

# Practical Aspects of Wealth Transmission: Profile of the new generation

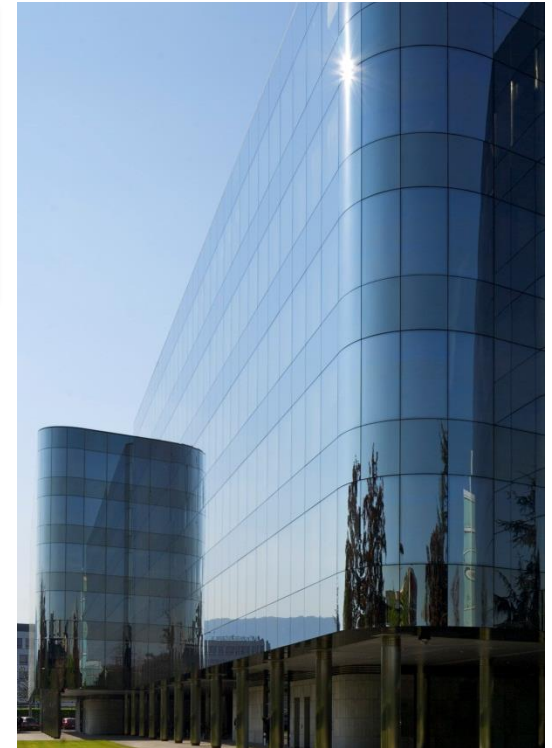
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# Lombard Odier & Cie, a family history over more than 200 years and 7 generations

*Lombard*



*Odier*



# What changes during the process of succession?

Succession represents a change of system for families and their assets, an ongoing, complex (sometimes emotionally difficult) process that needs to be managed and supported consciously and professionally:

- Difficulty of dividing up certain assets (real estate or art collections)
- In the case of family businesses, the transfer of business responsibility for the management of the company and participation in this, as well as responsibility for preserving family values

Succession needs to be anticipated – higher level of involvement of the young generation creates smoother transition, gives more predictability and means less stress for the heirs



# Legal tools for succession planning

## Inheritance law

- Last will and testament
- Inheritance agreement
- Advances on inheritance, e.g. gifts
- ...

## Family law

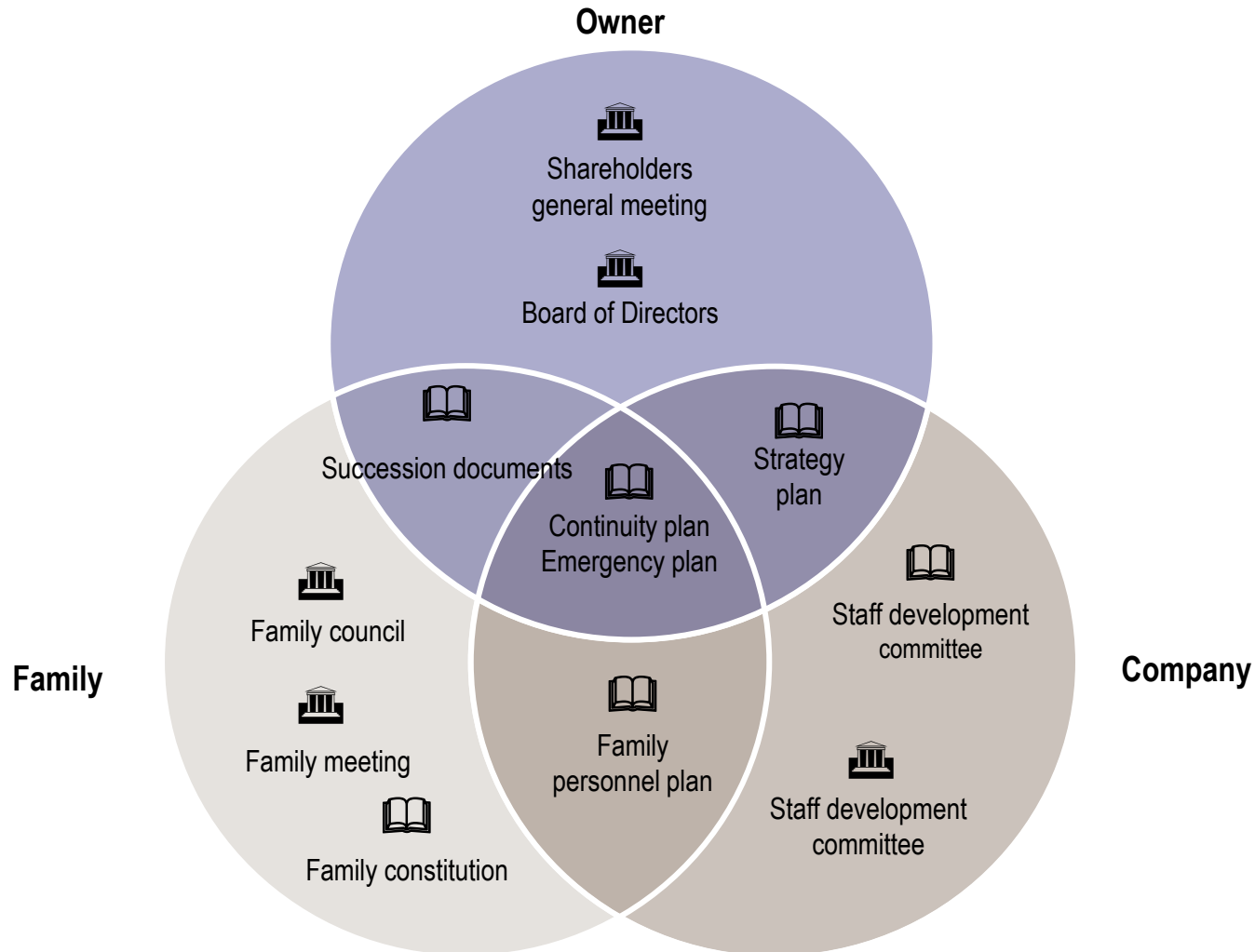
- Selection of matrimonial property regime
- Marriage contract
- ...

## Corporate law

- Foundations
- Trusts
- Family holding companies
- Shareholders agreement
- ...



# Family governance tools for succession planning



Source: *Generation to Generation*, Gersick/Davis/McCollom/Lansberg.

# Technology tools for the new generation

CONNECTED 24/7, giving secure access to the assets any time of day or night, anywhere in the world

CONSOLIDATED OVERVIEW OF ALL ASSETS and reports that can be used to file tax returns for a range of jurisdictions

MANAGING PORTFOLIOS with a single, comprehensive dashboard





# What are the possible challenges with new generation?

- What was the level of involvement?
- What is the family culture / traditions?
- Is there a family constitution in place?
- Internal family dynamics
- New business approach?
- New requirements and goals?
- Technology vs «old model»



# Fostering the next generation

- **Promoting expertise, e.g. in finance, real estate or corporate skills**
- **Defined steps in succession**
  - Training
  - Starting time for successor
  - Role of senior after handover  
(guidelines for their relationship)
- **Creation of the “zone of comfort” for next gen**
- **Discussions bring understanding of needs**
- **Readiness to adopt the new approach and mechanisms**
- **In any case – it’s a new «relationship»**





# Interpersonal aspects – examples of a generation conflict

## The departing father/mother/business-owner

- Tends to think and act with a focus on the past
- Has become tired with age
- Has a great deal of experience – which can also be an impediment
- Wants to retain his life's work or even leave a memorial to his life
- Needs to let go of responsibility
- Brought up the successor and was the successor's role model

## The successor

- Tends to think and act with a focus on the future
- Is full of energy
- Has little experience – which can be a source of error
- Still needs to find his personal style
- Needs to take on responsibility
- Grew up in the family as the child of the departing generation and was influenced by it; may have also suffered under high expectations



Source: CFB-HSG

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