

Family office profile: VALUEworks AG, Zurich/Switzerland

Interview with with Kecia Barkawi, CEO and founder of VALUEworks AG,
by Barbara R Hauser

Tell me about your work experience before you founded VALUEworks?

After law school, I joined GAM (Global Asset Management) in Zurich as a private client lawyer to provide legal support to global families of wealth and manage trust structures to hold their diverse assets. It was a fascinating job that taught me a lot about the challenges associated with private wealth, as well as the different approaches to addressing them. After three years I transferred to GAM's Bermuda office where I structured and oversaw the trust operations. Despite living on a dream island, it was a challenging job. I was the youngest and the foreigner in the team yet I had to be a role model and train local staff twice my age.

Following GAM, I returned to Zurich to work for the private client business of STG-Coopers & Lybrand. I was responsible for a large client portfolio, mostly complex wealth-holding structures, for affluent multi-generational families from Northern Europe, Africa and South America. Like GAM, STG managed the bankable assets as well as the holding structures, so in addition to my work as a trust lawyer I became more involved in the investment side. Some families were engaged in philanthropic activities and I looked after their charitable trusts and foundations, a role that I found fulfilling and fascinating.

What led you to create VALUEworks?

I was brought up in an entrepreneurial family and had always enjoyed taking the initiative and engaging with people. When STG's sale was announced in 2003, I knew it was time to move on. It took me one long weekend to decide to set up on my own. After 10 years in the private client industry, I had a broad understanding of what global families were looking for and saw a growing demand for independent advice from a team which truly cares about and understands a family's hopes and fears. Passionate about multi-generational families, private wealth and international law, this is what I wanted to do.

How did you choose the name?

I was searching for a name that would be a wordplay on my ideas. One evening my husband and I listed all the words that could be part of that name and it ended up being a long list of ... values! That's how VALUEworks was born. Today, the values-based approach to working with families is part of our company DNA.

What were some of the early challenges?

Back in 2003 I knew that it would not be easy to start a trust company. Financial markets were unstable and there were regulatory and transparency pressures coming from the OECD's Financial Action Task Force. However, I realised this could be a real opportunity for a dynamic new player who did not have a 'legacy business'.

Another challenge was that I set up the company alone. I had two shareholders who supported me financially, but no sparring partner in the office. If I started over, I would not do it solo again.

So, you founded a trust company and turned it into a multi-family office?

Yes. We initially offered comprehensive and hands-on management services for family wealth-holding entities, many of which were trusts, and provided financial accounting and reporting. The main focus was on tax and estate planning for the global wealth owners. In addition, we managed our clients' charitable foundations and provided strategic philanthropic advice, using a distinctive values-based approach.

The more I worked with families, the more I came to understand that there was a need to go beyond tax and estate planning and the monitoring of financial assets. The bigger challenges for a family are the ones that place the family itself, rather than its assets, at risk. In those cases the question whether investments perform 2 or 6% rapidly moves down the priority list, and other critical issues emerge. When dealing with

families for decades you realise that there are dynamics and patterns that can have a damaging impact on their well-being. Once internal family communication breaks down, it becomes difficult to find a solution and when a family loses touch with its values, no amount of wealth can bring the members back together.

Against this background we introduced our values-based approach across our offering, and to client onboarding, thus making the family members' values a core pillar of all the services we provide to them. At the same time, we added family governance advisory and next generation education. So today we are a fully independent multi-family office with a comprehensive tool set, providing families with strategic guidance and operational support in matters of wealth.

What about investment services, what do you outsource?

While we support clients in asset allocation, bank and asset manager selection, and performances and costs monitoring, I made the decision early on not to provide investment management in-house. We have an outstanding network of financial advisers from banks, asset management firms and family investment offices from which we can draw expertise for our clients. This is key for us to ensure there are no conflicts of interest and to maintain our independence.

Where do your families come from?

Most of the families we serve are global families with cross-border concerns. The majority come from Europe and an increasing number from Africa, South America and Asia. Many have a US connection, which is an area we focused on early in our wealth management services.

How big is your staff today?

We are currently a team of 11.

What makes VALUEworks different?

I would say it is our independence and the holistic approach to dealing with families and their wealth.

Being independent allows us to offer advice with impartiality and full transparency. We work solely in the best interests of our clients without any ties to other service providers.

Our holistic approach to family wealth focuses on three aspects: family values, family risks and family governance. We help our clients in developing a joint understanding of their core values as the foundation for their wealth management and governance decisions. Through a comprehensive risk-mapping tool, we support them in identifying, addressing and mitigating risks to the families and their individual members, their financial well-being and their reputation. Moreover, we support clients with family governance such as communication, conflict-management and decision-making by empowering family members and providing often-neglected moderation and implementation work. We believe that the responsibilities of wealth cannot be delegated and pay particular attention to the dialogue between the generations, providing tailored training, coaching and advisory to future wealth holders.

Increasingly, this holistic approach leads many of our clients to reflect their values in their investments and their philanthropic activities. We support them on their path with strategic advisory as well as with guidance in the growing field of sustainability and impact investing.

Our commitment is to go beyond traditional wealth and estate planning and to focus on preserving wealth alongside family values, and financial security alongside social responsibility.

What are some of the accomplishments that you value highly?

It is great to see the accomplishments we achieved together with our clients and seeing the positive impact they have through their wealth – whether it's through their entrepreneurial activities, their investments, or their philanthropic engagement. Being at their side, looking forward, and helping their next generation to step into what are often very large shoes is extremely rewarding. It was an honour to be recognised for our innovative approach and our

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holistic offering with the Multi-Family Office of the Year Award from STEP in London in 2012.

Personally, an important accomplishment was setting up the Swiss Women + Philanthropy Initiative in 2013. This peer network for female wealth owners of all age groups exchanges ideas on ways to give, grow and share. The aim is to motivate and inspire women to give more, and better. One of the highlights was for 40 of us to spend an afternoon with Nobel Peace Laureate Muhammad Yunus discussing new humanitarian ways of doing business.

Looking ahead, what are your goals for the next five years?

We are continuously working on strengthening our offering and reach in family advisory and creating

greater awareness about the need for families to focus on their human capital.

In addition, we are currently expanding our investment advisory offering to include impact and sustainable investing and financial consolidation services. We also see a growing demand among our families in direct investments and aim to grow our capacity to support them better in this field.

Finally, I would like us to deepen our engagement with the next generation of wealth owners who are often advocates in their families for the type of values-based wealth management that is at the heart of what we do at VALUEworks. Supporting them in their aspirations and commitments to responsible wealth and sustainability is a key goal for us in the coming years.

'Family office profile: VALUEworks AG, Zurich/Switzerland' an Interview with with Kecia Barkawi, CEO and founder of VALUEworks AG, by Barbara R Hauser is taken from the sixth issue of the new *The International Family Offices Journal*, published by Globe Law and Business, <http://ifoj16.globelawandbusiness.com>.