Family Office has become a buzz word of sorts in the financial and investment landscape. Family Offices originated over 150 years ago when wealthy families appointed in-house experts to manage their diverse financial affairs. Names like Rockefeller, Carnegie, and Bessemer are among the best known that survive even today. Over the years family offices have become an integral part of every self-respecting wealthy family's toolbox.

Family offices play a role akin to the *munim* of the family and manage the family wealth and affairs as they would a business enterprise. Their services include advising on the family wealth, administering the family assets, and offering other services covering a wide spectrum, including the regular (investment management, reporting and consolidation services, document maintenance and record keeping, management of staff), the sophisticated (estate planning, philanthropy, family financial education, involvement with core operating business, impact investments, legal and tax advisory), and the more exciting lifestyle services to improve the family's quality of life (concierge services, travel arrangements, luxury purchases).

There are often several reasons that a family may choose to use a family office which could include the following –

- Beyond a certain amount of wealth, needs of a family grow beyond just plain financial advisory and full time professionals may be required to manage the affairs;
- The family is too busy or not involved in handling the complex financial affairs;
- Sale of a business or some other such event which requires sophisticated planning.

A family office is usually either a single family office or a multi-family office. A single family office is run by the family itself by the appointment of a team of advisors in-house and serves only one family. Since single family offices are driven entirely by the needs of the family, a particular single family office may vary substantially from another. One may focus almost entirely on investments while another may be more robust with a large staff and offer a broad variety of services.

Families may choose to have a single family office to ensure higher levels of confidentiality and privacy and help keep investment knowledge within the family. Single family offices also help avoid conflicts of interest with external providers and a family can develop specific skills suited to the family's needs.

A multi-family office, on the other hand, is one run by professionals and manages the affairs of more than one family. Most multi-family offices offer tailor-made services for each family they cater to and offer it on a non-exclusive basis.

A multi-family office helps reduce costs and can deliver economies of scale, particularly for high-value professional services. The family can get the benefit of advice from professionals who have specialised experienced and expertise. Another benefit unique to multi-family offices is that it provides families with access to the widest range of investment opportunities at a lower cost.

Many families with a single family office will choose to use the services of a multi-family office for specialised requirements. Multi-family offices have expertise in varied areas and this helps the family accomplish varied goals e.g. a family may choose to have an external trustee, or an external expert legal or tax advisor who may provide multi- jurisdictional advice, or go to an external agency for software for reporting or consolidation. Using a combination of both services can help optimize the quality and spectrum of services required to achieve the family goals and also help provide a check on the services received by each entity.

Whether a family office is small or large, managed in-house or outsourced, a family office should always be driven by its ultimate goal: to align interests of family members and make it easier for the family to manage its assets and provide family members the freedom to focus on what they enjoy.