



TRUSTED FAMILY

10 STEPS TO IMPLEMENTING A FAMILY PORTAL.

The value of a family portal for business families and family offices.

INTRODUCTION

Many of you are familiar with the statement “Once you have seen one family office, you have seen one family office.”

Even if it’s true that every family is unique, we believe that most business families face similar challenges.

As a family moves from one generation to another:

- The family gets bigger
- The family members spread out over different cities, sometimes even countries
- Fewer family members have an active role in the original business that created the family wealth
- The next generation grows up with different educational backgrounds, skills and interests
- The ownership stakes start to vary (usually as from the 3rd generation)

The above illustrates that the more you advance in the generations, the more difficult it becomes to manage the family.

It is estimated that only 10% of business families manage to keep the family business and/or the family wealth together for more than 3 generations, which highlights that many families underinvest in the management of the family, versus in the management of their business(es) or investments.

Researchers Williams and Pressier have shown that:

- In 60% of the cases this is due to lack of communication in the family
- In 25% of the cases this is due to lack of education and preparation of the next generation

Two multi-generational Belgian families, behind Solvay Group and Aliaxis group respectively, realized that their families were facing the above challenges, and thought that in today’s world, the most effective way to communicate and educate the family was by leveraging technology.

They built a secure family portal solution for their own use, and realized many other families around the world shared the same needs. They founded Trusted Family in 2007, and today Trusted Family provides its technology platform and services to over 80 business families and family offices around the world.

This whitepaper gives an overview of the best practices we have seen amongst families implementing family portals.

WHY A FAMILY OR FAMILY OFFICE PORTAL?

Family portals are typically used to enhance one or multiple of the following 6 activities:

1. COMMUNICATION

Given that communication is key for long-term family, family business and family office success, family portals are a great way to facilitate:

- Family to family communication
- Shareholder communication from the family business(es) to the family
- Client communication between family office staff and family members

Family portals, when setup correctly, offer additional security than other communication channels such as email. In addition, they allow you to create more transparency in your communication, to archive and track communication and to organize them in a more structured way.

2. DOCUMENT MANAGEMENT AND ARCHIVING

In today's complex and global world, the number of documents family members and family office or family business staff members need to manage increases every day.

Family portals can help you to:

- Make documents available to the right people at the right time, through flexible permissioning systems
- Share sensitive documents more securely than through email
- Organize and archive documents in shared folders, so that authorized people have access to the latest version of important files
- Systemize document retention and record-keeping for the long term, so that you can always go back in history to know what was decided when for example

3. GOVERNANCE

As families grow from one generation to another, many families set up family councils, family boards, investment committees, working groups, etc...

Family portals can enable each of these groups to :

- Schedule and arrange meetings
- Share minutes of meetings
- Collaborate online on working documents, to-dos, etc...
- Archive the key decisions that they take

4. EDUCATION

With a larger shareholder base or an upcoming next generation, shareholder education and next generation training becomes increasingly important.

Bringing everyone together in one room can often be challenging, certainly if certain next generation member study abroad or if the family is geographically dispersed.

Families can reinforce and complement their in-person education initiatives by setting up a portal and:

- Posting regular training and educational videos that people can watch remotely
- Organizing virtual training sessions through webinar technologies and posting recordings on their portal
- Building an online education library with key resources and materials that family members can access at any time to develop their knowledge and skills

5. FAMILY LEGACY, COHESION AND HISTORY

Many families struggle to keep family members interested in the business or close to other family members, to maintain family values over generations or to build cohesion while respecting family diversity.

Family portals can be used to:

- Share and document family history and values
- Maintain a live and interactive family tree so that family members can more easily connect to the family and understand who is who
- Create interaction between family members that may not necessarily know one another very well.

6. ADMINISTRATIVE AUTOMATION & REPORTING

Every family or family office often appoints one or more individuals as responsible for maintaining the family member database or organizing family meetings. As the family grows, this can become increasingly time-consuming.

Family portals can automate repetitive tasks by:

- Automating event scheduling and organization with online invitations and reply forms
- Centralizing the family member database and enabling family members to update their data immediately

In addition to the above, portals can also offer detailed metrics on family members activity and engagement, which is an invaluable source of feedback for the family council or board.

WHEN DOES IT MAKE SENSE?

The need for a family portal will depend from one family to another, but will in most cases increase along the following drivers:

- The number of family members / shareholders
- The age of the next generation
- The geographical spread of the family
- The day to day family involvement in the core business activities
- The number of family office staff or advisors
- The number of entities
- The number of governance bodies or workgroups

With the standardization of technology, the setup process for a family portal has become shorter and shorter. Once a decision has been taken by the family to move forward you can typically be up and running in 1 to 3 months if you opt for an outsourced solution. Building a platform in-house can be a lot longer depending on the scope of the project.

A new family portal is often a great initiative to be introduced during a family or shareholder meeting. Every family member can come with their laptop, phone or tablet and receive a live training.

HOW TO CHOOSE THE SOLUTION THAT SUITS YOUR NEEDS, AND HOW TO GET BUY-IN?

Once you are ready to start on the journey of evaluating a family portal, we recommend that you follow this simple step by step methodology:

1. Appoint a family member or staff member responsible for the project
2. Make a short profile of your family, business & office (see section 3) and specify how you currently perform the 6 activities mentioned in section 2
 - Communication
 - Document management and archiving
 - Governance
 - Education
 - Family legacy, cohesion and history
 - Administrative automation and reporting
3. Identify the current and future challenges in your current way of working for the 6 activities above
4. Validate the project goals
5. Develop an ideal solution and list of requirements
6. Validate which content you will share and who will have access to what information
7. Select the most suitable technology platform that suits your needs, or write specifications if you are planning to build one from scratch
8. Make a budget and estimate the different costs
9. Define the project timing and milestones
10. Present the project proposal and plan to family council, board or patriarch for go or no-go decision

CONCLUSION

In today's information age, globalized and increasingly mobile world, family portals have the potential to become virtual information and coordination hubs for business families around the world.

IS YOUR FAMILY ENTERPRISE READY TO EVOLVE TO FAMILY 2.0 ?



TRUSTED FAMILY

Trusted Family is based on the belief that families can create greater financial as well as non-financial value through increased cohesion between their members.

Our goal is to help families go beyond merely staying together, and to enable them to systematically identify and leverage their unique family assets.

To accomplish this goal, we have built a set of solutions, which enable families to measure, track and manage towards internal cohesion.

At the heart of our approach is a purpose-built, modular and secure online platform. This, coupled with our family business expertise, equips us to deliver platform based advisory services across communication, education and societal strategies - the three key drivers of cohesion

Trusted Family was created and is majority controlled by some of its client families. Today, more than 90 progressive business families across 25 countries share our vision for the future of the successful family. Should you wish to find out how to join this rapidly growing movement, contact us for a preliminary consultation.

For any comments or questions on this paper:

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