

Navigating your Family Office into the Future with Purpose, Governance and Talents

Italian Family Office Observatory
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IMD / Real learning
Real impact



THE WORLD OF FAMILY OFFICES IS RAPIDLY TRANSFORMING



Why do we see such a rise in family offices globally?



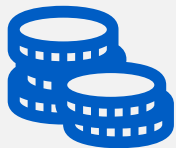
Increasing numbers

- Overall increase in wealth (HNWI / UHNWI) worldwide
- Rise of a new class of mega wealth owners due to digital revolution
- Rise of wealthy families in Asia
- Increasing numbers of liquidity events for enterprising families



Increasing complexity of family, ownership & business (FOB)

- Cross-border assets and families
- Exposure to different national and international regulations and systems (admin, tax, legal, etc.), demanding close monitoring and professional, customized management.



Increasing complexity of investments

- The world around us is becoming increasingly complex
- Families wish to gain exposure to new / different investment opportunities, traditionally not served by banks (e.g., crypto, SPACs)



Trendiness / glamour of having a family office

- There's a hype around family offices
- Many think that setting up a family office is the ultimate goal



Awareness and transparency

- Increasing awareness and knowledge around the concept of FOs
- In the era of transparency, more and more FOs appear on the radar

Emerging trends in the 4th wave of family offices

Massive transfer of wealth



Rise of a new Next Generation



Rise of ESG & impact-driven investments



War for talents



Rise of a cohesive, purpose-driven asset



Changing family dynamics & proactive



Increased transparency & public visibility of FO



Rise of new ecosystems



Professionalizing FO operations & governance



Rise of new & hybrid forms of FOs



Digital transformation of the FO



Increasing regulations



Mandate of the Family Office

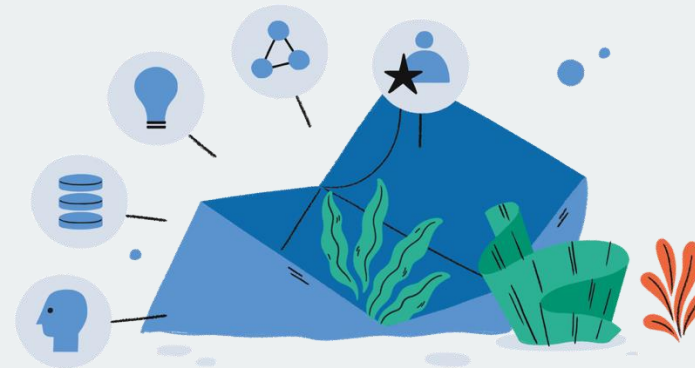
Family Enterprise Ecosystem

“A Family Enterprise Ecosystem is a dynamic and evolving system that includes all aspects related to your family, the businesses and other assets that your family owns, the way in which you govern the family, ownership, businesses & wealth, as well as your role in society and impact on the environment.”



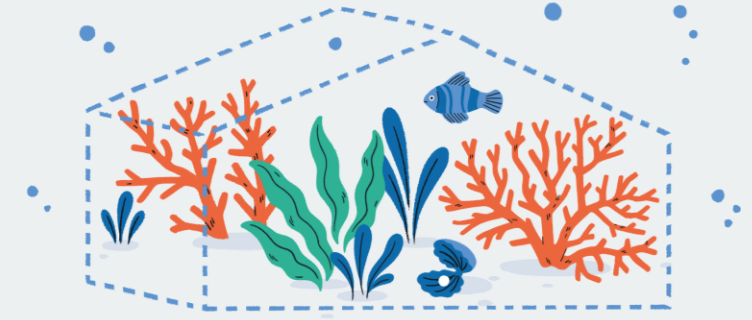
Total Family Wealth

“Total family wealth encompasses human, social, financial, reputational, intellectual, and other forms of capital, representing the overall wealth of a family enterprise ecosystem beyond its financial means.”



Definition of a FO

“A FO is a more or less formal and constantly evolving organization or private office dedicated to one or more wealthy families with the mandate of managing their human, social and financial capital, as well as other affairs in the family enterprise ecosystem, with the objective of continuing the family heritage for the generations to come.”



You know all of these fundamental FO types...



SINGLE FAMILY OFFICE (SFO)

Family office that has been set up by one family to take care of their specific needs



SFO

Started by, and serves one Family (or one branch within a wider family)

Single
“Multi” Family Office

Started by, and serves multiple (or all) branches of a wider family



MULTI FAMILY OFFICE (MFO)

A family office that is set up to simultaneously serve multiple, typically unrelated, families



Closed,
family-owned
MFO

Started by multiple families, serving their needs, exclusively

Independent,
commercial
MFO

Started by one family (or professionals) which evolved to serve multiple families.

Dependent,
commercial
MFO

Started by a bank, lawyer, etc. to serve multiple families



HYBRID / VIRTUAL FAMILY OFFICE

Uberization of the family office! An ecosystem-type approach where the needs of the family are served by a network of providers, and where they do not need to “own” everything themselves.

Meandering Identities of Family Offices

Founder's Family Office

Dedicated to working with / serving the patriarch / matriarch, focusing on investments (wealth creation) as well as other specific needs (concierge activities such as assistant, paying bills, travel plans, etc.).

Embedded Family Office

Trusted employees in the family business will handle personal and financial matters of the family, in addition to business matters. This can be a shareholder service group (in the business or the holding).

Administrative & Compliance Family Office

Oversee investments, manage complexity in the family ecosystem and take care of administrative matters such as record-keeping, insurances, tax returns, risk management, lifestyle, etc.

Philanthropic Family Office

To support the family in its philanthropic activities, with an emphasis on strengthening the family identity, legacy and impact and ultimately to ensure purposeful continuity across generations.

Family Investment Family Office*

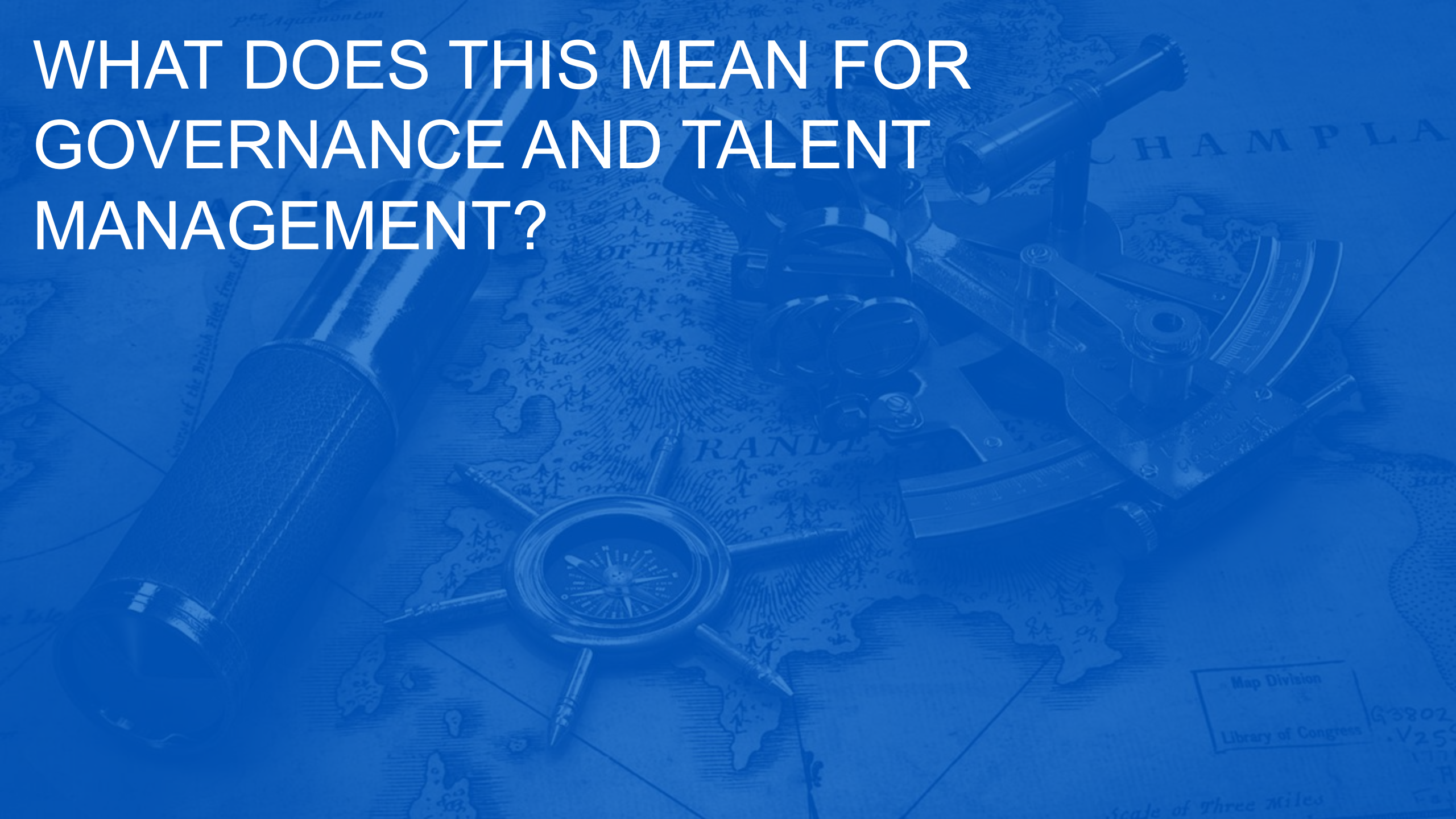
Manages all aspects related to finances and asset allocation of the family, with the aim to preserve and grow wealth across generations (across a portfolio of businesses and investments).

Full-service Family Office

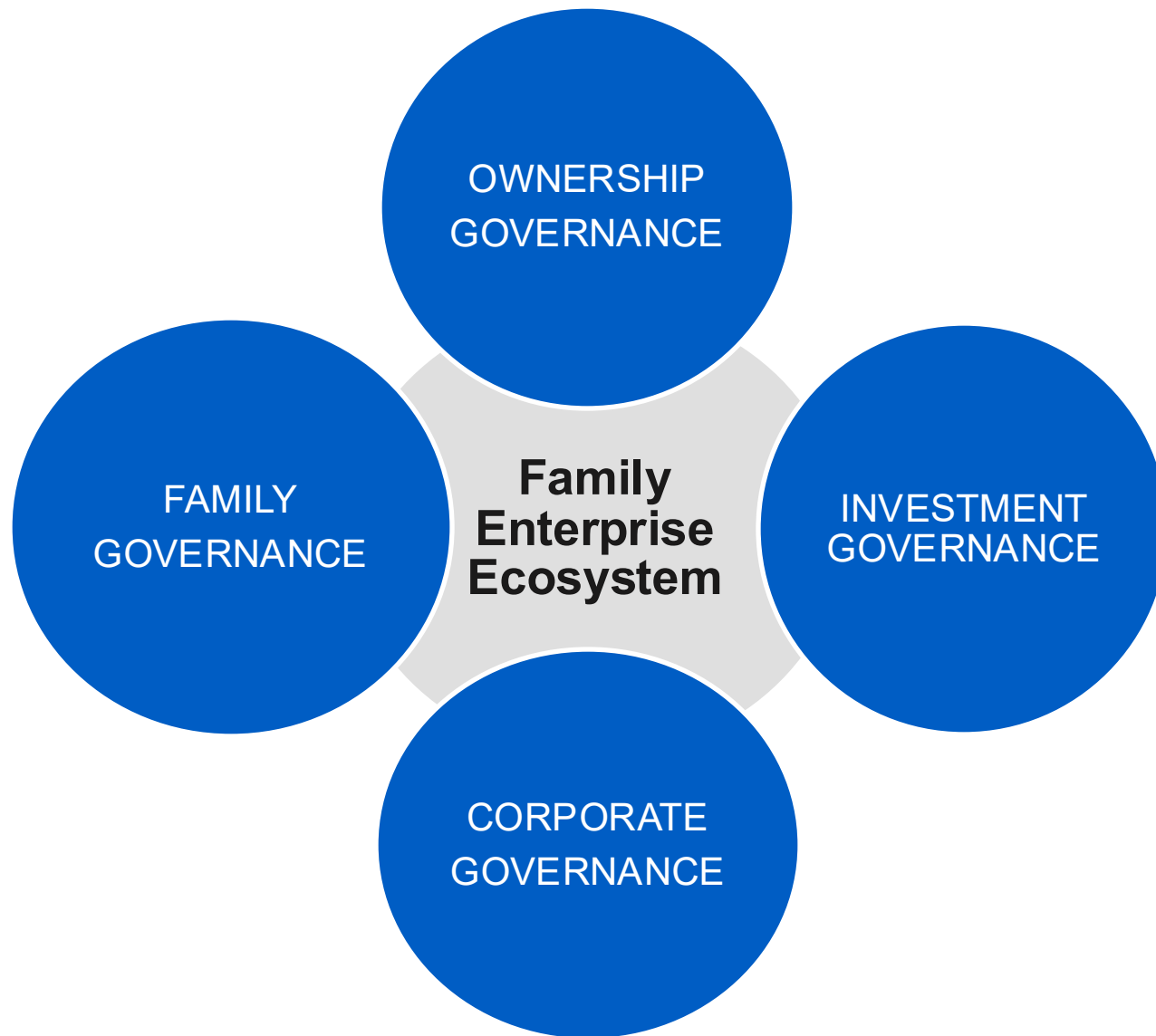
Manages all aspects of total family wealth, including human capital development, social capital management, financial and asset allocation matters, governance and regulatory matters, as well as ESG impact.

*The Family Investment Company is not a family office and vice versa. While the family office does play a role for some FICs by supporting individual shareholders and family 'glue', that role is not involved in FIC business and investment decisions.

WHAT DOES THIS MEAN FOR GOVERNANCE AND TALENT MANAGEMENT?



Holistic governance is needed

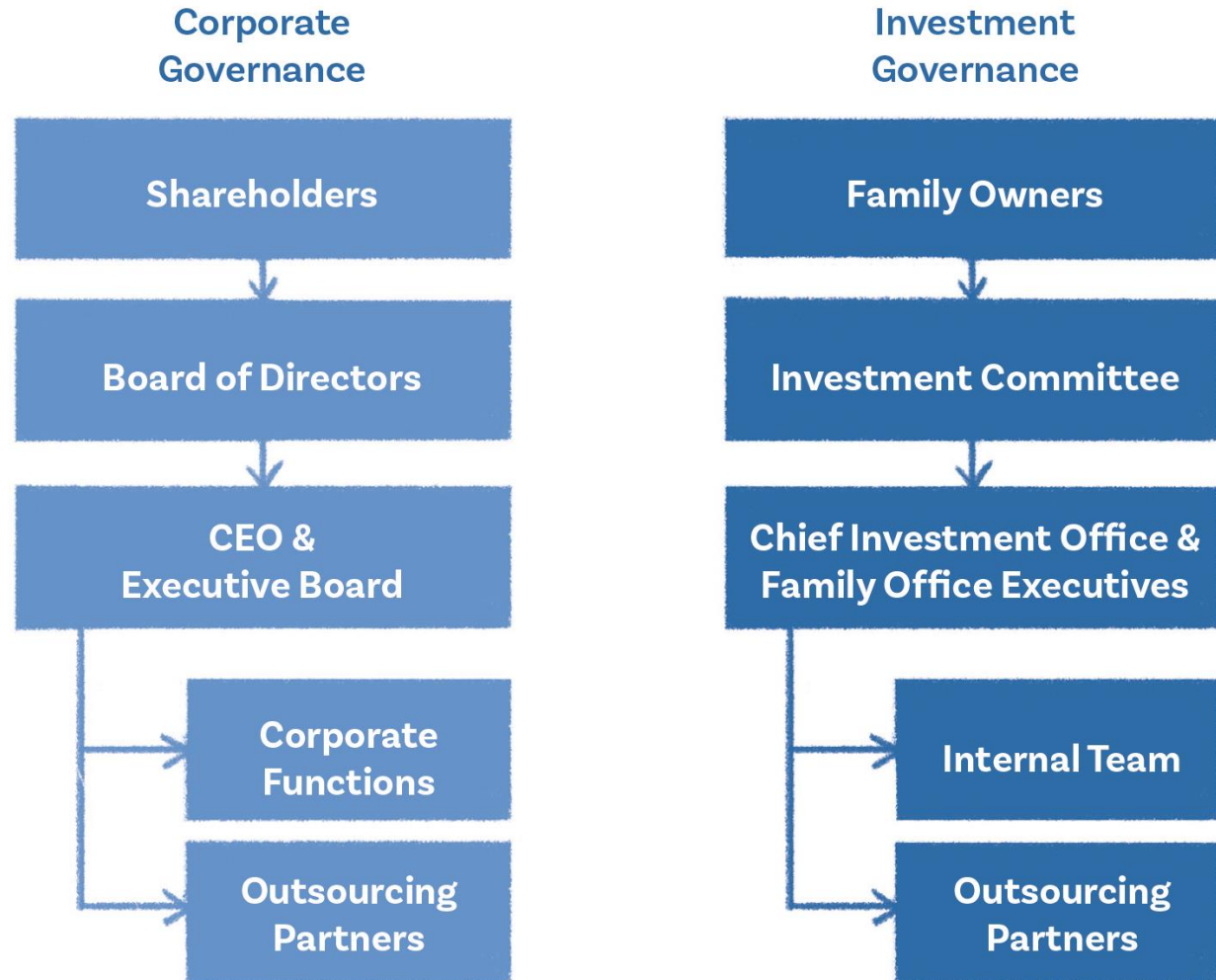


Holistic view and alignment of all governance mechanisms across the entire family enterprise ecosystem is needed to ensure effectiveness and efficiency.

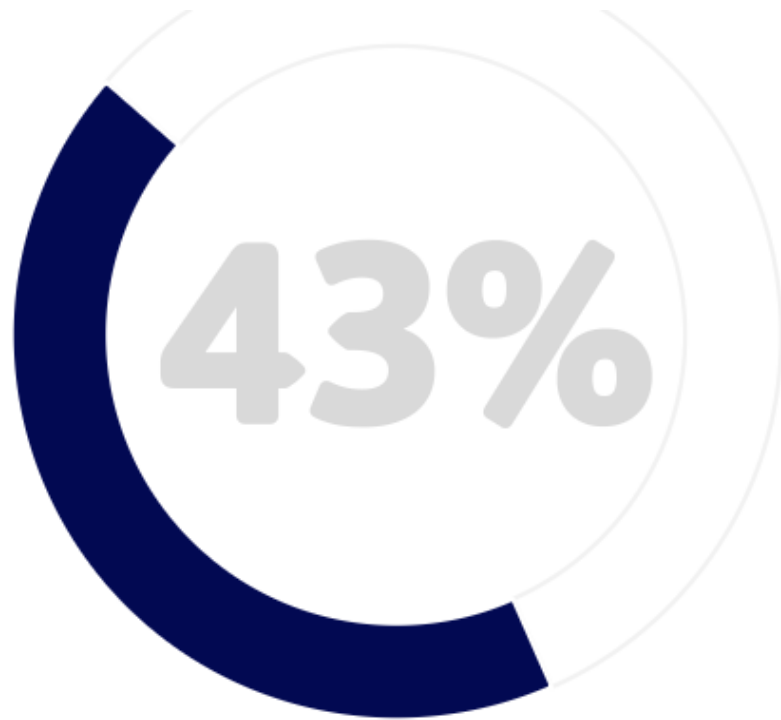
Effective governance empowers families and owners

Governance is as essential

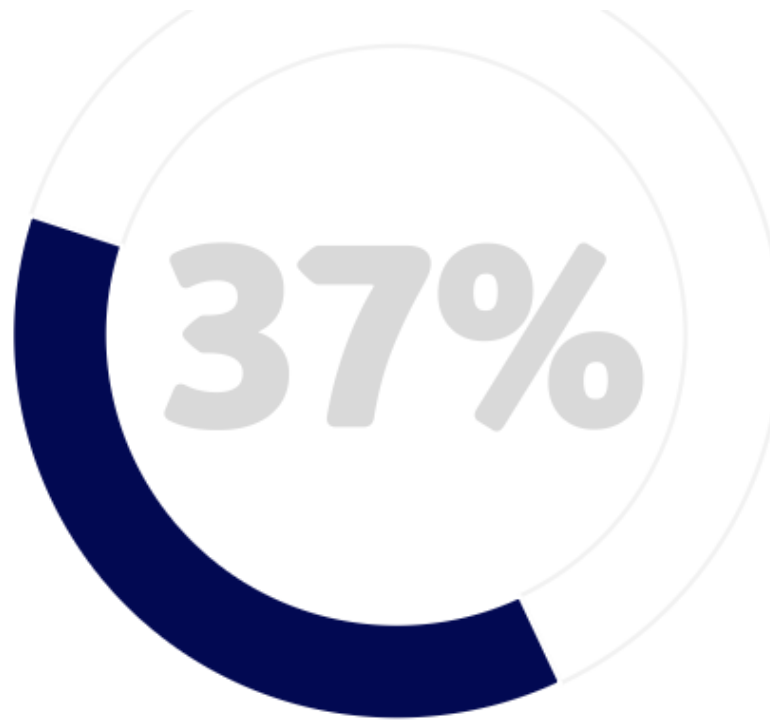
- **Governance** is a system that defines how an organization (corporate or investment) is directed, controlled and held accountable.
 - Setting and achieving objectives
 - Monitoring and addressing risks
 - Optimizing performance
- **Owners** (shareholders and/or family members) delegate execution to a team of **Executives**
- A **Board of Directors or Investment Committee** is elected by the Owners to represent their interests.



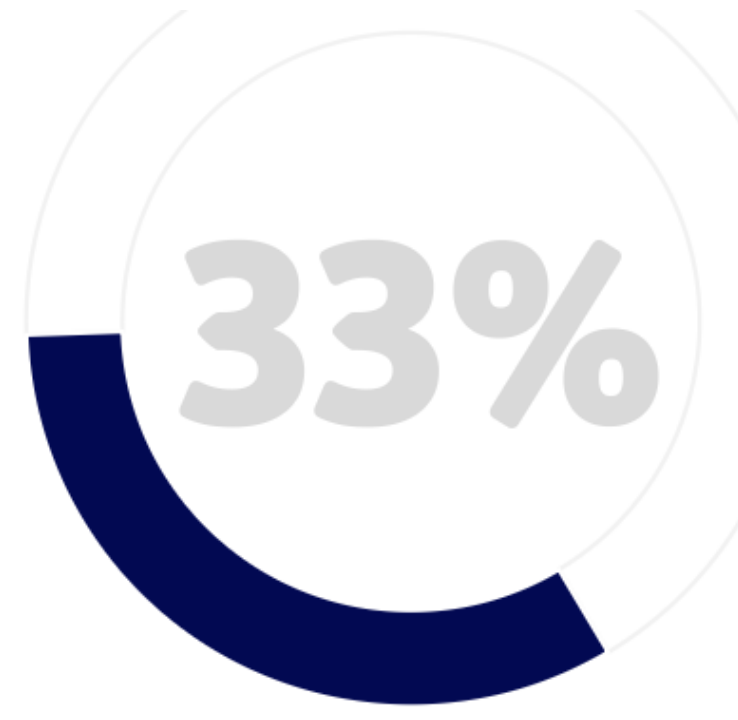
Family Offices still lack professional boards & ICs



Have an Investment
Committee



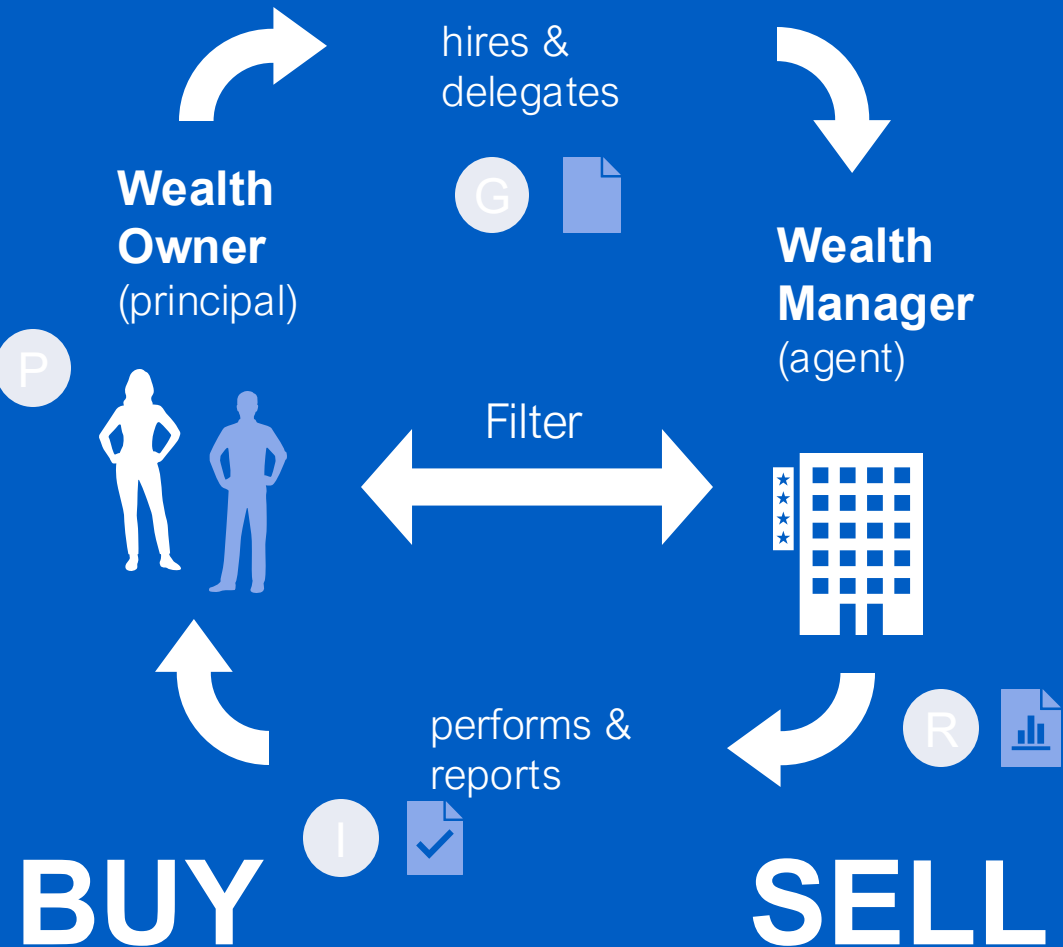
Use external advisors to review the
FO Portfolio periodically



Have a Board of
Directors

GRIP for effective investment governance

Principal-Agent Problem



GUIDELINES: INVESTMENT POLICY

Detailed Investment Policies provide a goal-oriented framework that guides all investment decisions.



REPORTING

Independent pricing, performance computation and benchmarking.



INVESTMENT CONTROLLING

Ensures investments are in line with Investment Policy (objectives, risks, liquidity, agreed fees, constraints).



PARTNER WITH THE INVESTMENT COMMITTEE

Independent advisors help the investment committee bridge the information gap (information asymmetry) and facilitate informed investment decisions.

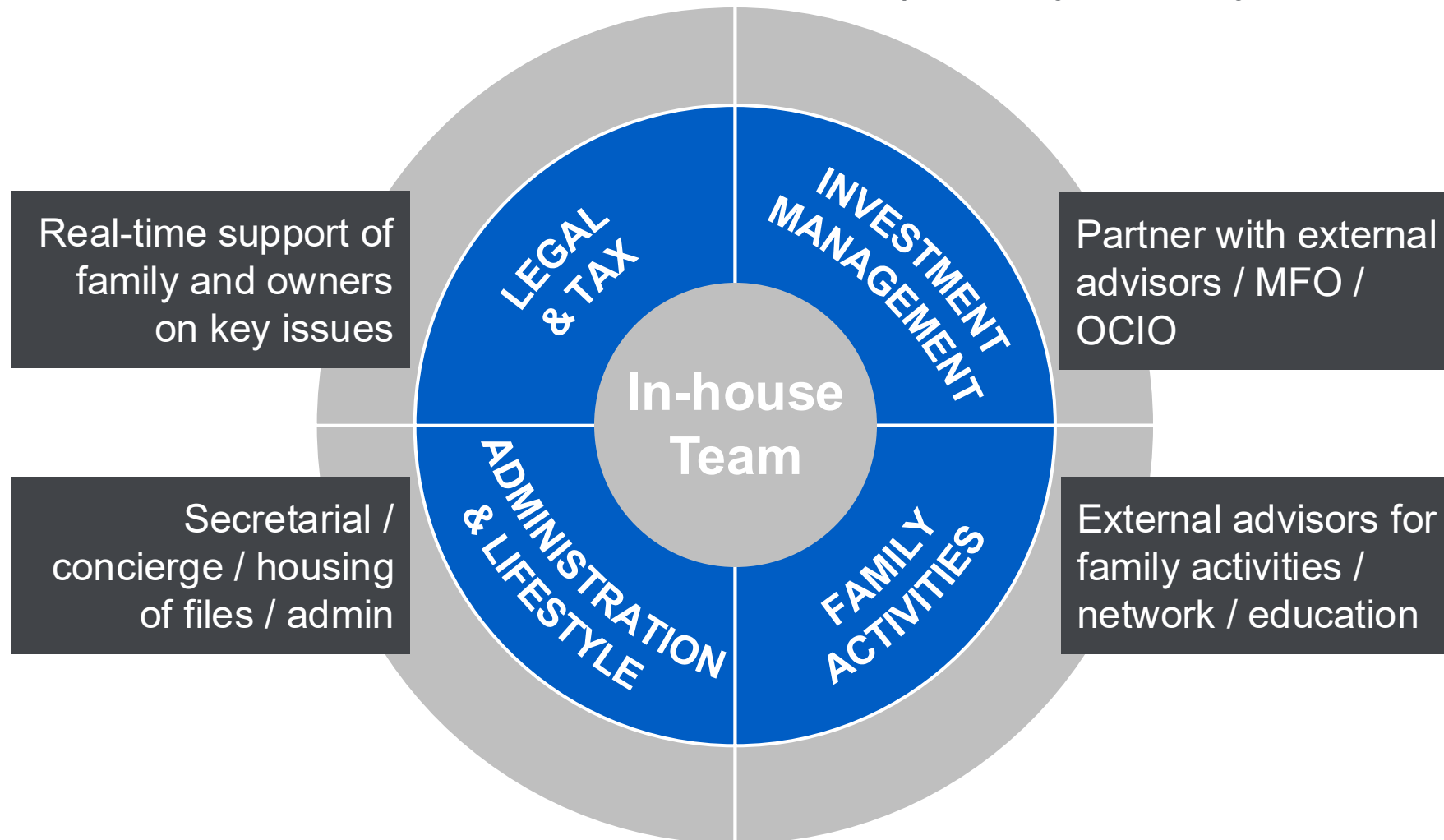
FO talents: guiding questions

- What roles need to be filled, and what are key responsibilities of each role?
- What skills and competencies should you look for when hiring (non-) family members for the FO (Board / IC / Top Team)?
- How should compensation for FO executives be structured?
- Which roles can or should family members play in the FO?

The Emergence of Hybrid Family Offices

A **Hybrid Family Office** is a lean Single Family Office that relies on outsourcing to a high degree, and essentially combines the benefits of a Single and Multi Family Office.

“Smart families don’t outsource responsibility—but they do outsource expertise.”



BENEFITS

- ✓ Keeping in house strategic topics
- ✓ Professionalising with the support of experts
- ✓ Leveraging the expertise of investment platforms while building in house know how
- ✓ Ensure cost efficiency
- ✓ Proper Governance and oversight

Skills and capabilities needed

“Competence, trust, and governance aren’t optional—they’re the compound interest of legacy.”

Previous
experience with
family offices
vs. your specific
family



Trustworthiness



Emotional
intelligence (EQ)



Stewardship



Hard-working
diplomatic rebel



Humility and
respect



Beware the lonely Banker !

Families often invite their trusted banker to their family office due to past performance. However, a banker's success depends on the bank's resources, which they lose when transitioning. This can impact their ability to perform. Reevaluating deal scouting and manager assessment is crucial.

When hiring non-family talents

Do's

- **Hire for trust & alignment**, not just technical ability
- **Define roles clearly** while staying flexible
- **Invest in retention & succession planning**
- **Encourage ongoing professional development**

Don'ts

- **Avoid over-reliance on one individual** (key man risk)
- **Don't ignore family dynamics** when hiring or structuring roles
- **Don't let governance slide** — clarity reduces future conflict
- **Avoid hiring “yes-men”**; you need trusted advisors, not just loyalists

Our next steps on family offices

Family Office Navigator



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Global Family Office Report

Navigating Your Family Office Across Generations

An event organized by IMD and FBN

[Register now](#)

When

3 December 2025

Time

5pm CET (3:30 hours)

Where

Switzerland/Lausanne

**Global Family Office Forum at
IMD Lausanne**

December 3, 2025

Leading your Family Office

ON CAMPUS PROGRAM

Leading your Family Office

Govern and transfer your wealth

IMD / Real learning
Real impact

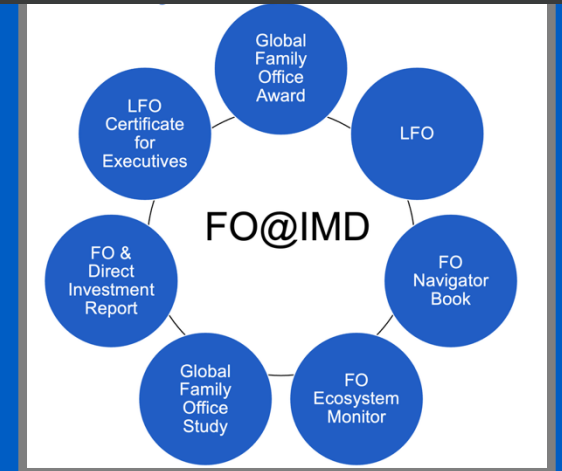
**Next program at IMD
Lausanne**

Dec 2-5, 2025

Jun 1-4, 2026

www.imd.org/lfo

Family Office Initiative



**Over the coming years we
will be developing a wide-
spread family office
initiative at IMD**



Looking forward to staying in touch



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