

# A Firm within a Firm

Citigroup Family Office helps wealthy families confront a diversity of issues in business and life.

**W**ould you risk running your business without a mission or vision – a guiding statement that identifies core values, strategies and goals? If you expect your business to gross \$50 million next year, would you dare enter the fiscal year without a plan?

“Most business owners would immediately say that it’s crazy to not have a mission statement; they couldn’t function without one,” says Joel Guth, an advisor with Citigroup Family Office, a boutique wealth management group that caters to clients whose net worth is at least \$25 million. The Citigroup Family Office consists of a select group of financial advisors. These advisors have gone through extensive training and passed rigorous qualifications. Guth is one of 77 advisors to the Citigroup Family Office in the United States out of 12,000 firm-wide financial advisors.

Interestingly, Guth notes, wealthy families don’t generally engage in the same type of values-directed planning that businesses do. But approaching investments

and estate planning with a mission statement is exactly what families should do to ensure they are efficiently managing, investing and liquidating their assets.

“It’s tough to think of your family as an entity,” Guth says. But that’s the job of advisors at Citigroup Family Office, where clients can take advantage of the financial institution’s global muscle and enjoy personal service and meticulous care that only boutique firms can deliver. Access, efficiency and comprehensive wealth management – that’s the group’s mission, Guth says.

“When business owners sell their companies and come into millions of dollars, all of a sudden life is different,” Guth says. “We try to help them think through that change, adapt to it, handle it, and maximize the after-tax value of their business. Our goal is to bridge the gap between life before and the reality after a liquidity event.”

## Integrated Wealth Management

Citigroup Family Office helps business owners define goals for their wealth, focusing on big-picture wealth planning. Often, clients are middle-market business owners with values between \$20 and \$500 million, Guth says. When they transfer their businesses – whether selling to a strategic buyer, private equity firm or another family member – they want to gain maximum after-tax value.

The next step is managing the wealth they gain from these transactions. That is increasingly difficult in today’s complex financial landscape.

“Tax laws are complicated, especially when you’re dealing with estate planning and gifting strategies,” Guth notes. “Second, the investment arena has become very complex. Now, clients whose net worth exceeds \$20 million have access to exotic investment opportunities. Also, the world is more complex – China and India are two significant factors in our economy, and what happens there will have a huge impact on business in the United States. It is already.

“Our clients need integrated, expert

advice,” Guth adds, emphasizing why a comprehensive approach to wealth management is critical.

One example of how Citigroup Family Office complies its clients’ financial information into a single, simplified analysis is the Total Wealth Report, which regularly brings together clients’ total net worth in one document. Citigroup Family Office can assist clients’ needs, from trust services that relieve wealthy families of administrative burdens associated with managing their finances, to multi-residence advisory services that help clients manage homes and properties with services that includes maintenance and staff training.

Tending to personal matters associated with wealth is just as important as working out the numbers, Guth says. “For people who start and run businesses, many times their identity becomes the business,” he notes. “When they sell it, there are not just financial questions, but also psychological and emotional questions. They are no longer the CEO. They have a new relationship with their families, the community and the charities they support.”

Citigroup Family Office supports clients’ diverse interests in philanthropy, real estate, art and business. Guth says that leveraging time and money is a goal with services, including:

- Family Wealth Advisory
- Personal and Business Risk Management Advisory
- Philanthropic Advisory
- Unique Investment Opportunities
- Investment Management
- Wealth Organization and Storage
- Art Advisory Service
- Multi-Resident and Farm Advisory Services
- Aircraft Advisory and Finance



### A Team of Professionals

The complex issues surrounding tax law, investments, liquidity options and the global market deeply affect the way we do and will conduct business in the U.S. You can't know it all. "It's extremely complex," Guth agrees.

One of the challenges Citigroup Family Office faces is explaining why it's important to think big-picture. Citigroup Family Office integrates a business owner's key advisors and provides the client with a team of professionals that shoulder responsibilities associated with managing wealth.

"When you have an integration of professionals, you create efficiencies," Guth says.

An advantage of working with a "firm within a firm" is access to government and business leaders around the world, Citigroup senior management and other CEOs. Peer advice provides clients with a more personal advisory experience, Guth notes. "It's the concept of taking a massive entity like Citigroup and delivering it as a boutique service to our special clients," Guth explains. "What we like about the Citigroup Family Office is you have a group of people inside one of the strongest financial institutions in the world that are dedicated to a very small group of people. We gather the incredible intellectual capital we have within Citigroup and funnel that expertise to address individual clients' needs."

"For example, I attended the Heisman Trophy Dinner with one of our clients, and we sat next to senior management of Citigroup. Most clients don't have that kind of access."

Entertaining possibilities is the charge of advisors and financial professionals at Citigroup Family Group office. "We enjoy entrepreneurs," Guth says. "We think it's an underserved market and we expect to see a boom in the number of privately held businesses sold in the future."

### Boutique Treatment

Clients of Citigroup Family Office can ask its associates to "analyze this." Check into security issues a teenage daughter might face while traveling overseas. Report on whether flying commercial or owning a share of a jet aircraft is a better way to manage frequent travel, figure out a way to protect the profits of a business sale so the family inheriting the sum can reinvest it and secure their future.

"You name it, we're there to help families get information," Guth says, noting a demand for concierge services. "Twenty years ago, very



few people owned a private jet. Now we have several clients who no longer fly commercial."

"If you look at the number of millionaires created today, we are in a period of fast growth," he adds. "This new wealth creates a demand for comprehensive wealth management services."

Business is personal for most clients, and catering to myriad pursuits is part of managing clients' wealth, Guth says. "Citigroup is a huge corporation, but the access to resources we provide makes our clients feel like they are dealing with a small firm," Guth says. "We make them feel like the complexities of handling wealth are easy and efficient."

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