employs around twenty staff. Normally a dedicated small team within the office will serve you permanently and this team will use certain internal and/or external specialists when needed. The huge benefit of a family office is that all these different advisors are working together for you under one roof. This results in close collaboration and the best possible results for you.

### **What is a single-family office?**

The only way to get served by a single-family office is by setting up your own. In this case you have to recruit your own staff and the operational risk for the office is borne entirely by you. The benefit of this option is that you have full control over the family office and it will provide exactly those services which cover your family's needs. Single-family offices are in most cases established by families with an overall wealth of at least four hundred million US dollars, or wealth which is very complex, for example comprising several operational businesses owned by the family. We do not believe there is such a thing as a set minimum, but in our opinion your wealth should generally be significantly more than two hundred million US dollars before you consider setting up your own single-family office.

We look forward to advising you on setting up your own family office or will be glad to assist you in selecting an existing one.