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**FAMILY OFFICES FACE CONSOLIDATION, NEW TALENT HUNT**

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**Multi-family offices are getting ready for a wave of consolidation and joint ventures next year as single-family offices continue to struggle.**

Multi-family offices are getting ready for a wave of consolidation and joint ventures next year as single-family offices continue to struggle. According to **The Family Wealth Alliance's** 2009 *Multifamily Office Study*, 32.8% of firms surveyed said they are likely to acquire a smaller firm in the next 12 months, and 13.6% say they are likely to merge with a firm of equal size. MFOs are also in the midst of searching for qualified family office advisors and have ramped up hiring efforts.

One such firm grappling with these issues is **BNR Partners**, a Chicago-based multi-family office. It's currently considering an acquisition or partnering with another MFO or single-family office. The MFO is looking at companies that are independent and focus on generational issues for a small number of families, said **Bill Richards**, managing director. An ideal candidate for a partnership or acquisition would not sell any funds or other investments and would be similarly focused on families the way the firm is. BNR is also increasingly reaching out to single-family offices struggling to upkeep their businesses.

Recently, MFOs **Threshold Group** and **Ashbridge Investment Management** signed a letter of intent to merge the two businesses. The newly-combined firm will be known as Threshold Group and will continue to operate out of two hubs, one in Gig Harbor and the other in Philadelphia (*PAM Daily*, 10/24).

**New Talent Challenge**

Even though there has been an influx of talent on the street due to the dislocations in the larger firms, many are cautious of hiring from a wirehouse or larger firm. "A lot of people have come to us saying they want to make a change, and when you ask them what they've been doing, they're used to taking products off the shelf and they realize they can't make enough money with us," said Richards, noting that the family office environment demands a more holistic approach. It has recently brought on **Ryan Liss** from the **Family Office Exchange** to work specifically on tax planning. Richards is looking to add more advisors slowly over the next few years. He declined to provide a specific figure.

New York-based MFO **BBR Partners** has also come across the same problem with bringing on new talent. **Stephanie Gromek**, director of business administration, said the firm has spent much time on hires, making sure an advisor that came from a background other than a family office can still work in an MFO environment. She said it's important to evaluate if prospects are able to assess a client's entire picture, and not just the investment side.

**--Kristen Oliveri**

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