Building something that lasts – a family office case study


By Perpetual Private Insights
11 December 2017

Walk into the office of Williams Batters, a real estate agent in South Yarra, Melbourne and you're in a living history of Australian business life. You'll see pictures of a shopfront from the 1870s where there's a horse and cart outside a window promoting, "Insurances Effected".

On our visit, we saw contracts signed in 1919, war diaries from World War 2 and advertising posters that looked like they'd been stolen from a pitch meeting in an episode of *Mad Men.*

But what we also saw was a set of Virtual Reality goggles, a reminder that Williams Batters has survived so long because it has moved with the times – and with its clients.

Bill Cook is the third generation of his family to be involved in the business. His great uncle bought the business from the Williams Brothers in 1919. Bill's father took over the business and ran it for many years (along the way, being captured by the Japanese during World War 2 and coming back home at half his original body weight). He brought Bill into the business in the 1960s.

Bill, like so many successful business owners, is constantly facing the challenge of integrating decisions about business and personal finances. Today, another layer is added to that set of challenges as he looks to protect the legacy of his business, provide for his children and secure his own future.

Super and tax, combined

For help, he turns to Richard van der Merwe, a partner with the Fordham accounting firm, which is a specialist part of Perpetual Wealth. Richard has worked with the Cook family for over 15 years. The Fordham/Cook relationship is even deeper, spanning some 60 years. Indeed, Bill worked in the Fordham office during his high school years.

Today, the Fordham advice to Bill and his family is managed through Fordham's Family Office service – with Fordham managing accounting, tax and business advice

and Perpetual Wealth providing wealth management, superannuation and estate planning.

The recent, major changes to superannuation were an example of the way the Family Office structure delivers. “We sat down with Richard and with Perpetual Wealth. They mapped out what we needed to do and the whole thing – the tax management, the super strategy changes - went through seamlessly”, says Bill.

“With Bill and his family, the Family Office approach makes sure nothing falls between the cracks,” says Richard van der Merwe. “We help with all the business accounting and tax, but also with managing a complex set of personal financial issues – across the generations for Bill and his sister Libby and down the generations as Bill plans for the future of his business and his children.”

Legacy

That integration challenge is where the Family Office service, with a trusted adviser sitting in the middle, proves its worth for so many individuals whose fortunes (in both senses of the word) are tied up with a family businesses. “You’ve got family assets, shared family assets, sibling dynamics and generational dynamics – all need to be understood, integrated and managed at the same time as the operating business and risk issues,” says Richard.

Bill admits that the business is now “in his blood” and the depth of long-built client relationships make it hard to walk away from. He also commented that having an adviser like Richard to bring experience and clarity to business decisions has been helpful.

“It’s a long relationship,” says Bill, “and there’s loyalty on both sides. But now, to have the mix of business and wealth advice in the same place, well, it’s been invaluable.”

Perpetual Private advice and services are provided by Perpetual Trustee Company Limited (PTCo) ABN 42 000 001 007, AFSL 236643.

This information has been prepared by PTCo. It contains general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial or other adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information.