Preserving wealth through generations

Our services for entrepreneurial families and family offices
“After I'm gone, how much of my family's wealth will be left for my children?”

Entrepreneurs have been asking themselves this question for centuries.

To preserve and increase its wealth in today’s uncertain economic environment, a family needs to manage it as professionally and systematically as it would the family business itself. And that’s where EY’s services for entrepreneurial families come in.

EY Family Office Services
As much as possible
Preserving wealth through generations: our holistic approach

Our services for families and family offices are a reflection of our broad range of expertise and a symbol of our commitment toward family businesses around the world.

Our comprehensive and integrated approach helps family offices to structure their wealth and preserve it for future generations. We also give independent advice to entrepreneurial families as they take important decisions, and help them to identify and manage risks at an early stage.
Your wealth has a long history. Make sure it has a great future.

As an entrepreneurial family, you have to make important decisions. Some will have far-reaching consequences for your family’s financial future.

Whether you are deciding on a long-term investment strategy, or considering setting up a foundation, your dedicated EY contact will help you debate all the issues from economic, tax, legal and strategic perspectives. You can also count on our support to help you choose external service providers.
The services we offer include:

- Income or capital planning
- Succession planning
- Founding a family office
- Planning for retirement
- Planning and executing transactions
- Building and transferring assets
- Risk management
- Philanthropic activities
- Establishing and administering trusts or foundations
- Tax and legal questions in relation to income, real estate, endowments, trusts and inheritance
- Tax planning
- Cross-border investments and transactions
- Real estate advice, valuation, planning and management
- Arbitration to resolve family conflicts
- Drawing up a family constitution
Securing your family’s wealth and legacy

When it comes to managing family wealth, many focus on statistics and interest rates. However, our experience has shown that a family’s unity and values are just as important as investment strategies and reducing cost.

Discord among family members can seriously jeopardize wealth preservation. For this reason, we keep in mind not only the family’s capital, but also the factors that keep the family together.

To guide us in this task, we ask a series of important questions such as: what values does the family stand for? What is the culture that has made the family so successful? Are the family’s basic values reflected in its investment strategy? How can these values be passed on to future generations?
Philanthropy – because life’s not just about money

Wealth also brings responsibility. That is why many entrepreneurs and their families believe it is very important to take an active role in society and support people who are less fortunate.

Maybe you are already considering setting up a foundation or looking for other ways to make a difference over the long term.

But remember, even when doing good is your top priority, you should also consider the tax and legal implications, as well as other important elements of your philanthropic work.

We will work with you to ensure that your charitable commitment is structured in a way that meets your financial needs.
A number of risks can threaten your family’s assets

**Financial risks**
- General economic risks
- Investment risks
- Possible embezzlement of liquid assets
- Incorrect accounting or inadequate reporting that hampers decision-making
- Unapproved investment transactions
- Investments in vehicles that are not in line with the family’s values
- Family shareholders wishing to exit or seeking liquidation

**Personnel risk**
- Lack of continuity in the management of the family’s affairs

**Technology risks**
- Loss of information and infringement of confidentiality
- Cyber crime, information and identity theft
- Collapse of IT systems

**Reputational risk**
- This classic risk has increased dramatically as a result of the online publication of sensitive information and also the widespread use of social media

**Compliance risk**
- Overlooking new tax laws or other regulatory requirements – this risk is becoming larger as the pace of legislative change quickens
Risk management – because nasty surprises can be expensive

The recent turmoil in the financial markets shows that structuring and managing wealth today is a difficult challenge. To preserve your assets in the long term, you have to anticipate changes, manage all kinds of risks and re-examine your investments much more frequently than before.

Whatever area you wish to focus on, our specialists serve as a guide and an “early warning system” for entrepreneurial families. Whether you are faced by changes to tax laws or shifts in the capital markets, we will provide you with a joined-up analysis of the risks to which your family wealth is exposed, highlight risks that you are unlikely even to recognize, and advise on how you can manage them effectively.
Success through the generations has many starting points

We know from practice that the DNA of a family office is rooted in eight key areas that determine long-term success. These eight areas form the core of our services.

Our shared goal is to unlock the development potential of your family and its wealth. The major advantage for you is that, as part of our multidisciplinary approach, we scrutinize all subject areas from an operational, regulatory, tax, legal, strategic and family-related perspective. This puts us in a position to uncover hidden opportunities and risks that, if we were to look at each area individually, might be missed.
The DNA of a successful family office

- Family
- Wealth
- Managing capital
- Sustaining growth and profitability
- Succession planning
- Managing and retaining talent
- Effective tax management
- Balancing risk
- Future management structure
- Culture and responsibility

Family office
At a glance: the key functions of a family office

- Investment strategy and control
- Establishment and administration of private investments
- Personal tax advice for the family
- Management of family wealth
- Accounting and tax advice for family businesses
- Family governance and training
- Philanthropy: advice and strategy
- Concierge and security services
- Wealth
What family offices do – and where additional input pays off

When your family’s wealth is at stake, you want to do everything properly. This is precisely where we come in. We support you and your family office in all areas by providing you with answers to the most important questions:

- How can family wealth best be preserved and increased?
- How do I identify and unlock further potential?
- When does outsourcing services make sense?
- How can responsibilities best be divided up?
- How can the family best monitor success?
- What expertise should the family’s most important decision-makers have access to?
- Which strategy is the most effective for charitable activities?
- Which internal and external risks should be avoided, and how?
- What costs are to be expected?
Single family office: advantages for family and wealth

Seven reasons for setting up your own family office:

Ø Central coordination of wealth structuring in order to create an integrated asset strategy at a low cost
Ø Cooperation with service providers that are attuned to the family and its special characteristics
Ø Increased independence from banks
Ø Quick decision-making routes and streamlined reporting with the objective of reducing costs
Ø Securing the family’s future by implementing governance systems that preserve not only the family’s values and vision, but also its legacy
Ø Absolute confidentiality
Ø A safety net in case the leading decision-maker is incapacitated at a time when important changes need to be made to the family’s strategic direction, or if succession arrangements need to be put in place
What to think about before you act: five steps to your own family office

Our services are designed to support your wealth manager and the advisory team you already have in place. If you have not yet established a family office, we will be happy to take care of the process for you – from concept through to setup.
Determination of requirements

• What visions and expectations does the family have?
• Who are the beneficiaries of the family office?
• What does the family want to achieve?
• What portion of the family’s wealth is to be managed by the family office?
• What services are to be provided, and for whom?

Structure

Develop a detailed business plan. This includes determining:
• The most suitable location
• The services to be provided (e.g., wealth management, succession planning, charitable purposes and personal services)
• The employee talents required
• The infrastructure needed
• Capital requirements
• Operating costs
• Measureable benchmarks
• Financing

Setup

• Recruit qualified people (from within or outside the family)
• Establish an advisory or investment committee
• Establish state-of-the-art technology and infrastructure
• Define benchmarks
• Define detailed workflows and data protection guidelines

Testing and implementation

• Test and implement systems and processes
• Develop an emergency plan to deal with natural disasters, theft and cyber attacks
• Backup copies of all relevant data
• Fine-tune hardware and software

Start

• Commence family office operations
• Measure results against benchmarks
• Review all areas regularly, including family mission statement, business plan, advisory or investment committees, infrastructure and technology
Our Family Office Services

Families and their firms are inextricably linked. And so are our services for family businesses and business families.

In order to help ensure that all of our clients can benefit from our global experience, we pool our extensive expertise systematically in our Family Office Services. Our services offer an integrated network of teams spanning 155 countries. Your dedicated EY contact gives you automatic access to our worldwide best practices, so you can benefit from newly developed strategies that have already delivered the desired success.

The EY Family Office Services also provide access to specialist knowledge of all kinds and can establish contact with other family offices.
One-stop shop: our Family Office Services offer the latest know-how, support and contacts
Where we come from and what we can do

We combine the rigor of auditors and risk managers, and the strategic insight of tax advisors and lawyers, with the empathy and sensibility of an independent trusted advisor. Put these characteristics together and you get a service that helps you to manage the full range of your challenges.

We have been advising entrepreneurs and their families for more than 100 years. We know the special challenges that families face as they seek to secure their wealth. Over the years, this intimate understanding has led more and more families to place their trust in us and the work we do. We serve 75% of 500 of the world’s largest family businesses\(^1\) – both as an auditor and advisor.

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\(^1\) Family Business Index, Thomas Zellweger, Chair of Family Business at the University of St. Gallen, 2015, Available from: http://familybusinessindex.com/
What sets us apart from the others

EY is one of the world’s leading professional services organizations.

Auditing services, tax advice, transaction advice, legal advice and advisory services are our key areas of activity – for small and medium-sized family businesses and for large organizations.

In order to provide our clients with the best possible advice and support, we supplement our areas of activity with teams that specialize in individual sectors and markets, and in specific issues.

This valuable expertise forms the technical basis that enables us to advise you on structuring your family’s wealth.
Staying power: how do family businesses create lasting success?

Global survey of the world’s largest family businesses
Family businesses and EY: how our intimate understanding evolved into solid trust

Specialist knowledge, decades of experience and an instinct for the requirements of entrepreneurial families make our services special. Our commitment to the needs and goals of families goes far beyond that offered by the competition. Our Family Office Services have been created to complement our well-established Global Family Business Center of Excellence, designed to support family businesses, their owners and their managers, wherever they operate in the world.

The center brings together advisors from the EY global network, to share knowledge and insight, to address family business challenges, and provide seamless service for internationally based family-owned companies.

We know that each family business is unique, yet successful family businesses have much in common; understanding these success factors and taking advantage of our knowledge underpins what we call the “Growth DNA of family business.” Visit our site, www.ey.com/familybusiness, and find out how we can help you succeed for generations.

We also have a long-standing commitment to providing holistic entrepreneurial services. In 1986, we launched the Entrepreneur Of The Year competition – a showcase for the best-of-the-best and also a forum for many family businesses. In addition, we have published various reference works via this organization.

We also conduct many studies that put family businesses, their situation and their strategy under the microscope. We regularly profile their key players in our Exceptional magazine.

This enables us to understand even better what motivates entrepreneurial families and to tailor our offering to their requirements.
Building networks and fostering new talents: sometimes a small circle is a big plus

Many of our clients have already found that exchanging views with companies in a similar situation, and facing similar issues, opens up new perspectives. That's why we're happy to host various events at which we not only provide information but also give our clients an opportunity to meet other family businesses and family office owners. In confidence and in a small circle.

Examples of this are our roundtable discussions, the “Entrepreneur Of The Year” competition, and the presentations and discussion groups held as part of the agenda for SMEs. We will also be happy to put you in direct contact with family businesses and family offices in similar situations, on request.

Designed specifically with young talents in mind, EY NextGen Academy offers a global platform where potential entrepreneurs can put their skills to the test and exchange opinions and ideas.
EY NextGen Academy is a special feature of our Family Business Services. It consists of international week-long events for young people from entrepreneurial families where they can find out how much entrepreneurial spirit they have. After the event, the EY NextGen Club offers the opportunity for participants to keep in touch around the globe.

The programs:
- First program: 16–20 year-olds
- Advanced program: 21–25 year-olds
- Excellence program: 26–30 year-olds
- EY NextGen Club
- Individual programs

For more details, visit www.ey-nextgen.com.
Securing wealth for generations involves a lot more today than it did even just a few years ago. That’s why I see it as a special honor that many entrepreneurial families are now also asking for support in managing their private wealth – because they’ve realized that this wealth needs to be administered and structured with the same level of care and attention as the capital in their companies.

Many of them believe that it is due exclusively to our expertise that we have proven to be so extraordinarily successful in this area as well. I personally think that our genuine interest in the people within these families, in their well-being and in their cohesion as a unit, plays an equally important role. It’s something special that we’ve been putting into practice for over 100 years, and that unites our teams within our Family Business Center of Excellence.

You can find out more about us, and the possibilities open to you, in a personal, non-binding consultation. We look forward to taking this next step together.
Contact us

For an initial chat about our Family Office Services, please contact:

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Alternatively, email us on familybusiness@ey.com or visit us online at ey.com/familyoffice.
About EY
EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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