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## **New FOX Study Identifies Opportunities for Family Offices to Contain Costs**

*Addressing Unnecessary Complexity Leads to Savings  
Without Compromising Family's Goals*

**CHICAGO, March 2, 2011** – Single-family offices can reduce their costs by simplifying the complexity of their work, according to a study released today by Family Office Exchange (FOX), a leading provider of research, education and networking support to wealth owners, family office executives and wealth advisory firms.

“Careful analysis of family office operations and cost data clearly shows complexity is the single biggest driver of costs,” says Lisa Ottum, senior research analyst for FOX and lead author of the firm’s latest study of family offices, “The Cost of Complexity: Understanding Family Office Costs.” The study is co-sponsored by Pitcairn, a FOX multi-family office member firm.

“The scope of services offered and the size of the family both contribute to complexity, but it is the number of entities supported by a family office – including individuals, households, trusts, and partnerships – that is the best predictor of office costs,” Ottum says. “Each of these entities generates additional service needs and transactions that must be fulfilled by office staff, stretching the capacity of existing employees and ultimately increasing office expenses through additional hiring.”

Although certain types of complexity are “necessary,” the study says that there are numerous sources of “unnecessary” complexity that can be eliminated in the quest to reduce family office costs, including legacy complexity, complexity due to skill or technology gaps, underutilized entities, and advisor redundancies.

Reducing family office complexity and meeting a family’s goals are not competing priorities, says Leslie Voth, president and chief operating officer of Pitcairn.

“By identifying and mitigating the inefficiencies within the family’s wealth structure, it is possible to better meet the requests of family members using fewer resources more effectively,” she says. “The key is to learn to distinguish between necessary and unnecessary complexity in order to maintain service quality while eliminating inefficiency.”

To obtain an executive summary of “The Cost of Complexity: Understanding Family Office Costs,” visit [www.familyoffice.com/complexity](http://www.familyoffice.com/complexity).

### **About Family Office Exchange**

Family Office Exchange (FOX) is a global membership organization dedicated to supporting high net worth families and their advisors with research studies, consulting services, collaboration opportunities, and education on key topics such as managing wealth, family governance and best practices for running family offices. FOX currently serves 500 families and their advisors from headquarters in Chicago and London with offices in New York and Boston. For more information about FOX, call 312.327.1200 (Chicago office) or +44 20 7170 4235 (London office) or visit [www.familyoffice.com](http://www.familyoffice.com).

### **About Pitcairn**

Pitcairn is one of the leading family offices, dedicated to helping families sustain and grow their substantial, often complex financial assets and supporting the unique heritage of its clients across multiple generations. Pitcairn has been recognized as an innovator and leader in the family office industry since its inception as a family office in 1923. Today, Pitcairn continues to redefine the family office experience for generations of the world’s wealthiest families.

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