



The Family Office Insights Series - Global Edition

Digital Transformation of Family Office Operations, 2024



Foreword

Welcome to **Digital Transformation of Family Office Operations**, which is the fifth report in Deloitte Private's new **Family Office Insights Series**. This report offers invaluable insights into family offices' use of operational technology across their front, middle, and back office functions, and the extent to which they are obtaining value from such technology.

The data in this report is based on a survey of 354 single family offices from around the world which was conducted between September and December 2023 (figure 1). These offices oversee an average assets under management (AUM) of US\$2.0 billion, while the associated families have an average wealth of US\$3.8 billion. Collectively, this totals an estimated US\$708 billion in AUM and US\$1.3 trillion in family wealth (figure 2).

We also conducted in-depth interviews with 40 senior family office executives to provide commentary and case studies with personal insights that can help family offices benchmark themselves to their peers. To make the findings as useful as possible, the report is interactive, with the option to scroll through the findings by region and size (AUM above and below US\$ 1 billion).

We hope these insights prove useful, and we would like to offer a heartfelt thank you to all participants who generously shared their time and perspectives.

Figure 1: Participating family office regional headquarters' locations

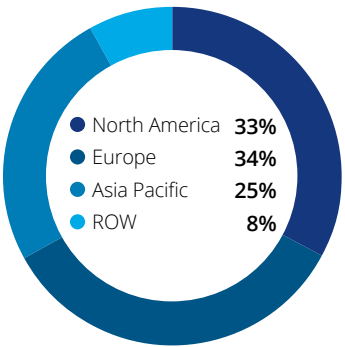


Figure 2: Respondents' family office AUM and family wealth

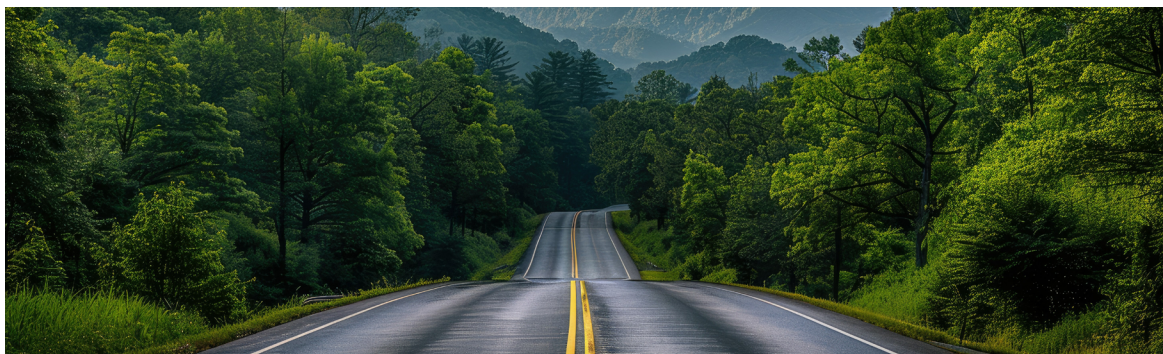
Click on each button to view the data

Key takeaways



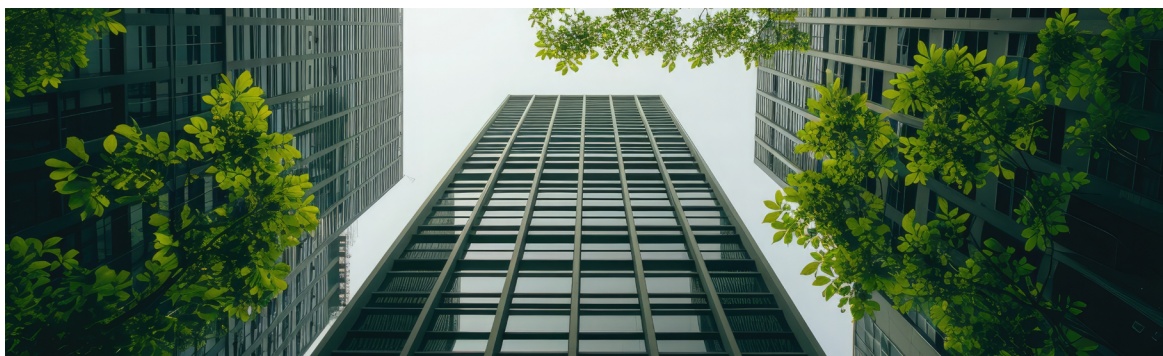
1 A sharpened focus on technology

A notable 43% of family offices are developing or rolling out a technology strategy this year. This comes as nearly one in five family offices (17%) identify inadequate investment in technology as a core family office risk, while nearly three-quarters admit they are either underinvested (34%) or only moderately invested (38%) in the operational technology needed to run a modern business.



2 Top priorities: Technology supporting security/risk management and investing

Family offices' number one focus is on utilizing technology to support their security and risk control processes, with 65% claiming moderate/extensive technology adoption, followed by technology to support their investment operations (49%), investments (47%), tax and wealth planning (35%), and client management activities (28%).



3 Family offices go digital

The most common types of technology family offices use are cloud-based applications/services (which 87% use), followed by virtual meetings (82%), mobile communication apps (71%), and identity and access management systems to safeguard one's systems and data (61%).

Key takeaways



4 Data analytics is gaining steam

Over half (55%) of family offices now use data analytics to a moderate or large extent in their investments, while 42% do so in their operations, to identify trends/patterns and support better quality decision-making.

5 Artificial intelligence is taking seed

As family offices see AI's potential as a transformative technology, they are trying to grasp its future impact and how it can be operationally leveraged. Testing the water, over one in 10 family offices (12%) have begun to use AI-driven solutions to automate tasks, optimize portfolio management, enhance risk management, and more.

6 Recognizing value

Family offices assert they are obtaining considerable value from their use of operational technologies that enhance controls/privacy and reduce risk (according to 38% of respondents), enable greater scalability/flexibility (30%), improve efficiency and reduce costs (30%), improve employee experience (29%), and enhance services to family members (25%). Those who claim to be moderate/extensive users of new technology are, on average, more satisfied with their systems than low-level adopters at 87% versus 66%.

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