ASSET VANTAGE®
A UNIDEL Company

Family Office CPAs Have Moved From Recording **"What Happened"** to Asking **"What's Coming?"**

WHITEPAPER

We Live in a World Where

- Principals don't wait for end-of-quarter to ask, "How am I doing?"
- Overleveraged real estate doesn't wait for month-end to hemorrhage cash.
- The need to harvest a loss to offset short-term capital gains doesn't wait for year-end.
- Liquidity demands rarely defer to investment timing.

It's an on-demand world where managing family wealth requires instant access to investment analytics, accounting, and all documents on a single screen – a consolidated view of a family's net worth on one platform for accounting and portfolio-performance reporting.

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In this real-time environment, even the quickest "books" are too slow and spreadsheets are stale on arrival. Financial data that isn't aggregated, accounted, reconciled, and reported on-demand ages quickly. And any platform that offers portfolio reporting without general ledger – that is, performance reporting without accounting reporting – presents an inadequate view of financial health.

It's no surprise, then, that wealthy families want more than a classic accountant trained to tell them what happened. They want a new-age accountant: a "wealth custodian" trained to see what's coming. A trusted advisor whose skills they can depend on and whose insights they will cherish.

Asset Vantage equips CPAs to undertake this transformation. It does this by providing performance reporting & general ledger at the speed of now!

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The Advisor's Loss Is the Accountant's Gain

In the past, wealthy families primarily sought investment advice from their financial advisors, as the name implies. That approach made sense when the majority of a wealthy family's assets was invested in equities, as financial advisors consequently were able to provide advice based on fairly comprehensive knowledge of the family's financial picture. However, wealthy families have been increasingly seeking alternative investments; in fact, in 2018 nearly half (46 percent) of the average family office portfolio was dedicated to alternatives including private equity, hedge funds and real estate.[1]

This increased focus on alternative investments means that financial advisors now have a less holistic view of wealthy families' finances. That's bad news for the advisory industry, which also has been under pressure to justify active management fees amid the rise of lower-cost passive investing and robo-advising.

However, it's good news for accountants who are seeking to grow their relationship with wealthy families and enhance the services they can provide them, which most accountants wish to. A survey of 394 accountants, working for family offices, found that three out of five feel they are not maximizing business opportunities with their wealthy clients.[2] And, there is even more perceived difficulty in securing new wealthy clients. Nearly nine out of ten accountants surveyed say that it is difficult to source new wealthy clients.[3] This paper will show, the changing financial planning needs of wealthy families, along with the increased focus on reporting and movement towards lower cost, unbiased financial advice – sets up the opportunity for accountants to cement their place in the family office. By becoming trusted advisors they enhance their value to the family.

With Asset Vantage's innovative cloud-based integrated accounting & performance reporting platform, accountants can oversee a client's entire ledger – traditional investments and alternatives, alike – and provide more efficient, less costly, and timelier reporting on the client's complete financial picture. This means that CPAs can take their practice to the next level, developing new revenue lines and playing a larger role in wealthy families' lives by offering neutral, and thereby trusted, oversight and advice.

The Challenges Facing Family Offices

Accountants who seek to maximize their business opportunities with their wealthy clients must first understand the challenges that these individuals and those who manage their assets face. Managing a family office is a complex business, largely due to the number of legal entities used to hold a wealthy family's assets, especially among the wealthiest. Of course, this proliferation of legal entities is no surprise, especially with next-generation additions, real-estate investing that spawns a Special Purpose Vehicle for each new property, and the rising interest in starting charities and foundations. Compounding the innate difficulties in managing a number of legal entities is the relative dearth of personnel at most SFOs and the manual nature of much of the work, thanks in no small part to the SFOs' continued reliance on legacy accounting software. >>

The greater the SFO's assets, the greater the full-time personnel's manual work.

[1] UBS and Campden Research, Global Family Office Report 2018, p. 25.

[2] Russ Allen Prince, "Why Many High-Net-Worth Accountants Are Feeling Pressured," Forbes, 6 Nov. 2017, https://www.forbes.com/sites/russalanprince/2017/11/06/why-many-high-net-worth-accountants-are-feeling-pressured/#4aaa9c50a839

[3] Prince, "Why Many High-Net-Worth Accountants Are Feeling Pressured."

>> Together, the relatively low numbers of personnel and the reliance on manual labor and frankly outdated technology leads to not only inefficiency and greater potential for human error, but also difficulty in maintaining comprehensive oversight of wealthy families' financial pictures and in relaying timely, cost-effective, and easy-to-understand information to these wealthy families.

These Challenges for Family Offices Can Serve as Opportunities for CPAs

Given the abundance of legal entities and types of investments that family offices must manage, now more than ever accountants have the opportunity to become the trusted advisor that can oversee and report on these multiple threads. Unlike financial advisors, accountants have no products to sell, just their own expertise and services. This value proposition is significant: Accountants, more than anyone else, are prime to become the neutral and trusted advisor in a private client group. The accountant can serve as the unbiased person who represents the client's interests: if not the quarterback who makes the plays, then the referee who makes the calls on which investments are performing better and why. Client won't – and shouldn't – trust accountants to pick bonds but they can – and should – trust them to comment on a bond's performance and the tax consequences.

Furthermore, like a referee in any sport, the role of accountant is indispensable. Simply put, wealthy families cannot forego having accountants because of their role in tax preparation, a responsibility that financial advisors cannot fulfill. Tax codes are not becoming simpler. This means wealthy families seek long-term relationships with accountants who have both skills and institutional knowledge.

But taking advantage of these opportunities means adopting new technology. Although accounting software has revolutionized the profession since its creation more than 30 years ago, the fact that it does not allow for consolidated multi-asset class reporting – again, resulting in more manual work as accountants have to tie multiple single-entity ledgers together – means that it can no longer serve as the be-all technological solution. More manual work means higher costs and fees, a phenomenon that is frustrating both accountants and their wealthy clients.

The survey of accountants found that nearly 70 percent feel they are frequently being pressured to lower their fees, as a result of increasing competition and the commoditization of their expertise.[4] >>

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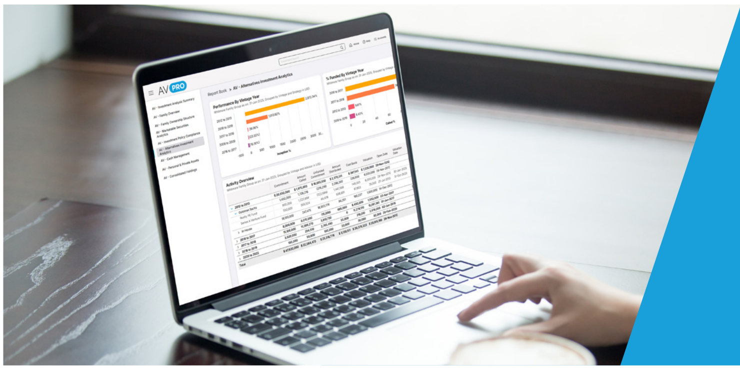
[4] Prince, "Why Many High-Net-Worth Accountants Are Feeling Pressured."

>> However, accountants who continue to do much of their work manually simply cannot afford to lower their fees, as doing so would mean less monetary compensation per workable hour. Simply put, they are caught between a rock and a hard place, as lower fees would mean essentially working for less, while not lowering fees could result in losing existing and prospective clients to less-costly competitors. And family offices are frustrated with what they perceive as exorbitant accountant fees for out-of-date reporting provided in Excel rather than in a more visually appealing and easier-to-comprehend format, delivered to them in a timelier manner. When a client calls and asks, "How am I doing?," it can sometimes take an accountant who uses Excel and QuickBooks four or five days to get back to them, telling them how they were doing as of close-of-business last month (which may seem like ages ago to an anxious client). Furthermore, some clients may abstain from calling their accountants to avoid generating the $1,000 bill that the accountants must charge – again, to compensate for doing timely, manual work.

Less Manual Work Means CPAs Can Provide More Efficient, Less Costly, More Aesthetically Appealing, and Timelier Reporting. The Result: More Clients



Less manual work means that accountant can lower their fees, in-turn increasing their value to clients.

Fortunately, technological solutions exist to help accountants streamline their processes to deliver what wealthy families want for a price they're willing to pay. And what do these clients want? More granular reporting, accuracy, and flexibility – the wherewithal to see their data in easily-digestible consolidated form. And, of course, timelier responses to requests for reporting – all for a lower cost, which means that accountants must reduce the amount of processes they do manually. Less manual work means that accountants, in turn, can lower their fees, appealing to clients who understandably perceive greater value in a $500 engagement with their accountant than a $1,000 one. It also means that CPA firms can add more clients without adding headcount; provided, of course, that they've secured the right technology.

That's where Asset Vantage comes in. Our cloud-based integrated accounting & performance reporting platform facilitates a solid decision-making process and decreases accountants' manual work by bringing together investments, accounting and documents and allowing for consolidated entity and performance reporting, data aggregation and reconciliation services, gain/loss reporting for multi-asset class portfolios, multi-currency portfolios, partnership accounting with look-through reporting, and easy 1099 production.

With the Asset Vantage platform, accountants can continuously monitor portfolio changes, maintain books, track income and expense statements, and tag related documents, among other tasks and responsibilities. In sum, Asset Vantage can enable accountants to provide more concise, more in-depth reporting – in an easier to read format than an Excel spreadsheet – to truly position themselves as neutral, trusted advisor. In this way, they can deepen their relationships with wealthy clients and make the accountant-client relationship even stickier than it already is.

The First Step Toward Building Up a Family Office Practice

Timelier, more detailed reporting is just the beginning. With Asset Vantage's cloud-based integrated accounting & performance reporting platform, accountants have access to everything – a client's every asset, every liability and every expense – and clients, as a result, have this access, too. By contrast, the client's financial advisor at a traditional wealth management firm does not have this complete view; they just are aware of the investments that they sold clients, without access to the general ledger. As a result, the traditional wealth management firm is at a disadvantage to the accounting firm – this is as financial advisors are already struggling to justify their value, especially to the wealthiest clients. The 2017 Accenture report Wealth in the Digital Age found that 56 percent of the HNW investors (those with $1.5 million to $10 million) surveyed felt that their financial advisors did not provide "sufficient value."[5] Furthermore, 72 percent of UHNW (with $10 million or more) expressed this sentiment.[6] From this point of advantage, an accounting firm can go to a client and say that – not only can they provide tax, reporting, andaccounting services – they can also offer an investment-analytics service.

The accounting firm that uses Asset Vantage's integrated accounting & performance reporting platform to build up its family office practice in this way is becoming a quasi- wealth custodian for wealthy families. And best of all, this new trusted advisor is not trying to sell any investment products, so as to remain unconflicted. That neutrality is key as 26 percent of the investors surveyed for the Accenture report said that they did not trust their financial advisors' motives for offering them advice.[7] The accounting firm, by contrast, has a 360-degree view of the family's wealth and position and can provide analysis with only the client's interests in mind.

This new role of accountant or accounting firm as trusted advisor comes at a crucial time in the industry. Financial advisors are not the only ones under pressure to lower their fees. 85 percent of surveyed accountants feel that their deliverables are being treated as commodities.[8]

If clients' view accountants' products and services as commodities – that is, if they view that there is nothing unique about one accounting firm's products and services – they will, in turn, view accountants as replaceable. This could make the accounting role less sticky than it has historically been because clients simply would chase lower fees, forcing accounting firms to drop fees lower and lower in order to stay competitive.

Technology such as Asset Vantage's integrated accounting & performance reporting platform offers accountants a two-fold way to contend with the phenomenon of commodification. First, again by reducing the amount of manual work, accounting processes become more efficient, thus enabling accountants to lower their fees without sacrifice. Second, and perhaps most importantly, technology is the answer to commodification. An accountant who can provide more granular, accurate, and timelier integrated financial reporting – and, moreover, who can provide neutral and comprehensive advice – is not replaceable. That accountant is the new wealth custodian, the nucleus of a new kind of family office practice.

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[5] Accenture, Wealth in the Digital Age, 2017, https://www.advisorperspectives.com/pdfs/2018-Slides/2018-CFA-Society-Toronto-November-8-Accenture-WMslides.pdf
[6] Ibid.
[7] Ibid.
[8] Prince, "Why Many High-Net-Worth Accountants Are Feeling Pressured."

About Asset Vantage

Asset Vantage was founded by the UNIDEL group as a next generation, cloud/mobile based asset management, accounting and reporting system catering to the complex financial needs of customers ranging from individual wealth holders to fully staffed family offices and those professionals that service them. The fully configurable software provides a portfolio reporting, reconciliation, data aggregation and analytics platform encompassing all asset classes, currencies and geographies.

Globally Recognized

Forbes

WealthTechAmericas AWARDS 2026 — WINNER Data Aggregation

WealthBriefingAsia AWARDS 2025 — WINNER Family Office Solution

4th Annual Great Indian Family Office Summit & Awards 2025 — WINNER Best Family Office Software

Wealth & Finance International — WINNER Best Family Office Software (US)

WealthTechAmericas AWARDS 2022 — WINNER Onboarding Product

WealthTechAmericas AWARDS 2022 — WINNER Innovative Client Solution (Latin America)

3rd Annual India Family Office Summit & Awards 2024 — WINNER Best Family Office Performance Reporting Platform award

WealthTechAmericas AWARDS 2024 — WINNER Family Office Solution (US)

WP Awards 2020 — WINNER Service Provider of the year

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