



By [Richard Orlando](#)
CEO Legacy Capitals

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How Family Wealth Management Teams Can Target Family Businesses

I had just finished the initial consulting phase of my process to a wealth management team comprising seven members led by Tom and Linda, a father and daughter.

Tom and Linda had hired my team to focus on overall team effectiveness and business development. Since not everyone on the team was part of the family and Linda had officially joined the team about two years earlier, they wanted to make sure “everything was running smoothly.”

In addition, Linda highlighted that although the business had decent growth, they did not believe they were maximizing their opportunities in the marketplace.

During the first phase of our work, we met one on one with each individual on the team, reviewed the team’s business plan and metrics, administered an assessment tool and so forth. It was a Tuesday morning around 10 a.m. when we met with Tom, Linda and their team in their conference room to share our recommendations.

When the discussion turned to business development, the life-blood of any flourishing wealth management team and business, we had found that the team had no strategy to target family businesses as potential clients. Everyone around the conference table had a look on their face that suggested they were thinking “duh, why didn’t we think of that!”

I have consulted and coached hundreds of wealth management teams, practices and businesses composed of family members and non-family members (as well as conducted my dissertation research on family wealth management teams), and rarely have I found a strategy to target family businesses. They often don't see themselves as a family business, usually because they are part of a larger organization and/or they haven't advanced their mindset from that of a sales organization to that of a company or business. When we help our clients make these transitions and see themselves for what they are – a family business – the light goes on in their minds, and they commonly add this approach to their business development strategy.

Here is are a few things family wealth teams have in common with “other” family businesses:

- When families work together in business, there is an inextricable interrelationship between the family system and the business system. The degree the family can successfully manage both systems is the degree to which the family and business will succeed. This dynamic is one of the reasons why family businesses have a dismal succession rate from one generation to the next.
- Often, family businesses consist of family members *and* non-family members.
- Family businesses are typically multigenerational, and successfully planning for this succession is vitally important.
- Stakeholders need to navigate the three “hats” of being a family member, owner and employee at the same.
- Family businesses serve their clients, grow their businesses and take care of their families.

After we discussed the above points with Tom, Linda and team, Tom blurted out, “I knew in my gut something changed when Linda joined us, but I never quite put my finger on it.”

Linda then added, “Tom, it was quite obvious to me coming in as your daughter and needing to earn the respect of those who have worked with you for many years.” And the conversation continued among their team members, each adding their perspectives. After they wrapped up this part of the meeting, we shifted to action planning.

On the top of their action plan was to craft a strategy and approach to attract and serve other family businesses since they now realized how much they have in common with them and can speak their language.

If you are a wealth management family team, here are some ideas to attract and serve other family businesses:

1. Join a business organization composed of other family businesses.
2. Reference in your marketing materials the fact that you are a wealth management family business serving the needs of other family businesses.
3. Identify the successful family businesses in your marketplace and create an event tailored to speak to the needs of family business (success planning, working with those you love, etc.).
4. Have the next generation in your business target the next generation in the other family businesses.
5. Communicate to your center of influences that you serve the multigenerational wealth management needs of family businesses and ask for introductions.