

Q2 2021

& Simple

Quarterly family office signals

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Where is the family office market heading?

Simple conducts regular interviews with family office experts to gain fresh insights on the question.

The interviewees consist of a mix of service providers, banks, consultants, and advisors targeting Single Family Offices and/or Multi-Family Offices in Asia, Europe, and the US.



Professionalization of ownership and management

The main focus areas for Family offices centre around the following: financial performance, legal jurisdictions, tax efficiency, succession, technology, cybersecurity, attracting and retaining talent and day-to-day planning. Many FOs are showing institutional-like [professional] behaviour and governance will be a defining parameter in the future. Structured internal processes and decision-making will form the operational foundation for success.

Simple take aways

There is much awareness around professionalisation – but many find it challenging to get started and identify which tools to use. Understanding entry points and having ready-to-use resources will make it easier.



Effect measurement is the key to success

The growing population of UHNWI's has increased the supply of Family Office advisors. They are getting chased by a forest of service providers, but they often receive lousy advice and nobody helps them from a holistic approach. Few can provide, show and communicate the tangible value they offer.

During COVID-19, many families have re-evaluated their values and what success means to them, e.g., living close to family or favourable taxation.

Simple take aways

It has become easier to consolidate data at platforms and measure financial and non-financial factors. Best practices and benchmarking continue to be on the rise.



Alternative investments on the rise

Catalyzed by the economic environment, many FOs have an increased appetite for alternative investments: VC in start-ups synergizing with core competencies for strategic advantage, sustainability, ESG, impact, crypto, cannabis, etc. The trend is further enhanced as more progressive generations find themselves in a position of power and investment executions.

Simple take aways

Few have the capabilities to make alternative investments. It is essential to understand your capabilities and ambitions and have a common vision across generations to find the right providers to support you.



Purpose driven

A lot of first-gen wealth is coming to an end. Next-gen involvement has increased during COVID-19 as families have spent more time becoming more aware of their relationships. Next-gen owners are more focused on a purpose that is close to them and social and environmental aspects. Purpose-driven investment further accelerated during COVID-19, and families have become more aware of the legacy they want to leave through investing, philanthropy, caring for the community, and organizational structure. There has been a shift towards social and emotional wealth vs. purely financial. The change in focus is more pronounced in the western part of the world.

Simple take aways

Purpose and impact have expanded to include a broader internal and external focus on values, diversity, investments, and organizational structure.



Efficiency through outsourcing and insourcing

Single-Family Offices often consist of 2-3 people that handle various activities - asset management is just one of the tasks, and it is challenging to address all the asset classes. No office can house the best talent for everything in the industry – it is too expensive and difficult to retain. The dynamics between insourcing and outsourcing are fluid conditioned by evolving needs – and it is rarely related to costs but more often related to finding the best expert. For this reason, the demand for project management skills in FOs is increasing. Additionally, a new type of FO, the so-called “Startup Family Office,” is emerging in the market. The startup FO is heavily supported by technology and characterized by a startup mindset.

Simple take aways

Network, connecting with peers, sharing information on how things are done, and benchmark best practices related to governance and decision-making are all sought to optimize the outsourcing and insourcing setup.



Morgan Stanley



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Thanks for the contributions to

