

The Role of the CIO in an Embedded Family Office Structure

International Family Office Summit

Female-Fit Family Offices:

The Transitional Role of Family Offices

Date: 20-22 May 2025

Presented by: Adri Muller of Out the Box CFO



www.outtheboxcfo.com

adri@outtheboxcfo.com

Agenda

- ▶ Introduction to Family Offices
- ▶ Key Statistics on Family Offices
- ▶ What is an Embedded Family Office (EFO)
- ▶ Who is the Chief Investment Officer in an EFO
- ▶ Core Responsibilities of the CIO
- ▶ Differences between the role of a CIO in an EFO and a Traditional Family Office
- ▶ Unique Challenges of Embedded CIO
- ▶ The CIO as Strategic Integrator
- ▶ Summary

Introduction to Family Offices

► What is a family office



Key Statistics on Family Offices

- ▶ **Global Expansion:** The number of single family offices worldwide has increased from 6130 in 2019 to 8030 in 2023.
- ▶ **Assets Under Management:** Family offices currently oversee \$3.1 trillion in assets.
- ▶ **AI:** Family offices have decreased cash positions and increased riskier investments. More than 50% had investments in generative artificial intelligence (AI).
- ▶ **Investment Horizons:** Family offices often engage in direct investments with an average holding period of 19 years, significantly longer than traditional private equity firms.
- ▶ https://www.youtube.com/watch?v=8kbqVt0_1js&t=1s

What is an Embedded Family Office?

- ▶ Operates within the family's core business
- ▶ Uses existing staff and resources to manage family wealth
- ▶ Offers cost savings and alignment with business goals
- ▶ Limited specialisation
- ▶ Often evolves as family wealth and complexity grow
- ▶ Many EFO's emerge around the \$30m - \$75m mark
- ▶ Assets under management usually between \$25m - \$150m

Who is the CIO in an EFO?

- ▶ Mainly responsible for overseeing investment strategy, execution, and performance evaluation
- ▶ In-house executive with dual roles, fractional CIO, outsourced to a wealth management firm



Core Responsibilities of CIO

- ▶ Develop and execute investment strategy
- ▶ Investment manager selection
- ▶ Oversee and monitor investment performance
- ▶ Risk management
- ▶ Liquidity & cash flow planning
- ▶ Due diligence and direct investment
- ▶ Governance and education
- ▶ Collaborate with the CFO, advisors and trustees
- ▶ Central point of contact for all investments

Key differences of CIO role in an EFO vs TFO

Aspect	Embedded Family Office CIO	Traditional Family Office CIO
Organizational Structure	Part of family business; no separate legal entity	Standalone entity focused solely on family wealth
Scope & Focus	Combined roles (e.g., CIO + CFO); investment alongside business priorities	Dedicated CIO role with broad strategic investment focus
Autonomy & Decision-Making	Limited autonomy; decisions influenced by business needs	High autonomy; independent investment decisions
Resources & Expertise	Relies on business staff; often outsources specialized functions	Dedicated investment team with in-house expertise
Privacy, Governance & Risk	Challenges with confidentiality and governance due to overlap	Strong governance, privacy, and compliance frameworks
Role Evolution	Balances portfolio management with operational duties	Focuses on strategic advisement, risk mitigation, and opportunity creation
Summary	Juggles dual responsibilities with limited resources	Dedicated focus and greater strategic influence

Unique Challenges & Skills for the EFO CIO

- ▶ Balancing dual roles
- ▶ Limited authority and resources
- ▶ Managing potential conflicts of interest between business and family wealth
- ▶ Maintaining confidentiality and privacy
- ▶ Technology and operational inefficiencies
- ▶ Managing family dynamics and communication
- ▶ Compliance, regulatory complexity and governance



The CIO as Strategic Integrator

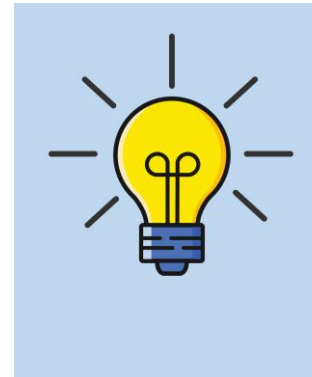
- ▶ Bridge between worlds
- ▶ Harmonising risk and opportunity
- ▶ Cross-functional glue
- ▶ Scenario planning & stress testing
- ▶ Governance facilitator
- ▶ Culture carrier



Summary

The Embedded CIO

- ▶ Strategist Without a Trading Desk
- ▶ Power of Influence, Not a Job Title
- ▶ Covers More Ground Than Google Maps
- ▶ Part-Time Role, Full-Time Responsibility
- ▶ They Speak Fluent ‘Finance-to-Family’
- ▶ The Most Patient Person in the Room
- ▶ They’re More Therapist Than Theorist



- ❑ *Legacy Tip:* The Rockefeller family office, established in **1882**, is one of the oldest—proof that strategic planning outlasts even the best bull market.

Q&A

► Questions

