
Align Your Outreach with Current Family Office Investment Trends

Avoid the Common Pitfalls to Maximize Win Rates

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Defining the Modern Family Office

What You Need to Know

Today's family offices are far more sophisticated and forward-facing than ever before. As more and more private wealth entities continue to emerge worldwide, family offices are becoming an important source of capital for private companies - either as a funding source or in a complementary partnership with other private wealth investors, venture capitalists and institutional capital providers.

Modern family offices aim to put capital to work and find deal flow - often in emerging industries, such as Cannabis or Blockchain. Until now, you would rarely uncover full public dossiers of information. This is mainly because the previous family office model was meant to preserve the wealth for future generations, whereas the present-day model is increasingly about putting money to work in the wealth owners' lifetime.



Major distinctions between the traditional family office structure and today's model:

- 1** Shifted investment allocations into emerging markets (i.e. Blockchain)
- 2** Actively involved with the personal affairs of the family or individual
- 3** Changing business models in accordance with modern technologies
- 4** Increased transparency, sophistication & flexibility
- 5** Greater capacity to find & connect with family office investors
- 6** Eager to put money to work in the wealth owners' lifetime

Read ahead as we explore notable trends throughout the family office space, their growing appetite for alternative assets, the toll this expansion is taking on their operations and the potential benefits that can be obtained through humanized engagement.

Operational Improvements in Managing Family Capital

Family offices have played a pivotal role in the alternative investment industry for quite some time - though in the last decade especially, we have seen these groups reaching new heights. As the number of these groups continue to broaden, so do their investment patterns and overall prominence in the private markets. To keep you informed on the private wealth space, FINTRX has put together a list of developing trends that are expected to make a lasting impact on family offices over the coming years.

In recent years, family offices have reached a new level of agility and sophistication, making them a viable option for protecting and preserving vast amounts of family wealth. Changing demographics, technological shifts and volatility in our current market environment have all impacted the way in which family offices invest and manage wealth. Because family offices often span across several generations, younger generations are bringing a new attitude to their investment approaches, as they are increasingly realizing traditional investment choices are no longer suitable to fit their needs. In search for predictable rates of return, family offices have begun focusing on non-traditional asset classes, such as private equity and real estate.

The modern family office is structured to respond to this need for evolved services, thereby making them an ideal candidate for protecting and preserving generational wealth.



Historically, the family office market is known for its secretive and hidden demeanor within the private wealth landscape, thus making it difficult to understand and analyze. As such, conventional prospecting techniques no longer contribute to business growth like they once did. However, as more information becomes readily available through the use of the internet, it has considerably simplified our ability to discover relevant information. Given this, it is critical to have a solid understanding of industry developments before seeking family offices to pitch. Understanding the private wealth landscape can play a critical role in your ability to connect with and ultimately pitch a family office for funds.

A Focus on Deploying Capital in Ways to Preserve the Family Legacy

Within the modern family office structure, the values on which the family is based play an integral role in how wealth is dispersed. Wealthy families have taken a more hands-on approach to asset management, oftentimes overseeing most, if not all actions taken. Because these highly tailored groups typically reflect the characteristics and goals of the family (or families) it serves, there are greater opportunities to preserve the family legacy.

This presents a golden opportunity for smart, proactive individuals.

Despite their complexities, family offices provide numerous advantages to the clients they serve. Through being brought up in the business, family owners have a unique ability to adapt, particularly guided and sustained by the family's vision and core values. This plays an important role in leveling out the playing field, ensuring that all family members feel comfortable in speaking out. A structured approach allows complex problems to be resolved in a sensitive, yet productive way, allowing a family to reshape past behavioural patterns if need be.

To capitalize on this strategic advantage, you must have the right tools and processes in place for finding relevant information on the investors you wish to reach. This not only helps align your pitch to the right prospect, but it goes a long way in cultivating long-term relationships and ultimately - securing capital.

“ *Our mission at FINTRX is to provide asset raising professionals access to high-quality family office data and insights while providing the ability to leverage it in a streamlined manner.* ”

—— **Russ D'Argento, CEO & Founder, FINTRX** ——

Increased Frequency of Direct Investment Deals

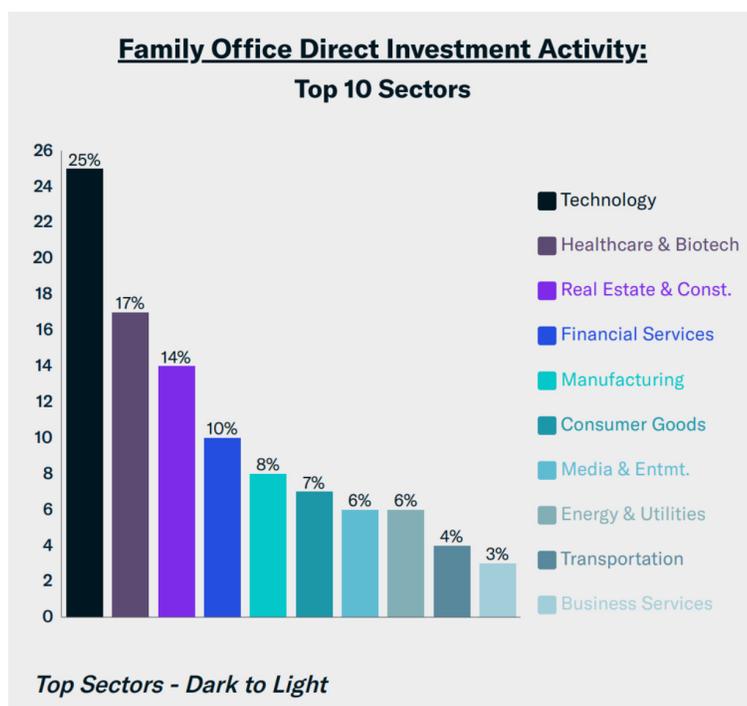
As family offices continue to emerge into viable wealth solutions, their growing trend of making direct investments shows no sign of slowing down. Family offices generally turn to direct investments to take advantage of the many benefits offered, such as having greater control over their investments or bypassing layers of fees charged by intermediaries. Sticky, long term, patient capital, that can offer strategic value is a beautiful thing. It will certainly be interesting to track the continued flow of family offices making direct investments.

At FINTRX, we continue to see an increased exposure to direct deals amongst family offices and their alternative portfolios. With an increased number of first-generation family offices entering the space, they are often less removed from entrepreneurial experience. This direct exposure to creating and growing successful businesses has since led to the family office space being more adept in making smart investments. Because of this increased sophistication, many have been able to adopt in-house, the services (and advantages) of traditional private equity funds. The deep-rooted domain knowledge of these entities leads to higher quality investments and increased deal flow.

At an increasing rate, family offices are plunging into direct investment opportunities to utilize the many advantages they permit.

You can see this pattern of growth in the chart to the right from our June 2020 Monthly Family Office Data Report.

Utilizing the FINTRX-Buy-Side product, which offers full transparency into the direct investment activity of nearly 3,000 family offices worldwide, we continue to see a radical shift in direct investment activity of these private groups.



Advanced Technology in Family Office Operations

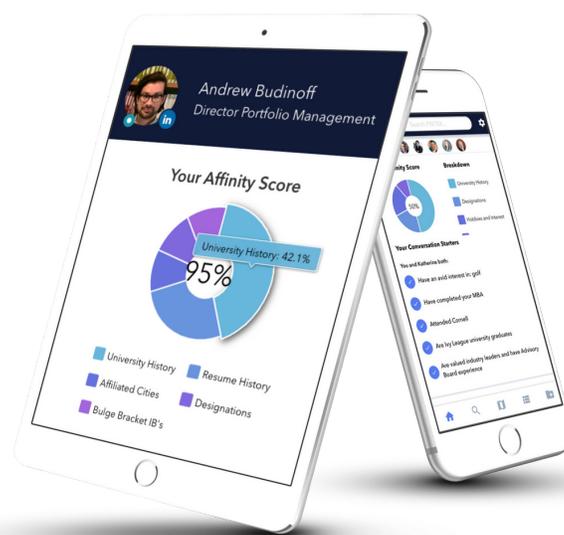
Advanced technological shifts have drastically contributed to the evolution of family offices, ultimately transforming the way in which we view and interact with them. Family offices are early adopters of innovative technology, leveraging complex tools such as Artificial Intelligence (AI) to enhance engagement and transparency. This is good news for those looking to raise capital, as it provides more opportunities to find and engage with investors on a humanized level.

Fortunately, data solutions such as FINTRX make it possible for users to discover unique similarities that drive stronger results. Designed with AI to humanize your outreach, FINTRX Affinity delivers custom conversation starters, actionable insight on your best path to connect, and valuable intel on shared commonalities across **11,095+ family office decision makers** worldwide.

Relatability Insight via FINTRX Affinity

In seeking family office capital, it is essential to have the right tech stack in place to enable the entire fundraising process from prospecting to pitching.

Now more than ever - especially with remote work being part of our new normal - maintaining effective outreach with those in the private wealth space is no longer a want, it is a must. Our unique, targeted focus on the alternative investment industry and private capital markets empowers asset raisers to find success in cultivating healthy relationships with family office investors worldwide.



Like most industries, the family office landscape is one that is evolving every day. These developments undoubtedly play a crucial role in the way humans interact and conduct business with one another. Trends change, priorities shift and behaviors alter - but like anything in life, trying times open doors to numerous challenges and opportunities dependent on the course of action you take.

Pitfalls to Avoid in Achieving Family Office Outreach Excellence

Historically, the family office market is known for its secretive and hidden demeanor within the private wealth landscape, thus making it difficult to understand and analyze. As such, conventional prospecting techniques no longer contribute to business growth like they once did. However, as more information becomes readily available through the use of the internet, it has considerably simplified our ability to discover relevant information. Given this, it is critical to have a solid understanding of industry developments before seeking family offices to pitch. Understanding the private wealth landscape can play a critical role in your ability to connect with and ultimately pitch a family office for funds.

Beyond macro-economic factors and the private wealth landscape as a whole, you must be prepared to take the best course of action when reaching out to potential investors as your success rate will be far greater. All it takes is one bad play - an unprepared phone call or a meeting without the right individuals involved - to harm the relationship and leave a lasting negative impression. On the contrary, smart prospecting will elevate your chances of finding and delivering your pitch to the right investor.

Below, we examine three common problems that plague modern sales teams and provide data-driven methodologies for overcoming them.



Pitfall #1: Creating more difficulty by not having done enough research before reaching out initially



Pitfall #2: Not having the right tools and resources to find the information you need about the family office you are targeting



Pitfall #3: Missed opportunities to ‘wow’ the right person and cultivate a lasting first impression with relevant conversation starters

Pitfall #1: Creating More Difficulty by not Having Done Enough Research Before Reaching Out

Breakthrough technologies have made it far easier to find endless information on the family office market. Although, due to the vast amount of information available, many find it difficult to pinpoint and track relevant information for their specific use-case(s). This makes it increasingly challenging for asset raising professionals to tailor their pitch accordingly. From our experience, we have found that the keys to successful family office prospecting really comes down to your ability to actively embrace the power of data - by leveraging the insights from analytics and continuing to prepare for more digital transformation.

Pitfall #2: Not Having the Right Tools & Resources to Find the Specific Information in Regards to Your Family Office Prospects

In today's rapidly developing world, it is imperative to have the right tools and resources for finding specific information related to your family office prospects. What we have discovered is that the origin of wealth and investment history of family offices are two key indicators as to what these groups find compelling today. Having the answers to questions like *“Has this family office made any ESG investments in their recent past?”* or *“What does their direct investment history look like?”* can be critical in tailoring your approach to suit the right investors. Because family offices are more likely to allocate capital to industries in which they made their wealth, it makes it easier to tailor your pitch and find investors willing to listen.

Pitfall #3: Missed Opportunities To ‘Wow’ The Right Person & Cultivate A Lasting Impression With Unique Conversation Starters

Driving meaningful conversations from the get-go empower you to find the right family office to pitch. In the past decade especially, family offices greatly enhanced their transparency in an effort to provide fruitful turnarounds for the family (or families) they serve. In other words, there are greater opportunities to seize - and a greater likelihood of success. Oftentimes, family offices await asset managers who are particularly suited to the needs and vision of their own. This helps ensure both parties are working toward a larger, related purpose.

It is important to utilize all available resources to tailor your pitch for the family office you wish to reach. Without humanized outreach based on commonalities and in-depth research, it will make it quite difficult to find a suitable match.

Taking A Consultative Approach to Family Office Prospecting

The global family office landscape is in the midst of a profound transformation brought upon by a new generation of investors - whose attitudes and expectations have been shaped by modern advances, volatile markets and unforeseen global realities. As many asset raising professionals continue to try to engage with these private entities, it is important to recognize how these changing conditions affect the success of your outreach.

With this in mind, we have developed literature around *Targeting Family Offices: A Consultative Prospecting Methodology*. We hope you read it for yourself, share with a colleague, or use it as a tool for your team as we believe this in-depth guide to prospecting success in this ever-evolving family office market will be sure to refine your teams' engagement tactics.



Targeting Family Offices: A Consultative Prospecting Methodology

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In this 9-page industry spotlight, you will takeaway:

- Best practices for finding commonalities to humanize your outreach
- Prospecting strategies derived from our industry insights and keen intimacy with the family office landscape
- Tips to leveraging the history of family offices to find your 'best path in' and perfect a consultative approach to foster suitable connections

Like anything in life, you must adapt to the changing conditions around you. This need for adaptation is ever-present in the private wealth markets, especially as global wealth reaches new heights. While these evolving themes continue to shape the industry, FINTRX remains steady in providing you with credible intel to optimize your engagement with family office investors.

About FINTRX

Designed for the asset raising professional, FINTRX offers accurate and comprehensive family office intelligence - engineered to streamline your family office capital raising efforts.

Explore in-depth dossiers on each family - AUM, source of wealth, investment criteria, previous investment history, sectors & industries of interest, amongst other key data points.

Today, FINTRX remains the leading, cloud-based solution which offers unparalleled data and insights on the family office investments ecosystem.

→ Dynamic Data

Efficiently target global family offices & enhance your prospecting efforts.

→ Seamless Integrations

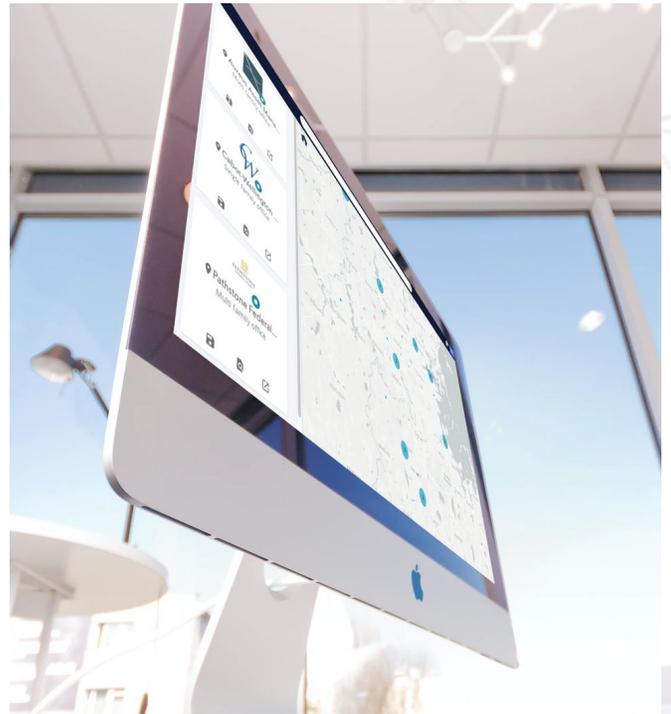
Easily integrate FINTRX data with LinkedIn and Salesforce via our custom APIs & applications.

→ Cloud-Based Platform

Efficiently target global family offices & enhance your prospecting efforts.

→ Dynamic Data

Our dynamic platform leverages a comprehensive data set, fused with technology - maximizing your capital raising output.



In the midst of economic uncertainty, it is important to reinforce the significance of good strategy, especially when identifying and connecting with those in the private wealth landscape.

To facilitate asset raising professionals in their capital raising efforts, FINTRX functions as a user-oriented prospecting tool designed to rapidly target single and multi-family offices tailored to the individual needs of our clients.

The FINTRX family office data and research platform is becoming smarter and broader at a rate faster than ever before. For an in-depth exploration of the FINTRX family office platform, click below:

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