

Trusted Family's secure online family portal – turning family complexity into family engagement

Edouard Thijssen

Families are complex ecosystems, where families themselves, their business, family office and other activities, such as philanthropy, interact with each other. Communication is the glue that ensures things happen much more effectively, which is why Trusted Family created an online portal to facilitate family correspondence and engagement. This article addresses some of the key needs families must handle when it comes to their family office, business and foundation.

This article will guide you through the complexity of the family system, how a secure platform fits into larger and more complex family office toolkits, and how it ties into a well-constructed communication strategy – while meeting the family's expectations around confidentiality and functionality.

1. Introduction – created by families for families

Trusted Family was created for our own families. I belong to the fifth generation of the Aliaxis group, while Edouard Janssen is a sixth-generation member of the Solvay family group. We created a platform to address our highly complex needs, both on a familial and business level.

When Trusted Family co-founder, Edouard Janssen, and I met at a conference in 2006 we shared similar ideas on why and how we could find a solution to the complexities and lack of efficient communication within our families.

Although both of our families were spread out all over the world with the number of family members growing, our senior generations were focusing heavily on the business-related activities and did not assess that there should be some improvements introduced when it comes to our families' communication. The lack of strong ties with our broader families, the involvement of in-laws, the different cultures we faced, and expectations each family member encountered made us realise that we had to act promptly and take charge of our families' various communication activities. We wanted to enhance the families' alignment around the key values and principles – that had been highly challenging prior to our innovative idea and its later execution.

With each family member growing up with different expectations due to their diverse education, geographical location and involvement in the business, it was hard to manage what information

should be shared and with whom. Also, how to best engage someone who has responsibilities on the family council, is active in the family foundation, is on the board, or just a shareholder was quite a task. Although we had annual meetings, we felt that in order to keep extensive families engaged these were not sufficient. In both of our families we also tried to formalise our strategies, structures and communication with our family members. We believed that if we did so the various roles and responsibilities would be more important and everyone would feel more valued and be more appreciative of the families' activities and of the business operations. Meetings were followed up by written memos and everyone was kept informed. We also felt that someone needed to take on the role of the communications champion, to be in charge of fostering and controlling our strategic family communications. This has resulted in a gradual increase in family engagement and alignment.

Edouard Janssen and I met at a conference. We immediately bonded and started to explore the similarities in our backgrounds and how our families were struggling with the same complexities. We went through the viability points of such a family communication tool and asked ourselves many questions on what the possible infrastructure should be. We also discussed how to reach out to our closer and wider families and how often we would need to communicate with everyone. What information we should share, with whom and how often.

We had some initial plans to start with. Today we not only have the online family portal, but also an app that works on both iPads and iPhones.

When we realised that other multi-generational families from all over the world had similar requirements to ours, and that there was a gap in the market, we really just had to narrow down the key

points we wanted to address and focus on. It adds a lot to the credibility of this portal that the two founding families still use it today and since its inception Trusted Family has grown to work with multi-generational families globally.

Knowing the importance engagement plays in the success of the family office, business and foundation, as well as the family unit itself, Edouard and I had the following specific concerns about how to enhance our families' overall communication.

Let me start by helping you to reflect on a number of questions that we had and that we have sought to address through Trusted Family:

- What tools do you use to communicate with your family, family office and family business?
- Do you consider it versatile enough to fit all purposes?
- How do you push content from the 'top down', such as sharing documents, data and other resources?
- How do you pull in content and gather information from family members and other users within the business, family office or foundation?
- Do you share these in a central place for all or select family members to see?
- How do you make sure that these operations are secure and private, but at the same time are accessible to family members?
- When it comes to family communication, what would tracking and measuring success look like?
- Do you have full and complete family profiles covering each member of your family and their contact details?
- How do you currently ascertain and understand each family member's interests?
- Who is responsible for managing your family community?
- What is your content plan? In other words, what are you going to communicate and when?
- How will you generate peer-to-peer communication?
- How do you track and understand what works and what doesn't?
- Do you understand what best practice looks like

and how you compare to your peers? What does a successful digital family look like?

Central to our business is the trust that exists between us and the families we work with. It is important to address family engagement, but it must be addressed through an absolutely secure system. Family engagement covers issues that are confidential and sensitive, it is important that they can be discussed with security.

Our clients are aware that we use the same technology. They know that we understand their needs and expectations, the components of the family system, and why a secure portal is relevant to each and every large and complex family.

2. Complexity in the family

An online platform creates a central system for the complex family and its operations. It is important to define the parties forming the interconnected family system, but it is first worth considering the complexity of the family itself.

It goes without saying that families grow over multiple generations with family members usually spreading out over different cities, even countries, with many family branches within the broader family. It has been noted many times that families are becoming increasingly multijurisdictional.

As a result, new generations grow up with different expectations, backgrounds and passions, and managing the family becomes highly complex.

Fewer family members play an active role in the company as time goes by or, alternatively, the family firm might have even gone through a liquidity event.

The complexity of the family is compounded by in-laws and step families.

Strong family engagement will not only have a positive impact on the family unit, but the business and family office performance too. Crucially, families need to know their talent pool in order to manage their talent.

Internally, a cohesive family generates trust, builds alignment, a sense of purpose and positive impact, smooths generational transitions, successions, and prepares family members to different roles they can

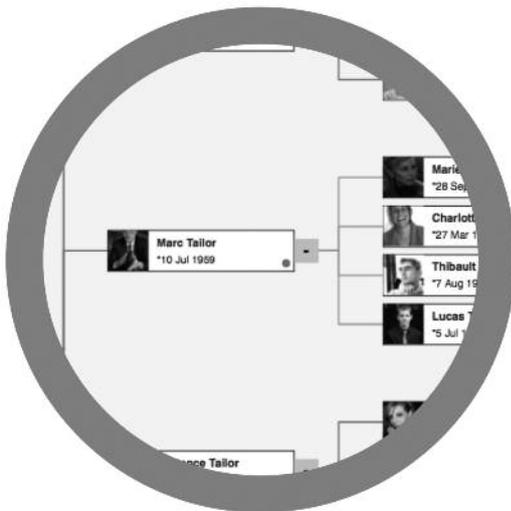
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play. It also facilitates educational opportunities, and contributes to the family legacy, in turn providing a sense of belonging.

Outside of the family unit, engagement fosters the family's reputation and builds relationships.

2.1 Family council and governance

The most pertinent functions of the family council include aligning the family around their value system, engaging family members, establishing vision and mission statements, facilitating leaving a family legacy and heritage, and ultimately fostering harmonious family relationships.



Family governance must prioritise the establishment of a trusting relationship between the family and the executives who are employed in its various entities, whether it's the family business, the family office, or the family foundation. Family principals must also be responsible for developing responsible shareholders in the next generation.

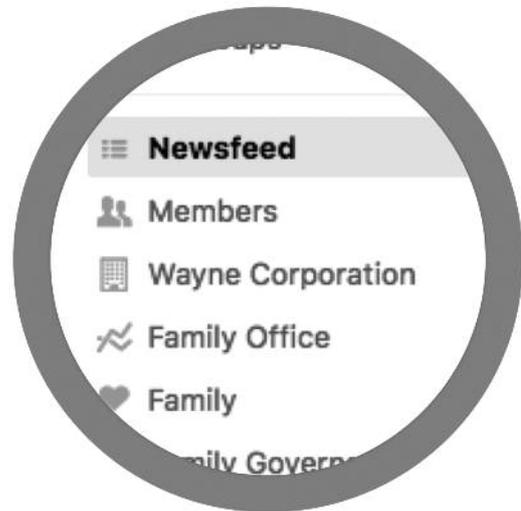
Succession, of course, is the process that will significantly occupy the family governance council. Key points of interest include how to start it and how to elaborate on the actual plan. Smooth succession depends on a number of factors: an older generation ready to pass on the torch, a trained next generation, and a solidly structured family office.

A secure family portal is crucial in all these aspects due to its centralised and confidential nature. Family engagement, next-generation engagement and legacy building (eg, archiving) are fundamental. A secure top-down and peer-to-peer communication is key. With sophisticated family governance all other components surrounding a family will be more efficient and solid.

2.2 Family office

Family office set-ups vary in terms of how they are structured. For example, whether they stand alone as an individual entity or are embedded with the family

business. Additionally, offices differ by size and responsibility. For example, family offices vary in the resources they dedicate to talent management, education, governance, investments, philanthropy and so on.



During the last few years we have been observing that family offices are now more cost conscious. However, families are certainly open to innovation, especially if it means digital innovation, and they are keen to explore new technology toolkits and still concentrate on growth strategies.

Investing in communication innovation through technology is one of the options to secure long-term success for generations to come – for the family and for its operations.

Whether the business is going public or the family wants to be involved in co-investments, fostering the sense of a united family is crucial. Enhanced and centralised tools for document management, top-down communication and peer-to-peer communication and family member management are vital.

Having a secure family platform can help create stronger bonds between generations, establishing trust through transparency on a centralised reporting system and document management system. Such an online secure family portal can also help in risk management procedures too. In addition, since it fosters top-down and peer-to-peer communication, it also provides an aiding hand in fostering the board's efficiency and giving transparency on the key responsibilities of the senior staff, whether they are family members or not.

2.3 Family foundation

Transparent communication around the family's identified purpose, continuous alignment on the goals and value system around giving and a secure control mechanism can be enhanced by the same family portal.

It supports philanthropic processes, enables information push and helps support secure various types of communication – for better control mechanism and engagement, and enhanced value creation.

3. Engagement and the online family portal

Consider how your family communicates about the following topics: net wealth, succession, expectations of the next generation, the role of the next generation in the family enterprise, the role of in-laws in the business, family office or foundation, conflict resolution, allocation of profits or income, generational transfer of assets, and providing liquidity to family members.

In engaging with each other about the business or family office, families will also cover a number of confidential business and financial issues together.

The topics to be discussed might not only be confidential, but sensitive too.

Perhaps you might like to consider the following questions:

- What information do you usually share within your family?
- From where does the information come?
- With whom do you share it?
- When and how often do you distribute it?
 - Family meetings?
 - Family conference calls?
 - Family newsletter?
- Through which channels and tools do you make it available?
- How do you promote it?

Having a secure platform, where families feel comfortable to communicate about both informal and formal aspects of their family issues, and a portal that fits all these purposes, is seen as vital by many families globally.

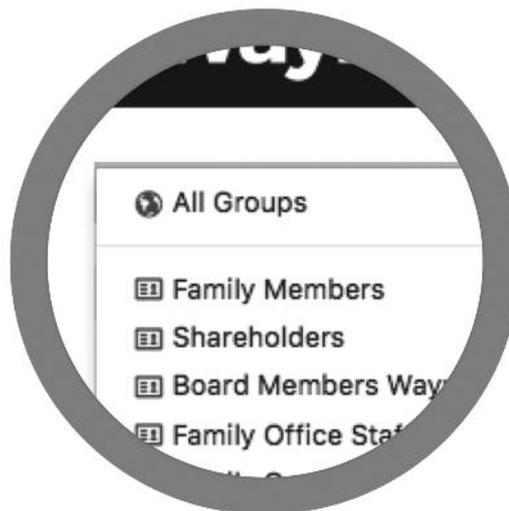
3.1 Appointing a chief communication officer

If you were to appoint two individuals to be in charge, I recommend that someone is in charge of your family communication, and that this individual is empowered to act (I will come to the second role soon).

That person becomes responsible for family engagement and leads your family’s communication and educational endeavours. It doesn’t have to be a full-time job, but by having someone responsible you can develop a strategy and be proactive.

Responsibilities of the chief communication officer (CCO) can include:

- maintaining a centralised family member database, address book and family tree;
- communicating key information from the different family entities (the family business, family office, family foundation) to the relevant



- stakeholders (the family);
- facilitating communication between family members;
- developing or promoting educational events, programmes and content for family members;
- maintaining a centralised information repository with all key decisions, critical documents, meeting minutes and family archives;
- organising regular family events and meetings (the annual family/shareholder meeting, regular board or family council meetings, education events and so on).



3.2 Creating family engagement

Engagement can come in all shapes and sizes, ranging from physical activities that require coordination through to the simple sharing of information, both of which can be facilitated by digital channels.

Examples of family meetings include:

- annual family assembly meeting;
- annual shareholder assembly of the family business;

- mid-year update with CEO from the operating company;
- annual family golf or sporting competition;
- one annual family trip (this could be connected to the family business, for example, by a factory visit, or to the family foundation via a philanthropy visit);
- quarterly educational modules throughout the year;
- next-generation activities.



Not all engagement requires such coordination and the physical meeting of family members, however.

The simple act of sharing important information or moments for others to enjoy in their own time can allow regular engagement between physical meetings. This can include the sharing of summer photos, a favourite recipe, or presenting a family tree with the broader family.

Regardless of the type of engagement, the online platform is an excellent and centralised tool for facilitating communication.

3.3 Appointing a chief technology or security officer

Now let me introduce to the second role I would suggest. Engagement must take place within a safe space and since security is a difficult and an ever-moving IT domain, it is advisable to assign somebody to take charge of security-related topics – the chief security officer (CSO).

The chief technology or security officer works

START TODAY	THE BENEFITS
<p><i>As part of your family business growth & innovation strategy, invest in your family communication</i></p> <ul style="list-style-type: none"> • Try our secure online framework. • Appoint a chief communication officer or be the engagement champion yourself • Start your monthly family newsletter • Share photos, videos and the family tree with your family members 	<p><i>With a united family you will:</i></p> <ul style="list-style-type: none"> • Avoid conflict within the family & foster trust and commitment • Reduce complexity and risks by knowing and understanding your family • Create a competitive advantage for better family business and family office performance • Enable and sustain a strong reputation & leave a long-term legacy • You can even facilitate the preparation and execution of succession and any further transitions thanks to an engaged family

alongside the chief communication officer, who is in charge of family engagement. Security threats are real, and families should be conscious of this, especially when it comes to communicating and sharing family and business data.

Getting the right talent and a relevant skill set is crucial, whether the individuals are sourced and trained internally or are externally selected professionals. Information technology costs constitute one of the largest administrative costs in family operations – especially when it comes to the family office.

3.4 Data security

Many families have experienced various security breaches. These are mostly connected to viruses, phishing (email scams) and also to pharming (adding malicious software). Such attacks threaten a family's reputation, credibility and privacy.

When it comes to data security, software is considered a high priority by most family office executives and advisers, with a focus on software efficiency, appropriateness of the system, and a high importance placed on confidentiality and data security.

Regardless, security does not stop with the software you use. A family office might have the most technically secure tool but if your family or staff do not know what they are doing with it you are still at risk.

Families and their staff need to understand that data is sensitive and they need to be trained in data security awareness. Without dedicated staff working on IT systems and data security, families could be at risk, for example of a zero-day exploit, which requires full-time attention.

It is worth noting that when it comes to software

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for family operations only a few options suit their needs and even those have flaws. The same goes for software used for family professional services.

Scalability, costs and compatibility are also important factors to be taken into consideration by families and their offices when it comes to their reporting systems and office processing tools.

We have seen a few families who tried to build their own portals but faced a series of challenges due to scale. As this is not their expertise, and it is an extremely expensive exercise too, they also missed a few important points by building it themselves.

4. The Trusted Family solution

Trusted Family provides a space for family engagement with the benefits of dedicated security, so families can ensure their information is safe.

Using the Trusted Family platform family members share information and data in a central place, where all other members can see it or a particular group, such as the family office for example. In this secure space there is no need to send information out to individuals.

Profiles are customisable so that some information may be available only to certain members, such as family administrators or specific work groups. Addresses and phone numbers can also be added at any time without exporting or importing any data.

Users of the Trusted Family online platform are able to view the popularity of content and who has viewed it.

Trusted Family offers families an optional full encryption of data and runs regular external reviews on the security of the portal – an expensive exercise that is best achieved with scale. Each year we seek a different provider to make a hack attempt running penetration tests in order to be constantly aware of any weak points.

We run security workshops, providing families with videos on best practice. We do not want to make anyone afraid by talking about security, but we want you to be aware of the complexity behind all aspects of security when it comes to your family and business operations.

Families are welcome to run our software on their own servers if they feel this will be more secure for them.

5. Conclusion – outcomes of an engaged family

Strong family engagement will not only have a positive impact on the family unit, but the business performance too. However, family members need to have confidence in the tools they are using for family engagement and know that they are held to the highest security standards.

In our family, portal data is stored in a central place. We ensure our platform is easy to use and access, which decreases the desire for family members to copy confidential and sensitive data to their less secure devices. With a central portal where all important data is stored, finding relevant information is quick and secure.

To conclude with some advice on security:

- Since your local device is generally less protected and more vulnerable than a centralised system, we suggest you use web-based mail tools.
- Install a virus scanner regardless of what system you use, keep it and all other software up to date.
- Phishing attacks are omnipresent. Be aware of messages that look too good to be true and messages that you did not expect even if these messages come from people you know. Never click on attachments that you do not expect to receive.
- Use long passwords (or even phrases) rather than short recognisable words even if they are 'transformed' by the by now well-known conversion methods (o - 0, i - 1, e - 3, and so on) as these methods are well known by most hackers.
- Finally, try to enable two-factor authentication, which requires alongside your password the presence of a physical item (generally your smartphone).

Edouard Thijssen is one of the co-founders of Trusted Family. He graduated from the Solvay Business School in 2007 with an undergraduate management degree. He has also completed the Leading the Family Business programme at IMD, Switzerland. Edouard was on his way to the London School of Economics when his entrepreneurial instincts drove him to launch Trusted Family. He led the company as CEO until 2011. Then acted as head of Americas and concentrated on business development and client services in North and South America. In September 2016 Edouard was again appointed CEO.

'Trusted Family's secure online family portal – turning family complexity into family engagement' by Edouard Thijssen is taken from the second issue of the new *The International Family Offices Journal*, published by Globe Law and Business, <http://ifoj16.globelawandbusiness.com>.