

How wealthy families shop for advisers

In a recent Hubbis survey conducted with leading professional services firms and multi-family offices, it seems the most successful advisers are able to help clients mitigate risks beyond their investments. Family expectations and business continuity across generations need to be closely managed too.

Asian families are different in that most of them are business-owning and on the verge of a change-of-guard.

Further, these families are close-knit themselves and tend to interact within a tight social circle. As a result, word-of-mouth holds great value.

Advisers who are able to provide a holistic, impartial view of all aspects of personal and business wealth, therefore, are able to get their foot in the door ahead of many others, according to some leading practitioners in this space.

MATURING PLAYING FIELD

Given the current need to comply to international norms in terms of the Common Reporting Standard (CRS) and Automatic Exchange of Information (AEOI), markets are becoming more transparent.

In turn, this is making clients wary of their portfolios and offshore structuring

needs. And advisers, investment managers, lawyers, tax planners and other professional services experts who are able to handhold wealthy families and provide holistic views are best-positioned to service these clients.

MAINTAINING HARMONY

While creating, generating and preserving wealth is an important aspect for many families, maintaining the unity and harmony is equally crucial - if not more important for these families.

Practitioners therefore believe that advisers who are tactful in negotiating conversations across multiple generations without disrupting the flow of everyday family dynamics are not just welcomed within the family circle, but even recommended to other families.

The tact extends to communicating problems to all parties involved, especially in Asia where a direct approach is hardly a way to open dialogue.

RECEIVING ADVICE

Experts believe it usually takes one to two years before families trust advisers to start sharing properly. It takes multiple meetings with all generations to get a grip on how the family operates and functions together, and to start understanding the family and business values, needs and priorities.

Practitioners say that families are most receptive to advisers who can provide advice that is:

- Impartial and holistic wealth advice that covers much more of the portfolio than just financial assets. For example, guidance on family and legacy planning, non-financial asset planning, wealth transfer, etc
- Transparent in terms of fees and all associated costs
- Timely and honest, which at times means asking the family to not do something that they might (think they) want for their portfolio ■