

MODERN FAMILY OFFICE  
FINANCIAL MANAGEMENT:  
GOVERNANCE,  
REPORTING, AND MULTI-ENTITY  
OPERATIONS



Managing a family office is exciting and rewarding in many ways. Family office executives have the opportunity to see the direct impact of each investment on a family's legacy, fostering the growth and preservation of wealth for generations to come.

They're also part of a rapidly evolving industry.

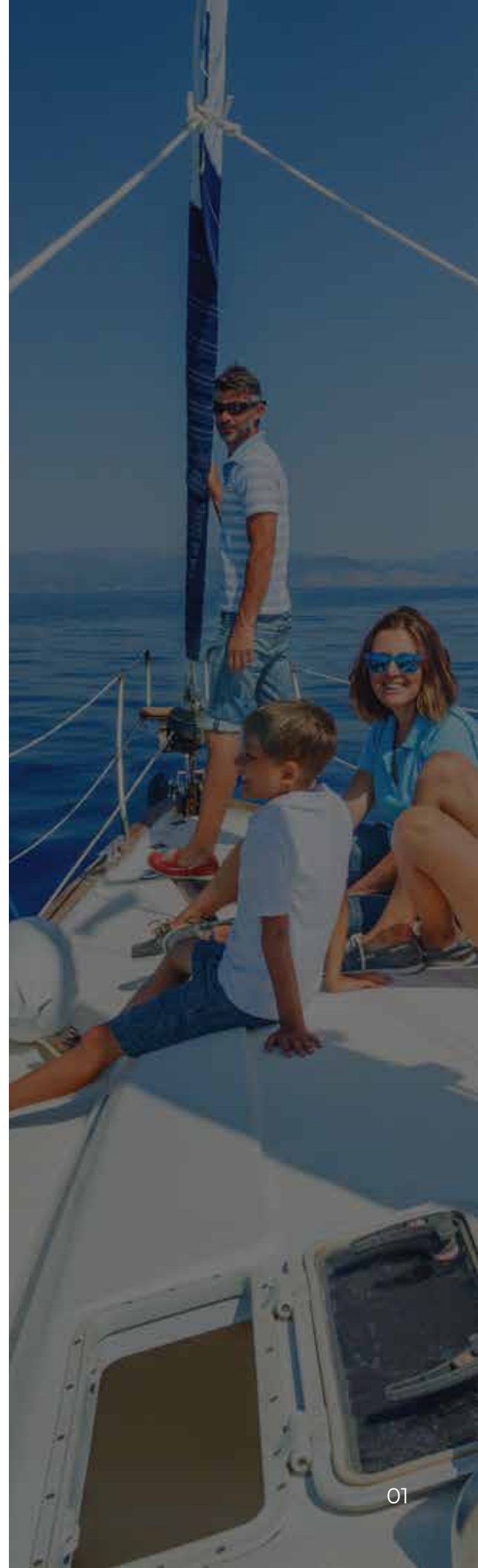
Family offices manage **trillions of dollars in assets globally**, and portfolios continue to diversify across investments, operating businesses, real estate holdings, and alternative assets.

As family offices expand across trusts, partnerships, operating businesses, real estate holdings, and investment portfolios, families expect greater transparency, stronger governance, and more timely financial information to support decision-making.

At the same time, a desire to protect the wealth families have accumulated can make them cautious about adopting new processes and technologies.

As a trusted advisor, you're in a unique position to understand these challenges and help your family office adopt the technology, processes, and financial infrastructure needed to support long-term growth.

Here's a closer look at the challenges family offices face today, how technology can help improve **financial management** and operational efficiency, and what to consider when evaluating solutions that support long-term growth.



# Modern challenges facing family offices



## Managing more diverse investments

While family offices have historically invested in hedge funds, private equity and other avenues that require less direct management, research shows they are seeking more active investments that align with their values and interests.

Family office portfolios continue to become more diversified and sophisticated. In addition to traditional public market investments, many family offices now allocate capital across private equity, real estate, private credit, venture capital, and operating businesses. As investment structures grow more complex, family offices need timely financial information and consolidated reporting to effectively monitor performance, manage risk, and support informed decision-making.

Many family offices are also expanding investments into alternative asset classes and direct investments that provide greater control, flexibility, and long-term value creation opportunities.

As portfolios become increasingly diversified, the ability to **consolidate financial information**, monitor performance, and evaluate risk across investments becomes critical to effective financial management and decision-making.



## Managing multiple companies

At the same time, many family offices manage multiple operating companies across a variety of industries, including healthcare, hospitality, professional services, real estate, and private investment holdings.

These organizations may operate across multiple locations, **legal entities**, and **currencies**, creating additional complexity for financial management and reporting.

To support informed decision-making, family office accounting and management teams need timely access to financial and operational information at both the entity and consolidated levels. They need reporting and **business intelligence** tools that provide visibility into revenue, expenses, assets, investments, labor, inventory, and overall organizational performance.



## Communicating with multiple stakeholders

Most family offices have multiple family members with ownership interests across different entities, investments, trusts, and operating businesses. They need timely access to financial information that helps them understand the performance of each asset individually and within the broader family portfolio.

This can be challenging when financial data is spread across multiple systems, spreadsheets, and investment platforms. Without consolidated reporting, family offices may struggle to gain a complete view of performance, identify risks, and make informed decisions.

Modern financial management technology helps centralize data across entities and **investments**, providing real-time reporting, stronger governance, and greater transparency for family members, advisors, and stakeholders.



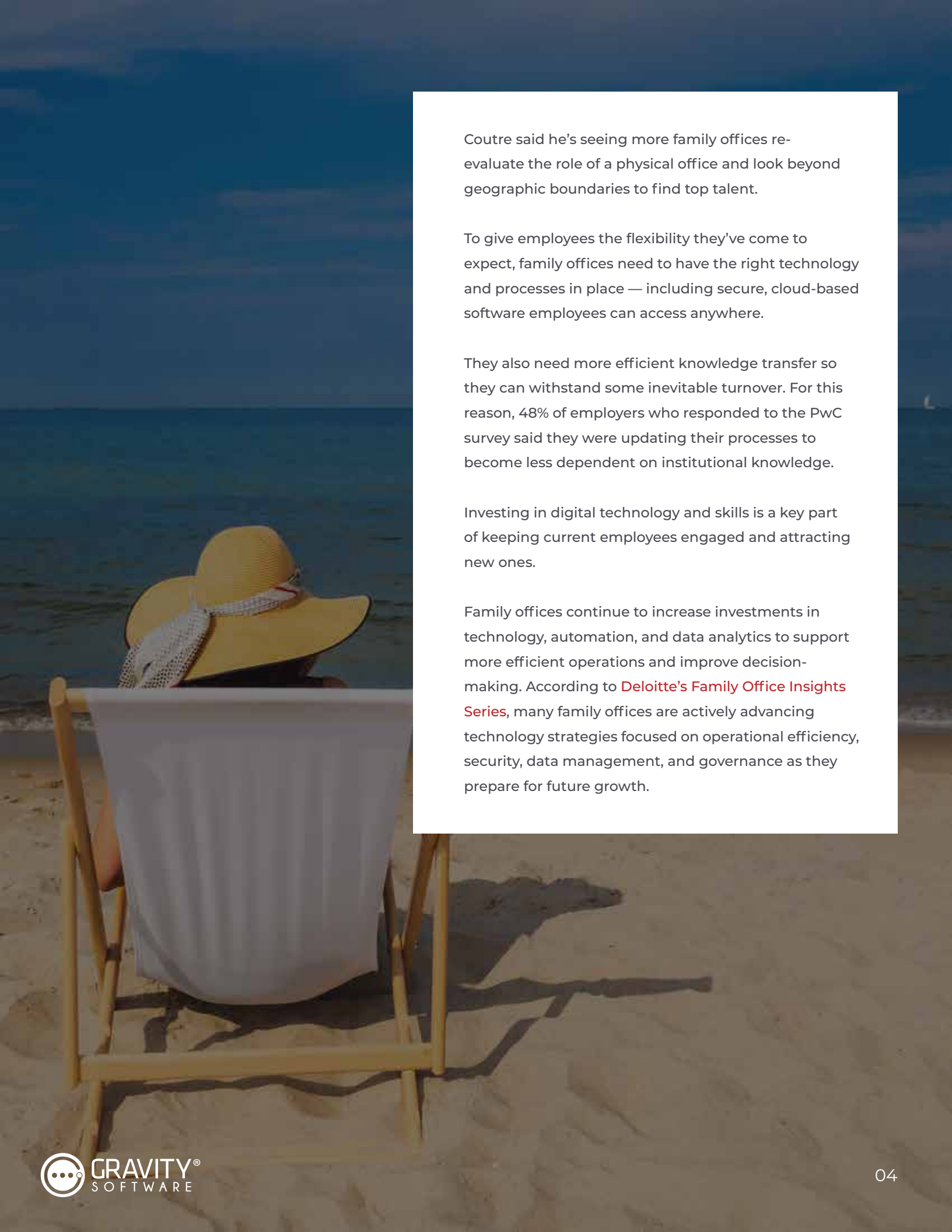
## Attracting, training and retaining talent in a hybrid environment

Family offices can range from having a few people on staff to dozens in each department. While turnover tends to be lower compared to other industries, family offices are not immune to economic factors, including labor shortages.

Workforce expectations continue to evolve as organizations compete for top talent. Employees increasingly value flexibility, modern technology, collaboration tools, and the ability to work efficiently from multiple locations. Family offices that embrace digital workflows and cloud-based systems are often better positioned to attract, retain, and support high-performing teams.



*So much of what we thought we knew has been turned on its head," said Jim Coutre in **FFI Practitioner**, a publication of the Family Firm Institute. "Within the office, we thought we knew how things needed to be run, where people needed to work, and what approaches would surely result in doom. Within the family, we thought we knew what we needed an office for, how it had to be staffed, and what overarching vision of success it was supporting. The post-pandemic family will of course still have legal, tax, investing, and reporting needs. But is there anything they've learned about themselves that might also suggest new or different ways the office could support the family?"*



Coutre said he's seeing more family offices re-evaluate the role of a physical office and look beyond geographic boundaries to find top talent.

To give employees the flexibility they've come to expect, family offices need to have the right technology and processes in place — including secure, cloud-based software employees can access anywhere.

They also need more efficient knowledge transfer so they can withstand some inevitable turnover. For this reason, 48% of employers who responded to the PwC survey said they were updating their processes to become less dependent on institutional knowledge.

Investing in digital technology and skills is a key part of keeping current employees engaged and attracting new ones.

Family offices continue to increase investments in technology, automation, and data analytics to support more efficient operations and improve decision-making. According to [Deloitte's Family Office Insights Series](#), many family offices are actively advancing technology strategies focused on operational efficiency, security, data management, and governance as they prepare for future growth.



## Managing cybersecurity

Cybersecurity remains one of the most significant operational risks facing family offices. According to family office cybersecurity research cited by Bolder Group, **43% of family offices experienced a cyberattack in the prior 12 to 24 months**, with the rate rising to 62% among family offices with more than \$1 billion in assets under management.

Phishing, data breaches, malware, ransomware, identity theft, and impersonation attacks continue to create serious risks for family offices managing sensitive financial information and high-value transactions. As family offices expand their use of cloud platforms, online approvals, remote access, and digital workflows, cybersecurity must be treated as part of financial governance.

**Family office managers should hire a dedicated IT manager or team if they don't already have one to ensure they are following best practices, including:**

- Securing physical offices and networks
- Encrypting data to render it unusable to attackers
- Implementing “Zero Trust” access control, which includes multi-factor authentication for individual users and devices
- Educating employees and family members about cybersecurity risks and how to protect the business, including working on secure wireless networks and reporting suspicious emails
- Routinely testing existing cybersecurity protections
- Developing a plan to respond to a cyberattack and ensure the office can recover data quickly

Vetting technology vendors is also critical. Any accounting or financial management platform should provide documented security policies, role-based access controls, encryption, **audit trails**, secure backups, and ongoing monitoring to help protect sensitive family office data.

# The cost of legacy systems and processes

Although the business climate family offices operate within is evolving faster than it ever has at any time in history, family office leadership can be slower to recognize the need for change. This can create inefficiencies, multi-generational conflict, and increased security risks.

Consider a family office that relies entirely on paper checks to manage employee and vendor payments and investments. If one employee needs to personally sign every check, it could take several weeks to process those payments — especially if that single point of contact is out of town or unavailable.

This keeps family offices from seizing attractive investment opportunities as they arise or reconciling revenue to create timely, accurate financial reports.

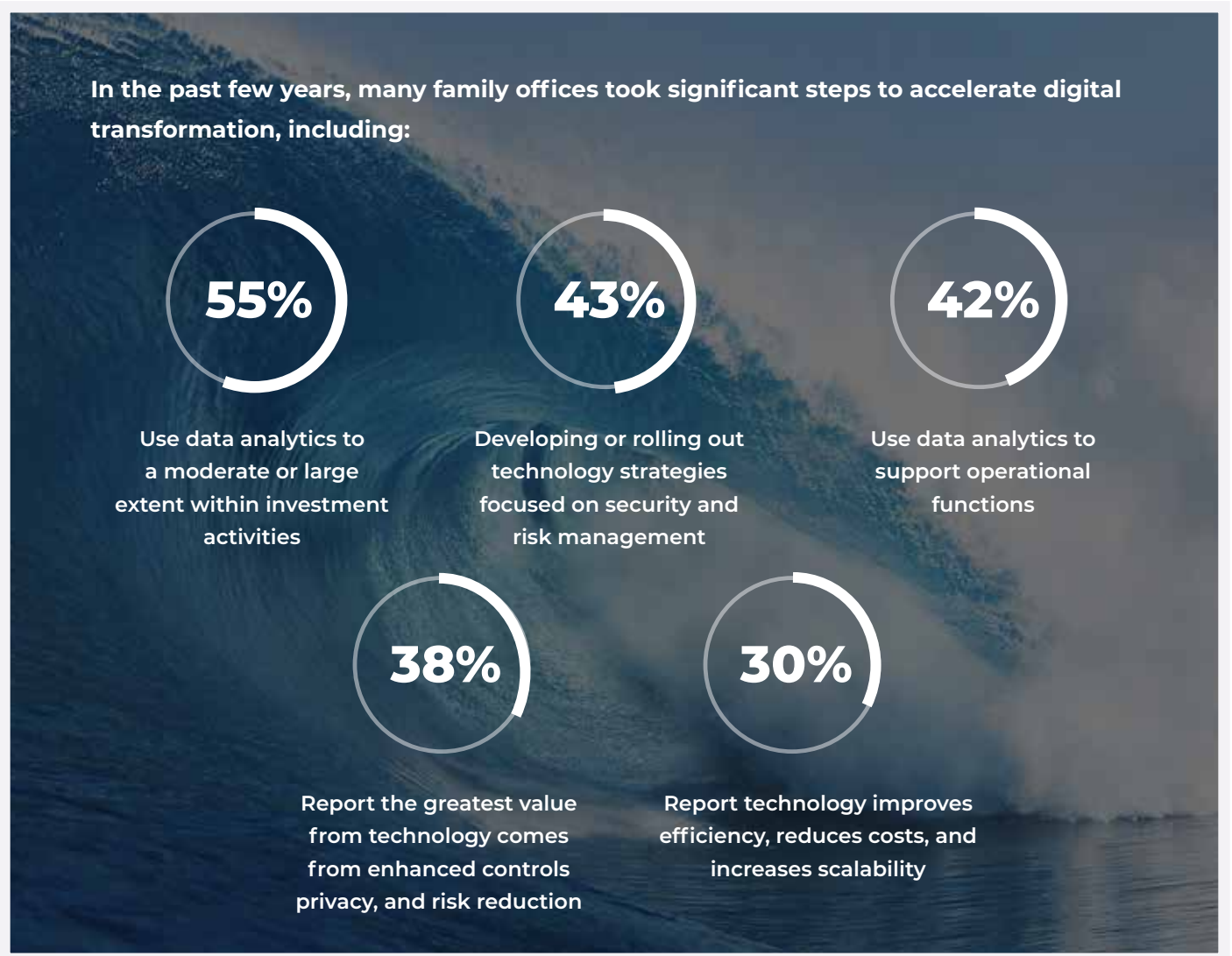
It also severely limits **succession planning**. When expertise in managing accounting, investments, taxes, and other daily operations remain with just a few individuals, the challenge of finding suitable replacements becomes even more difficult when the inevitable need for succession arises.

Legacy systems and disconnected processes can limit visibility, slow decision-making, and create unnecessary manual work. As family offices grow across multiple entities, investments, and ownership structures, the ability to access timely financial information becomes increasingly important. Modern cloud-based technology helps streamline operations, strengthen governance, improve reporting, and support more informed decision-making across the organization.



# Benefits of new technology

Technology has become a strategic enabler for family offices seeking stronger governance, better reporting, improved security, and greater operational efficiency.



Source: Deloitte Private, Family Office Insights Series: Digital Transformation of Family Office Operations, 2025

Family offices continue to accelerate digital transformation as they seek better reporting, stronger governance, improved security, and greater operational efficiency. Deloitte's research found that family offices are increasingly investing in technology strategies, data analytics, and automation to support more informed decision-making and manage growing organizational complexity.



This is especially true as artificial intelligence has entered the picture.

Some family offices have begun introducing AI to help develop personalized financial plans, analyze data, and even create initial drafts of standard documents.

Family offices are increasingly using AI and automation to improve accounting operations, financial reporting, and decision-making. Modern accounting platforms can automate routine tasks such as invoice processing, data entry, reconciliations, approvals, and report generation.

AI-powered tools can also help identify anomalies, surface trends, improve data quality, and provide faster access to financial insights. By reducing manual work and improving operational efficiency, family office teams can focus more time on governance, strategic planning, and long-term wealth preservation.

By implementing solutions that improve processes, enable more flexible ways of working and give family members deeper insight into the performance of their investments and the impact of other economic factors on those positions, family office executives can bring even more value to the people they serve.

Here are just a few examples.





## Improving processes

As family offices grow to include multiple entities, the number of routine tasks grows exponentially. Keeping up with billing, invoices and monthly reporting for one or two businesses is manageable for a single accountant, but maintaining the same processes for 30 different entities can be overwhelming.

Family offices may need to hire additional employees to keep up with these routine tasks. This adds costs without contributing significant value. In addition, manual processes introduce more opportunity for error.

Picture an accountant receiving a bill that applies to all 30 entities within a family office. While manually transferring the information across each entity, someone interrupts them, causing them to overlook entering the data in several places. This results in the incorrect distribution of revenue and an inaccurate financial statement.

By investing in technology that automates manual processes, family offices can save time and money while improving the quality of their work.

## Enabling transparency

Using paper-based processes or outdated software only a few people can access makes it difficult to maintain transparency among all members of the family.

If a family office has several individuals who own dozens of companies, each one could have a different ownership structure, ledger and accounting period. Additionally, individual stakeholders may require unique monthly statements tailored to their specific investments, differing from those of other family members.

## Simplifying investment management

In addition to the companies a family office owns, many members also have investments in private companies, real estate, private equity, and other alternative assets.

They want to monitor performance across their portfolios, identify new opportunities, and make informed investment decisions. Utilizing the right technology can significantly streamline **investment management** while providing greater visibility into performance across entities and investments.

As investment portfolios become more complex, family offices are placing greater emphasis on diversification and risk management. According to BlackRock's 2025 Global Family Office Survey, **68% of family offices are focused on increasing diversification, while 47% are expanding their use of alternative sources of return.**

Modern financial management and reporting tools help family offices consolidate investment information, improve decision-making, and gain deeper insight into portfolio performance across the organization.

## Identifying opportunities and managing risks

As family office portfolios become more diversified and operationally complex, gaining visibility into financial performance is increasingly important. As investments, operating businesses, and ownership structures grow, access to timely financial information becomes critical for identifying opportunities, managing risk, and supporting informed decision-making.

Without access to timely and accurate information, family offices can miss opportunities to improve efficiency, reduce unnecessary costs, and optimize investment performance.

Many family offices lack a consolidated view of spending, investment activity, and operational performance across the entities they manage. Greater visibility into financial and operational data can help uncover inefficiencies, support better decision-making, and identify opportunities for long-term growth.

**Business intelligence solutions can help them identify new ways to sustain and grow wealth by answering critical questions, such as:**

- Which entities have experienced the most growth in the past year?
- Which ones have experienced the slowest growth?
- Which investments have had the highest returns?
- Which holdings have the least returns?
- What percentage of the family office's total expenses goes to office real estate? Salaries and benefits? Software and IT support? Payments to other vendors?

With greater visibility into financial and operational performance, family offices can make more informed decisions, identify growth opportunities, improve efficiency, and optimize investment and operating results.

# What technologies should you consider?

While every family office operates differently, it's important to take a holistic view of the technology needed to support financial management, reporting, document management, and other critical business functions in a digital environment.

That includes solutions for:



AI-Assisted Accounting



AP Automation



Audit Trail



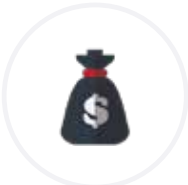
Business Intelligence



Financial Consolidation & Reporting



Governance Controls



Investment Management



Multi-Currency



Multi-Entity Accounting



Workflow Automation



# How to evaluate new technology

Recognizing the importance of investing in technology is a given, but navigating through the multitude of solutions can be challenging. The abundance of choices, all seemingly similar at first glance, adds an extra layer of complexity to finding the right solutions.

As you evaluate your options, here are some important factors to consider.

## Ease of implementation

Software that is installed on physical servers typically requires a larger upfront capital investment and a dedicated IT team to maintain and update it. Cloud-based solutions are easier to implement and maintain because the provider covers all data hosting, maintenance and upgrades. These costs are included in your monthly or annual subscription fee.

According to IDC, global spending on public **cloud services is expected to exceed \$1 trillion in 2026**, driven by growing demand for AI-enabled applications, application modernization, and secure, scalable digital infrastructure. As organizations manage increasingly complex operations, cloud technology continues to play a critical role in improving efficiency, security, and access to real-time information.

## Ease of use

While it's important to find technology with all the features you need, some solutions are so comprehensive they can be difficult to navigate. A single menu could have hundreds of features.

Some solutions also make it difficult to create personalized workflows designed for the way your family office operates. You should be able to easily add fields and **create workflows** to simplify complex processes without needing a developer.





## A complete audit trail

In a family office, a single poor decision can create significant financial and reputational risk. In one highly publicized case, **Archeegos Capital Management reportedly lost approximately \$8 billion in just 10 days** after highly leveraged trading positions collapsed. There could also be broader legal repercussions if a family member's actions involve regulatory violations, fraud, or other criminal activity.

Additionally, family offices could face new reporting requirements if the SEC tightens regulations, such as eliminating the family office registration rule exemption.

That's why it's critical to have a **full audit trail** that includes a summary of all financial changes with user entries and time and date stamps.

## Integrates well with other solutions

To maximize efficiency, your technology solutions should build upon each other. The solution you use for accounting, for instance, should connect seamlessly with the solution you use to manage investments, gather **business intelligence**, and create financial reports.

## Best-in-class security

To mitigate cybersecurity risks, you need software solutions that use best-in-class security standards, including data encryption, data backups, virus protection and multi-factor authentication to validate each user and device.

Any vendor you choose should have documented security policies and conduct regular audits of its own security protections.

## Scalability

Any solution you choose needs to not only meet your current needs, but also be equipped to seamlessly support your family office, encompassing multiple companies, multiple currencies, and an increasing number of users as it grows.

This is especially critical when it comes to accounting. Many solutions are designed to handle operations for a single business, not multiple entities sharing a single chart of accounts. While these solutions may seem like the easiest, most affordable option at first, they won't save you time if you constantly need to copy and paste the same information across dozens of different entities or manually enter data into a single, consolidated report.

The right technology platform can help family offices address many of the challenges discussed throughout this guide, including multi-entity accounting, governance, reporting, automation, and financial management across investments and operating companies.

## Why family offices choose Gravity Software

Gravity's cloud-based multi-entity accounting software helps family offices manage multiple companies, investments, approvals, and reporting within a single platform. Family offices can monitor performance across the organization or provide personalized reporting for individual stakeholders.

Built on the **Microsoft Power Platform**, Gravity helps strengthen governance, improve security, and maintain financial transparency through predefined user roles, audit trails, and enterprise-grade data protection.

Leveraging Microsoft Azure, Power BI, and the broader Microsoft ecosystem, Gravity provides a secure and scalable foundation for modern family office operations.

Family offices can streamline operations through workflow automation and AI-assisted accounting tools that reduce manual data entry, improve accuracy, and increase efficiency.

With Microsoft Power BI, family offices gain real-time visibility into entity performance, investment activity, and financial results across the organization.

As family offices continue to grow in complexity, Gravity Software helps improve transparency, strengthen governance, automate processes, and support better decision-making.



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