

New Study Documents How Business-Owning Families Are Responding to the Need to Separate Their Personal Wealth Management from Their Operating Companies

CHICAGO, January 20, 2011 – Most business-owning families continue to manage their personal wealth within their operating business despite the legal, personal and business risks of doing so.

“Business-owning families are aware of the risks of trying to manage personal wealth inside their companies but have not acted because they believe change would be difficult, they do not have family support or they are too busy operating the business,” says Lisa Ottum, senior research analyst for Family Office Exchange (FOX), a leading provider of research, education and networking support to business-owning families and other private wealth owners, family office executives and wealth advisory firms.

“Without a specific catalyst forcing families to make a change, it is easy to put this issue on the back burner,” says Ottum, lead author of “Taking Care of Business: Case Examples of Separating Personal Wealth Management from the Family Business,” the latest installment in an ongoing research series on optimal ways for business-owning families to manage their personal wealth.

FOX sees change ahead, identifying not one but three factors – retiring baby boomers, the need for diversification and increased awareness of non-investment risks – that will prompt business owners to begin the process of separating the management of a family’s financial and administrative affairs from the management of their operating company.

The FOX study provides a road map for the separation of a family’s personal and business matters. Using case examples of four FOX members, this paper:

- Details the steps involved in making a transition from managing family wealth inside the family business to setting up a family office or selecting an outside wealth advisor.
- Identifies techniques and strategies that families have applied with success.
- Provides the insight and wisdom of advisors and family office executives who have been through the separation process.

“Separation of the management of personal assets from an operating company may appear to be a daunting task. However, as this paper shows, successful separation does not, and should not, happen overnight,” Ottum says. “There are intermediate steps, such as creating a virtual family office or

devoting one full-time employee to the family's personal wealth, that make the process more manageable and less overwhelming."

To obtain an executive summary of "Taking Care of Business: Case Examples of Separating Personal Wealth Management from the Family Business," visit www.familyoffice.com/takingcare.

About Family Office Exchange

Family Office Exchange (FOX) is a definitive source of knowledge and best practices associated with the business of managing family wealth. Founded in 1989, FOX provides industry knowledge, networking opportunities, and wealth owner education to 500 members in 22 countries from offices in Chicago and London. For more information, visit www.familyoffice.com.

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