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FAMILY OFFICE INSIGHTS

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All eyes on me

It seems there is no escaping “Millennials” (no matter how hard you try) they are all around us.

Never before has a generation been so educated and enlightened; yet, never before has the projected image of oneself been so important. How does one remain self-confident and grounded at a time when the number of your friends, followers, and likes on various social networks define who you are for the rest of the world?

Being an advisor in an age where millennials can wake up and decide they would like to be an adviser today too has oversaturated the market and created its own challenges. Not only is the competition fierce, but it is unbalanced. It seems credentials and experience are no longer relevant, but who and how many people you are connected to is. A good google search and linked invalidation have become the modern-day short form for credibility and in some cases legitimacy.

2020 is predicted to be a cornerstone year. By this time, a third of all employees will be millennials. In the forthcoming years, most of the wealth will be transferred from one generation to another. Industries will need to adapt to remain relevant.



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In order to prevent the age-old adage of “shirtsleeves to shirtsleeves in three generations” coming true, wealth and art management professionals need to start training the next generation. NextGen initiatives have never been more important.

The key players in the art world are adapting slowly but surely, but with varied success. The growth of online art sales platforms and the necessity of exhibiting at fairs in far-flung places has been the downfall of enough art businesses to raise concern. Do art buyers still need to see works in the flesh? Do they still want to push open a gallery door? Alternatively, are they happy to merely swipe a screen?

The big auction houses have understood the necessity to evolve and are treading the balance cautiously while providing more online content, sales and experiences.

While we are all adapting to changing business models and means of communication with clients and prospects, the social media networks are pushing us to evolve even faster.

Image-based, it seemed apparent that art market players would grasp at this opportunity way before other industries catering to HNW and UHNW clients. Facebook and Instagram is clearly a kinder medium for artists than it is for tax specialists.

Marketing via Instagram influencers (those with more than 10’000 followers) is now a \$1 billion business, and posting images of yourself and brand 2-3 times a day on social media has become the new normal. So when does anybody get any work done?

Brands have seized upon the phenomenon and are rewarding the influencers with freebies, invitations to exclusive events and sometimes cash. However, how does this translate to the financial services industry and art market? How do you promote confidentiality when the clients themselves are eager to display their wealth and brag about it? The hashtag ‘Rich kids’ is the most blatant example of this. Developed for every possible geography linked to the rich and famous, from London to Tehran, Switzerland to Dubai, it is worth having a look at the new relationship some of these Millennials entertain with money. The recurring themes on all of them predictably are sports cars, watches, champagne, selfies and spectacular often glamorous settings. Spending is, without surprise, the main common denominator (along with quotes on well-deserved success and how inspirational luxury can be).

One thing is for sure, the years ahead are going to be exciting and challenging. As a specialist advisory firm, 1858 relishes the opportunity to learn from these enterprising millennials we have working amongst us.

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