



## PODCAST TRANSCRIPT

# Global Family Office Insights with Stephen Harris, Family Wealth Report

Season 01 | Episode 08

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### **Mark Wickersham (01:36):**

All right, Stephen, thanks for being on the show. I'm excited for this conversation. I wonder if you could maybe just tell me a little bit about yourself and please tell me about the Family Wealth Report.

### **Stephen Harris (01:47):**

Sure. Well first of all, thank you very much Mark. It is a great pleasure to be here. I'm sure we're going to have a very interesting conversation in the next few minutes. So me, I'm the CEO of Clearview Financial Media. We are a platform for family offices and wealth managers around the world and the ecosystem around those businesses to receive information and analysis and data in the form of daily news wise. Family Wealth Reports is the one that we do in the US principally looking at family offices and family Wealth matters. Wealth Briefing, which is more of a global European focused Newswire that's looking at perhaps private banking a little bit more than purely family office and also Wealth Briefing Asia, which is the Asian version. So those are our newswires. We have a full calendar of research that we do every year for the wealth management community and also events, be they big or small, ranging from executive club lunches through to summits and award programs that we do all over the world. So that's really our business. It's actually a family owned and run business, so it really, we've been...

### **Mark Wickersham (03:18):**

So I'm a big fan of the Family Wealth Report. We've talked about this, the FinTech summit we just had. I'm delighted to see that back in person. The awards, as is often noted, is the prom of the family office community. It's great to see everybody dressed up and the recognition that comes with that. Could you just talk a little bit about the awards program? How is for the Family Wealth Report, the awards program, different than maybe some other programs?

### **Stephen Harris (03:49):**

Sure. Well, we've managed to get a program together of 12 awards that we do around the world now and the Family Wealth Reports awards every year in New York and awards. They're a very large part of our business and you could call it in a sense the fun part of the business

because what we do is we provide, again, a platform for people to show and prove excellence, gives some thought to their strategy, gives some thought to the way that they're doing things and where they sit in the competitive landscape. And also to reward colleagues and teams who have excelled during the year. Our awards, we are very, very keen to make them as credible as possible, and the only way that you can do that is to have an independent judging process. We pride ourselves on having very credible and highly qualified group of judges who are completely independent of us.

**(04:58):**

So it's absolutely not a commercial decision as to who becomes the winner of any particular category. It's very much down to the discretion of the judges. Absolutely love doing the US version. We have two US versions. One is in Miami, one is in New York, the New York one, very well. I've seen you there many times. It's the one where there is the most vibrancy in the room atmosphere in the ballroom or the Mandarin Oriental in New York every year is just something to be really experienced. So electric, part of that is because the people in the room don't know whether they've won or not. So the people who we invite along are people who are on the short shortlist, not just the winners, and that varies throughout the world. Most of the time we invite people who we say, you have won this, would you like to come along to collect the award?

**(04:47):**

Even though the process is absolutely independent of us, they like to know that they have won In New York, in the States, that's not the case at all. People are excited to be there. They love the anticipation, they love the idea that anyone can be a winner in the room and they dunno whether it's them or not. So that's a real big difference and it's a cultural difference in America. People love success and they love to see other people being successful. It's not just about them in other places around the world, there's a cultural pushback actually to being in a room and seeing another company, another bank, another firm, whatever, winning in the category that they've entered and they haven't won. Love being on stage. I dunno what it is, but I just love being on stage, talking to people, seeing the utter joy of people coming up to win awards and be part of a community. As you say, it's like the prom and it's a chance to meet old friends, make new friends, and it's just a very, very nice gathering. I think the judges get a lot out of it as well. They get to see what's going on in the industry and they like to have a real impact and they often feel some sort of ownership of the awards because they're so involved and so dedicated to producing the right results.

**Mark Wickersham (06:23):**

Certainly some of the best judges I'd recommend people take a look at who some of the judges out there are. I mean Joe Riley, April Rudin, Jamie McLaughlin, Tanya Neal, I mean really some of the leaders and some of the brightest people in the industry there. I think it's one of the highlights of the year for me. It's always fun when even somebody else at the table wins. You get excited for them. It's just great that there's certain people that you only see at that awards program that you look forward to catching up with every year and everybody's looking good. So it's always a fun night. Obviously we're talking about some of the differences regionally. Let's talk about the family office structures. As you mentioned Europe, maybe it's a little bit more private bank centric. What is going on with the Middle East, Europe, Asia? How do you compare that to the family office market within the US and what are the trends going on in terms of the family office market globally and how that's taken off?

**Stephen Harris (07:26):**

First off, I think the term family office is incredibly diverse, pretty difficult to pin down if you look at it in a global sense. Often family offices outside the, well probably in the US as well can be aspirational. So organizations aspire to be family offices and they call themselves family offices, but really are they family offices? And I would always say when you have for instance, a multifamily office, I would say, okay, you might call yourself a multifamily office, but can you point to a founding family, which is your founding family that you can point to and say, okay, here we are. This is really a family office. So family office is a multifamily office. It's grown from other family offices or one big family office and lots of times you have, especially in the UK, perhaps in Asia as well, you have what you might call a private investment office or a private asset manager or an external asset manager. Even an IFA high level independent financial advisor, they will try and rebrand themselves as a multifamily office. The

**Mark Wickersham (08:49):**

Term gets used and abused for sure,

**Stephen Harris (08:51):**

It gets used and abused. Let's think about some trends. I'm absolutely positive though. It is a fact that the family office market is much more evolved, much more, much more interesting, much more evolved in the US than it is in other places. It's been around for much, much longer and I think people recognize that. I think that really does talk to the amount of wealth that's in the states and the amount of time and effort. People

really think about family affairs and family matters. What we see is the rest of the world playing catch up. And the other thing that really strikes me about family offices in the states is their structure and the level of and breadth of activities. I think that in America people have family offices for lots and lots of different reasons and it's not just investment management in the rest of the world, investment management plays the key role in the states.

**(10:02):**

It's about governance, it's about philanthropy, it's about healthcare, it's about bill pay, it's asset management, but asset management really is not the driver it seems to me. And I think the wealth is already there, already created and it's a question of how to use it, how to manage family life in a more efficient and the best way possible. I think that family offices elsewhere tend to be much more focused on investment and asset management. Another difference I'd say is family offices in the states are much more open. Funnily enough, I think people are much more open to talking to other families and other people. I don't think they're particularly secretive and I don't think they're particularly precious and I use that word because I think family offices in other places are secretive and are precious. So it seems to me that when people attend events, for instance, family office events, you might get a number of principles there and those principles are there talking about their investments, what they're doing in terms of private equity, venture capital, whatever else it is.

**(11:28):**

And they're still involved in making money, still involved in businesses and want to talk to other people about their businesses and to see how they can join together, do joint ventures, whatever it is, meld their asset management approach. They're not afraid to be sold to. You can have people in the room who are selling whatever it is, they're willing to listen and learn because they themselves are also selling in their area and they know that businesses what drives society and that's cool with them. If you go to a similar event in London or Zurich or Singapore, people are much more guarded. They always think that they're being taken advantage of and that people shouldn't be talking to them about products and services and things that they want to interact with, not what they want to all. That's a very big cultural difference. I think

**Mark Wickersham (12:35):**

It's always interesting to talk about some of these regional differences. What are you seeing in terms of technology?

**Stephen Harris (12:42):**

Yeah, technology is what I would come onto as being a big differentiator globally as

**Mark Wickersham (12:50):**

Do you see adoption? Do you see maybe Asian firms being more tech forward or what do you see

**Stephen Harris (12:56):**

In there? I think it's coming. I think it's now on the agenda

**(13:03):**

For family offices. I don't think it was particularly on the agenda. I think it may have been there in terms of portfolio management. So portfolio management tools were definitely out there. Were definitely being scoped for family offices, but I think the type of organizations that I've seen aren't very keen to spend money on technology and wouldn't necessarily have somebody in-house who was able to cope with that. Very different to the states as we know. It's a very developed market in terms of family office technology and that's evidenced by the fact one of the things is that we've been running our family office FinTech summit for how many years now? Is it 12? 12 years? It is something like that. Over that time we've really seen strength in depth in terms of new providers coming in, often spinning out of family offices themselves

**(14:10):**

And a lot of investment too. So there's definitely a market. There's definitely a sophisticated growing markets in the states for family office technology of all sorts. Build paid communications, start to do a data cybersecurity, huge one as well, less so in the rest of the world, although it's now becoming apparent to me that we may start to provide some sort of family office summit or workshop, whatever it is here in Europe and perhaps in Asia too. One place that we haven't spoken about much at all is the Middle East and for me, the Middle East is Dubai and the family office market there is really going gangbusters. It is hugely expanding and that's shown by a huge increase in our awards that we do in Dubai every year. We've got one coming up in two weeks time that's gone from being quite a marginal event for us to being one of the biggest we do every year. So the growth in that market has been huge.

**Mark Wickersham (15:26):**

Why is that? They obviously seem like they're really made a conscious effort to be family office friendly. Does seem like there are a couple of places, Singapore Dubai, that are really trying to attract family offices, but what makes it attractive there?

**Stephen Harris (15:41):**

Well, I think it's to do with having a push from the very top. It is a directed market. If they want it to happen, they will make it happen. Of course there's a huge finance center there, the DIFC, and they've taken a lot of effort to make it a very clean market, a very compliant market. So a lot of firms are attracted to go there. I guess the tax situation there is very, very favorable. I think also the geopolitical system and geopolitical situation has made it an attractive place to go for people who don't want to get caught up in wars, let's put it that way. That really is a growth area. But getting back to technology, I'm sure that the rest of the world is catching up, can see the need for technology that goes beyond the simple spreadsheet and the

**Mark Wickersham (16:47):**

QuickBooks in Excel, right?

**Stephen Harris (16:49):**

Yeah. And also the portfolio management systems that are prevalent and to think more about communications, to think about risk management, to think about bill pay and all those things. Accounting are available in depth to family offices now to make their lives better and more efficient. I think we'll see a lot more of that being taken up throughout the world. Us always leads the way

**Mark Wickersham (17:22):**

It is. Certainly I say this is the golden age for family office technology. I think you see a lot of products that are specific to the market. Probably when you started the summit 12 years ago, you saw a lot of products that are maybe come over from the hedge fund side or come over from the advisory side that weren't necessarily hedge funds specific. That had to be worked around and now you're seeing, as you noted, even a lot of these products coming directly from family offices. I know risk clarity has a bit of that heritage. You look at Eaton, you look at Summit, they're eating their own cooking and then they're commercializing these products and they're very specific. I mean the part of the problem is the bad news is there's a little bit of buyer. There are more options out there, but I guess that's a high grade problem.

**Stephen Harris (18:15):**

I think that's right. I think that there is buyer confusion and I think there's confusion as to how to implement and how to assess, and I think there's scope for a lot of consultancy work and a lot of thought around the product. It's not just let's buy this product and it'll solve everything or it'll solve this area. You've got to think about how it will interact with the rest of the family office structure and how it will interact with the

main stack or other products that are related to it. It is not a straightforward plug and play and just wait and see. It's a lot more thoughtful than that and that's great. I think that really is the way forward. You've shown it's the way forward in the US and I think it's going to be the way forward for other people as well. I mean there's been a huge, huge growth in wealth technology hasn't there for banks and asset managers and private asset managers, all the rest of it. And I think that the family office market will catch up with that globally pretty soon.

**Mark Wickersham (19:30):**

Yeah, it does. It's an exciting time for sure. Covid, I think helped kind of accelerate some of those tech trends, at least in the US that certainly cloud adoption was one of these. I think there wasn't necessarily any new trends that came out of covid. It just accelerated a lot of existing trends, right around telecommunications, remote work, cloud technology, those types of things. And now you're seeing kind of best of breed APIs integrations coming forward as well as other options such as all-in-one platforms. So family offices have a choice, and I said this, there's no one right answer between which way to go. It's just what's right for those particular firms. And both have pros and cons where risk clarity is clearly in the best of breed approach, but it is good to see options. And then there's one answer for all family offices.

**Stephen Harris (20:28):**

Indeed, and that's why I wonder about the all in one approach. I don't know much about those tool and I would've thought that that sort of approach might not be best suited to family offices, which are so different. So it is definitely not a commoditized cookie cutter approach, is it?

**Mark Wickersham (20:52):**

No, that's saying you've seen one family office, you've seen one family office. I don't know if they're exactly like snowflakes per se. I mean I think you can kind of put 'em in the general buckets, but there are a lot of different buckets and there's variations within those buckets certainly because they can customize based on what they like. Let's talk about some of the beyond technology. I think the other big issue that family offices face is around talent acquisition and retention. What are you seeing in terms of major trends there and are there any differences in the regions?

**Stephen Harris (21:27):**

There are now specific headhunters who are working just or in the family office space, and I think that's a fairly new trend. I know there have been



some people who have been doing it forever, but I think it's a growing trend and not just in the states. I think it is a global trend now. I think that it's become a thing, it's become a proper career that people can say, I'm a family office executive, or I manage a family office, or I run a family. And the rest of the world would kind of know what that means. You wouldn't have to explain it from scratch. I think perhaps the move away from a strict corporate approach to life is one that some people really appreciate. Being close to people who are in many cases extraordinary people that you don't normally get in corporate life, I think that's somewhat attractive.

**(22:35):**

May have its downsides as well. I know people who have worked for family offices who have stepped away from that role because they haven't liked or haven't been able to cope with the demands of some families who can be very demanding. Indeed, it was said to me that people get that rich by sweating the detail. If you are part of the detail, that can't be much fun. So there are two sides to it, but I think for a certain person, a certain type of person, it would be a very attractive career to follow, especially if you are perhaps even a little bit older, more experienced, more able to stand up to the vagaries of high flying life. It may be a good idea.

**Mark Wickersham (23:34):**

Yeah, I know there's not a typical nine to five I'm sure with many of

**(23:38):**

These family offices that they're on demand when the family needs something or has a project going on or I know certainly in some cases, especially when they're providing more of the travel and concierge, somebody may have forgotten a passport that you're now dealing with a senator to help escalate that process and have some really unique kind of projects and requests that you have to deal with. Certainly the lack of career. I think maybe that's why, to your point, that the older people more settled in their career are happy with that. They probably have a wide range, wear a lot of different hats, but in terms of when you work for a larger corporation, there's a much more defined career path. So I think that it depends on the person and what they're looking for career-wise. Right.

**Stephen Harris (24:28):**

And also I think family offices are growing bigger, they're becoming more complex, and roles within them are probably becoming more differentiated so that perhaps there is a defined career path that isn't just the manager of the family offices. It is almost corporate, it's



institutional. And certainly in terms of the size of investment deals that you can work on, they are certainly institutional level size

**Mark Wickersham (25:02):**

Much closer to institutional and retail for sure.

**Stephen Harris (25:04):**

Yeah, indeed. So I think we'll see more of it and I think we'll see more agencies, search agencies, et cetera, getting involved and doing a great job.

**Mark Wickersham (25:18):**

What kind of fascinates me about the family office market is just a level of complexity that even larger family offices when they are growing and you're starting to see family offices with distinct investment function, distinct finance functions, like they have distinct departments with them, they're still dealing with massive complexity due to the complexity, the ultra high net worth individuals and families that they serve and their global citizens tax investment profiles, layered ownership, you have all sorts of things that they're dealing with.

**Stephen Harris (25:53):**

Tax trusts, estates, it. It's an utter minefield and I think it could well be the best and the brightest lawyers, for instance, get picked up by family offices to work their magic.

**Mark Wickersham (26:11)**

Where do you see AI having an impact on talent? Where do you see AI having an impact on family offices?

**Stephen Harris (26:18):**

Firstly, I've got to say that wherever we go in the world running small events, AI is discussed at all of them. Everybody is fascinated stroke, worried about ai.

**Mark Wickersham (26:35):**

I do think with the family offices, there's so much information that they get as unstructured data within documents. So the alternative investment world, we only progressed to 1995 and everything stuck in a document or PDF, right? So subscription agreements, capital calls, ability, K ones, the footnotes within K ones, right? The ability to decipher all that information, look for outliers maybe across your subscription agreements and do that quickly, stay plans, trust, be able to summarize that information, get up to speed more quickly as maybe a new member comes on. So I do think there's some areas there where they can harness that. Also, the concern too is how do you keep your information

private and not use it to train public AI and those type of factors. I think it's so new that these family offices haven't even thought about having an AI policy in their office, nevermind what that should be. So it's definitely a new frontier. It's a bleeding edge that term. It fits this one to a T.

**Stephen Harris (27:43):**

Oh, it does. Yeah, it really does. And it is in the last two years. I'm just trying to think. When I held a small event in Boston, perhaps it was the beginning of last year, we held a round table and the subject of AI came up and one of our very, very distinguished colleagues who is a member of many of the judging panels said to the group, no, I just can't think of one use that AI could be deployed in a family office. I just can't think of one. And everyone around the table said, yeah, I can't agree. I can't think of one either. No, no, let's move on. But that is so different now. Everybody's got so many thoughts about it and so much experience and anticipating as well. I think lots of people are excited about it and lots of people are very, very concerned. But I think they should be concerned in the larger organizations and concerned about their own roles being disintermediated by AI.

**Mark Wickersham (28:57):**

I think what's going to happen is the person using AI is going to intermediate the person. Not using AI is the kind of the trend, but it's one of those things that people should be excited about as well as deeply concerned about. Let's talk about the future of family offices here. Let's give me kind of a, where you see the future going per market.

**Stephen Harris (29:17):**

I think that there's a lot of scope for family offices to do well. I think the world needs a lot of new infrastructure. Family offices are very well placed to invest in infrastructure and to do that in a coordinated way. So I think that's a real opportunity. The other opportunities are things like philanthropy. That is an area that, and we haven't discussed this at all next, I think next gen issues are very, very, very interesting and vital to family offices. If the next gen aren't brought up to speed properly within a very good framework, then the family office won't survive and the money won't survive. It'll all dissipate. So family governance is one, good family governance, good family education is one way of doing that. Philanthropy and getting next younger people involved in the ethos of a family at an early age through philanthropy is a brilliant, brilliant thing to do.

**(30:35):**

However, I would argue that it is got to be hands-on philanthropy. I don't

think, of course there's a point of just giving money, but giving money should be the start point. And getting people involved on a hands-on level hearts and minds towards specific projects, I think is where to go. And I think the family office sector can be a really big force for good, force for change. And this would, I think deflect from the challenge or one big challenge that family offices face. And this is true of ultra high net worth people, whether they're structured in a family office or not. And that is, I think societal and geopolitical issues are going to be front and center of the agenda. And people generally are going to be questioning societies that throw out or support huge inequalities of wealth. And I think there's going to be much more of a need to justify and explain and educate and bring people along rather than just say, this is the way it is. We are rich. You are not, we're getting richer. You are not. I mean that isn't a thing anymore. Yeah,

**Mark Wickersham (32:07):**

Accumulating wealth for wealth sake.

**Stephen Harris (32:09):**

That can't be what the whole point of this is. And I think the thoughtful families absolutely get that and have programs to ameliorate that problem and do it very well. Well indeed, you see it a lot in America and here too, and throughout the world. So

**Mark Wickersham (32:35):**

Stephen, you got a chance to travel quite a bit for work and I'm sure for pleasure. What are some of your favorite locations? What are some spots that people might not know about really?

**Stephen Harris (32:45):**

Well, I travel a lot, but I travel to the same places. So I traveled to New York a lot, Miami, Boston, Chicago, love all of them. Zurich, Geneva, Dubai, Hong Kong, Singapore.

**Mark Wickersham (33:02):**

It sounds great to me.

**Stephen Harris (33:05):**

But I've been to those places so many times. It's not a safari. I love all those places. But the thing that I would say is it's not about the buildings or the scenery or anything else. It is always about the people. And you get a similar type of person in all these places because they're all involved in the private client world. And if you are involved with private clients, you must must be a nice genuine person who gets on with people.

**Mark Wickersham (33:52):**

High EQ.

**Stephen Harris (33:52):**

Yeah, yeah. Indeed, indeed. So that's what I value. I value being able to go to these places and meet people like you and colleagues who they're just great, great people and that's really, really very, very lucky. But travel brings me closer to people rather than places, I guess.

**Mark Wickersham (34:16):**

There you go. I love that there is something to be said about going to a similar travel pattern in New York, Chicago, la, Denver. I mean, to get to know these places a little bit deeper, right? They're, they're great places. Number one. Two is to kind dig a little bit deeper into maybe some of the neighborhoods. You have a chance to go a little bit more often. I always enjoy, I always enjoy, if you get a chance to go somewhere and then you have a chance to go to the grocery store and the public transportation, then you always a little deeper.

**Stephen Harris (34:49):**

Always do that. Always get a bus if I can. But one place that surprised me, and I know this wouldn't surprise you, but the first time I went to Chicago, I was absolutely blown away. I had no idea that it was going to be such a beautiful, interesting,

**Mark Wickersham (35:10):**

Love Chicago.

**Stephen Harris (35:12):**

It is just amazing. And taking the architectural river cruise.

**Mark Wickersham (35:19):**

It's Great.

**Stephen Harris (35:19):**

It's mind blowing. It's mind blowing. The building's there. Just are staggering.

**Mark Wickersham (35:26):**

Love that city. So just on a final personal note, I know that you're an Arsenal fan. It seems like Arsenal finally is the right coach, but do you guys have enough what it takes? I mean, is Man City going to take it this year? Do you have enough to be able to get the top of the table? What are you

**Stephen Harris (35:43):**

Thinking? Well, at the beginning of the season, I would've thought that it

was a two horse race with us and City. But it is not looking much like that now, is it? We're fourth or fifth now I think. And we've got Liverpool challenging. You even have Nottingham Forest remember them, right? Nottingham Forest

**Mark Wickersham (36:10):**

From the eighties. I remember.

**Stephen Harris (36:13):**

So of course we're in the mix and I should think we'll end up second or third probably, something like that. The problem is that I think we've got to a stage where we lack discipline and you can't win matches with 10 men. You might be able to

**Mark Wickersham (36:35):**

Hold on for the draw maybe, but yeah,

**Stephen Harris (36:38):**

Yeah. But you're not going to win. You're not going to win. Do you have a team, mark?

**Mark Wickersham (36:45):**

Well, I'm a Man United fan. I'm happy to see that maybe they get that situation straightened out with a better coach. I do love Man City. I have man love for pep, so I just admire the coach. I admire how they play. Obviously they have great players too. I really enjoy the English Premier League. They do a great job in the States here. NBC does the broadcast. They, they've got a great crew. It's really an enjoyable product. I love that. I also, I'm a big consumer of NWSL, which is the Women's League here, which is really competitive. Lots of stars and stories there too. So it's great Soccer in the US or football in the US is doing great.

**Stephen Harris (37:31):**

Great, great, great. I mean, I like to see women's football as well. They seem to have a little bit more time in the ball. There's

**Mark Wickersham (37:40):**

Not as much flopping.

**Stephen Harris (37:41):**

Yeah, I mean they're much more skillful actually. I mean, you see some fantastic goals. So yeah, I think it's a great thing.

**Mark Wickersham (37:52):**

Anyway, Stephen, thanks for your time, this is a great conversation. I really appreciate the time. It was fascinating that they get cut effective on everything and I appreciate it.

**Stephen Harris (38:03):**

Great. Well thanks for your time, mark. Lovely to see you.

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