

MODEL	CHARACTERISTICS	STRENGTHS	WEAKNESSES
Patriarch/Matriarch (G1—First Generation)	G1 has investment decision authority. May work with a close team of key advisers.	High locus of control; streamlined decision making.	Key man risk: Void of authority if death, disability, or lack of interest. Idiosyncratic investments. Limited investment perspective.
Family Leader/Branch (G2—Second Generation and beyond)	Investment decisions guided by individual or family branch with investment interest, knowledge, and/or experience.	Investment decisions led by experienced family. Represents all branches. Focused and efficient decision making.	Responsibility for global financial wellbeing of family. Continued decision-making authority by individual or group may cause resentment. Communication/Privacy/Disclosure issues.
Ownership/Beneficial Interest (G2—Second Generation and beyond)	Separated approach; Each family member/family branch makes own decisions for assets – either outright or in trust.	Direct input on preferences and needs. Focused on the individual and privacy.	Limits efficiency and economies of scale in investing. Complicates investments through pooled entities and trusts. Investment skill and experience among family members varies.
Generational Investment Committee (G2—Second Generation and beyond)	Family Investment Committee with branch and generational representation. Consultation with outside investment advisors on a nondiscretionary basis.	Closer connection with family wealth. Platform for educating the younger generations. Different perspectives and ideas.	Decision making can be slow. Administrative support is needed to coordinate and execute decisions. Family tensions may be brought into the IC and reduce efficiency. Privacy/Disclosure issues.
Trustee Model (G2-3+ — Second/Third Generation and beyond)	Non-family trustees participate on investment committee or with a corporate co-trustee.	Impartial input from trusted advisors/fiduciaries. Focused on investment decisions and confidentiality.	Outside leadership means family may lose their voice on many decisions. Family needs to be comfortable with outsiders making decisions.
"Institutional" Approach (G2-3+ — Second/Third Generation and beyond)	Delegated investment authority to the family office investment team or investment consultant. Investment Committee chaired by an outside professional. Family branch represent with outsiders on the Investment Committee.	Unbiased, impartial, and focused on the family investment program. Responsibility clearly defined. Maintains confidentiality.	Collective family interests supersede individual family households; family input may be diminished. Family comfortable delegating investment authority. Less communication.

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