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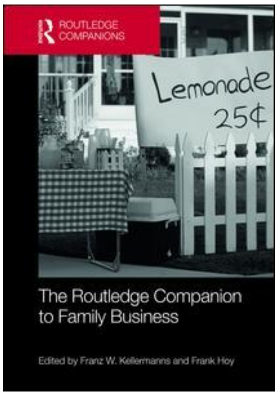

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10

MULTI-FAMILY OFFICES ACROSS THE GLOBE

Recent Developments and Future Research

Carolin Decker

Introduction

Over the last decades, there has been an increase in the number of affluent individuals in the Americas, Europe, and Asia (Beaverstock, Hubbard, and Short 2004; Rosplock 2014). Many of their fortunes originate from the complete or partial sale of a family business (a "liquidity event"), inheritance, ongoing entrepreneurial and investment activities, or "new" sources of private wealth based on work in the financial services industry that has led to a client segment including, for example, investment bankers, hedge fund managers and corporate lawyers with high salaries and bonuses (Beaverstock, Hall, and Wainwright 2013; Wessel et al. 2014). Be they "old" multi-generational business families or new financial elites, they are often served by family offices. These specialist institutions aim at nurturing the continuity, harmony, and coordination of the families and their businesses (Daniell and Hamilton 2010; Gilding, Gregory, and Cosson 2015) and exist in different forms: while a single-family office provides services typically to a blood-related family, a multi-family office may serve multiple, unrelated families (Decker and Lange 2013).

Multi-family offices have strongly increased in popularity and interest in the financial domain all over the world for several reasons. First, single-family offices increasingly outsource services to larger multi-family offices. In addition, many single-family offices alter themselves into more cost-efficient multi-family offices over time as a result of the growing number of family members and their increasingly complex demands (Decker and Lange 2013), although some might face outcomes below their expectations. Second, many companies from different segments in the financial services industry, such as accounting, taxation, or financial planning, and global banking institutions diversify into the potentially lucrative business with the "super-rich" and denote themselves as multi-family offices (Hauser 2001; Rosplock and Hauser 2014). Third, there is an increasing internationalization of affluent families, their entrepreneurial activities, and the geographic dispersion of their members (Lowenhaupt 2008; Welsh et al. 2013). Families, especially in Europe and Asia, become more and more multi-jurisdictional. They need advice in, for instance, wealth management, taxation, investment, or inheritance law from each jurisdiction where their members live. Family offices are expected to manage investments in foreign countries, conduct cross-border transactions, and hire internationally experienced advisors (Lowenhaupt 2008; Rosplock and Hauser 2014). Compared to the much smaller single-family

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offices, multi-family offices tend to have a better resource endowment to meet these expectations (Decker and Lange 2013).

Because of the increasing popularity of multi-family offices, I concentrate on this form in this chapter. Different national contexts may foster the interpretation of activities and practices, to the extent that they are adopted, in different ways (Tempel and Walgenbach 2007). Indeed, "many practices observed in other institutional contexts may be at odds with strongly and widely held beliefs and norms in a local institutional environment" (Sanders and Tuschke 2007: 52). Interestingly, our knowledge on how multi-family offices do business in different national contexts is limited. We do not know whether their business models are characterized by global standardization or local adaptation. Proponents of different streams of institutional theory have discussed the tension between global standardization and local adaptation (Tempel and Walgenbach 2007). Drawing on this debate, I ask *how multi-family offices create value for affluent individuals and their families in different national contexts*.

This chapter is structured as follows: first, in the next section, I elaborate on the business model-concept and apply it to multi-family offices. Second, I then use two institutionalist traditions in organization theory to discuss the tension between the global standardization and the local adaptation of activities performed for affluent individuals and their families. Finally, in the concluding section, I elaborate on implications for future research and management practice.

Servicing Affluent Families: Business Models of Multi-Family Offices

The Business Model: Creating Value for Stakeholders

The theoretical and practical value and the definition of the business model-concept are still subject to vivid debates (Casadesus-Masanell and Ricart 2010; George and Bock 2011; Lambert and Davidson 2013). Nonetheless, since the mid-1990s it has been widely used across disciplines (Lecocq, Demil, and Ventura 2010), such as strategy (Zott and Amit 2008), entrepreneurship (Morris, Schindehutte, and Allen 2005), innovation (Chesbrough and Rosenbloom 2002), e-commerce (Amit and Zott 2001; Mahadevan 2000), and marketing (Sorescu et al. 2011).

Business models explain the value created by an organization by specifying activity systems and factors driving their perceived value. Value creation refers to the product/service mix, the organization's role in creating and delivering products and services, and how a product or a service is provided to customers (Morris, Schindehutte, and Allen 2005). Put differently, it focuses on how an organization satisfies its customers' needs and creates a customer surplus while making money in doing so (Zott and Amit 2010; Zott, Amit, and Massa 2011).

An activity system is "a set of interdependent organizational activities centered on a focal firm, including those conducted by the focal firm, its partners, vendors or customers, etc." (Zott and Amit 2010: 217). It comprises three *design elements*:

First, *activity content* describes *what* activities are performed (Zott and Amit 2010). Because most clients are business families (Welsh et al. 2013), services span both the family and the business domains, such as wealth management, family business assistance, asset management or real estate (Beaverstock, Hall, and Wainwright 2013; Decker and Lange 2013; Wessel et al. 2014).

Second, *activity structure* describes *how* these activities are linked (Zott and Amit 2010). Many client families, especially those with globally dispersed members and various entrepreneurial activities, prefer a structure that captures a family's needs in their entirety. Other clients use their family offices for selected services only, requiring a well-defined area of expertise (Hauser 2001; Lowenhaupt 2008).

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Third, *activity governance* specifies *who* is involved in creating and performing the services within and across organizational and geographic boundaries (Zott and Amit 2010).

These elements are connected by four *design themes* which drive the perceived value created by a business model, namely *novelty* (introducing new products or services or presenting them in a unique way), *lock-in* (implementing mechanisms for retaining clients), *complementarities* (generating synergies by bundling activities), and *efficiency* (minimizing transaction costs) (Amit and Zott 2001; Zott and Amit 2010).

In the next section, I apply the business model-concept to multi-family offices. Table 10.1 summarizes the definitions of the design elements and the design themes in general and provides specific examples of value-creating activities from the multi-family office context.

Placing the Family in the Foreground

Design elements and design themes translate the logic behind how multi-family offices serve affluent individuals and their families in distinct activities and value propositions. They can generally be addressed to different stakeholder groups (Casadesus-Masanell and Ricart 2010; Doganova and Eyquem-Renault 2009). Clients constitute particularly important stakeholders (Demil, Lecocq, and Ricart 2015), because "the business model revolves around customer-focused value creation" (Zott, Amit, and Massa 2011: 1031). This point is essential for multi-family offices because their success largely depends on their responsiveness to their client families' needs and the alignment of their expectations with the selected structures and activities to govern the families and their fortunes (Hauser 2001; Zellweger and Kammerlander 2015).

First, multi-family offices provide services that are designed to apply to the families' circumstances and may enhance their continuity and legacy (Daniell and Hamilton, 2010; Gilding, Gregory, and Cosson 2015; Rosplock 2014). These services must fit with the increasing complexity of family structures and needs. Generally, the more branches and generations are involved, the more useful it can be to centralize the family's wealth management. An example is the Fleming family, the founding family of Fleming Family & Partners, a multi-family office. It has its roots in an investment business dating back to 1873. The family's banking business was sold in 2000. The family was then in its fifth generation and comprised about 130 members. It decided to keep its family trust company and use this as a basis to establish a firm serving the members of the Fleming family and other affluent families (Decker and Lange 2013). Many families are likely to be *involved* in the compilation of the services that are intended for their use (Hauser 2001; Welsh et al. 2013). In many multi-family offices, this active involvement, that is typical for single-family offices, is not part of the usual business model (Rosplock 2014). Involvement is likely, if the families that are served, simultaneously act as owners of their multi-family offices. For instance, the Phipps family fully owns U.S.-based Bessemer Trust. The Fleming family, jointly with company directors and staff, holds a 60 percent stake in Fleming Family & Partners, that is based in London. The Stanhope family office gave 10 percent of its equity to five prominent UK and European families that, in return, allowed this organization to manage their assets (Decker and Lange 2013).

Second, the previous point may indicate that exclusiveness is key, but caution is necessary when considering what exclusiveness means in this context. Clients of multi-family offices are well-informed due to their backgrounds as entrepreneurs, investors, and family business owners. A case in point is Andreas Jacobs, a member of Germany's Jacobs coffee roaster dynasty. As an offspring of a prominent business family and based on his own experience, he knows what wealthy families need. Because of a certain dissatisfaction with the services provided by financial services institutions, he and a non-family partner founded Focam, a German multi-family

Table 10.1 The Activity System Design Framework Applied to Multi-Family Offices

Design Elements	*General Definition*[a]	*Application to Multi-Family Offices*[b]
Activity *Content*	*What* kind of activities are adopted and performed?	Four strands of activities: • *asset protection* (e.g., stock holding, conflict management, tax and succession planning, family education) • *asset management* (e.g., estate management, risk management, design of investment strategies, asset allocation) • *asset control* (e.g., reporting and financial accounting) • "*concierge services*" (e.g., coordinating philanthropic activities, walking the dog or selecting schools for the children)
Activity *Structure*	*How* are the activities linked and sequenced?	Possible approaches: • full range of services (*holistic*) or • selected type or certain group of services (*specialized*)
Activity *Governance*	*Who* performs the activities?	*Networked* partners ("value is created in concert by a firm and a plethora of partners, for multiple users"; Amit, Zott, and Massa 2011, 1029): e.g., family office managers and advisors, business partners (e.g., law firms, investment advisors, specialists in taxation, art experts), outsourcing vendors, extent of family involvement, etc.
Novelty *Lock-In*	Introducing *new products or services* or presenting them in a *unique* way Implementing mechanisms for *retaining clients*	*Exclusiveness*: Organization of activities and range of services provided (investment and non-investment services), unique investment opportunities, independent advice, long-term orientation
Complementarities *Efficiency*	Generating synergies by *bundling activities* minimizing transaction *costs*	• generating *economies of scale and scope* (e.g., joint investment opportunities or "club deals," sharing knowledge and experience with other affluent families) • increasing *transparency* and *cost efficiency* by centralizing investment activities and wealth management and by separating family wealth from business activities

[a] Terms and definitions adopted from Amit and Zott (2010, 222).
[b] Examples adopted from Decker and Lange (2013, 2014) and Decker and Günther (2015).

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office. Jacobs and other experts in the family office industry agree that affluent individuals and their families do not only demand unique investment opportunities but first and foremost *independent* advice. Investment advisors should not over-emphasize the products of their own institutions or any particular provider. They are expected to select products from a range of external providers. On the one hand, this commitment to "open architecture" has fostered the rise of the multi-family office in the last decade (Decker and Lange 2013). On the other hand, multi-family offices will rarely reap sustainable benefits from the exclusiveness of financial products, if they just sell the goods generated by other financial companies and banking institutions. These are also directly available from these providers. Hence, the exclusiveness of a business model of a multi-family office is less likely to focus on *what* products and services this specialist institution sells but more likely on *how* it *organizes* its activities for the families (Demil, Lecocq, and Ricart 2015; Sorescu et al. 2011). Moreover, the *range* of services provided is important: "Rather than the focus purely on investments, families are returning to the priority of having help with their non-investment services" (Rosplock and Hauser 2014: 14). For example, some multi-family offices provide services pertaining to the preparation of the next generation (that is, family education) and the implementation and management of family foundations (Decker and Lange 2013).

Third and related to the organization of activities, affluent individuals, and their families are demanding clients. Most families require strong commitment. A case in point is Pictet & Cie that considers itself as a problem-solver for its client families. These do not want to deal with many different advisors over time but expect a single person or team – that is, one entry point – to be familiar with their financial and personal affairs in the long run and engage in direct and frequent interactions with them (Decker and Lange 2013; Hauser 2001).

Although it is well understood that old, multi-generational business families comprise increasingly numerous members, that these members are more and more geographically dispersed and internationally oriented, and that their entrepreneurial and investment activities are increasingly global in scope (Lowenhaupt 2008; Rosplock 2014), it is an open question how homogeneous or heterogeneous the business models of multi-family offices are across countries. The following section focuses on this question based on two streams of institutional theory.

Institutional Perspectives on Multi-Family Offices

Two institutionalist traditions in organization theory provide thought-provoking impulses regarding the business models of multi-family offices operating in different national contexts. They both suggest that organizations adjust their activities to the environments in which they are operating but provide different solutions regarding the homogenization of activities (Tempel and Walgenbach 2007). In the following subsections, I elaborate on these traditions in organization theory and the insights that they provide in more detail. I summarize these insights in three propositions.

New Institutionalism: Global Standardization of Business Models

Standardization of business models will be likely, if the members of an organizational field are subject to strong homogenizing forces (DiMaggio and Powell 1983). An organizational field is a group of actors whose behaviors are guided by cultural-cognitive, normative and regulative institutions (Scott 2001). These institutions foster conformity of activities of the actors in an organizational field even across national boundaries (Beckert 2010; DiMaggio and Powell 1983;

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Meyer and Rowan 1977). They interact and affect each other, because they come together around, for example, joint projects, common enterprises, central issues or shared agendas (for example, Hoffman 1999; Schüßler, Rüling, and Wittneben 2014).

Based on the criteria established by DiMaggio and Powell (1983: 148), exploratory findings by Decker and Lange (2014) indicate that multi-family offices constitute a global organizational field in which these homogenizing forces exert influence.

First, there is a high *extent of interaction* among multi-offices, particularly through specialized associations and regular meetings, such as the *Financial Times* Family Office Forum. The extent of communication has substantially increased among family offices from North America, Europe and Asia in the last decade.

Second, *interorganizational patterns of coalition* among multi-family offices can be specified, for example, with regard to regulation. Although multi-family offices are competitors in the marketplace, they use collective action for influencing policy-makers in their favor (Decker and Lange 2014).

Third, multi-family offices face an *increase in the information load* with which they must cope, for example, more regulation and multiple jurisdictions, increasingly complex financial products and services in a broad range of areas, and the emergence of new asset classes (Carney, Gedajlovic, and Strike 2014; Lowenhaupt 2008).

Fourth, the *mutual awareness* among multi-family offices is growing. This fact is illustrated by, for example, the yearly *Bloomberg* Top 50 ranking. The institutions included in this ranking attract worldwide attention and high media coverage, promoting their status as "role models" for other family offices in different parts of the world.

It is likely that these developments have a homogenizing influence on how multi-family offices all over the world do business and that they foster a global standardization of their business models.

National Business-Systems: Local Adaptation of Business Models

Proponents of the national business systems-approach claim that activities must be adapted to the local context in which they are used (Whitley 1999). These contexts are shaped by national institutions that affect the adoption of business models that have originally been developed in other contexts. Local adaptation will be likely if a business model contradicts to the usually valid norms and beliefs in a local environment (Sanders and Tuschke 2007). "Against the background of the business-systems approach, it can be assumed that such elements and practices, if they are adopted, are used or interpreted in different ways in different societal contexts and are decoupled to different extents from the activities of organizations because institutions limit and direct the development of organizational forms and practices" (Tempel and Walgenbach 2007: 13). Cross-country comparisons support this issue. For instance, although both the German and French car industries implemented the ISO 9000 quality norms for production in the 1990s, their comparison reveals that, in doing so, these national industries followed completely different trajectories (Casper and Hancké 1999).

Referring to multi-family offices, the context-dependent interpretation of organizational forms and activities is clearly discernible. National regulators, such as the SEC (*Securities and Exchange Commission*) in the U.S., the BaFin (*Bundesanstalt für Finanzdienstleistungsaufsicht*) in Germany, the *Agency for the Development of the Financial Centre* in Luxembourg, or the FIDC (*Dubai International Financial Centre*), have all developed their own definitions of (types of) family offices (Krause and Klebeck 2012). These definitions do not only influence the emergence of patterns of a coalition (Decker and Lange 2014) but also reflect the impact of national

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institutions on the forms, activities, and persistence of organizations in different institutional settings (Carney, Gedajlovic, and Strike 2014).

Prior studies indicate that the rationales behind business models differ depending on the contexts in which they are applied (Lambert and Davidson 2013; Patzelt, Knyphausen-Aufseß, and Nikol 2008; Sorescu et al. 2011). Therefore, heterogeneity among the business models of multi-family offices operating in different national settings is likely. Legislation is an important factor. Referring to national inheritance laws, Carney, Gedajlovic, and Strike (2014) illustrate how different legislative frameworks affect the longevity of family-controlled businesses.

There are also cultural differences between families from different regions. For example, the multi-family office-concept is less successful in Asia than in Europe or the Americas. Despite the rising number of "super-rich" in Asia, the prevailing economic culture is not necessarily conducive to the establishment of multi-family offices. "There is a deep-rooted mistrust among tycoons, who fear that the managers of multi-family offices could divulge confidential information" (Decker and Lange 2013: 300). Thus, heterogeneity in how multi-family offices all over the world do business for affluent individuals and their families is likely.

In the following section, the two streams of institutional reasoning outlined above are applied to multi-family offices in order to show how pressures for both homogeneity and heterogeneity exert influence on their business models.

Business Models of Multi-Family Offices: Homogeneity *and* Heterogeneity!

The neo-institutionalist literature acknowledges that actors constituting organizational fields are not necessarily fully homogeneous but also contain elements of heterogeneity. For example, empirical evidence by Quirke (2013), focusing on private schools in Toronto, illustrates that this field is "patchy." That is, there is a relatively high organizational diversity in terms of, for example, structures, applied logics, and responses to technical demands. Obviously, fields comprise dimensions in which pressures to homogeneity may be stronger or weaker. Quirke's (2013) finding fosters the idea that organizations in a field are not completely similar but comprise distinct actors that orient their activities toward each other in selected areas (Wooten and Hoffman 2008). More precisely, they can simultaneously have homogeneous and heterogeneous dimensions. Selected activities of particular importance for the organizations may converge.

Quirke's (2013) finding has implications for the business model-concept and the activities performed by multi-family offices operating within and across national contexts. Drawing on activity systems and value propositions, I elaborate on these implications below.

Heterogeneous Activity Systems

As outlined above, business models consist of design elements and design themes (Zott and Amit 2010). Turning to the design elements, the decisions of multi-family offices on activity content (for example, tasks related to asset management, asset protection, asset control, and "concierge services"), activity structure (for example, the choice between holistic or specialized service offerings), and activity governance (the extent to which activities involve business partners inside and outside the organization as well as members of the client families) are purely structural choices. The upper half of Table 10.1 includes examples of these design elements in the multi-family office context.

All types of organizations can put more or less emphasis on each of these design elements and combine them in a variety of ways without changing their clients' perceptions of their potential to create value. These decisions on design elements always lead to different and viable configurations of activities (Zott and Amit 2007, 2010). To put it in a nutshell, there is no single best way to configure activity systems.

Moreover, the national origins of these specialist institutions may lead to divergence in the activities performed for their client families across the globe. As, for example, national legislations affect the activities and the persistence of family businesses (Carney, Gedajlovic, and Strike 2014), it is fairly straightforward to conclude that national institutions also impact the content, structure and governance of the activities performed by multi-family offices.

Thus, due to the possibility to make various structural choices leading to many different viable combinations and the potential of national institutions to affect these activity systems, the heterogeneity referring to the design elements of the business models of multi-family offices all over the world is likely.

Hypothesis 1

Choices of activity content, activity structure and activity governance are likely to promote the heterogeneity of the business models of multi-family offices across national contexts.

Homogeneous Value Propositions on the Corporate Level

The possible configurations of design elements do not drive differences in the perceived value creation potential of organizations. As shown above, Amit and Zott (2001) suggest four design themes that act as value drivers within the possible configurations of design elements. Based on this literature, we should expect that the differences between the business models, which are perceived by actual and prospective client families, are driven by these design themes because they constitute the actual drivers of the value which is to be created for the clients (Zott, Amit, and Massa 2011). Examples for design themes in the multi-family office context are depicted in the lower half of Table 10.1.

In the selected field, however, one should take into account that, on average, affluent families frequently express very similar needs across countries, be the multi-family office concept new or well-established in a national context (Decker and Lange 2013; Rosplock and Hauser 2014). As the application of the criteria outlined by DiMaggio and Powell (1983) on multi-family offices has revealed, there are strong homogenizing forces (Decker and Lange 2014). These are likely to affect the design themes inherent in the business models of the multi-family offices in several ways.

First, *novelty* is a value driver of a business model of a multi-family office, because the affluent and well-informed clients generally appreciate unique investment opportunities in various fields and independent advice (Decker and Günther 2015). In addition, as families become increasingly multi-jurisdictional, innovative ways to get access to, for example, tax and investment advice or global information on entrepreneurial opportunities or philanthropy to preserve a family's legacy are appreciated (Rosplock 2014; Rosplock and Hauser 2014).

Second, many if not most client families aim at preserving and increasing their wealth for subsequent generations (Beaverstock, Hall, and Wainwright 2013; Daniell and Hamilton 2010; Wessel et al. 2014). Multi-family offices provide advice to families over several generations. The design theme of *lock-in* refers to the clients' expectations of a multi-family office's long-term orientation of the relationship with its clients and of many years of experience in serving wealthy families (Decker and Lange 2014).

Third, the business models of multi-family offices bear chances to create *complementarities*. For instance, multi-family offices can collect and assess information on industries in which their

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clients have or have had a family business, such that families can make thorough investment decisions. As multi-family offices serve multiple families, they can also provide the opportunity to meet other families and arrange "club deals." These equity investments comprise several investing families and individuals who pool their assets together to jointly acquire a majority interest in a project while each investor alone has a minority interest. With each party acquiring a small stake of a project, each investor's individual entrepreneurial risk is reduced (Decker and Günther 2015).

Fourth, the rise of the multi-family office all over the world shows that *efficiency* is a major concern for these specialist institutions and the families behind them. The popularity of this family office-form is often driven by the families' need to, for instance, buy specialized services instead of establishing a full-service single-family office because of the desire to delegate and centralize the wealth management needs of the family members and the high amount of resources needed to maintain such an institution in the long run (Rosplock 2014).

Thus, overall, the design themes included in the business models of multi-family offices all over the world hardly differ, leading to homogeneity on the corporate level in the value propositions perceived by affluent individuals and their families.

Hypothesis 2

Novelty, lock-in, complementarities, and efficiency are likely to promote the homogeneity of the business models of multi-family offices across national contexts.

Heterogeneity in the Emphasis Put on Design Themes on the Local Level

Up to now, only a few multi-family offices operate in various countries. However, because families are increasingly international, and their members are more and more geographically dispersed, there are promising opportunities for multi-family offices to internationalize (for example, by establishing subsidiaries abroad). This internationalization implies the chance to increase the heterogeneity internally in the design themes of the business models, i.e., on the local level. For instance, client families whose members are spread across countries may benefit from the global presence of a multi-family office in terms of subsidiaries and branches in different regions. This bears the potential of a broader knowledge base, for example, referring to taxation or inheritance law in and across different jurisdictions (Lowenhaupt 2008). In that vein, Rosplock and Hauser (2014, 18) recommend establishing "one global stop" multi-family offices for families with an increasingly global footprint as a promising future trend.

This global presence can be a chance for a multi-family office to differentiate itself from its competitors by designing custom-tailored, country-specific activities that reflect, for example, either more efficiency- or more novelty-oriented business models in the subsidiaries established in different countries. While an efficiency-oriented business model focuses on the organization of activities that increase the transaction efficiency for the involved actors, a novelty-oriented business model refers to innovative ways to organize activities (Zott and Amit 2008).

By transferring and implementing activities in other contexts, the international client families' local needs can be considered. Put differently, a globally operating multi-family office must delineate the ways in which it transacts with its client families in different ways, depending on the location of the individual family members. For example, families in the Gulf region often have access to a wide array of concierge services that are usually provided by the family managers in their businesses. They are less likely to demand novel concierge services but rather, for instance, "best practices" for the tax-efficient transition of the family business from the founder

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to the next generation. Clients in Latin America are more concerned with security issues. They may appreciate novel service offerings for their family members, for example, in the field of personal security, which help discourage kidnappers attracted by the family wealth (Rosplock and Hauser 2014).

To put it briefly, on the corporate level, the business models of multi-family offices may be perceived as relatively homogenous across countries, but on the local level, the emphasis put by the subsidiaries of the globally operating multi-family offices on different design themes may vary.

Hypothesis 3

If multi-family offices implement subsidiaries across the globe, internal variation in the emphasis put on the design themes of their business models will be likely, leading to an increase in internal heterogeneity of the business models across subsidiaries.

The analysis so far has shown that different configurations of the content, structure and governance of the activities performed by multi-family offices are possible, promoting heterogeneity. Because of the similar expectations of the client families across the globe, the value propositions are relatively homogeneous on the corporate level. Multi-family offices having subsidiaries in different countries, such as many of the institutions included in *Bloomberg*'s yearly ranking of the Top 50 family offices (Decker and Lange 2014), have the chance to increase their internal heterogeneity (that is, on the subsidiary level) by adapting the design themes of their business models to the local needs of the members of their international client families.

The concluding section sheds light on the implications that these insights provide for research and practice.

Discussion and Implications

The application of the business model-concept and its combination with two institutionalist traditions in organization theory raise some issues, which may warrant future empirical research.

First, industry-specific studies on business models are relatively numerous, because it is widely accepted that design elements and design themes differ based on the industries in which business models are applied (for example, Amit and Zott 2001; Patzelt, Knyphausen-Aufseß, and Nikol 2008; Sorescu et al. 2011). However, although the need for studies on the creation and use of business models in different national contexts has been openly specified (Demil, Lecocq, and Ricart 2015: 8), our knowledge on whether or to what extent the business models of organizations in a selected industry differ across countries is limited. Exploratory evidence based on corporate-level data of *Bloomberg*'s Top 50 family offices illustrates that there is a high degree of homogeneity in the business models. Marginal differences in how these world-renowned multi-family offices do business mainly result from various possible configurations of the design elements. Contrary to the assumptions outlined by the proponents of the national business-systems approach (for example, Whitley 1999), the observed marginal heterogeneity of the business models is neither driven by the design themes nor by the regional embeddedness of the analyzed multi-family offices (Decker and Lange 2014). As these findings draw on secondary data from corporate websites of a limited number of multi-family offices, they do not provide insights into the internal variation in the emphasis put on the design themes of the business models. Survey-based measurement approaches (for example, Morris, Schindehutte, and Allen 2005; Zott and Amit 2007) targeting both corporate and local (subsidiary) levels of multi-family offices operating in different countries

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would be more informative in this regard. Those studies would benefit from the cooperation of researchers working in different countries and using the same measurement instrument for capturing the business models of multi-family offices across these countries.

Second, this essay purely focuses on the drivers of homogeneity or heterogeneity in the business models of multi-family offices. It hardly reflects on the value created for the involved actors. Future studies can specify the relevant performance outcomes of the business models of multi-family offices, thereby considering that any performance measurement should include "the family relationship appeal that is their strongest attribute" (Hauser 2001, 15). The emphasis put on the family includes the requirement to conceive of two-sided measurement approaches. These capture the performance outcomes of the multi-family offices, on the one hand, and the value created for the client families (that is, the extent to which the needs of the affluent individuals and their families are satisfied, and a customer surplus is created), on the other hand (Zott and Amit 2010). Value can thereby refer to different forms (Amit, Zott, and Massa 2011). Economic value focuses on the financial benefit that the multi-family offices and their clients reap. Social value can be created, for instance, by helping a family to adopt a sustainable investment strategy and use its fortune for social projects (Decker and Günther 2015).

Third, the measurement of the business models of multi-family offices across countries and the assessment of their potential to create value for increasingly international families reflects the fact that the business model-concept is appealing for management practice (George and Bock 2011; Lecocq, Demil, and Ventura 2010). Similarly, the interest in both single- and multi-family offices seems to be stronger in the practical sphere than in academia. The abundance of working papers and media coverage produced by managers, consultants, and journalists compared to the relatively limited number of scientific studies in strategy and entrepreneurship illustrates this issue. Combining institutionalist perspectives with the business model-concept bears the opportunity to reconcile practice and theory. Affluent individuals and their families need valid instruments to assess the usefulness of the business models that family offices implement. Frequently, they neither know the available options to professionalize the management of their wealth nor how beneficial these options are to ensure the continuity and coordination of their families and their fortunes within and across jurisdictions (Rosplock 2014). This chapter can at least be a starting-point for the development of an instrument capturing configurations of activities and how multi-family offices aim at creating value for their clients in and across national contexts as well as on and across levels of analysis.

Overall, I hope that the infusion of two institutionalist traditions in reflections on the business models of multi-family offices across countries will provide many opportunities for further studies and inspire the development of innovative research designs.

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