



Family Care: Profile of Tom McCullough, cofounder and CEO of Northwood Family Office

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When asked what he does for a living, Tom McCullough often replies with a succinct answer: “I am involved in a family office.” Simple enough. Sometimes the response elicited is: “Oh, I just built one in our basement last year.” Other times people believe he works in birth control and family care.

The answer, then, can’t be so simple—and isn’t, given that a family office handles very complex issues of the high-net-worth segment.

“It’s a funny term,” he says. “We use it in our name, but it was virtually unknown by people who you would think would know in Canada when we started—now it’s much more common.”



McCullough is the founding co-partner and CEO of Northwood Family Office in Toronto. Created in 2003, it was one of the first multi-family offices to come about in the country.

Northwood Family Office arose partly out of a need for McCullough’s own desire to find a family office that could appropriately manage his family’s wealth needs. At the time, he was also planning a change for himself, having spent 20 years in senior executive roles in the wealth management division at the Royal Bank of Canada.

“For many of those years we were looking to try and build a family office...it’s tricky in a large organization—to put the time and attention to a business that’s highly customized,” he recalls.

Having researched the US and European family offices, McCullough decided to start his own MFO, concluding that if his own family needed one, others would as well.

Partnering up with former RBC colleague Scott Hayman, Northwood Family Office opened for business in February 2003. Hayman, says McCullough, was the perfect fit, holding a vast array of knowledge, including tax, financial planning and insurance.

“He’s one of the very few specialists in this field. In fact, I called him about our own personal situation.”

The MFO debuted as a concept, notes McCullough, with neither men bringing clients over from their previous working lives. Within a few months, it began working with one large Canadian family, he says. Northwood Family Office now works with 26 families altogether. It has three areas of expertise: planning, investment management and implementation/administration.

The firm abides by a very holistic approach, always with an eye on family goals and objectives and with a clear focus on the outcomes of any initiative, McCullough says.

Things like cross border tax planning, consolidated reporting and issues that arise when a key member of a family passes away—what should be done with the private assets—are among its repertoire.

When clients come in with a problem, not unlike medical professionals, “we spend a lot of time up front as a doctor would...asking them questions and trying to get to the why of what they are asking,” he says.

The MFO spends a good chunk of time assisting clients in thinking about where they want their money to be allocated and how much capital has to be dedicated to those goals. So, for example, how much do they want to save during their lifetime, how much charitable giving should receive. Creating a game plan with various options is essential.



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“It’s a very different way to manage their lives compared to a lot of the industry,” he says. “In our work, we try and help clients figure out what their objectives are and what is the highest likelihood of families achieving those objectives and how do we set them up for them to succeed.”

But, it’s not just about the money. There’s a host of issues the MFO deals with.

“We spend a lot of time helping families thinking [about] family-oriented needs—the child that’s an over-spender, the families that have inherent conflicts, deciding on legacy decisions. So we are very much involved in that kind of thing as well,” says McCullough. “They know that it’s not just a product. They know that a family office is an advisor for life.” McCullough views the MFO space in Canada very much as a cottage industry—one that will mature over time, yet at present with only five or six that can truly call themselves as such (single family offices, he says, are already well-developed).

For now, Northwood Family Office is content to own a corner of the market.

“We believe in the space—we believe that the family office approach is better than a silo approach,” he says. It’s the ‘help’ aspect that is a big attractor for McCullough. That comes to light in other ways. He has taught classes at Rotman School of Management, the Master’s of Business Administration program at the University of Toronto, for four years, focusing on managing private wealth.

And McCullough spent a month this past summer in Rwanda and The Democratic Republic of Congo with his family working on various projects. He worked with a relief and development charity, The Sharing Way, to counsel them on strategy, partnerships and projects in Africa, which typically deal with food security, water, micro-enterprise, HIV/AIDS and children at risk. Meanwhile, his wife and daughters led an English immersion and professional development course for poor Rwandan teachers.

“We’ve been involved in family issues related to the international poor for many years,” says McCullough. “In one sense it’s a bit of juxtaposition. I’ve worked for many years with the wealthy. Part of the reason for getting involved with the poor is because for ourselves and for our children—it helps remind us how most of the rest of the world lives as opposed to the way we all live... A lot of my hobbies and work intersect and tend to be related to helping people. So I get to do that both in my work and my charitable activities.”

The next time someone assumes he is talking about “family care,” McCullough might just agree.