A GUIDE FOR FAMILY OFFICES PREPARING FOR TRANSITION

Preparing a Family Office for Succession

How to move founder knowledge into the systems that will carry it

Ask a founder what their succession plan covers and you will hear about trusts, entity ownership, and who holds fiduciary authority after the handover. All of it necessary. None of it answers the question the successor faces in their first quarter, which is to produce a defensible account of what the family owns, what it is exposed to, and what it has committed to fund, before the next capital call clears.

In a first-generation office that account rarely exists in written form. It exists in the founder. Decades of decisions sit behind the current allocation, and the record of them is scattered across a custodial portal, a folder of GP statements that arrive long after quarter end, a tax workpaper, and a spreadsheet whose formulas one person understands. The founder reconciles it in an afternoon because they remember why each piece is there. Nobody else reconciles it at all.

This guide is for the founder or chief operating officer who intends to close that gap deliberately rather than discover it mid-transition. It is organized as work, not argument.

Step 1. Assess where the office stands

Start with a diagnosis the family can defend. Each checkpoint below is answerable today, from inside the office, without a vendor in the room. Score it honestly. The value of the exercise sits in the rows that come back as not yet.

Exhibit 1. Transition readiness checkpoints

CHECKPOINT	IN PLACE	NOT YET
Continuity test	Any trained team member can produce a defensible total portfolio report from the system	One person assembles the numbers and the method is undocumented
Consolidated view	One system of record spanning every custodian, entity, and account	Consolidation assembled by hand each period
Reporting cycle time	Total portfolio position available within days of period close	Position known only after weeks of manual reconciliation
Valuation sourcing	Every illiquid position carries its mark source and date in the system	Carrying basis decided case by case and held in memory

CHECKPOINT	IN PLACE	NOT YET
Commitment pacing	Forward capital call and distribution schedule modeled and reviewed	Commitments tracked informally by one person
Risk baseline	Exposure measured consistently period over period against stated policy	Risk described qualitatively or recalculated on request
Successor access	Successors work from the same live view ahead of the transition	Successors briefed verbally or through static summaries

Source: Solovis. Checkpoints reflect operational practice observed across institutional asset owners.

Treat every row in the second column as a dependency for the transition rather than a preference. An office that clears the continuity test and fails the rest is usually relying on one capable person, which is the condition this guide is written to change.

Step 2. Move the four bodies of knowledge into systems

Four things account for most of what a successor cannot reconstruct. Work them in this order. Each one depends on the one before it, and starting further down the list means rebuilding later.

2.1 The consolidated view

Every custodian, entity, account, and holding in one place, with one owner of record. This is the foundation, and it is the piece most often assumed to exist.

It sits with one person because the map does. Which entity holds the operating stake, which of the accounts are dormant, which feed is authoritative when two disagree: that knowledge is rarely written down. Bank of America found a third of family offices running more than 50 bank accounts and 40% running more than 50 investment accounts, frequently sharing staff, systems, and chart of accounts with an operating business.

DONE WHEN	Any trained team member can produce a total portfolio position from the system, reconciled to the prior period, without side calculations.

2.2 Valuation and carrying basis

For every illiquid position, the source of the mark, the date it carries, and the reason that source was chosen over the alternatives.

It sits with one person because these were single decisions made years apart. Whether the private credit sleeve is carried at the GP mark or the family basis, whether a direct stake is held at the last round or at a discount to it, and what the family agreed to when it accepted a lockup are all judgments that were made once and applied by habit since.

DONE WHEN Each position carries its valuation source and date in the system, and the policy for choosing among sources is written down and approved.

2.3 The commitment and liquidity schedule

Unfunded commitments, expected call pacing, and expected distributions, modeled forward rather than tracked as a list.

It sits with one person because the pattern recognition does. The founder knows which funds call early, which GPs are slow to distribute, and how much cash to hold against both, and adjusts without writing the rule down. An unfunded commitment runs on the fund calendar, not the family one, and a call that nobody saw coming gets funded by selling something liquid at whatever price the market offers that week.

DONE WHEN The office can show, from the system, the next eight quarters of expected calls and distributions against the liquidity available to meet them.

2.4 The risk baseline and policy

Exposure measured the same way every period, against a stated policy, so that a change in the numbers means a change in the portfolio.

It sits with one person because risk gets described in committee rather than reported. UBS found 60% of family offices planning changes to strategic asset allocation inside 12 months, the highest reading it has recorded. Without a consistent baseline, a successor reallocating into that environment cannot separate a deliberate decision from drift.

DONE WHEN The same risk report runs every period without reconstruction, and movement against policy is visible without anyone requesting it.

Step 3. Sequence the work across four quarters

The sequence below assumes an office with existing staff and no platform migration underway. Compress it if the transition date is nearer than a year, but keep the order.

Exhibit 2. Twelve-month working sequence

QUARTER	FOCUS	OUTPUT	OWNER
Q1	**Inventory and access**	Complete entity and account inventory, custodial feeds consolidated, system of record named, first consolidated position reconciled to prior reporting	COO, with founder review
Q2	**Valuation and basis**	Mark source and date recorded for every illiquid position, written valuation policy approved	COO and controller, founder decides policy
Q3	**Commitments and liquidity**	Commitments loaded, call and distribution pacing modeled, liquidity thresholds set and reviewed by the committee	CIO or investment lead
Q4	**Risk baseline and rehearsal**	Risk baseline established, successor produces the quarter reporting from the system with the founder reviewing, exception list documented	Successor, founder reviewing

Source: Solovis.

The Q4 rehearsal is the point of the exercise

Have the successor produce a full quarter of reporting from the system while the founder is there to review it. Everything the successor cannot answer becomes a written exception, and every exception is a piece of knowledge that has not moved yet.

Run it twice if the first list is long. An office that has done this twice has tested its continuity rather than assumed it.

Step 4. Set platform requirements

The requirements below follow from Steps 2 and 3. Write them into a selection process rather than judging them by demo, because each one is testable against the office's own data.

- Consolidation across custodians, entities, and account structures, with a single reconciled total portfolio position
- Position-level valuation sourcing, so the mark and its date travel with the holding
- Forward liquidity and commitment pacing, modeled rather than listed
- A risk baseline that reproduces period over period without manual reconstruction
- Position history and reporting lineage that belong to the office rather than to any one person
- Shared access, so the family, its advisers, the committee, and the successor all work from one set of numbers

How Solovis meets them

Portfolio Analytics. Consolidates multi-asset exposure across public and private markets into one view, which is the requirement behind Step 2.1 and the answer to the account sprawl in the Bank of America data. Founder and successor read the same numbers from the same source, which is what makes the Q4 rehearsal reviewable.

Risk Analytics and Solovis Risk Pro. Express portfolio risk through a factor lens, so the incoming decision maker and the committee can see what is driving return and where exposure has concentrated. This is the baseline Step 2.4 calls for, reproducible each period without rebuilding it.

Predict. Models liquidity and commitment pacing forward, which is Step 2.3. This turns a private markets book from something one person tracked into a schedule the family, its advisers, and its committee can see and plan against.

Step 5. Avoid the five places this stalls

- **Treating it as an IT project.** The decisions in Step 2 are investment and policy decisions. A platform implementation without them relocates the ambiguity rather than resolving it.

- **Starting with risk before the consolidated view reconciles.** Every downstream number inherits the errors in the position data. Step 2.1 comes first for that reason.
- **Documenting the process without the reasoning.** A procedure tells the successor what to do. It does not tell them why the last person made a different call in a similar situation, which is the part that matters in a committee.
- **Running the rehearsal too late.** If the successor produces reporting for the first time after the transition, the exception list becomes their problem instead of a shared one.
- **Leaving the operating business out of scope.** Sixty percent of family offices were founded on the proceeds of an operating business and 85% still draw income from one, often sharing systems and chart of accounts with the office.

Where this ends up

> An office that clears Exhibit 1 hands its successor a verifiable view of the whole portfolio, a consistent risk baseline, and a modeled liquidity schedule. It has passed down the capital and the ability to manage it.
>
> Closing that distance is the natural last stage of building the institution, which is taking what one person learned over a career and putting it into a form the whole office can use.

SOURCES

Figures cited throughout are drawn from Bank of America, "Bank of America Family Office Study" (November 2025); UBS, "UBS Global Family Office Report 2026" (May 2026); RBC and Campden Wealth, "The North America Family Office Report 2025" (October 2025); and Cerulli Associates, "U.S. High-Net-Worth and Ultra-High-Net-Worth Markets 2024" (December 2024).