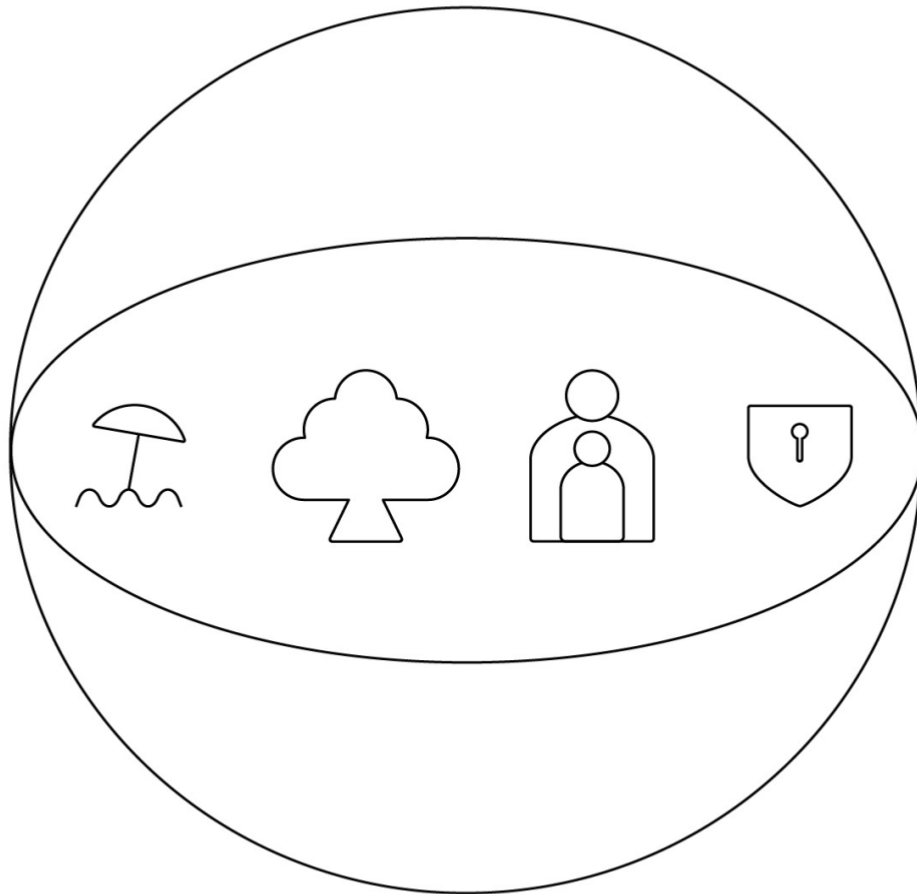


# VALEN



PROGRAM

FOR FAMILIES

## CONTENTSPHERE

### A) ORIGINS

- i. “Hindsight Is A Wonderful Thing”
- ii. A Pandora`s Box
- iii. Seismic Rumbings
- iv. “Experience”
- v. Complexity Kills
- vi. The Way Ahead

### B) VALEN CONCEPT

- i. Primary Objectives
- ii. “LCD” Thinking
- iii. Benefits

### C) NEEDSCOPING

- i. Making VALEN Family-centric
- ii. Profiling

### D) REPORTING & COMMUNICATION

- i. Visual, Verbal
- ii. Technology Architecture
- iii. Reporting
- iv. Security
- v. Access

### E) NOTE ON SCOPE OF CONCEPT

### F) VALEN IT PORTAL FRAMEWORK AND SCHEMATICS

- i. VALEN For Families
- ii. VALEN For Partners

## APPENDICES

### APPENDIX I

Family Office Activities – Needs-matching Matrix

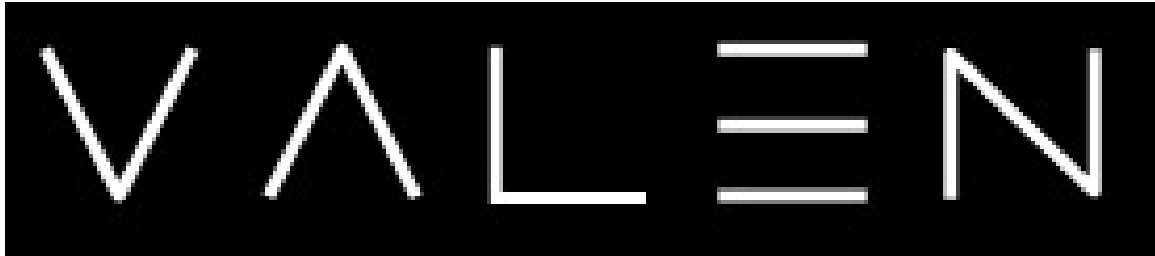
### APPENDIX II

VALEN Partners – `Needscoping` services into VALEN methodology

### APPENDIX III

Illustrating a day to day family Needsphere

(draft – as @ 08/12/20)



(latin: "Strength & Wellbeing")

(pronounced: "v-ai-l-en")

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## C) ORIGINS

### i. **"HINDSIGHT IS A WONDERFUL THING" (William Blake)**

VALEN FOR FAMILIES & VALEN FOR PARTNERS are organisational Programs born out of the author's critical reflection on 30 years' professional experience in the Private Client field and a thorough analysis of current professional and technological trends influencing the breadth and depth of thinking in the 'family office' business.

The enquiry sought an honest and accurate answer to the following general question:

**"How well is this industry currently providing 21<sup>st</sup> Century, long-term, family-centric, governance and organisational arrangements with features sufficient to accommodate the rigours of inevitable and rapidly-accelerating evolution of modern family 'dynasties', and at a level of quality that meets or exceeds expectation?"**

### ii. **A Pandora's box of mis-conceived offerings**

Current 'multi-disciplinary' family services are often not "build-for-now-and-ahead" and lack operational adaptation features enabling quick reaction to changing circumstances and the scalability necessary to exploit new technological advances. Current strong trends suggest a medium-term future geared towards using organizational platforms build on a 'portal', or 'virtual' basis in a way that makes them an attractive and viable alternative for 21<sup>st</sup> Century families.....families who can now obtain their solutions from anywhere, any time and in any way.

Ostensibly, the industry today is still playing catch up on delivering the fullest spectrum of possible alternative offerings but the reason for this has very little to do with technological blindness and a great deal to do with the very methodologies upon which professionals have been interacting with families in a multi-service setting for decades.

### iii      **Seismic Rumbblings & Clinical Calamity – The Fallout**

The research also revealed a number of significant, and common, strategic fault-lines as the main culprits in this inability to meet expectations which, at a more granular level of analysis unveiled symptoms of operational sickness which reduces the ability to effectively:

- synthesise, consolidate and report data effectively,
  - provide the greatest control and value, plus the operational framework for decision making to be undertaken when, where and with whom it is needed.....amongst the families themselves
  - **cost and time inefficiencies.** Two of the core benefits anticipated by families when taking the significant step in creating an organisational platform, far too often fail to manifest from the solutions being offered.
  - **lack of effective control and communication.** The high incidence of `adviser-centric` methods and what the author terms `profspeak`..... the white-noise of data flowing from the myriad experts into the family`s system, being deployed to satisfy crucial reporting, monitoring and review functions.....leaves many families ill-prepared to make timely, informed and impactful decisions adhering to current agreed strategies.
- 

### iv.      **“Experience” – expectation in family arrangements**

Significant growth in a relatively new trend relating to the criterion families are using when considering whether to change the way they wish to continue to organise and managed their affairs, was identified.

Far more emphasis is now placed by families on the experience when interacting within their organisational structure with engaged service providers and experts. Being more akin to a lifestyle choice than anything based on economic issues of cost and return on capital, VALEN has built this important factor into it`s user experience, reflected in a simplistic and

minimalist `brand-neutral` style used in all areas with particular emphasis on visual symbolism and its role in the day to day reporting and communications functions.

**v. Complexity Kills Cohesion**

The final epiphanal moment experienced from this `deep dive` into the industry`s darker corners was that “Simple works Better” proves to be key when considering strategies for building the operational mechanisms necessary in multi-disciplinary environments that permit participants to use a communication `route of least resistance` from identifying required action to executing appropriately.

**vi. The Way Ahead**

Armed with these unique and valuable insights a strategic pathway was found to `re-frame` the fundamentals of organisational management and craft the basis of a new operational system for `multi-service` solutions for families.

A paradigm shift in thinking was needed to enable professionals to truly deliver real - (21<sup>st</sup> Century) - time service for families

.....so VALEN was created to accommodate this new way.

---

B. **PROGRAM STRUCTURE**

i. **Primary Objectives**

VALEN's "Primary Strategic Directives" are permanently imbibed into its Conceptual DNA:

- A commitment to the highest standards of **CONTROL & COMMUNICATION**;
- Maintenance of interactional communication (verbal, written, visual) to the Lowest Common Denominator ("LCD") of what is necessary to maintain, consistent, valuable and real-time exchange of data.

ii. **"LCD" Thinking**

The LCD strategic tool was used to help discover an innovative way of improving organisational vocabulary - stripping away `profspeak` that many current offerings require families to tolerate when interacting amongst their experts and service providers.

LCD thought was also applied to the question of what a Family Organisational Program's principal purpose is. From the widest and most natural perspective, only one answer fits the picture.....

.....to satisfy NEED which,

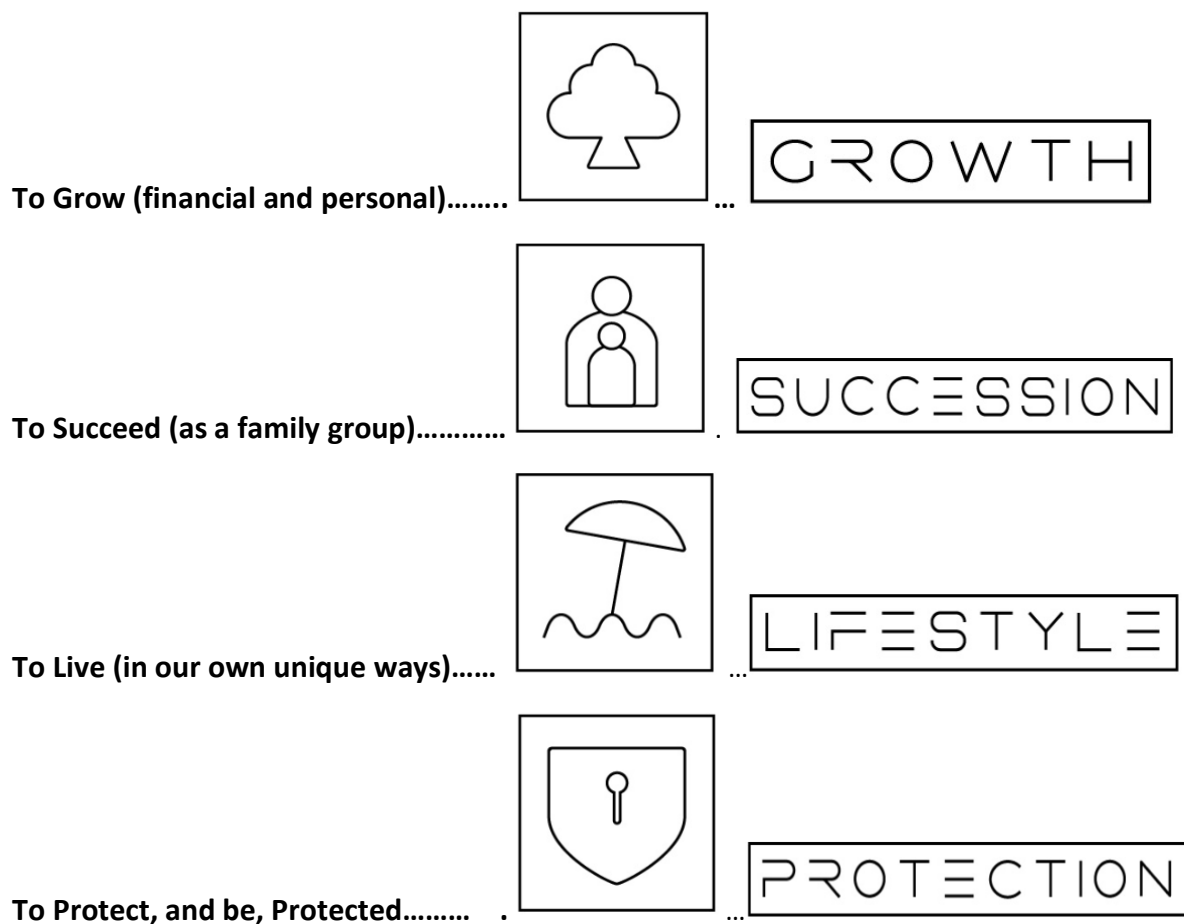
.....at a basic human level,

.....presents a set of "Cornerstone Needs"

..... common to

.....but uniquely reflected within

.....all families:.....being.....



**iii. Benefits - Using Cornerstones Needs to:**

-base interactions on the simple satisfaction of these Cornerstone Needs,



-as reference points in all strategic thinking for ongoing family activities,

-engage services and expertise from VALEN PARTNERS, who are Needscored into VALEN's organisational methodology

.....significantly reinforces quality of communication & control and reduces frequency and severity of deviations from the Primary Objectives.

Secondary benefits of using the needs-basis methodology include:

- the breadth and depth of available data for assessing, in real-time, the extent to which the Program's objectives are being fulfilled;
  - Reducing incidence of 'off-track' activity/costs/time;
  - Increasing family self-determination over decision-making within the Program ;
  - Cost & Time efficiencies, achieved by removing 'profspeak', managed through orientation methods adopted within VALEN's PARTNER PROGRAM.
  - Providing greater emphasis on 'family-centric' reporting protocols; and
  - Scalability – as families' personal and financial capital grow, the VALEN grows with them!
- 
- 

## C) **FAMILY “NEEDSPHERES” & “NEEDSCOPING”**

### i. **Family Uniqueness**

Every family evolves and maintains itself through perpetual interactions between its members and their wide cross-section of engaged professionals who strive to satisfy the ever-changing breadth and depth that these needs present themselves in every aspect of family life.

### ii. **First Conversations**

To be able to make timely, immediate, clear, simple and family-centric decisions and properly care for each family's unique “Needsphere”, VALEN's 1<sup>st</sup> Phase engagement with any family involves guiding them through a unique 2-stage profiling process:

**Stage One** - adopting carefully-constructed matrices of questions and enquiry covering all necessary aspects... past, present and future... of a family's life. This forms a unique Family Data Vault, accessible only through the strictest and most secure protocols.

**Stage Two** – Needscoreing - The Program then subjects the entire Family Data Vault to a rigorous needs-conversion process:

- matching,

-assessing,

-scoring,

..... all data against the Cornerstone Needs and the strength of their relevance to each piece of data, then

.....installing the converted (LCD-processed...) information into the Family`s own VALEN Organisational Program.

From this level of analytical granularity, each family experiences the unique attention it requires BOTH from those ongoing professionals it wishes to bring into it`s own unique VALEN Program, AND from the carefully-selected and `Needsscoped` VALEN PARTNERS who represent a cross-section of the best-in-breed from their respective areas of expertise.

The Appendices illustrate the different aspects to which VALEN`s needs-based methodology practically applies

#### **D) REPORTING AND COMMUNICATING**

##### **i. Visual, Verbal, Written**

- Participants access data on the basis of the need that has prompted action or enquiry
- VALEN`s visual portal, or `dashboard`, as is currently used to describe the `home` screen, is designed entirely around reference to the Cornerstone Needs, and, from this interaction, adopting current algorithmic intelligence, users are orientated towards the respective data or service that reflects best matching of their enquiry
- ALL reporting regardless of subject-matter, follows the needs-based interface, thus allowing the widest scope of users to interface collectively within this common communication vocabulary.

##### **ii. Technology Architecture**

- is open and interacts digitally with other proprietary software used by VALEN Partners,
- scope of interaction will be determined by the activities each Family decides to include within the VALEN Program

##### **iii. Reporting**

- individual or consolidated reports and analysis is presented under LCD-influenced, needs-based presentation criteria.

#### iv. **Security**

Family`s may determine their own security policies and Partners with whom they wish to engage to manage this Protection aspect of the Program. In the first instance, VALEN can provide the first level of digital security within the protection afforded by it`s digital service Partner.

#### v. **Access**

Flexibility and scope of accessibility is another stand-out feature of the VALEN Needs-based method. Families can create their own governance protocols on data access which could, if they wish, be determined by their own Needsphere profile....

-level of access

-scope of access

-identity

... all could be determined by reference to the processed data in the family`s profiled and processed Needsphere, and governed by a family`s own constitutional arrangements which, in themselves, may follow the needs-based methods of the Program or whatever framework each family determines as current for their particular cultural and traditional features.

#### **E) NOTE ON SCOPE OF CONCEPT**

Great thought has gone into how VALEN can be used in as broad a scope of every aspect of a family`s governance and affairs and the needs-based approach lends itself well to fitting into any specific cultural, religious or other fundamental beliefs or traditions in any family environment.

However, the Program and its architects remain 100% loyal to their ability to deliver what the Program purports to achieve.

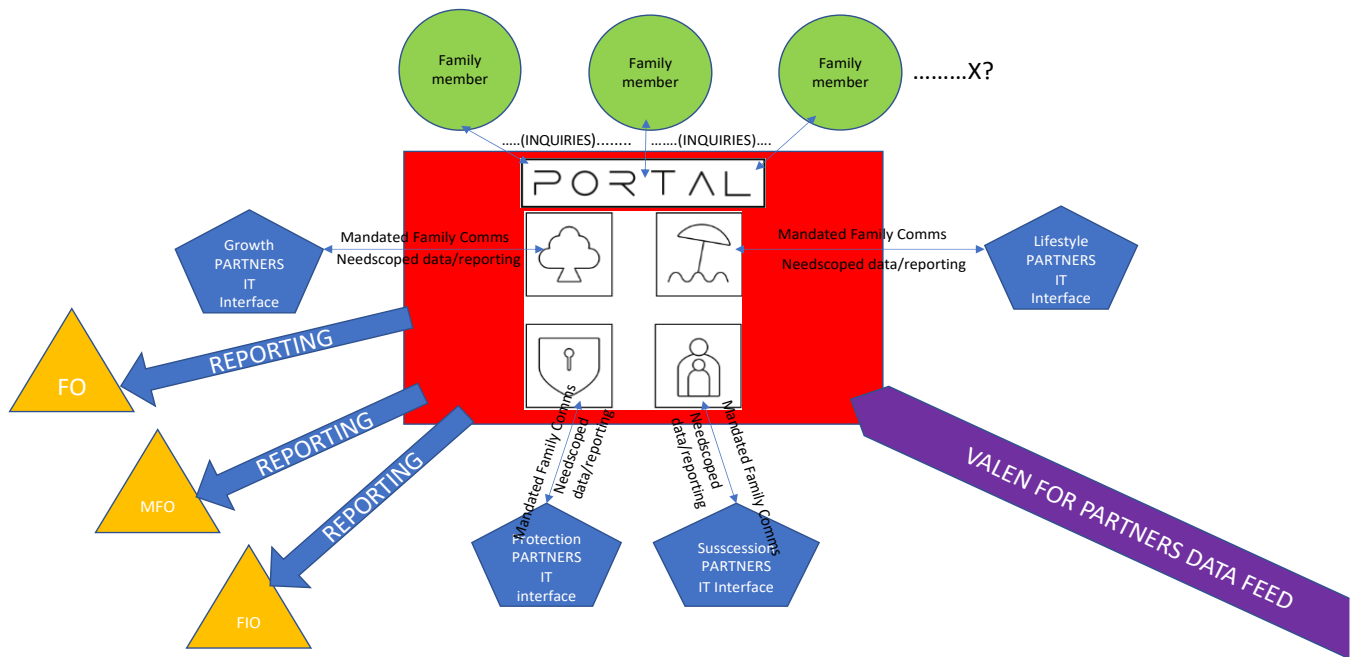
VALEN is a Program to assist in ORGANISATIONAL efficiencies amongst families and their EXTERNAL Partners. It should NOT be mistaken for a catch-all philosophy for each individual family in terms of their own unique way of governing themselves but CAN assist, if suitable, as a basis upon which they create the communication and control systems within their constitution and there are numerous VALEN Partners suitably qualified to assist in this respect

**F) IT Portal Framework and Schematics**

i

# VALEN FOR FAMILIES

## IT FRAMEWORK



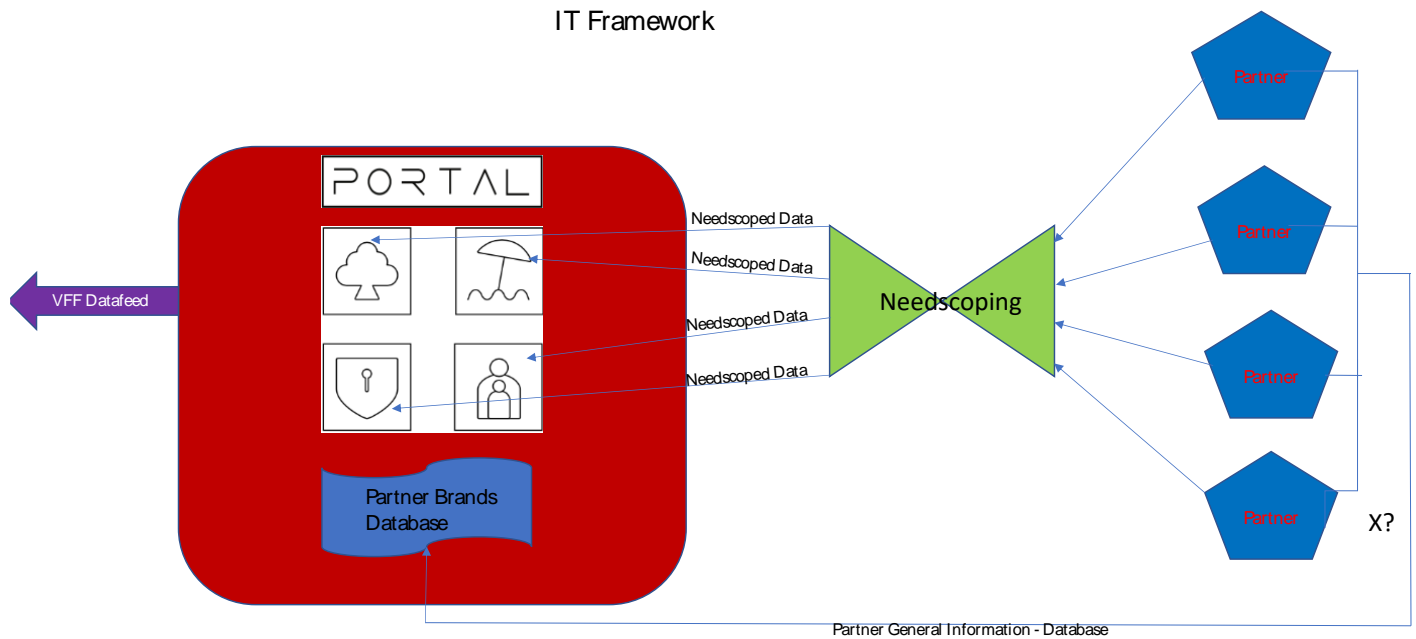
# VALEN FOR FAMILIES

## Module Features

- Interactive communication, reporting, data management tool
- Interaction follows needs-based and determined protocol/criterion
- The user experience evolves around a common vocabulary interchange between all participants
- Deals with solutions identified by reference to a need can the program be “intelligent”? for example based on the parameters of facts or data that define “need” in the program, it creates routes and or suggestions or manage is the data more and more intuitively?
- Module is licensed to every user and accessed via the online portal
- Users are:
  - Family members
  - Staff at family offices \ multi-family offices
  - Partners (who are all engaged into the FF via their membership of the FP)
- Data entering platform is “Needscaped” and input on the basis of it’s relationship to the 4 cornerstone needs of the VALEN program: Growth, Succession, Lifestyle, Protection
- All raw data is also held within a “Family Vault” securely within VFF
- All data via VFP is likewise Needscaped in terms of the breadth and depth of service/skill /expertise of each partner
- VFP is accessible as a database by all VFF users
- As much as is possible , partner data is interfaced into VFF via APIs, otherwise specialist partners with expertise in converting and managing the transfer of data digitally are engaged
- We could use, on a pre-empted basis, any other administrative digital modules which engaged software engineers have already created to form an integral part of this platform,
- AccTrust is the reporting management partner within VALEN and creates all reporting templates and interfaces for the platform, as part of the licence, and a VFP engaged partners, for specific families.

# VALEN FOR PARTNERS

## IT Framework



# VALEN FOR PARTNERS

## Module Features

- Partners section
  - Requires two parts:
    - company administrative section to run the members Association
    - a partners management section to deal with the breadth and depth of activities in this exclusive professional partners Association run out of Switzerland
- Program section
  - All partners are Needscaped using the same procols as families within the VFF module
  - The same processes are used for managing data by relation to identifying solutions to needs
  - Direct interface of all partner Needscaped data is required into VFF module
  - The same intuitive programming is required to develop the interface experience for partners
  - This module is accessible by partners and VFP committee members only
  - Physical access is enabled via the main VALEN user portal

## **APPENDICES**

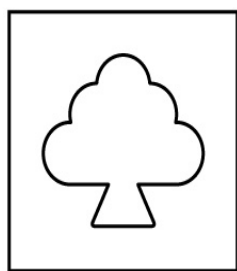
### **Family profiling, needs conversion & matching - illustrations**

Effectively making the transition from their current `prof-speak` environment to adopting LCD and needs-based thought processes requires some initial orientation for families and potential partners. With this in mind the following tables help to illustrate how the Cornerstone Needs apply to:

- 1      the activities of a typical `family office` platform
  
- 2      how the Program matches the Cornerstone Needs against the services and expertise available from Partners who have been Needscored within the VALEN for partners program, and
  
- 3      from the reverse perspective, how the myriad aspects of family life are defined in terms of need.

## APPENDIX I

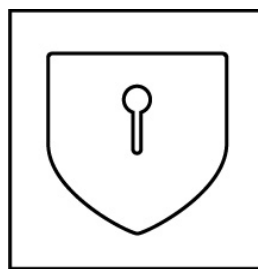
### Family office services – needs matching matrix



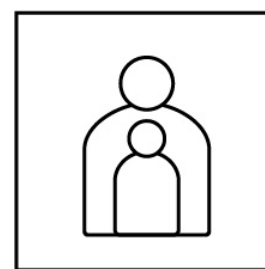
GROWTH



LIFESTYLE





























































PROTECTION















































SUCCESSION












































FUNCTION	ACTIVITY	1	2	3	4
Investment Strategy	Investment objectives				
	Asset allocation				
	Investment vehicles				
	Engagement of investment managers				
	Oversight of asset classes and managers				
	Custody of assets				
Financial and tax planning	Retirement planning				
	Bank financing				
	Financial analysis				
	Tax returns and planning				
	Income and cash flow				
Record keeping and reporting	Investment performance reports				
	Income analysis				



	Comparison with plans and targets				
	Consolidation statements				
	Personal assets				
Family succession and estate planning	Family objectives				
	Financial requirements				
	Estate planning strategies				
	Estate planning structures				
Trust and company management	Trustee and fiduciary services				
	Selection of trustees				
	Private Trust Company				
	Corporate trusts				
	Foundations				
	Estate administration				
Philanthropy	Charitable objectives				
	Selection and training of trustees				
	Trust and foundation administration				
	Personal giving and charitable activities				
	Monitoring of use of donations				
Risk management	Investment in financial risk				
	Personal security				
	Personal insurance				
	Property insurance				
	Reputational risk and a media policy				
	Safety of physical assets				
	Cyber risk				

	Compliance with general data protection regulations and data controller services				
Lifestyle (non financial)	Personal employees and payroll				
	Property Management				
	Travel Arrangements				
	Arrangements individual cash flow and bill payments				
	Management of luxury assets				
Family governance	Family vision and values				
	Family structures, including assembly and council				
	Review of structures				
	Organization of family meetings				
	Communication				
	Education of the next generation				
	Career planning and monitoring				
	Leadership training				
	Trustee training				
	Beneficiary mentoring and education				

**APPENDIX II      Needscooping a cross-section of VALEN Partners`expertise and services**

	1	2	3	4
Litigation lawyer				
Corporate lawyer				
Estates Lawyer				
Tax Lawyer				
Financial Accountant				
Management Accountant				
Trustees				
Conierge, domestic & security services				
Philanthropy services				
Security (non personal), incl cyber				
Personal Admin services				
Family Governance Expertise				
Investment adviser (Capital assets)				
Investment adviser (Income)				
Banking services				
Wellbeing services/Health Screening Experts				
Schooling and Training				
Yacht and plane management				
Vacation management				

### **APPENDIX III**

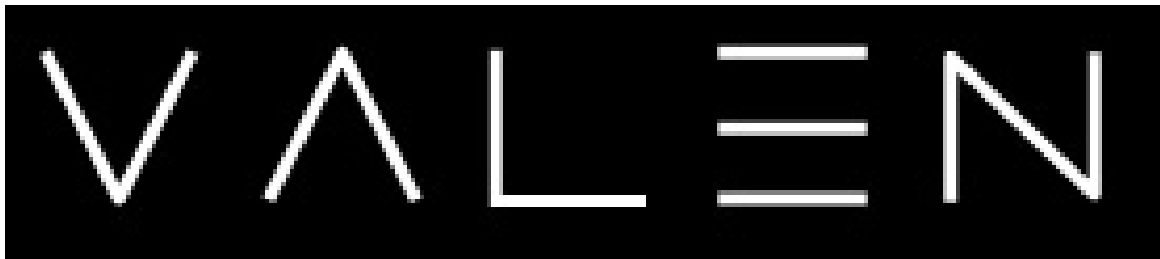
Family life – needs to activities matching matrix

<u>Cornerstone need</u>	<u>Main area</u>	<u>Activities</u>
<b>SUCCESSION</b>	Need for strategies for managing succession of family capital including passive assets and businesses	Need for establishment and management of succession vehicles including trusts and foundations
		Need for planning strategies for the succession of estates held around the world and suitable family centric solutions
	Need for programs for nurturing family members for succession into	Family governance and business roles including decision-making training
		Trusteeships and family mentor offices
	Formalisation of arrangements to ensure succession of family tradition and reputation	
<b>LIFESTYLE</b>	Need for administration facilities for all family governance activities	
	Health	Maintenance and health education support
		Emotional health nurturing and protection
		Health screening programs
	Need for ongoing maintenance of leisure activities and	
	Need for family or individual social event planning	

	Need for concierge and secretarial services and management of family domestic environments and staff	
	Need for management or travel and security arrangements	
	Need for reporting and administration support arrangements	
<b>PROTECTION</b>	Legal advice and services	Representation on claims by third parties
		Marital disputes and pre-nups
		Succession law advice
		Dispute resolution
		Legal counsel for all commercial and wealth planning strategies
	Insurances	Life assurance
		Real estate and chatels insurance
		Protection against 3rd party litigation
		Health and medical insurances
	Physical security services	Property protection
		Personal physical protection
		Establishment of social behavior learning programs
	It & cyber protection	

	Tax and fiscal planning strategies to reduce the erosive nature of taxation	
	Protection of family image and reputation	
<b>GROWTH</b>	Financial growth - strategies for and management of growth in value of family assets	Liquid investments
		Art Jewelry and precious gems Antiques Classic motor vehicles and other transport Bullion
	Family growth	Actual growth in family numbers and branches
		Growth in specific areas of family collective engagement
		Facilities and programs to enhance the family's collective social capital
		Programs for growth in family dynasty and understanding, integration and formalization of particular family traditions
	Personal growth	Social understanding and interaction
		Spiritual and emotional growth and well being
		Personal development in education and sporting

		knowledge skills and experience
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