



Working with a Harspswell Family Advocate

What is a Family Advocate?

A Family Advocate plays an important role helping Families and related Foundations manage wealth and plan for the future.

Families sometimes need assistance developing an investment program and managing their wealth. Not all Families have the time or expertise to manage investments and deal with the complexities associated with taxes and/or inter-generational issues. A Harspswell Family Advocate brings an outside perspective to the table and guides Families through the decision-making process. An Advocate helps identify resources needed to efficiently manage wealth, not only from an investment and tax perspective but also within the family itself (especially when multiple generations are present).

Role of a Family Advocate

A Family Advocate can assist in the following areas:

- Set investment Objectives and Policies to manage Family wealth.
- Determine if a Family Office needed. If so, should it be virtual or staffed?
- Educate Family members about investing and managing wealth. This can be especially important when multiple generations are involved with different viewpoints and objectives.
- Evaluate the need for service providers such as Investment Consultants. If they are needed, what is the process for choosing the right firm?
- Assist with Philanthropic pursuits.
- Review Investment Programs for consistency with Estate Plans.
- Identify suitable Custodians. What level of Service and Functionality is needed?
- Conduct Best Practices reviews focusing on a number of factors including performance, costs, complexity, suitability and oversight.

How is a Family Advocate Different from Other Service Providers?

Unlike Consultants, a Harpswell Family Advocate works with Families to identify service providers, as needed, with the skills and resources that are required to successfully manage wealth and assist with family dynamics. An Advocate's relationship generally ends when the wealth framework is completed and required service providers are engaged. However, there are times where the Family Advocate continues to work with a Family, perhaps as an investment committee member or outside Trustee to participate in the implementation of the program and provide ongoing oversight and continuity.

How can a Family Advocate Assist in Selecting the Right Service Providers?

At times, Requests for Proposals (RFPs) are needed to identify suitable service providers, such as an Investment Consultant or Estate Attorney, but must be managed properly to reach a worthwhile conclusion. The RFP process is time-consuming and challenging to execute well. Again, a Family Advocate can provide valuable assistance. For example, service provider responses to RFPs are often very similar and generalized; having a working knowledge of each firm beforehand results in a more focused assessment of its capabilities and fit with the needs of the family. A visit to the firms' offices is often advisable to gain important insight into the various business models but may not be practical if Family members have other time commitments or interests. A Harpswell Family Advocate can perform this task and provide the Family an objective assessment of each firm in addition to structuring agreements and negotiating fees.

Conclusion

In summary, a Harpswell Family Advocate brings an unbiased and objective viewpoint to the table, helping Families make important decisions that will have a lasting beneficial impact. Many considerations go into developing programs that meet expectations and promote responsible stewardship of Family wealth. The Family Advocate's independence and experience increases the likelihood that decisions made now will meet long term expectations and provide a positive outcome.

If you have any questions or would like to discuss this topic further, we invite you to reach out to the author: Claude R. Perrier, CRP@Harpswelladvisors.com | phone: 207.926.1346.

Claude leads Harpswell's research efforts for financial planning and modeling and works with both families and foundations to help bring clarity to board and family decisions regarding risk, distributions, sustainability, and portfolio analysis.

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