

# OUTSIDE EDGE

BY

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## INTEGRAL CONNECTIONS

Providing holistic advice requires coupling unique skill sets.

Every successful company has a CEO who provides leadership and direction to the overall business. And that CEO is usually supported by a strong team of executives with distinctive skills, who work closely to build the business.

Imagine the mess if there were no corporate direction or coordination, and if each member of the team worked utterly independently.

In the same way, families with significant financial wealth need an integrated approach to managing their affairs. Helping them cope with the diverse issues of their lives and wealth is a complex task and central to the work of family offices and other integrated advisors.

In a recent article in the *Journal of Wealth Management*, Miles Padgett and Louise Wright Sellers laid out key attributes needed by an effective integrated advisor. At the most basic level, he or she must have:

- > superior organizational skills and detail orientation;
- > natural curiosity and a drive to solve problems;
- > superior listening skills;
- > a willingness to make hard, thoughtful decisions;

- > competency in technical areas;
- > experience in adjunct areas, including family governance, philanthropy, and performance reporting; and
- > useful exposure to the structuring of commercial transactions, litigation process, dealing with trusts and estates.

No one family office advisor has all of these traits. That's because integrated advisors are a rare breed, and for several reasons.

First, the discipline isn't yet widely recognized as an independent profession, so few prospective advisors seek integrated education and training. There also aren't many institutions offering the necessary training. This makes switching from a vertical (subject matter) expert to a horizontal (integrated client solution) advisor difficult.

Second, it takes years to build up the skills, expertise and experience to become an effective, practising integrated advisor. Besides, not everyone has the temperament or interest to become this kind of advisor.

So what's the best way to find these people? Firms can hire young, smart professionals with a base level of skills and mentor them as integrated

advisors. This is our firm's approach and we've found it most effective to train young people ourselves, rather than trying to change the habits and orientation of more experienced and specialized advisors.

While many of these younger people come with designations (such as CA or CFA), we also require they complete their CFP within one year, due to the integrated nature of that program.

The Canadian Securities Institute offers a designation called chartered professional, strategic wealth (Ch.P.), which can also provide a strong foundation.

Posting jobs on university alumni recruiting websites and on the CFA Society and CA Web sites can be effective for recruiting newer professionals, but it takes time. At the entry level, recruiters don't typically add a lot of value, but they can help firms find technically sound professionals.

Fortunately, the wealth management industry finally seems to be embracing a more holistic approach. But no matter the breadth and depth of skills of the integrated advisor, the complex needs of wealthy families will continue to require teamwork and mutual respect among all the family's professional advisors. <sup>AE</sup>

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