



## The Family Strategy – your plan to achieve what matters most

Wealthy families have a significant positive socio-economic impact on Australia, as detailed in Mutual Trust and the University of Adelaide Business Schools' recent publication [Why the Modern Family Office Matters](#). This positive impact can be accelerated when families have a clear purpose for their wealth and the right Family Strategy in place to deliver upon it.

### What is a Family Strategy?

A Family Strategy is a comprehensive plan intended to provide a family with clear direction on the management and transition of their wealth across generations.

It is unique to each family, documenting their Purpose of Wealth, specific goals and desires over the long-term. Importantly, it ensures everyone is on the same page with a purpose-led strategy that encompasses both individual and collective family needs. When designed carefully and executed well, the Family Strategy becomes the action plan to support families in successfully managing intergenerational wealth transfers and maximising the positive impact of their wealth.

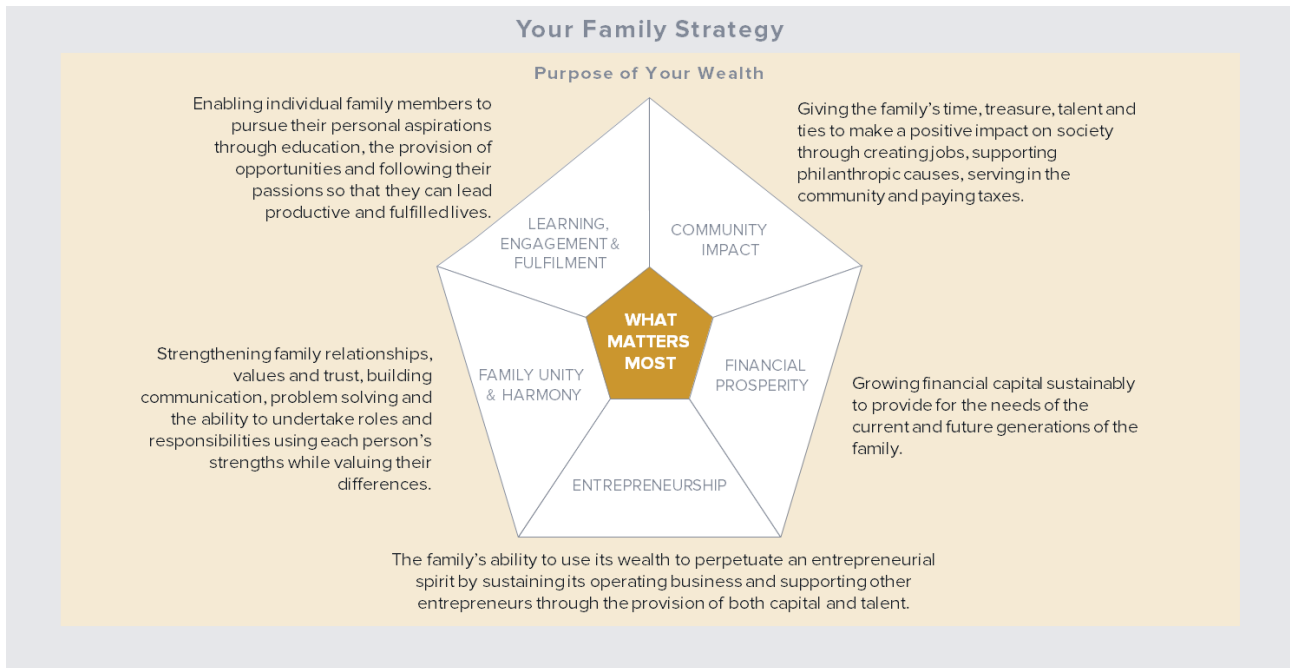
To ensure it remains relevant and effective for generations to come, the Family Strategy should be dynamic and reviewed as circumstances change, evolving alongside a family and its family members over time.

### Uncovering the purpose of a family's wealth

Recent research from the University of Adelaide indicates that families who have successfully transferred their wealth across generations focus on more than financial prosperity. They consider non-financial facets such as Entrepreneurship, Family Unity & Harmony, Learning, Engagement & Fulfilment and Community Impact to be equally important. When the right combination of these facets are explored based on a family's unique circumstances, their wealth begins to carry more meaning. Their wealth has Purpose.

In our experience at Mutual Trust, supported by the University of Adelaide's research, we have identified five facets that matter most to families of wealth. This has been turned into a valuable framework "The Mutual Trust Gemstone" that can be applied to each family's unique situation. Together, the five facets of The Mutual Trust Gemstone make up a family's Purpose of Wealth and sets the foundation for a family's long-term success.

## The Mutual Trust Gemstone 2023



All families are different when it comes to defining their Purpose of Wealth. One family might want to build on their entrepreneurial legacy - particularly if the wealth was created through a business, whilst another might be seeking to focus on financial sustainability, building family unity, education and philanthropy. Then there are families looking to focus on a combination of these areas. Regardless, it's important to adopt an approach which offers the flexibility to adapt to each family's unique circumstances.

“A family won't always achieve complete alignment around the facets of wealth. That's ok, that's what Mutual Trust can help to determine, ensuring the outcome is mutually agreed and beneficial for all family members. It's important to think through what a family would like to do collectively and separately so that family structures enable the combination of jointly and separately held wealth.”

Jeff Steiner  
Partner, Head of Family Office

### Creating and executing a Family Strategy

Creating a Family Strategy is complicated and requires honest, open collaboration and careful guidance. The role of a modern Family Office like Mutual Trust is critical in supporting family members to form, express and document their goals and desires, something they may not feel comfortable doing without the help of an independent third party. Often, this can involve disclosures that run counter to family expectations and require a carefully thought-out process.

The output is comprehensive. A family will have a plan for each of the five facets within the Mutual Trust Gemstone Framework which, when combined, becomes the family's full program of work – the Family Strategy. In our experience, taking the time to design and prioritise each component of the plan upfront will promote long-term success.

When it comes to execution, a modern Family Office will bring together the right infrastructure, made up of people, processes and systems, to operationalise the plan. This will include implementing a family governance model, which covers family roles and responsibilities on which everyone agrees. Importantly, a modern Family Office will provide access to people who are both technically competent and have a high degree of emotional intelligence – an essential combination to help families navigate their unique challenges, build trust and preserve family unity.

**Building and sustaining significant family wealth and values doesn't just happen. It takes careful planning and deep engagement across generations. We work with families to establish a clear shared vision for the purpose of their wealth. With this focus and alignment, we help them create and execute a Family Strategy to achieve their Purpose of Wealth for generations to come. To discuss how Mutual Trust can help your family design and or/execute your Family Strategy, please contact your Relationship Manager.**

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