



## The Family Office Executive: Purposeful leadership amidst complexity

**Brad Simmons, Partner, Head of South Australia**

Working as a Family Office Executive means stepping into a role that is both demanding and purposeful. Alongside managing financial assets, Family Office Executives become responsible for helping to preserve the long-term legacy and values of a family. The scope is broad—covering investment strategy, tax, governance, estate planning, philanthropy and often personal matters. It's a position that requires sound judgment, discretion and a wide-ranging skill set.

Having led the Single Family Office (SFO) of a sixth-generation Australian family, I've seen firsthand how challenging and rewarding this work can be. The role calls for more than technical expertise—it requires the ability to navigate sensitive dynamics, make decisions with limited external input and maintain trust across generations.

Unlike corporate roles with large teams and formal structures, SFO Executives often operate in lean environments, meaning there are fewer colleagues to consult with and limited access to peer networks. Further, the confidentiality that surrounds private wealth management can make it hard to share experiences or openly seek advice.

While it's not a job that comes with a manual, the role of a Family Office Executive does offer unique opportunities to contribute in ways that are lasting and deeply personal to the families we support. And as the Family Office community becomes more connected, there are growing opportunities to exchange ideas and build support networks with others in similar positions.

In this article, I explore nine key challenges that come with Family Office Leadership, along with the value of having a trusted circle of peers available who genuinely understand the unique pressures and nuances of the role.

### Navigating complexity: Nine Challenges of Family Office Leadership

#### **1. Wearing many hats: Integrating across disciplines**

Family Office Executives are required to operate across a wide spectrum of disciplines—often simultaneously. They may serve as Chief Investment Officer, Chief Financial Officer, Legal Counsel, Operations Manager and for some family members, even Chief Emotional Support Officer. Family Office Exchange (FOX) research<sup>1</sup> highlights that most SFOs provide financial and non-financial services across 12 disciplines, underscoring the breadth of expertise required. These diverse responsibilities demand technical expertise alongside emotional intelligence, adaptability and strategic thinking.

The role attracts high-calibre professionals who thrive on variety and impact. Research suggests that generalists—those with broad interests and cross-disciplinary skills—often thrive in complex and unpredictable environments. As David Epstein argues in *Range: Why Generalists Triumph in a Specialised World*, versatility and breadth of experience can be powerful assets, especially when navigating the multi-faceted challenges inherent in Family Offices.

However, this constant task-switching is challenging. I vividly recall juggling responsibilities across multiple disciplines when I was working in a Family Office Executive role. One moment I was collaborating with tax advisors on a complex ownership restructure; the next, fielding calls from a stockbroker about an IPO and a property manager regarding a leaky roof—all while preparing papers for the upcoming Investment Committee meeting. While I loved the variety, I often felt stretched thin, with little time to focus on the family's strategic priorities.

When staff are absent or roles unfilled, Executives frequently step-in to handle administrative tasks ranging from bank reconciliations and payroll to managing family travel. While these tasks may be straightforward, they are time-consuming and can divert attention from higher-level strategic work.

Moreover, the inward-facing nature of the role can lead to professional isolation. Without regular exposure to external thought leadership or industry innovation, Executives risk falling behind on emerging trends.

## **2. The limits of scale: building and leading lean teams**

Unlike institutional firms or Multi-Family Offices, SFOs generally operate with limited scale. The 2023 FOX research indicates that a typical SFO serves an average of six households with investable assets of US\$365 million (AU\$562 million), with just six staff. This lack of scale can restrict the SFO's ability to benefit from large, specialised teams or negotiate favourable pricing with suppliers.

When I was working in-house, we looked at various options to build greater capability within the Family Office in the areas of tax, investment and corporate finance to provide better and more seamless support to the family. However, we could never make the numbers work – there was a constant tension between scale and cost.

As a result, SFOs find themselves outsourcing large parts of their service requirements. The research found that SFOs engage an average of 23 external advisors, with a quarter of SFOs projecting an increased level of outsourcing over the next two years. The three main reasons cited in the FOX research for outsourcing were: lack of internal capacity; lack of internal skills; and a desire to access best-in-class providers.

While outsourcing can provide access to a broader and deeper array of services, it does add to the structural friction of delivering services to the family – the SFO is a pinch point between the family and the broad suite of external consultants.

## **3. Communicating the value of the Family Office**

According to the FOX research, the average cost of operating an SFO is about US\$6.5m (AU\$10.1 million), broken down follows:

- **Internal Family Office costs:** US\$3 million (AU\$4.6 million)
- **External advisory costs:** US\$0.7 million (AU\$1.1 million)
- **External investment costs:** US\$2.8 million (AU\$4.3 million)

Based on average investable assets of US\$365 million (AU\$562 million), operating costs equate to about 1.8% p.a.

Despite this significant investment, the research found that only 30% of family members truly understand the value their Family Office provides. One of the main barriers to communicating this value is a lack of self-awareness within families regarding the complexity of their own affairs. According to FOX, the greatest driver of SFO operating costs is complexity—defined by factors such as the number of households served, operating businesses controlled, direct investments made, legal entities owned, governing boards and external directors involved.

From my experience, however, the 1.8% cost becomes insignificant when the SFO Executive goes above and beyond to support the family during times of need. It is in those moments that the true value of the Family Office becomes unmistakably clear.

#### **4. Identifying and implementing suitable systems**

Leading a Family Office with optimum efficiency requires a unique blend of tax and accounting platforms, portfolio and property management tools and secure interfaces with banks and third-party suppliers. Ideally, these systems must also offer intuitive user experiences for family members.

However, according to a survey by Campden Wealth<sup>ii</sup>, about 40% of Family Offices report excessive reliance on spreadsheets, and 38% mentioned the manual aggregation of financial data as common practice. Finding and integrating solutions that meet these diverse needs is difficult, particularly in relatively small Family Offices on a limited budget. Executives commonly experience frustration, knowing that their scale and budgetary constraints mean they simply cannot have the best tools for the job, with many relying on error-prone spreadsheets for a multitude of tasks.

#### **5. Addressing privacy and security risks**

The risks faced by wealthy families are more diverse and pervasive than ever before. From cyber threats and privacy breaches to reputational damage and personal security concerns, the scope of potential vulnerabilities continues to expand.

Consider a situation where a family member's social media activity inadvertently exposed sensitive location data, triggering a cascade of security and reputational issues. In such cases, it falls to the Family Office Executive to anticipate and mitigate these risks. Often operating behind the scenes and without external support, they must design and implement comprehensive risk management systems that protect both the family's assets and its good name. This work is unlikely to ever be recognised—yet the Executive would bear the weight of the consequences if something were to go wrong.

#### **6. Navigating family boundaries and maintaining independence**

The close, personal relationships Executives build with the families they serve can be both deeply rewarding and considerably risky. Over time, 'familiarity creep' can erode objectivity, especially during emotionally charged situations or family conflicts. The Executive may begin to feel more like a confidante than a professional advisor, blurring the lines between personal loyalty and fiduciary duty.

Maintaining professional integrity while managing emotional dynamics is a constant balancing act that requires self-awareness, boundaries and diplomacy. For example, making investment recommendations to a married couple with very different risk tolerances can be challenging, both financially and interpersonally. One partner may seek aggressive growth while the other prioritises capital preservation, and the Executive must navigate these differences without appearing to take sides or damaging trust with either party.

## **7. Difficulties aligning family members around a common Purpose of Wealth**

Executives need a clear strategic mandate to run an effective Family Office. However, aligning family members around a common purpose for their wealth is often a complex and emotionally nuanced endeavour. Differing values, priorities and generational perspectives can lead to disagreements over how wealth should be used—whether for investment, philanthropy or lifestyle. These tensions can be further amplified during succession planning, where Executives are tasked with preparing the next generation for leadership and governance roles.

Furthermore, the influence of the Executive can be undermined if they're perceived merely as 'mum or dad's employee', rather than an impartial facilitator. Navigating this dynamic requires a blend of strategic foresight, emotional intelligence and diplomacy. Open communication, shared vision and a long-term commitment to unity are essential to preserve and grow family wealth across generations.

## **8. Career progression**

Human Resources is another function which commonly falls to the Executive. With very few layers in the organisational structure, it can be challenging to offer opportunities for meaningful career progression. Executives must find creative ways to retain and develop talent in an environment with limited upward mobility.

For the Executive themselves, there can be a void in responsibility for their own development. With a multitude of tasks to balance and no-one to report to outside the family, personal career development is an easy task to demote. Further, having built a successful SFO from scratch, what comes next? There is no clear path to promotion, no external recognition and often no peer group to benchmark against.

There may also be an unspoken concern about long-term relevance. If the family decides to dissolve the office or shift to a different model, the Executive may face the unsettling prospect of professional obsolescence—despite years of high-level performance.

## **9. Succession and key person risk**

The FOX research found that while more than half of the SFOs surveyed were contemplating a leadership change inside the next 10 years, only one-third have a formal succession plan in place. While it's easy to see why succession planning is often deprioritised, what if something unexpectedly happens to the Executive, like a change to family circumstances, a health crisis, or another career opportunity? In my own situation, it was my wife's interstate posting with her employer which precipitated an unexpected change. Ultimately, I was able to work with my principals to strike up an outsourced arrangement with Multi-Family Office, Mutual Trust, to provide continuity and succession. However, like most SFOs, we were underprepared for such a change. It was very disruptive and could have ended quite differently.

So why are families procrastinating the succession planning for their Executive? Because it's hard. Succession planning for a Family Office Executive comes with a distinct set of challenges that extend well beyond a typical Executive handover. Often, the key person has been a trusted figure within the family for decades, holding deep relationships and comprehensive institutional knowledge. Many families put off planning because it's hard to imagine the Family Office without that familiar presence, especially when the Executive has become integral to both operations and family dynamics. This can be further complicated by generational change, shifting family priorities or a desire to restructure the Family Office entirely.

Whether appointing someone from within or sourcing an external candidate, it's crucial to manage expectations, maintain trust and ensure cultural continuity. Clear communication, early planning, and a thoughtful approach are key to navigating this emotionally charged and strategic transition.

## The value of a sounding board – Peer Advisory Councils

Despite the prestige of the role, being an Executive of a SFO can be an isolating experience. What many Executives truly need—yet often lack—is a sounding board. A coach. A peer group.

I've come to realise that what I missed most during my time as a SFO Executive was a trusted circle of peers—people who genuinely understand the unique pressures and nuances of the role. A confidential, curated peer group offers more than just camaraderie. It becomes a source of strategic insight, emotional resilience and personal growth. With the right network in place, SFO Executives can not only manage the weight of their responsibilities—they can thrive.

That's what inspired us to establish our SFO Executive Peer Advisory Councils—a confidential space where SFO leaders can connect, share and grow together. These councils are designed to provide the strategic insight, emotional support and trusted relationships that are so often missing in this role.

**If you would like to find out more about our Peer Advisory Council sessions or how Mutual Trust can support your SFO to plan for its long-term success, please contact me via the details provided below.**

### **Brad Simmons**

Partner, Head of South Australia

E: [brad.simmons@mutualtrust.com.au](mailto:brad.simmons@mutualtrust.com.au)

P: (08) 7082 3900

---

<sup>i</sup> <https://www.familyoffice.com/knowledge-center>

<sup>ii</sup> [https://www.campdenwealth.com/sites/default/files/FO\\_Op\\_Exc\\_report\\_2024.pdf](https://www.campdenwealth.com/sites/default/files/FO_Op_Exc_report_2024.pdf)

#### Melbourne

Level 32  
360 Collins Street  
Melbourne VIC 3000  
T +61 3 9605 9500

#### Sydney

Level 18  
126 Phillip Street  
Sydney NSW 2000  
T +61 2 9224 7600

#### Perth

Ground Floor  
22 Stirling Highway  
Nedlands WA 6009  
T +61 8 9230 7700

#### Adelaide

Level 1  
190 Flinders Street  
Adelaide SA 5000  
T +61 8 7082 3900

[info@mutualtrust.com.au](mailto:info@mutualtrust.com.au)  
[www.mutualtrust.com.au](http://www.mutualtrust.com.au)

Prepared in Australia by Mutual Trust Pty Ltd (ACN 004 285 330) (AFSL 234590). It is general information only and has been prepared without considering any particular persons' objectives, financial situation or needs. It does not constitute, and should not be relied upon as personal financial product, taxation or legal advice. Before making any decision you should obtain personal financial, taxation and legal advice. For more information about the services Mutual Trust provides, please contact us or visit our website, [www.mutualtrust.com.au](http://www.mutualtrust.com.au). Liability Limited by a scheme approved under Professional Standards Legislation. For participating members (other than for the acts or omissions of Australian Financial Services Licensees).