

# TEN DYNAMIC FORCES FOR CHANGE

JANUARY 28, 2021



**Sara Hamilton**  
Founder and CEO



## 7 FOX subject-matter experts

**Sara Hamilton**

**Miguel López de Silanes**

**Glen W. Johnson**

**Gaby Griffin**

**Mindy Kalinowski Earley**

**Kent Lawson**

**Jonathan Tunner**



› We will organize our look at these *Dynamic Forces of Change* from three key dimensions:

› **EXTERNAL DRIVING FORCES**

› **CHANGING FAMILY VIEWS**

› **FAMILY OFFICE EVOLUTION**

# EXTERNAL DRIVING FORCES

---

**Rising Political  
Unrest and  
Economic  
Uncertainty**



**Miguel López de Silanes**  
Market Leader, Europe  
and Latin America





# Rising Political Unrest and Economic Uncertainty

- The new normality – a continuous state of uncertainty, unrest and disruption.
- Families doing the following things:
  1. Strengthen the various enterprise family systems
  2. Active risk management
  3. Crisis management mindset
  4. More strategic → close partnerships with trusted advisors



# EXTERNAL DRIVING FORCES

---

## Crisis Revealing More Opportunities



**Miguel López de Silanes**  
Market Leader, Europe  
and Latin America





# Crisis Revealing More Opportunities

*“If you’re not changed when you come out of this, we’ve missed an opportunity”*

Kevin Johnson  
President and CEO of Starbucks

➤ Uncertainty creates new opportunities, focusing more on making strategic and long-term changes.

1. Family business level
2. Investment level
3. Family Enterprise level



# EXTERNAL DRIVING FORCES

---

**Converging  
Technologies  
Accelerate the  
Transformation**



**Glen W. Johnson**  
Chief Operating Officer





# Converging Technologies Accelerate the Transformation

- Converging technologies are changing every industry.
- Operating effectively in a virtual world.
- Family readiness for change and need for change management.





# CHANGING FAMILY VIEWS

---

## Shifting Views in the Family Enterprise



**Gaby Griffin**  
Market Leader, Business  
Owners and Family  
Office Executives





# Shifting Views in the Family Enterprise

- How the family adapts to change is a critical issue
- Speed, Uncertainty, Optimization and Enhanced Governance
- Thoughtful planning around structures and policies – continue to evolve



# CHANGING FAMILY VIEWS

---

## Sustainable Direct Investment Ecosystem



**Jonathan Tunner**  
Director, Private  
Investment  
Opportunities





# Sustainable Direct Investment Ecosystem

- The more traditional roads to returns are under pressure. Families are seeking direct investing opportunities, but the landscape continues to be complex and hazy.
- The competitive landscape has become more competitive.
- Family office investment teams are feeling the strain beyond just sourcing and competing.



# CHANGING FAMILY VIEWS

---

## Heightened Commitment to Family Learning



**Mindy Kalinowski Earley**  
Chief Learning Officer





# Heightened Commitment to Family Learning

- > Focused efforts on engaging the rising gen
- > Intentional training of future leaders
- > FOX Family Learning Guide COMING Q2





# Heightened Commitment to Family Learning

## TOP FIVE RISING GEN CHALLENGES

- Defining future roles in family
- Communication building between generations
- Family dynamics
- Leadership development
- Investment strategies



# CHANGING FAMILY VIEWS

---

## Evolving Views on Social Responsibility and Philanthropy



**Gaby Griffin**  
Market Leader, Business  
Owners and Family  
Office Executives







# Evolving Views on Social Responsibility and Philanthropy

- Largely driven by the next generation
- Investments and philanthropic endeavors better align with personal values
- Conversations across generations about philanthropic goals, diverse views on social responsibilities and purpose of the wealth
- Continued evolution of the Modern Family Office movement



# FAMILY OFFICE EVOLUTION

---

**Growing Complexity  
Shapes Services and  
Cost**



**Sara Hamilton**  
Founder and CEO





# Growing Complexity Shapes Services and Cost

- The challenge is in the “Sum of the Parts,” and the parts are continuing to grow.
- Understanding complexity allows you to unravel the mystery of cost.
- Complexity determines the service delivery model and the cost allocation methodology.



# FAMILY OFFICE EVOLUTION

---

## Escalating Cybersecurity and Data Privacy Breaches



**Glen W. Johnson**  
Chief Operating Officer





# Escalating Cybersecurity and Data Privacy Breaches

- Rising instances of cyber security attacks, especially in light of explosion of offices transitioning to remote work.
- Broader exposure for government agencies around the world.
- Legislation to protect data privacy underway in US (CCPA in CA is GDPR-type legislation).



# FAMILY OFFICE EVOLUTION

---

## Integrations in Technology Increase Value



**Kent Lawson**  
Director, Technology  
Integration Services





# Integrations in Technology Increase Value

- Witnessing the emergence of integrated “*Family Office as a Service.*” – capabilities that empower the family office to deliver more personalized and strategic advice.
- Merged or aggregated experience – technology firms join and intersect to improve overall experience.
- Virtual world, anywhere operations – technologies move completely to dispersed cloud as new norm.





**EXTERNAL DRIVING FORCES**

**Rising Political Unrest  
and Economic Uncertainty**

---

**Crisis Revealing More  
Opportunities**

---

**Converging Technologies  
Accelerate the Transformation**



**CHANGING FAMILY VIEWS**

**Shifting Views in the  
Family Enterprise**

---

**Sustainable Direct  
Investment Ecosystem**

---

**Heightened Commitment  
to Family Learning**

---

**Evolving Views on  
Social Responsibility  
and Philanthropy**



**FAMILY OFFICE EVOLUTION**

**Growing Complexity  
Shapes Services and Cost**

---

**Escalating Cybersecurity  
and Data Privacy Breaches**

---

**Integrations in Technology  
Increase Value**





Expanded insights on the *Dynamic Forces for Change* that we identified today will be available to FOX members in February in our 2021 Edition of *FOX Foresight*.

To learn more about the complexity profile, [contact us at research@familyoffice.com](mailto:research@familyoffice.com).



We are dedicated to supporting your growth through industry leadership and forward thinking. FOX will continue to deliver value by helping you see what's coming; systematically sharing best practices and lessons learned; and identifying your closest peers and strategic industry partners.

To learn more about membership, contact us at [info@familyoffice.com](mailto:info@familyoffice.com) or call at 312-327-1200.