

# The Art of Understanding UHNW Families: Mark Smallwood's Guide to Developing a Diagnostic and Remediation Plan for an UHNW Family

UHNW families the world over are ever more complex in their business dispositions, personal assets, the jurisdictions in which their family members might study, work or live, and in their aspirations, and this is also certainly the case in the Middle East. Trying to understand these families' real situations and their dynamics are vital first steps for any advisor seeking to offer the right formula for their wealth structuring and their estate & succession planning. At a recent presentation at our Hubbis Wealth Solutions Forum in Dubai, Mark Smallwood, Engagement & Consultant Partner, Hubbis, and CEO, Rapier Consulting Ltd., drawing from his experience as a trusted adviser, delved deep into this theme. Through a synthesis of philosophical musings, diagnostic methodologies, and tangible planning strategies, he illuminated the path to optimal asset and wealth management for UHNW families. This narrative captures the essence of Mark's insights, offering a roadmap for both advisers and clients to navigate the challenging process of wealth management.

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**MARK SMALLWOOD TEP**  
Hubbis

**Anchored by his** experience as a trusted adviser, Mark set forth how important it is for UHNW families to truly understand themselves and their financial situation. It is vital for them to

He invoked Terry Pratchett's words, "If you did not know where you come from, you do not know where you are. And if you do not know where you are, you probably don't know where you're going." Drawing from this, Mark asserted that the pivotal starting point in any client advisory relationship is ensuring the client (as well as the advisor) has a comprehensive understanding of their own assets, family dynamics, and overall financial situation.

### **The Imperative of Diagnostics in Wealth Management**

For Mark, the foundation of any remediation plan lies in rigorous preliminary diagnostics. "Every UHNW individual or family has some aspect of their financial

situation that could be optimised. That's typically why they seek your counsel," he mentioned. Advising on potential solutions, however, isn't about prescribing a singular 'correct' path. Instead, Mark champions presenting clients with two or more options, drawing upon information gleaned from the preliminary diagnostics, and each with its benefits and drawbacks illustrated. This allows clients to evaluate strategies that align with their comfort zones and priorities, and then decide which strategy or remediation plan best meets their long-term goals.

Pinpointing the right direction isn't where the journey ends. Mark emphasized the importance of continuous adaptation and maintenance of the chosen plan.

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know their starting point as well as where they wish to head.

### **Navigating the Complexities of Client Awareness**

"Knowing yourself is the beginning of all wisdom," he quoted Aristotle, emphasizing that a majority of clients don't possess this self-awareness. He further elaborated, "Often you're constrained by regulatory and compliance frameworks, or you're engrossed in investment specifics, but the real barrier is that your clients are unaware of their starting point."





He concluded by underscoring the significance of a solid, well-informed platform from which UHNW families can make decisions, remarking, "It may sound straightforward, but understanding one's current position and aligning it with future aspirations is a meticulous, yet essential process."

### Mark's Approach

Mark then elucidated a structured, methodology to guide UHNW families in this process.

Outlining his methodology, Mark described, "Initially, it's about collating all pivotal information regarding the family and

their personal and business assets. This sets the stage for the subsequent diagnostic phase, where one identifies existing gaps and potential areas for improvement." He then elaborated on the need to explore various remediation options to reach the desired outcomes, suggesting, "With a typical family, I will present two or three distinct strategies, allowing them a comprehensive view of potential pathways."

Moving swiftly to his summary, he emphasised the importance of a detailed written analysis and record keeping over casual verbal discussions. He stated, "It's crucial for the client to have a tangible, written diagnostic analysis of their situation, encompassing both their perspectives and factual details." Quoting from his practice, he shared, "Only after extensive groundwork can the diagnostics be deemed complete, and a remediation plan will then have solid foundations, and be in a structured written plan. Ultimately this leads to a comprehensive understanding by

the family, and their advisers of the proposed solutions."

### An Educational Journey

Mark emphasized the educational aspect of this process, highlighting, "This journey acquaints clients with the diverse complexities of planning such as CRS issues, cross-border challenges, succession planning, governance, and fiduciary structures and relationships, amongst others." With a solid foundation in place, derived from what Mark termed a "a detailed, written structure manual", the next steps become clearer for both clients and their advisers.

Finally, he concluded by stating that whatever plan is implemented, "the journey of a thousand miles", has only just begun with this single step, and to ensure the journey continues successfully, the plan needs to be revisited, updated, revised and monitored on an ongoing basis. ■

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