



Olivier Beghin,
Head of Private Banking
of Banque Havilland

Transmission of business

Entrepreneurial private banking

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Banque Havilland's entrepreneurial mindset sets it apart. This translates into private banking services that appeal to business owner-managers.

It is important for private bankers to have deep understanding of each of their clients' personal outlooks and life goals. Understanding this helps to embed agility into the relationship, enabling appropriate action to be taken at the right time. This might be reacting to fast-paced market events, or building a long term wealth management strategy.

In particular, planning for the retirement of the owner-managers of small and medium sized businesses is a

live issue. According to a study by Deloitte and EU statistics from 2017 to 2020, an estimated 60% of business owners in Europe have no concrete plans for how their business will be handled after they move on. Only one in ten have such plans, with just a quarter having a management continuity plan.

Given that around 85% of companies in Europe are family-owned, this represents a substantial challenge, all the more so, as a quarter of owner-managers are over 60 years

of age. Each year in the EU, there are about 100,000 merger and acquisitions transactions concerning family-owned businesses.

Few have succession plans

Matters such as whether the business will be inherited by a family member or sold as a going concern need to be assessed and planned for well in advance. However, many entrepreneurs prefer to focus on their passion of growing their businesses, with considerations of

how this relates to their private life often taking second place.

To a large extent, this is because questions of succession planning are complex challenges that may not appeal to entrepreneurs who specialise in other business areas. As well as this not being their core business, managing the different personal dimensions of cross-border family life can also be a tough challenge. "We get to know our clients to understand their financial and personal situations, and offer them tailor made solutions that work best for them," Olivier Beghin, Head of Private Banking at Banque Havilland explained.

"Banque Havilland is privately owned, ensuring we have the entrepreneurial DNA of our ultimate shareholder, David Rowland," he added "Through his own experience, Mr Rowland saw that banks could do more to meet their clients' aspirations." Since acquiring a banking operation in Luxembourg in 2009, Banque Havilland has grown from this headquarters, and now has offices in London, Monaco, Liechtenstein, Dubai, Geneva and Zürich.

An entrepreneurial bank

The result is an independent, agile, cross-border focused, boutique private bank that understands the entrepreneurial mindset. "Our clients recognise us as their trusted advisors, and that we will go further to help them to meet their needs. This is thanks both

to our internal expertise and our relationships with best-in-class external providers," said Mr Beghin.

This is where Banque Havilland is uniquely placed to help entrepreneurs make plans for the future phases of their lives, either in terms of passing the business on or converting this professional wealth into private wealth. Their businesses might have operations in several countries. Managing the financial affairs of family members at different stages of their lives is a further challenge, particularly when they are likely to be living international lives. Preparation is also required to ensure effective inheritance planning in line with the client's wishes.

"Our approach is to start with a full review of clients' net worth, taking a 360-degree assessment," explained Mr Beghin. "This gives us the foundation from which we can understand clients' situations and their goals, which enables us to suggest ways for them to position themselves and then provide the solutions they need," he added. "As well as bringing our expertise to bear, we coordinate with external experts such as lawyers and notaries who the client may already know, or we have introduced to them."

Selling, reinvesting, living

When it comes to selling the business, for example – be it an acquisition by a third party or a management buy-out – the different options and methodologies are set out. After the transaction is completed, Banque Havilland helps to implement plans regarding the newly realised capital.

This can be reinvestment in portfolios with different strategies and time horizons, or it could be about enjoying this wealth in a tax-efficient fashion. The newly retired entrepreneur might want to enjoy the wealth they have spent their life creating, with the acquisition of new real estate property, investments in art

works, purchasing a boat or whatever appeals to the client's personal interests. As well, many wealthy people like to devote themselves to promoting good causes, and Banque Havilland helps clients to create philanthropic structures which maximise effectiveness.

Inheritance also needs to be addressed. Securing the financial well-being of the family is a key retirement goal, made difficult by the often complex nature of modern ways of living. For example, children might live in different countries and be on a variety of career and relationship trajectories. The younger generation also tends to have concerns that investments should be made in a sustainable fashion. Banque Havilland has the know-how to integrate different levels of ESG consideration into portfolios.

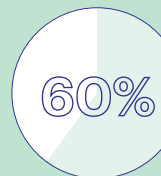
Tools available include the creation of foundations, life insurance and other inheritance options, holding companies, dedicated investment funds and more. Finding the right mix of these is a highly personal set of decisions that lead to a tailor-made solution that works for each family. Then digital tools are used to keep everyone aware of the situation in the estate over time and in the face of changing circumstances.

"We like to speak of engineering clients' wealth and heritage; providing the strategic advisory support and technical assistance to help them make the right decisions and then putting plans into action," said Mr Beghin. "Banque Havilland being a boutique, entrepreneurial operation ourselves means we have short lines of communication to facilitate quick, smart decision-making to the full benefit of our clients," he added. ■

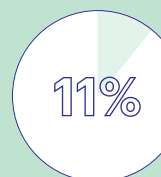
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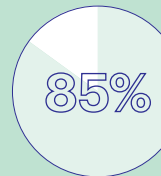
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60% of business owners in Europe have no concrete plans for how their business will be handled after retirement.



11% of owner-managers have clear succession plans, with just 24% having a management continuity plan.



85% of companies in Europe are family-owned, and a quarter of owner-managers are aged over 60 year. Each year in the EU, there are about 100,000 merger and acquisitions transactions concerning family-owned businesses.

For more information see banquehavilland.com