

Best Practice to Discuss Risk With Your Family



In the ever-changing landscape of family office dynamics, addressing risk has become a critical aspect of ensuring a secure and prosperous future. As a global leader in family office risk management, Accordant Global Partners has gained extensive expertise in guiding families through the intricacies of risk management.

Our experiences have taught us that leaving individual family members to manage their own risk coverage can lead to vulnerabilities. At Accordant Global Partners, we stress the importance of centralizing risk management decisions to ensure a consistent level of protection across the entire family and business, a strategy that has proven successful with numerous families.

Creating Safe Spaces for Risk Discussions

Every family office should prioritise risk discussions in all formal and semi-formal meetings. Whether it is a family-only gathering, a session involving employees, or a combination of both, we emphasise the need for risk to be on the agenda. Making risk a regular topic of conversation helps families address potential challenges and opportunities more effectively.

The Gradual Approach to Risk Discussions

Drawing from our extensive experience with a diverse range of case studies, we explain these scenarios to various family members, facilitating a heightened sense of awareness and comprehension of risk-related subjects. These topics resonate with all family members and serve as a more advanced risk discussion.

Navigating Scary Waters with Expert Guidance

We understand that some risks might appear intimidating and meet resistance from family members. As experts in family office risk management, Accordant Global Partners provides guidance to ease these concerns. We have successfully addressed complex topics like corporate espionage, kidnap, and trusted insider threats with our clients, helping families understand and address these potential risks with confidence.

Maturing the Family's View on Risk

The cornerstone of fruitful risk discussions resides in initiating dialogues centred around topics that encounter the least resistance. As families gain a deeper sense of ease and familiarity with such risk conversations, their perspectives on risk management inevitably evolve and mature. This gradual and progressive approach paves the way for the integration of other pertinent risk-related subjects, culminating in the establishment of fortified family offices.

Prioritising Risks for Long-Term Sustainability

Deciding which risk mitigations are vital for the long-term success and continuity of the family enterprise remains a paramount priority for family offices. At Accordant Global Partners, we pride ourselves on our extensive expertise in this domain, which underscores the importance of fostering an environment of thoughtful deliberation when determining the appropriate risk elements to be encompassed within the family trust's coverage.

Travel

There are many complexities to consider while travelling. The broad areas we explore for our clients and each of the places they are visiting are, geographical political tensions, terrorism, civil unrest, organised crime, petty crime, kidnapping threat, cyber security, and the potential risk of medical, environmental, and human made disaster. As well as incorporating overseas security drivers and reviewing and assessments of all itineraries to mitigate risk. Be sure to acknowledge the globalised nature of modern threats and the necessity for comprehensive protection on an international scale when travelling.

Medical

Moreover, our team strongly emphasises the value of equipping family members and staff with specialised medical training, as this proactive measure can prove invaluable in addressing emergencies or health-related incidents that may arise within the family ecosystem. By ensuring that family members and staff are adequately trained to handle medical exigencies, the family office can effectively minimise potential risks to human capital and ensure a prompt and competent response during critical situations.

Cyber

Cybersecurity is another critical aspect that we deem crucial for any contemporary family enterprise. With the ever-increasing dependence on technology and digital platforms, the threat of cyber-attacks is a real and ever-present danger, not to mention deep fakes which are becoming more common. Therefore, we stress the necessity of robust cybersecurity measures to safeguard sensitive data, protect financial assets, and preserve the family's reputation.

Social Media and Online Profile

In an era characterised by the pervasive influence of social media, we also advocate for social media awareness training as part of the family office's risk management strategy. Recognising the potential repercussions of unchecked online presence among the family, we guide our clients in fostering a culture of responsible social media usage, reducing reputational risks, raising awareness with all family members about the information able to be gathered from profiles and safeguarding the family's privacy.

Internal Staff and Trusted Insider Risk

Furthermore, implementing comprehensive background check policies is essential in cultivating a trustworthy and secure environment within the family office. These should be bi-annual and multi layered on both existing and new employees. To ensure that all personnel associated with the family enterprise maintain the highest standards of integrity and competence.

Physical and Personal Security

Lastly, we consider home security measures to be integral to the overall risk management framework. With physical security playing a critical role in safeguarding family members, assets, and property. To be clear, we are not talking about security guards, although some families may need this level of security, there is much more that goes into proactively putting in place physical and personal security and this needs to be completely aligned with each family's unique needs and preferences.

The Power of Regular Risk Discussions

In conclusion, the systematic and deliberate practice of engaging in risk discussions bestows significant empowerment upon families. By openly confronting and analysing potential risks, families gain the ability to take control and implement preventive measures, thus bolstering the family office's resilience and fostering a heightened state of preparedness to overcome any challenges that may arise.

Our mission is to empower families, enabling them to navigate uncertainties with confidence and build a secure foundation for their enduring success. By fostering an environment of proactive risk management and dependable responsiveness, we solidify our position as a trusted partner in safeguarding the interests and aspirations of our valued clients.

At Accordant Global Partners, our commitment ensures our clients remain resilient to the global risk landscape.

Disclaimer: The insights shared in this article are based on the experiences of Accordant Global Partners, a leading expert in family office risk management.



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