

FINANCIAL SERVICES

BMO rebrands UHNW wealth management division with purposeful focus

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BMO has rebranded its wealth advisory. Image credit: BMO Harris

By SARAH JONES

United States-based bank BMO Harris is repositioning its ultra-affluent advisory to reaffirm its commitment to working with clients at every step of their wealth creation and management.

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Formerly known as CTC | myCFO, the advisory has been renamed BMO Family Office, reflecting the focus on aspects of wealth such as philanthropy and wealth transfers. The name change is partly to appeal to families who may be clients in other parts of BMO's practice, enabling the bank to serve more functions in affluent individuals' lives.

"Part of the rebranding is very focused on the collaboration internally within the company," said Shannon Kennedy, global head of **BMO Family Office**.

"BMO Harris has been around for over 200 years serving families, lots of business owners and the capital markets group," she said. "So this is a continuation and a confirmation really to those families that as they get to a point where they're changing their life and monetizing their business that they can continue to work with us from a multigenerational standpoint and focus on their financial assets as opposed to hard assets, which are their businesses.

"So with the BMO Family Office it's confirming that we are in this business with clients that we already have that haven't monetized at some point."

Family ties

As part of the rebrand, which rolled out on June 20, BMO hired Ms. Kennedy to head the Family Office division. Ms. Kennedy has three decades of experience in the field and was most recently at BNY Mellon Wealth Management, where she was president, U.S. markets-Southwest.

Per Ms. Kennedy, BMO Family Offices' main client profiles are wealthy individuals who are not at the point where they would launch a single family office, and billionaires with single family offices who want additional support and services.

One of the services of BMO Family Office is a family blueprint, which takes a client's values and mission into account to drive investment advice as well as financial, tax and estate planning.

Values are becoming an increasingly important aspect of wealth management for clients, particularly as younger generations are poised to inherit estates. For instance, a younger client who is invested in the environment might wish for their financial activities to align with their ethics.



Shannon Kennedy. Image courtesy of BMO

BMO Family Office can also assist clients in create a family governance structure.

Investment services include the capability to build a private hedge fund tailored to the individual. Meanwhile, a capital advisory enables clients to leverage their assets for loans.

A key focus for Ms. Kennedy and her team of more than 200 is collaboration, whether working with BMO's commercial banking group and capital markets divisions or aligning with clients' external advisors, such as CPAs and attorneys. Ms. Kennedy sees this as a growth opportunity, enabling the firm to better serve clients.

"In this market, these families have external advisors and we can't be everything to all of them," Ms. Kennedy said.

Ms. Kennedy has seen technology change wealth advisory. Whereas it used to be important to clients to visit a bricks-and-mortar family office for face time, now more can be accomplished remotely courtesy of video calling.

This has opened the door for advisories serving clients who are farther away. For clients, it is also more about finding the right fit and the best team than linking with someone local.

Technology will also play a role in engaging with younger generations of wealth earners and inheritors. Digitally native clients prefer to learn via computers or gamification.

With serving clients who are varied, BMO Family Office is taking a bespoke approach. Matriarchs and patriarchs

have different attitudes when it comes to passing along wealth, with some giving it outright while others prefer to have their children and grandchildren earn their own money.

The advisory is setting up a family forum, where clients can learn from each other, talking through what has worked for multigenerational wealth management.

"It really doesn't matter how many zeros someone has, they want to know what other people are doing," Ms. Kennedy said.

Word of mouth is also a main marketing tactic for BMO.

"It's just getting to know our clients and having our clients be our biggest cheerleaders and growing one client at a time," Ms. Kennedy said. "These families tend to associate with families who can afford the same things they can."

Wealth transfer

As older generations pass on, a new generation of young affluents will soon be inheriting their wealth, but few are prepared for what that entails.

A report from FIS looked at the upcoming mass wealth transfer from older generations to their younger heirs, aiming to find out what preparations young heirs were making. What they found was that many young heirs to large fortunes have few plans for what to do once the wealth of their parents or benefactors is transferred to them ([see story](#)).

Young high-net-worth individuals differ from their older counterparts in key ways, from a greater emphasis on international holdings to placing less of an importance on financial education.

According to a report from OppenheimerFunds, 37 percent of young investors make environmental and social issues a key part of their investing strategy. By contrast, only 21 percent of the silent generation makes their investments with those goals in mind ([see story](#)).

"It's not about investing, it's about legacy planning, it's about what the purpose of the money is and for," Ms. Kennedy said. "There's tax considerations, there's philanthropy and how do I want to give back to the community and in what way and how can I involve my family particularly if you're a patriarch or matriarch in the vision from what I created but also give the freedom to my next generation on the things that are important to them, too."