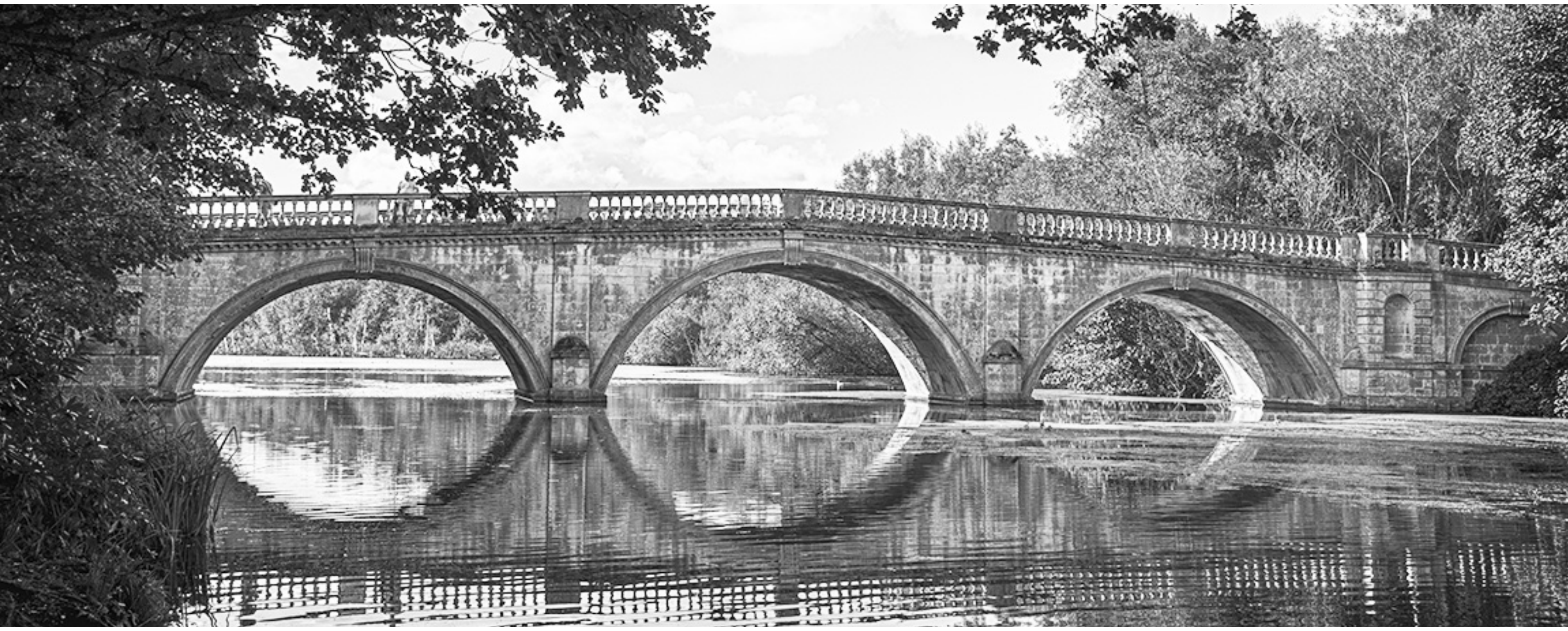
A Guide to Exceptional Client Relationships

For Financial Advisors



This guide is designed to support financial advisors who want to go beyond the numbers. It offers a practical approach to truly understanding your clients: their stories, values, and long-term visions for their families.

By deepening these connections, you'll be better equipped to offer meaningful advice, build lasting trust, and help families manage their wealth in ways that reflect what matters most to them, across generations.

2025

Contents


"As a second,
generation owne
your company ar
and examine wha
stay rel

third or fourth
r, you can look at
nd family history
at you've done to
evant."

Ville Solja, Owner, Kiilto

Foreword

In wealth management, the role of a financial advisor extends beyond technical expertise. It involves building trusted, lasting relationships with clients and their families—understanding what truly matters to them and offering guidance that supports their goals and addresses their concerns with empathy, clarity, and care.

Over the past two decades, I've had the privilege of working closely with clients and their families on a wide range of complex matters—from international tax and inheritance planning to setting up bespoke family offices and strategic asset structures tailored to high-net-worth individuals. My background spans accounting, valuing passive investments, and strategic asset allocation.

Despite addressing intricate technical queries, a fundamental unmet need among clients became evident—a sentiment echoed by fellow professionals in law, banking, and advisory roles. This realization led to the understanding that advisors must adopt a broader perspective to truly meet clients' needs. This approach allows for crafting customised solutions rooted in a profound comprehension of family dynamics.

Both practical experience and scholarly research highlight the challenges of preserving family wealth across three generations. Ward (1987) found a 90% failure rate by the third generation. However, some families defy these odds by viewing wealth through a multifaceted lens which enhances financial, human, social, and cultural capital[1].

We've categorised these into the Four Abundances: Wealth, Relationships, Time, and Purpose.

While some families have refined intergenerational wealth transfer skills over time, many advisors and families find initiating this process daunting. This guide introduces an unique tool to help families begin this journey with their advisor. The close collaboration between the client, their family, and the advisor promotes a holistic understanding of the client's values and vision. The more intimate these interactions, the more indispensable an advisor becomes to their client.

I hope you find this guide insightful and foundational in enriching your practice through deeper, more meaningful client relationships.

Nicholas Schwarz
CEO and Founder of The Cecily Group

1. Collier and Hughes (2004)


"We help our clients to pass on Family Abundance for the Next Generation."
Nicholas Schwarz
CEO and Founder

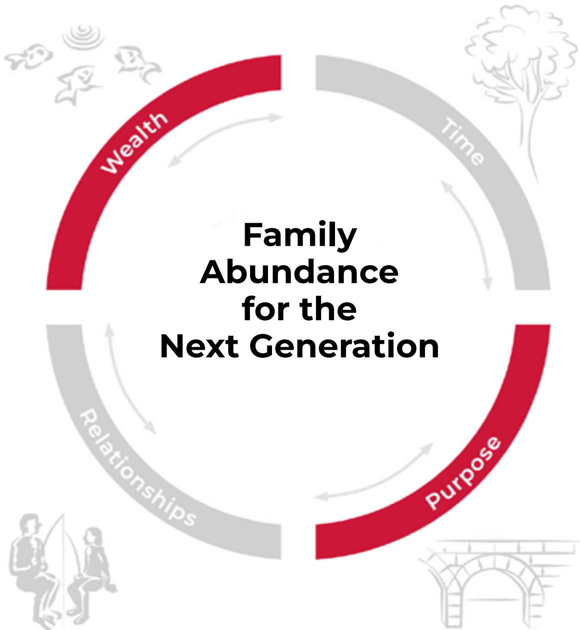
The Four Abundances

The Four Abundances are essential for achieving a sustainable and holistic legacy for future generations. Each abundance represents a critical aspect of a fulfilling and balanced life, and together, they form a comprehensive framework for personal and family success.

The Four Abundances concept comprises four complementary types of abundances: Wealth, Time, Relationship, and Purpose. To prevent imbalances and tensions, none of these types should overpower the others, necessitating continuous rebalancing efforts.

Our natural inclination might be to prioritize wealth, assuming that other aspects of our lives will naturally align. However, this approach may lead us to pursue desires that are influenced by societal expectations rather than our genuine needs.

Achieving a balanced Four Abundances requires catering to the needs of each. By doing so, we make significant progress toward establishing a Family Council equipped with the necessary tools to effectively pass on the Abundance to future generations.



Abundance of Wealth

Wealth is more than just the accumulation of assets; it involves ensuring that these assets are well-managed and aligned with long-term goals. Wealth provides the financial security needed to pursue opportunities, support meaningful projects, and maintain a desired standard of living. Effective wealth management encompasses investment strategies, risk management, estate planning, and financial reporting. High-net-worth families often rely on trusted advisors to navigate the complexities of their financial portfolios, ensuring that their wealth supports their broader aspirations and legacy.

Abundance of Relationships

Relationships are the bedrock of personal and collective well-being. The Abundance of Relationships emphasises the quality of connections with family members and external parties. Research has consistently shown that close relationships are crucial for long-term happiness and health. Strong, meaningful relationships contribute significantly to emotional well-being, resilience, and overall life satisfaction. Nurturing these relationships requires intentional effort, open communication, and mutual trust. Families that prioritise Relationship Wealth are better equipped to navigate challenges collaboratively and maintain harmony across generations.

Abundance of Time

Time is a valuable and often scarce resource. The Abundance of Time highlights the importance of managing time effectively to enhance life satisfaction and enable sustainable behaviours. Time wealth involves having sufficient discretionary time, maintaining an unhurried pace, and having control over one's schedule. Families and individuals who manage their time well can focus on meaningful activities, reduce stress, and improve their overall quality of life. This abundance is about creating a balance that allows for strategic decision-making, personal fulfilment, and the cultivation of strong relationships.

Abundance of Purpose

Having a clear sense of purpose enhances motivation, resilience, and mental health. Many clients wish to leave a lasting legacy, ensuring their family's prosperity while positively impacting the world. Purpose-driven families are more likely to engage in meaningful projects, contribute to their communities, and maintain a cohesive vision across generations. Creating a strong sense of purpose isn't just about presenting a united front—it's about fostering inner cohesion, leading to more effective goal-setting. Developing a strong sense of purpose requires reflection, goal setting, and continuous personal and collective growth. Our landmark tool, the Family Council Canvas can help develop a strategy aligned with your shared vision.

2. Arshed et al. (2021)

Family-ness vs. Family-mess

Both research and real-world experience show that Family Councils can play a critical role in sustaining family businesses across generations. When done well, these councils help families articulate a shared vision, align diverse interests, and navigate complex dynamics—transforming "family-mess" into "family-ness."

Key insights from research and practice include:

1. **Family ruptures do not stem from a missing emotional bond** but from a lack of unifying shared values and goals[3].

2. **Aligning family goals with business objectives is crucial**[4], as misaligned goals can lead to criticism from family members and cause divisions within the family[5].

3. **As ownership spreads across generations,** it is natural for diversity and differing visions for goals to emerge[6].

4. **All family members need to participate in the goal-setting process,** with the dominant coalition guiding this effort[7].

5. **Interaction and compromise among family members are essential** to reach solutions that do not harm group dynamics or cause conflict[8].

6. **When a family shares common goals, it helps them stay focused** in the long run and prevents individuals from pursuing their own interests without considering others[9].

7. **A shared vision or set of goals serves as the foundation** for building a strong family entity, providing non-financial value and answering the "Why?" question[10].

3. Nicholson (2007), 4. Lambrecht & Uhlaner (2005), 5. Kotlar & De Massis (2013), 6. Kotlar & De Massis (2013), 7. Chua, Chrisman & Sharma (1999), 8. Bettinelli, Mismetti, De Massis & Del Bosco (2022), 9. Suess-Reyes (2017), 10. Astrachan & Jaskiewicz (2008), 11. De Groot, Mihalache & Elfring (2022), 12. Chrisman, Chua & Zahra (2003), 13. Kammerlander, Sieger, Voordeckers & Zellweger (2015)

8. **This vision acts as a unifying force** that can keep the family together, even if they do not share interests in a family business[11].

9. **In family businesses, having a clear vision guides the allocation of resources** and ensures that family goals align with business goals[12].

10. **A vision also helps the family avoid misalignment** between their goals and those of the family business[13].

11. **The family's goals should be well-defined,** measurable, and aligned with their resources and abilities[14].

At the heart of every effective Family Council is a shared set of values—values that support clear strategic direction and foster effective communication with advisors and partners. While structured governance offers stability, it does not guarantee openness. To be effective, a council must also create a culture where honest conversations can happen and where all members feel heard.

The Family Council offers a unique space for this—bringing the family together to define a common vision and set of values through consensus. In a well-functioning council, the relationship between family values and business principles is like a well-orchestrated symphony: each voice distinct, yet working in harmony to create something greater than the sum of its parts.

This sense of togetherness is not only emotionally grounding—it's essential to the long-term preservation of family wealth. During council meetings, every voice should carry weight. Creating space for dissent is just as important as seeking agreement, as these perspectives can reveal risks and opportunities the majority might miss.

When developing a comprehensive strategy, the Family Council must consider a variety of interconnected factors. Handler's succession framework identifies four key dimensions:

- **Individual perspective** focuses on the successor's attributes, their readiness, and their passion for the role.
- **Group dynamics** refer to family relationships, the rapport between the current and future leader, and the collective family vision for the business.
- **Business alignment** assesses whether business objectives are compatible with the family's values and long-term goals.
- **Macro-environment factors** include external influences like legislation, market conditions, and broader socioeconomic trends.

These elements interact in dynamic and complex ways. Succession planning and intergenerational strategy are not linear processes; they require holistic, flexible thinking that acknowledges the full scope of family life and enterprise.

14. Habbershon, Nordqvist & Zellweger (2010)

Governance

Family Governance Structures refer to the systems, processes, and policies a family puts in place to manage and oversee its wealth, businesses, and other shared assets. These structures are essential for aligning the family's objectives with those of the family enterprise, supporting effective communication, collaborative decision-making, and constructive conflict resolution.

Setting family goals should not be a one-time event but an ongoing practice—revisited regularly to ensure families build skill and comfort with the process. Once goals are defined, a governance structure can be introduced to support their implementation. Ideally, this process includes external advisors who can provide structure and momentum while remaining sensitive to the family's unique dynamics. The most effective governance structures are those that offer guidance without becoming overly intrusive—encouraging voluntary commitment and ownership among family members.

15. Levesque & Subramanian (2022),
16. Cabrera-Suárez, De Saá-Pérez & García-Almeida (2001),
17. De Groot, Mihalache & Elfring, (2022)

It’s important to recognise that family governance must be customised. There is no one-size-fits-all model. Structures should evolve in response to changes in the family, the business, and the broader environment. As such, governance systems must be reviewed and refined over time, using the same thoughtful approach that guided their original design.

When well-designed, a governance structure becomes the backbone of the family enterprise. It offers clarity, stability, and a framework through which the family can align, adapt, and find long-term success.

"The Family Governance Structure can provide a framework for effective decision-making, communication, and conflict resolution."

Key elements of a family governance structure include:

1. **Vision, values, and mission:** A clearly articulated vision, shared values, and a mission statement help guide decision-making and ensure alignment between the family and the business.

2. **Roles and responsibilities:** Clarifying the roles of family members—both in the business and in relation to shared family assets—supports accountability and smooth communication.

3. **Decision-making processes:** Transparent, inclusive decision-making procedures are essential for building trust and ensuring that all family interests are considered.

4. **Communication channels:** Ongoing communication—through regular family meetings, newsletters, or family councils—keeps everyone informed and fosters a culture of engagement.

5. **Conflict resolution mechanisms:** Established policies for addressing disagreements (such as mediation or arbitration) help families navigate tension constructively.

6. **Succession planning:** A clearly defined plan for passing leadership and ownership to the next generation ensures continuity and long-term resilience.

7. **Professional advisors:** Long-term relationships with trusted professionals (such as attorneys, accountants, and family business consultants) help ensure the governance framework remains legally sound, efficient, and adaptable.

The Five C's

(and continuous improvement)

The Five C's—Curiosity, Commitment, Courage, Capability, and Confidence—form a powerful framework for continuous learning, personal growth, and effective collaboration within the Family Council.

By developing awareness of each family member's working style, strengths, and contributions, families can build trust and work more effectively as a team. It's especially important to encourage younger family members to actively engage with this process, helping them grow into future leaders. Here's how the cycle works:

1. **Curiosity:** Everything begins with curiosity. It sparks engagement, invites exploration, and fuels innovation. When family members are encouraged to ask questions, seek new perspectives, and stay open-minded, they stay more connected to the family enterprise and to one another.

2. **Commitment:** Curiosity must be followed by commitment. Making and honoring commitments fosters personal responsibility and accountability. It ensures that each member takes ownership of their role and contributes meaningfully to the council's success.

3. **Capability:** With commitment comes the need to develop capability. Building the skills and knowledge required for effective decision-making empowers family members to tackle complex challenges with clarity and confidence.

4. **Confidence:** As capabilities grow and results emerge, confidence follows. Recognizing achievements and setting new goals reinforces motivation and builds the self-assurance needed to take on greater responsibilities.

5. **Courage:** Confidence then supports courage—the willingness to take risks, speak up, and step into leadership. Courage is essential for change, progress, and maintaining momentum as the family evolves.

Once courage is exercised, the cycle circles back to curiosity, beginning a new round of reflection, learning, and growth.

Building Connections

An advisor's guidance can significantly shape the success of a family business — especially when it comes to balancing family relationships with business demands. However, the impact of that guidance largely depends on the strength of the relationship between the advisor and the family.

The combination of trust and emotional closeness yields far-reaching benefits. When clients trust their advisors and share an emotional connection, they are more likely to involve them in strategic decisions, consider their advice, and engage them for the long term. For advisors, these bonds also lead to greater professional satisfaction and a deeper sense of purpose.

But such relationships don't happen overnight—they require intentional effort. Some key strategies for building trust and emotional connection include:

1. **Active Listening:** Active listening involves fully concentrating on what the client is saying, interpreting both verbal and non-verbal cues, and responding thoughtfully. It shows that the client's perspective matters and builds a foundation for deeper understanding and mutual respect.

2. **Transparency:** Being honest and clear about expectations, boundaries, and potential outcomes prevents misunderstandings and fosters reliability. Transparency helps advisors build credibility and manage trust over time.

3. **Consistency:** Consistent actions, tone, and follow-through reinforce trust. Clients rely on advisors who are dependable in both good times and challenging ones.

4. **Cultural and Family Awareness:** Respecting family traditions, values, and internal dynamics is essential. Advisors who understand and incorporate these elements into their work can offer advice that is not only strategic but personally meaningful.

5. **Strong Memory and Attention to Detail:** Remembering personal details, previous conversations, and subtle concerns shows care. Picking up on small inconsistencies or unspoken tensions allows advisors to address issues early and proactively.

18. Quarchioni, Ciccola, Chiucchi 2022

Overcoming Challenges in Building Connections

Even with the most diligent efforts, advisors may encounter obstacles in establishing trustful connections. ommon obstacles include:

- **Resistance to Change:** Many family businesses are rooted in legacy and tradition. Advisors must remain patient and empathetic, clearly communicating the benefits of new approaches while respecting what's come before.

- **Family Conflicts:** Long-standing disagreements can create tension. Advisors must remain neutral, offer a safe space for dialogue, and use conflict-resolution skills to help family members find common ground.

- **Complex Power Dynamics:** Navigating family hierarchies requires tact. Advisors must understand how decisions are made and engage all stakeholders with respect, balancing authority with inclusivity.

- **Difficult Personalities:** Emotional intelligence is essential when working with diverse personalities. Flexibility, patience, and the ability to tailor communication styles can make all the difference.

To illustrate these challenges, we've created a few hypothetical case studies.

Case Study 1: Succession

A long-established family business was struggling with the transition from the second to the third generation. The advisor used "Active Listening for Advisors" to fully understand the concerns and aspirations of both generations. They remembered past conversations and noted subtle cues about individual preferences and fears. Through consistent and transparent communication, they were able to build trust with all family members, facilitating a smooth and successful transition process.

Case Study 2: Innovation

A family business was resistant to implementing digital technologies, fearing it would erode their traditional business values. The advisor acknowledged their fears but also explained the benefits of digital transformation in a clear, empathetic manner. By showing respect for the company's culture and values, the advisor gradually won their trust and convinced them to take the digital leap, resulting in improved business performance.

Case Study 3: Family Dynamics

In a family business with strong power dynamics, the advisor faced challenges in providing advice that was accepted by all family members. They took time to understand the family's dynamics and tailored their communication style to resonate with each member. The advisor provided balanced advice that considered both business and family needs, ultimately building trustful and emotional connections with the family members and successfully influencing business strategies.

"When clients trust their advisors and share an emotional connection, they are more likely to involve them in strategic decisions, consider their advice, and engage them for the long term."

The Importance of Connectedness – In Summary

both emotional and strategic connectedness, they are better equipped to navigate challenges, make unified decisions, and preserve not only wealth—but also relationships.

This connectedness strengthens the advisor-client relationship and enhances the advisor's ability to support the family effectively. Recognising its importance, knowing how to foster it, and learning to navigate the challenges that come with it are all essential to building successful, enduring relationships within family businesses.

Guiding Wealth Planning and Succession

When families assess their wealth, it's not just about the assets they possess but also about the legacies they want to leave behind. This is where the knowledge and experience of a financial advisor and the concept of a family office become invaluable.

The Centrality of Succession Planning

The continuity of a family's legacy often hinges on well-executed succession planning. This theme is echoed throughout family business literature, where financial advisors are seen as key players in guiding transitions across generations[19]. Through a holistic approach, advisors help ensure that leadership and ownership are passed on smoothly and strategically.

Reconstructing the Traditional Path

Traditionally, family-run businesses have operated within the boundaries of long-established customs. But as Harrington & Strike (2018) argue, it's time for a paradigm shift. **Merit** should outweigh tradition, and economic rewards should reflect individual contribution rather than lineage.

Financial advisors can play a transformative role in ushering in this shift. Their focus is not limited to asset management—they help reframe how family businesses define value, success, and continuity.

Professionalizing Socioemotional Wealth (SEW)

Socioemotional wealth (SEW) refers to the emotional and relational value that family members attach to the business. It includes the pride, identity, sense of belonging, and stewardship that come from shared history and traditions. SEW underpins strong family cohesion and long-term business sustainability.

Financial advisors bring a unique perspective to SEW, often filling a gap that families don't know exists. By professionalising this intangible asset, advisors help families:

- Identify and enhance SEW within the family
- Develop strategies to preserve and grow SEW over generations
- Improve communication and collaboration
- Support the family in developing a shared vision and values for the business
- Guide decision-making that honours both emotional and financial priorities

When families intentionally focus on what matters most to them—like their relationships, values, and shared history—they build a strong foundation of resilience, connection, and purpose.

The Crucial Role of Knowledge Transmission

Grubman & Jaffe (2010) propose an interesting model for advising families: a thoughtful transmission of knowledge. . Financial advisors can curate key resources—books, videos, case studies—and serve as guides for reflection and discussion .In doing so, they help families build the wisdom and critical thinking needed to make informed decisions.

How Trusted Advisors (MTAs) Bridge Logic Gaps

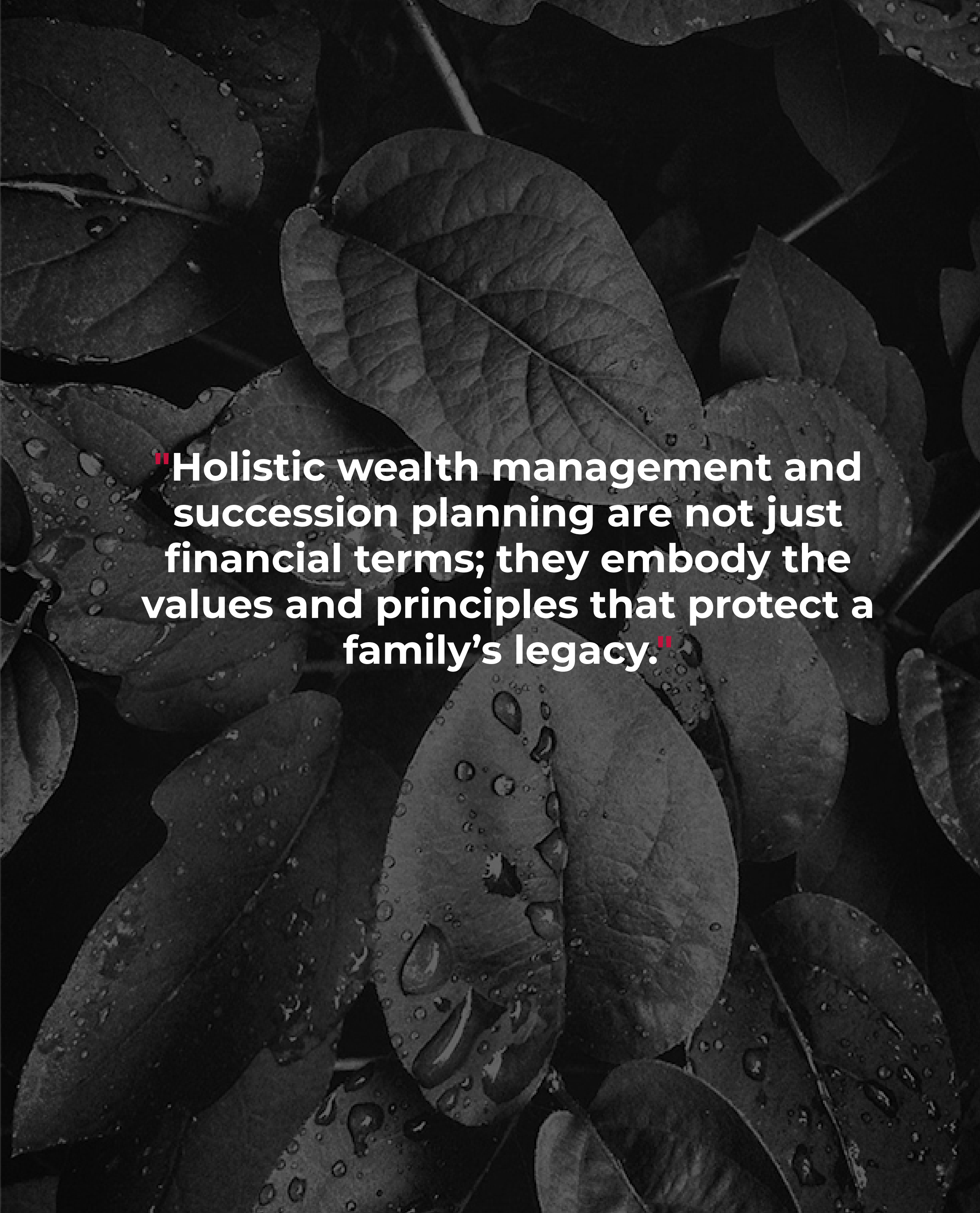
Every firm operates on business logic, while every family operates on family logic—and the two don't always align. This is where the role of the **Most Trusted Advisor (MTA)** becomes essential.

MTAs act as interpreters between entrepreneurial drive and emotional reflection. They ensure that bold action doesn't override the family's need for cohesion and consensus. When emotional investment from one member (often the principal) isn't shared by others, tension can arise. In these moments, the MTA steps in as a neutral voice to make sure that all perspectives are heard and common ground is reached.

Effective Liability Management

While families often focus on asset growth, liabilities can be equally—if not more—complex. Yet they're frequently overlooked. As noted by Sommer and Lim (2022), even seasoned clients struggle with liability management. Financial advisors, with the right expertise, can help families assess, plan for, and strategically manage liabilities to sustain and grow their wealth.

Holistic wealth management and succession planning are not just financial terms; they embody the values and principles that protect a family's legacy. Financial advisors are uniquely positioned to guide families through these processes, offering not only technical expertise but also relational insight. With the right advisor by their side, families can navigate change with confidence, preserve what matters most, and pass on more than wealth—they pass on purpose.

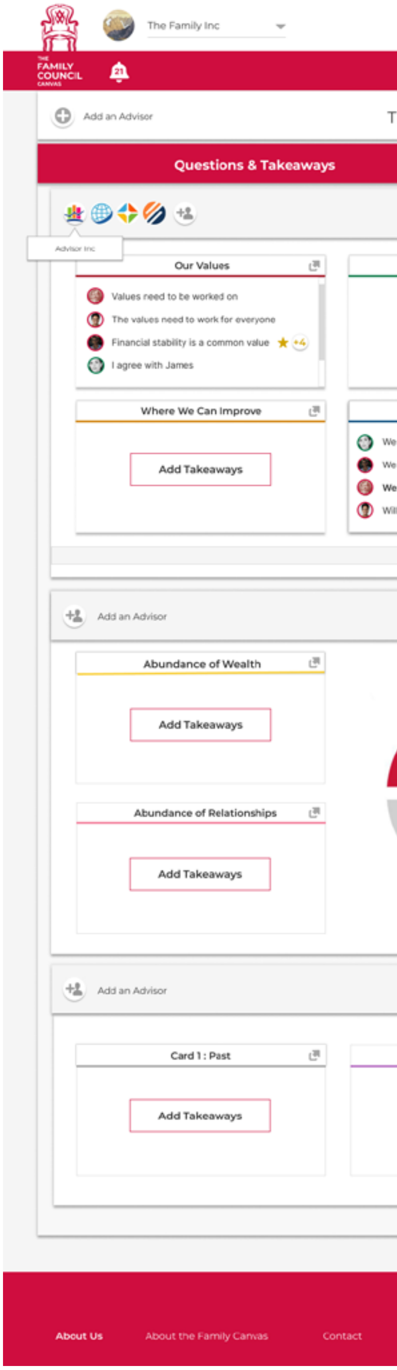

"Holistic wealth management and succession planning are not just financial terms; they embody the values and principles that protect a family's legacy."

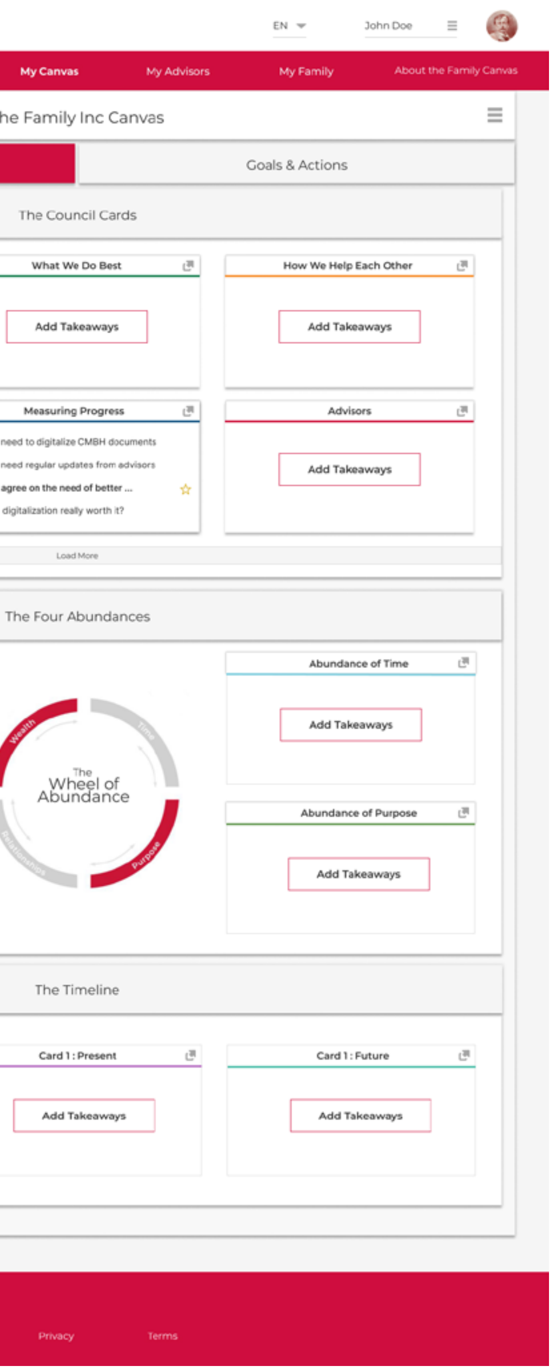
Introduction to the Family Council Canvas

Successful families understand the importance of regularly assessing their current situation, clarifying their status quo, and making intentional commitments to enhance what we call the Four Abundances: Wealth, Relationships, Time, and Purpose.

To support this process, we've developed the Family Council Canvas, a holistic assessment and strategy tool that helps families gain a clear overview of their circumstances and translate insights into meaningful, actionable strategies tailored to the unique dynamics of their Family Council.

The Canvas acts as a **virtual board**, a shared space for collecting and organising information, aligning goals, and facilitating structured discussions. It helps identify areas of agreement, uncover potential challenges, and improve communication and collaboration among Council members and their advisors.





Each category includes subsections: **Questions, Takeaways, Goals, and Actions**. A central Goals & Actions overview tab allows users to track outcomes across all sections at a glance.

Each category in the Canvas follows a four-step workflow designed to turn discussion into direction:

1. **Collect Individual Answers:** Each family member responds to the category's questions.

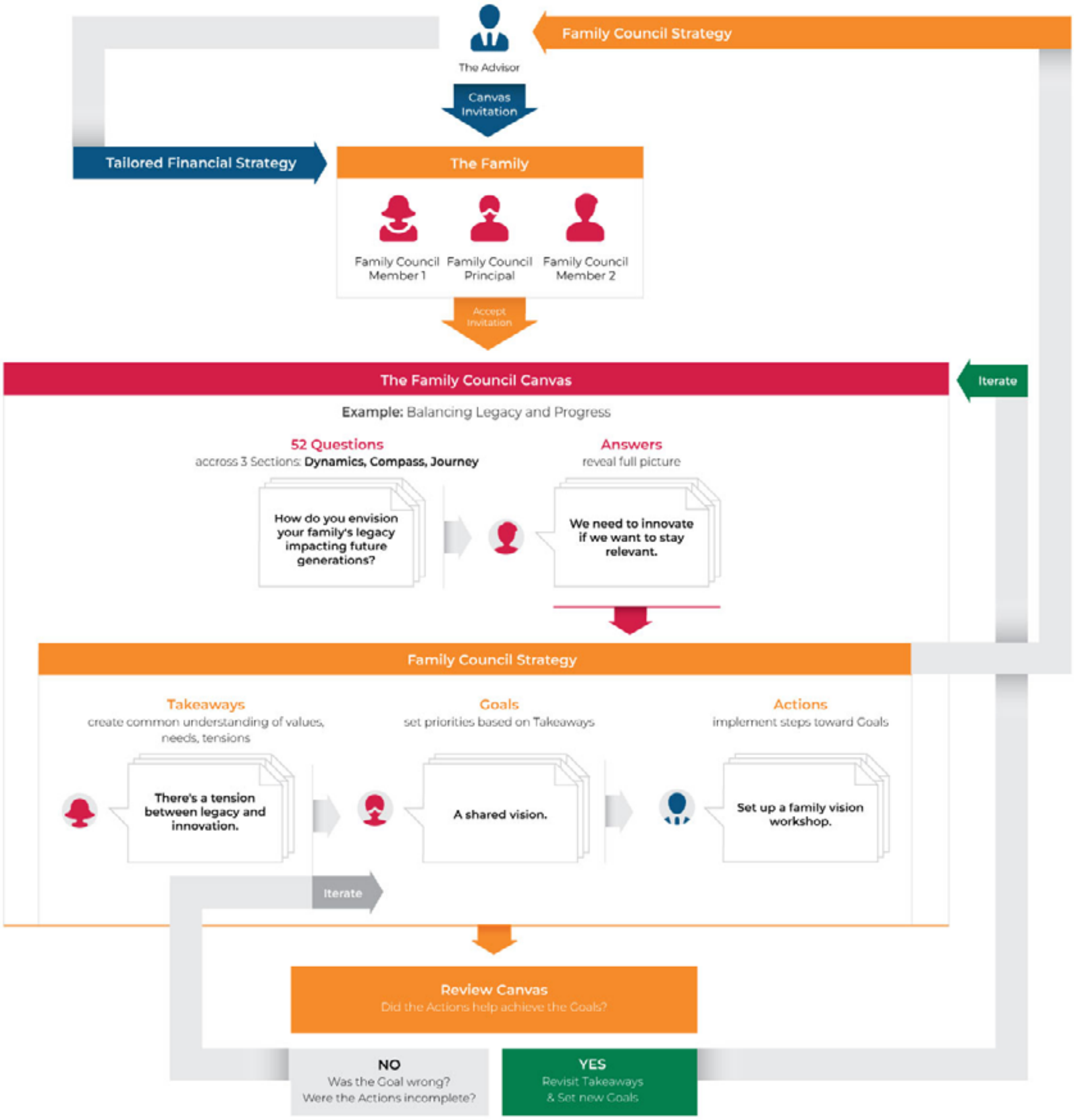
2. **Summarise Answers:** The individual insights are synthesised into concise shared reflections.

3. **Set Goals:** The takeaways are translated into concrete goals.

4. **Create Action Points:** Actionable steps are then developed to move these goals forward.

This structured approach ensures that family members and advisors remain aligned, communication stays clear, and concrete steps are outlined to move forward with confidence.

Our Solution



The Family Council Canvas reveals the full picture. Advisors then guide families through an ongoing cycle of Takeaways, Goals, and Actions. After each cycle of action, the family and advisor reflect on outcomes to uncover new Takeaways and refine future Goals.

Connecting Pieces

Within the digital Canvas, Takeaways, Goals, and Action Points can be linked across categories, helping families and advisors see the bigger picture and ensure consistency across all aspects of planning.

Engaging Family Council Members

To begin the process, Council members must be invited to participate in the Canvas. This can be done in two ways:

- **In-Person:** The tool can be printed or delivered as a physical package. Family members can complete the cards together—perhaps around the dinner table. Once finished, answers can be transferred to the digital Canvas by a designated member, a helper, or a financial advisor (either digitally or by scanning/sending the completed forms).

- **In-App:** A digital invitation is sent to family members, allowing them to contribute directly. Advisors may invite participants themselves or assign a Canvas Owner (Council Principal) who manages access and member invitations.

Sharing a Digital Canvas

Once the Canvas is set up, Council members can begin entering their answers and takeaways directly into the app. Depending on their access permissions, both family members and advisors can actively contribute to shaping the family's strategy.

From Questions to Strategy

By moving through the cycle of Questions → Takeaways → Goals → Action Points, families create a comprehensive, living strategy. This strategic record becomes a valuable knowledge base for advisors to offer tailored, holistic advice while strengthening the relationship between advisor and family.

With ongoing use, the Family Council Canvas helps families track progress, stay aligned, and work intentionally toward realising their long-term vision.

Invite your clients to begin creating a long-term wealth strategy at

thececilygroup.com/familycouncilcanvas/.

How Exceptional Families Create Successful Strategies

Highly functional family councils use the Family Council Canvas to maximise both strategic clarity and operational effectiveness.

As an advisor, you play a key role in helping the families you support measure their progress against an ideal version of the Canvas and the strategic vision they aim to achieve.

By guiding them through each section, you empower families to create coherent, actionable plans that reflect their values, support strong governance, and foster long-term success.

The Council Cards

This section explores the foundational elements of the family and its enterprise. Use it to align family members on core values, surface strengths, and identify opportunities for improvement. Revisit these categories regularly to track growth and adjust strategy as needed.

- **Our Values:** Help the family articulate the core principles that guide their actions and decisions. Exceptional families clearly define and consistently uphold these values across generations.
- **What We Do Best:** Identify the family's and business's unique strengths. High-performing families recognise and leverage their core competencies to maintain focus and competitive advantage.
- **How We Help Each Other:** Facilitate dialogue around mutual support. Strong families build a culture of collaboration, where every member contributes to shared goals..
- **Where We Can Improve:** Pinpoint areas for growth. Proactive families are open to feedback and committed to continuous development.
- **Measuring Progress:** Establish metrics to track the family and business performance. High-achieving families set clear benchmarks and regularly evaluate their progress.
- **Advisors:** Review the impact and alignment of current advisors. Exceptional families ensure their advisory team reflects their values and provides trusted, relevant guidance.

The Four Abundances

Guide the family through an honest assessment of their collective and individual abundance in four key areas: Wealth, Time, Relationships, and Purpose. The goal is to develop a balanced, values-based strategy that enhances both legacy and wellbeing.

- **Wealth:** Assess financial health and strategies for growth. Prosperous families actively manage their wealth and seek continuous improvement.
- **Time:** Evaluate how time is spent and ways to optimize it. Time-efficient families prioritize activities that align with their goals and eliminate time-wasters.
- **Relationships:** Focus on the quality of relationships within the family and business. Thriving families cultivate strong, healthy relationships that support their collective goals.
- **Purpose:** Clarify the overarching purpose that drives the family and business. Purpose-driven families have a clear mission that guides their actions and decisions.

The Timeline

The Timeline offers a strategic overview of the family's past, present, and future. Use it to contextualise decisions, connect across generations, and chart a long-term course with clarity and intention.

- **Past:** Reflect on the family's story and legacy. Families who understand their history can identify patterns, celebrate resilience, and draw wisdom from past experiences.
- **Present:** Assess the current state of the family and business. High-functioning families are self-aware, they celebrating strengths and addressing gaps with honesty.
- **Future:** Set long-term goals and anticipate challenges. Visionary families plan with flexibility and stay grounded in values while adapting to change.

By walking families through the Family Council Canvas, you help transform insights into strategy and conversation into action. The result is a stronger enterprise and a more connected, intentional, and resilient family.

> "High-achieving families set clear benchmarks and regularly evaluate their progress."

Evidence to Support Our Approach

My doctoral research at SDA Bocconi School of Management in Milan focuses on the communication challenges between families and their advisors. I'm studying how these breakdowns in communication can lead to misunderstandings, conflicts, and ultimately, poor financial outcomes for the family. My aim is to identify strategies that can help families and their advisors communicate more effectively and achieve better results together.

Advisors have struggled to implement measures to create a structured environment for successful intergenerational wealth transfer. Ward's study (1987) provided academic validation for the well-known difficulty of intergenerational wealth transfer and the common fate of the third generation: namely, the disintegration of the family's wealth. However, this finding remains contested by other studies, such as those by Baron & Lachenauer (2021) and Grubman et al. (2002).

The repetitive nature of this narrative creates a negative feedback loop, leading families and advisors to feel resigned to their fate (Grubman et al., 2022). Consequently, the longevity of a family business is often defined by its survival into the third generation (Rau et al., 2018).

Proverbs across cultures highlight the public's perception of the difficulty of passing wealth through generations.

Phrases like "shirtsleeves to shirtsleeves in three generations" and "from rags to riches to rags" underscore this challenge. Literary works, such as Thomas Mann's "Buddenbrooks," depict the rise and fall of family fortunes due to various misfortunes and mismanagement.

Family businesses often represent the primary source of wealth for families, particularly among the upper social classes (Bianco et al., 2013). The significance of family businesses to a country's economy is substantial, with family businesses contributing 70-90% of the annual global GDP, according to the Family Owned Business Institute (2022). The European Union estimates that 4.5 million family businesses will undergo succession annually.

Demographic shifts, such as declining birth rates in developed countries, will also impact succession processes.

Academic research has explored various approaches to defining family businesses, with distinctions based on structure, intention (Litz, 1995), and dimensions like Power, Experience, and Culture (Astrachan et al., 2002).

Family involvement is central to family businesses, intertwining family interests with business needs, often leading to conflicts over priorities and direction (Jaskiewicz et al., 2016).

The Role of the Advisor

Advisors play a crucial yet often overlooked role in family success. Historically, advisors have sold fear-based services, emphasizing the difficulty of intergenerational wealth transfer (Grubman et al., 2022). Ideally, advisors should break free from working solely within the confines of a client's brief. By collaborating, advisors can gain a holistic understanding of the family's issues and provide more effective solutions (Su & Dou, 2013).

Frequent and open communication among advisors creates a shared language and understanding (Tortoriello & Krackhard, 2010), which enhances client communication and appreciation of technical issues and the advisor's value. The intergenerational wealth transfer often marks a critical point in the advisor-family relationship, particularly if successors do not share the incumbent generation's values and vision.

Advisors need a deep understanding of the family's values and vision to maintain their services during transitions (Jaffe & Grubman, 2020). A shift from focusing solely on their specialty to adopting a more holistic approach is essential (Blank, 1987; Sidwell, 1989).

The holistic approach

In recent decades, the academic focus has shifted from succession planning to governance, stewardship, wealth preservation, and purpose (Gersick, 2015). While some elements—like education—are more easily passed down, true wealth continuity requires thoughtful planning, emotional insight, and adaptability. Without these, families face fragmented decision-making and internal conflict. External shocks—like market shifts or societal changes—only add to the complexity.

A holistic approach offers a solution. It provides families with a structured framework to define their vision, mission, and values based on their history, strengths, and aspirations. When supported by digital tools, this approach becomes scalable and actionable (Levesque & Subramanian, 2022).

As Gersick (2015) explains, this model builds capacity across generations by:

- Envisioning a shared future
- Building upon individual strengths
- Redefining the purpose of wealth
- Creating continuity through shared values

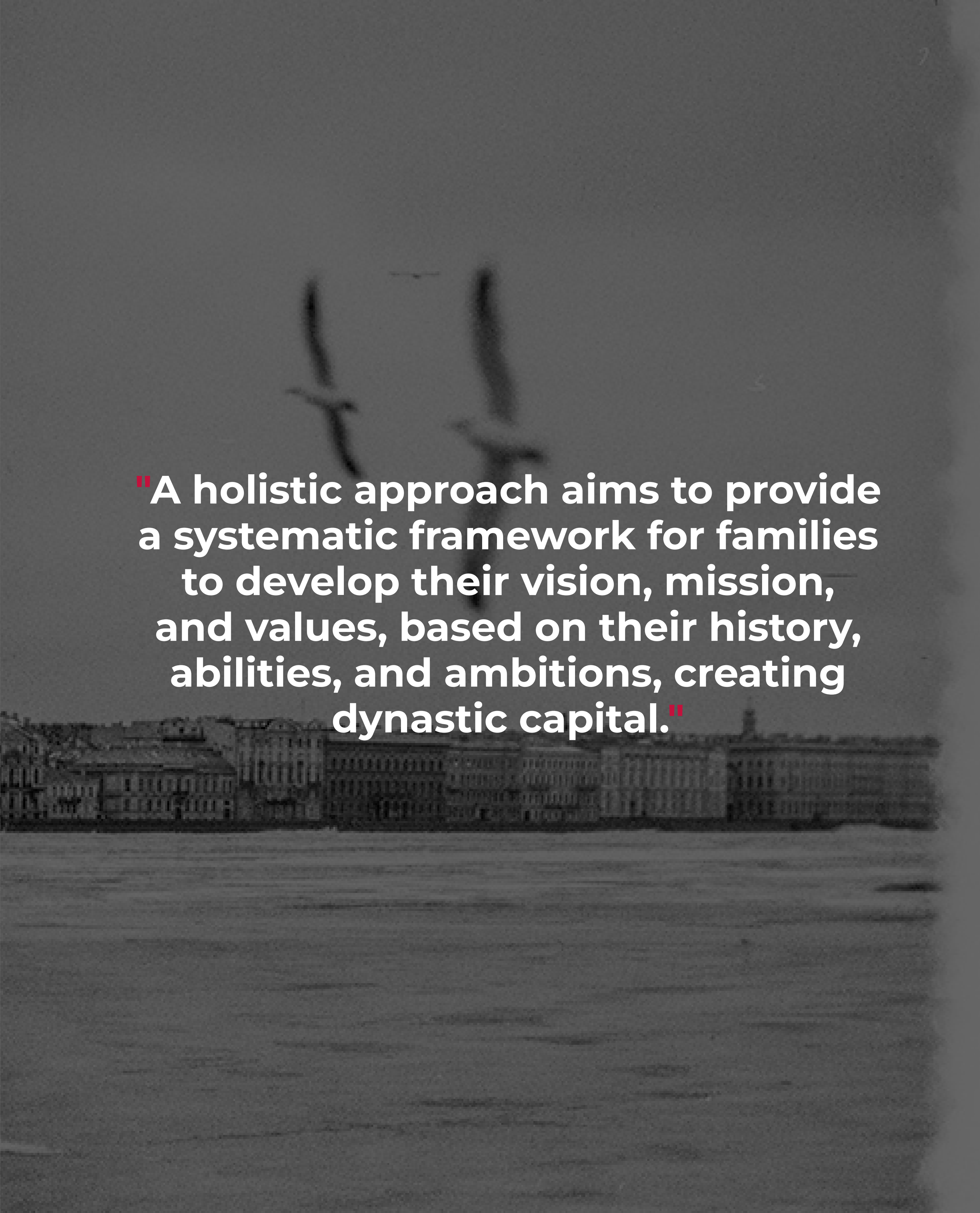
In this vision, **the "Why"** behind the family's efforts becomes a unifying force.

Dynastic Wealth Through Intergenerational Engagement

When generations engage in continuous dialogue, the result is more than succession—it's dynastic wealth (Jaffe & Lane, 2004). Advisors who align with a family's evolving vision offer more relevant and effective guidance. Yet, misalignment often creates a paradox: families may dismiss well-intentioned advice if advisors lack the full context (Reddrop & Mapunda, 2015).

The solution lies in **closing information gaps** through intentional, collaborative interaction. When families and advisors develop shared insight and mutual trust, they co-create strategies that reflect the family's true identity and potential.

A holistic, relational approach empowers families and advisors to play to their strengths, building lasting strategies rooted in shared purpose. This is not only the key to successful intergenerational wealth transfer—it's the foundation for enduring family prosperity.


"A holistic approach aims to provide a systematic framework for families to develop their vision, mission, and values, based on their history, abilities, and ambitions, creating dynastic capital."

Family Offices Today

The Heightened Demand for Tailored Financial Advice

There has been a significant increase in the number of family offices. This growth is driven by rising global wealth and the increasing complexity of managing it. As high-net-worth individuals (HNWIs) accumulate more assets and face evolving succession challenges and regulatory requirements, many are turning to specialised structures—like family offices—for support.

This trend reflects a broader shift: families are seeking customised, strategic guidance that goes beyond traditional financial planning.

Why This Matters for Financial Advisors

The rise of family offices and demand for bespoke services highlights several critical opportunities for advisors:

- **Increasing Complexity of Financial Planning:** The financial landscape is evolving rapidly, with a constant stream of new investment vehicles, regulatory changes, and estate planning strategies. For many families, navigating these changes without professional guidance is overwhelming. Advisors who can simplify complexity and provide clear direction are more valuable than ever.

- **Demand for Holistic Advisory Services:** Families increasingly expect advisors to consider their full financial ecosystem—investments, tax planning, estate structures, insurance, philanthropy, and more. Those who can offer integrated, big-picture thinking are best positioned to meet these expectations.

- **Need for Personalised, Values-Based Service:** Modern families are looking for advisors who understand their unique dynamics, long-term goals, and deeply held values. Relationships grounded in trust and tailored insight are no longer a bonus—they're a necessity.

Financial advisors who can fulfil these needs are well-positioned to expand their businesses in the coming years. By offering **specialised, relationship-driven services**, advisors become indispensable partners in helping families reach their financial goals and secure their legacy.

While the data presented here focuses on the high-net-worth segment, we believe these trends are relevant across wealth tiers. The desire for clarity, alignment, and strategic support is not exclusive to the ultra-wealthy—it is a growing expectation across the advisory landscape.

31%
of HNWIs likely switch Wealth Management providers in the next 12 months.

67%
of HNWIs named wealth preservation as their top goal.

65-70%
avarage wealth management firm cost-to-income ratio

41%
of HNWIs named investing for ESG impact as a top priority

56%
of HNWIs Selecting Wealth Management Firms based on Valued-added services.

50%
of HNWIs satisfied with Relationship Manager to deliver value-added services.

50%
of Relationship Managers struggle to individualize advice & deliver value-added services.

Source: World Wealth Report, Capgemini 2023

The Succession Challenge

One of the most significant barriers to long-term asset retention is the lack of connection between financial advisors and their clients' children. A 2015 Investment News survey revealed that 72% of advisors meet with their clients' children less than once a year—or not at all. Similarly, a 2016 study by MFS Investment Management found that 75% of over 1,000 investors reported their children had never met their financial advisor.

These statistics expose a critical vulnerability in succession planning and wealth transfer. Without trusted relationships across generations, continuity is jeopardised and the advisor's role is easily disrupted.

To provide truly holistic, multigenerational wealth management, family offices and advisors must proactively engage the rising generation. Building relationships early builds trust, supports smoother transitions, and ensures that the family legacy—along with the advisory relationship—endures well into the future.

62%

of wealthy individuals are baby boomers.

$81T

is expected to pass primarily from the baby boomers to Gen X and millennials through 2045.

28%

of wealthy individuals posess legacy wealth (have an average of 20% of assets from inheritance).

27Y

On average, parents don't initiate conversations about family wealth and the transfer of wealth until their children are at least 27 years old.

51%

of parents think their children are well prepared to handle family money or any inheritance they stand to receive.

51%

of all donors support the same causes as their parents.

Source: Cerulli U.S. High-Net-Worth and Ultra-High-Net-Worth Markets 2021, Bank of America Private Bank Study of Wealthy Americans 2022.

Fit for Future

Inherent challenges such as decision-making conflicts, lack of transparency, and diverging interests among family members underscore the need for robust governance and adaptable strategies in family wealth management. Financial advisors must be prepared to meet these challenges by addressing four key trends shaping the future of their profession:

1. **Succession Planning:** Advisors must guide families in developing comprehensive succession strategies for wealth and business transfers. This involves preparing both the outgoing and incoming generations, aligning interests, and establishing structures for continuity, trust, and shared purpose.

2. **Holistic Definition of Success:** Today's families increasingly define success in broader terms—beyond financial growth. Advisors must support clients in integrating personal values, relationships, well-being, and social impact into their financial planning. As families grow more diverse and complex, a one-size-fits-all approach no longer applies.

3. **Values-Driven Investing:** There is a growing expectation for advisors to align portfolios with their clients' ethical beliefs and long-term aspirations. This includes incorporating sustainable, impact-oriented investments and considering family members' interest in entrepreneurial ventures or emotionally significant assets. The challenge lies in balancing financial foresight with purpose and legacy.

4. **Need for holistic advice:** Clients increasingly expect financial planning that adresses every facet of their financial lives—from investments and tax planning to philanthropy, education, and lifestyle choices. Advisors must offer comprehensive, integrated advice that reflects the full complexity of modern family systems.

.

To address these expectations, financial advisors can adopt the following strategic approaches:

1. Guiding Family Wealth Transitions

As family wealth transitions from one generation to the next, financial advisors serve as valuable guides in helping families navigate changing dynamics, shifting priorities, and differing needs among members. A well-structured family business can serve as a unifying force, but even without one, families can intentionally create frameworks that create internal alignment and external clarity.

2. Redefining Success and Governance

As families grow and diversify, so too do their values and definitions of success. Many are adopting a "federal system" approach, blending shared and individual investment paths under one family umbrella. Advisors can support families by designing transparent governance structures and facilitating connections between like-minded branches or members around shared ventures.

3. Embracing Impact Investing and Entrepreneurial Ventures

There is a clear movement toward impact investing, support for entrepreneurial ventures, and investments rooted in emotional or cultural significance. Advisors must help clients evaluate these opportunities with both heart and head—ensuring they reflect the family's aspirations while protecting long-term financial sustainability.

4. Offering Dynamic, Value-Driven Services

To remain relevant, advisors must evolve from traditional service providers into dynamic, value-driven partners. This transformation requires thoughtful strategy, collaborative governance models, and open communication—designed to meet the diverse needs of families navigating an increasingly complex world.

Invite your clients to begin creating a long-term wealth strategy at

thececilygroup.com/familycouncilcanvas/.

Abundance
for the Next Generation.

The Cecily Group GmbH
Heumühlgasse 14/42
A-1040 Vienna
www.thececilygroup.com