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## THE RICH COLUMN MATTHEW VINCENT



@MPJVincent

# SHOCK OF THE NEW

Senior family members inevitably get to the stage where they just can't keep up with new technology. No matter how cutting-edge

they may have been in their younger days, there is always a cut-off point.

City slickers who shouted into brick-like cellphones in the 1980s can seem bemused by the brevity of today's text messages. This smartphone exchange was recently shared on the web: "Dad: 'What do IDK, LY and TTYL mean?' Son: 'I don't know. Love you. Talk to you later.' Dad: 'OK, I'll ask your sister.'"

A generation that learned to use scientific calculators now initiates a web search by typing "The Google" into Bing. Using Internet Explorer 6. Disco enthusiasts who could rewind their Walkmans while on rollerskates cannot work out why their audiobooks now feature so many flashbacks and bizarre plot twists. Or what that "Shuffle" setting on the iPod means.

If this sounds familiar, you have my sympathy. Wealth may cascade down generations, but IT support only ever flows upwards.

All of which leads me to the question posed last month by Zurich-based consultancy MyPrivateBanking Research: "What navigation, content and interactivity should wealth management websites incorporate to satisfy the needs of clients?" Especially senior clients.

Old family offices, which have been managing wealth literally for generations, appear to face similar technological challenges. Many started out at the forefront of innovation, such as Brunner Investment Trust, which ran the finances of boffins who went on to form ICI, the chemicals group. Today, many of these 100-year-old London-listed trusts can appear more dozed off than switched on. As their distinctly Web 1.0 online offerings suggest.



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In fact, when MyPrivateBanking Research ranked the web technology used by wealth managers worldwide, only one family office featured in its top 40. MyPrivateBanking Research managing director Steffen Binder was too discreetly Swiss to say anything more than it was "not in the top 10". As he diplomatically put it: "Family offices are targeting an even more conservative segment... [they say] the telephone is for us, digital is not a necessity. So I think the pressure for them has not been that great to change."

As if to emphasise these unchanged priorities, two days after the MyPrivateBanking Research report came out, an unnamed Spanish family office invested a huge amount of money in a new state-of-the-art multi-client interface:

Not so slick: users of brick-like cellphones in the 1980s can seem bemused by today's text messaging

it paid £9.2m, or £3,918 per square foot, for 29 Charles Street, a Georgian townhouse in London's Mayfair. Who needs servers when you can have sofas?

Some multi-family offices, however, are now trying to offer the comfort and convenience of both. Stonehage Fleming, the international family office, is using digital technologies to provide up-to-the minute reporting on all of a family's assets, including businesses, property, even art.

"At a glance they need to see what the art portfolio is worth," says Ari Tatos, managing partner at Stonehage. "They then have the ability to do a 'deep dive' on any particular work to see where it is kept, when it was bought, when it was last revalued, when it was insured."

Kleinwort Benson can provide family offices with similarly high-tech reporting on art, furniture and fashion, through its quaintly named "chattel management systems".

But all also stress the human touch. "The most old-school or bespoke service is being at the family's side," says Tatos. Alexandra Altinger, chief executive of Sandaire Investment Office, says families value "concierge services" — having "travel arrangements, domestic or family issues" taken care of. But to Paul Kearney, managing director of Kleinwort Benson's private investment office, the question is when these relationships might be informed by artificial intelligence.

"The most highly valued service continues to be omniscience: the ability of the family office team to anticipate the needs of the family and be ahead of the request," he says. "Currently this remains the domain of a human but maybe we are not too far away from data analytics giving this sixth sense to our smartphones."

Just don't send let them send text messages to the family patriarch. ☹

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