

# Beyond the *chart*.

*Reading the network that runs your family office.*

SOCIAL CAPITAL · RESILIENCE · PREDICTIVE SUCCESSION

A companion to Dr. Lotte Glaser's workshop *The Most Undervalued Asset*. Worth keeping.

COMPANION  
TO THE WORKSHOP

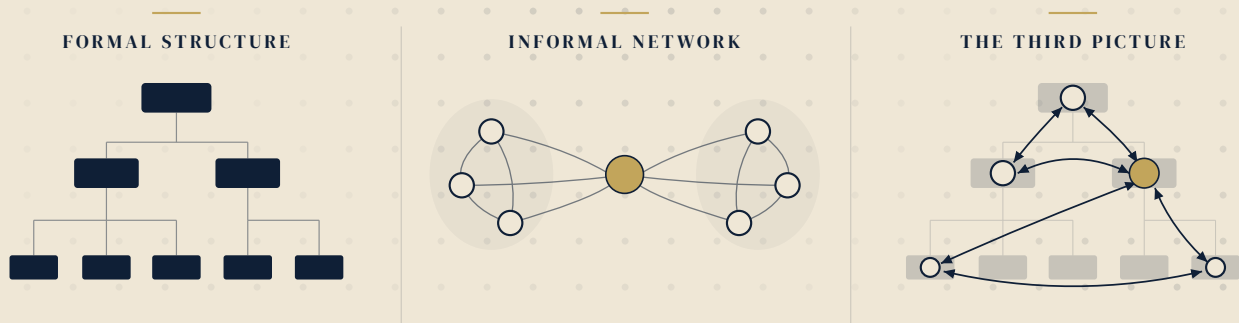
§1 · THE THIRD PICTURE

## You know the tree. You know the chart.

**N**either of them shows how the office actually runs. The family tree records who is related to whom; the org chart records who reports to whom. Both are necessary. Neither captures who people *ask*, who they *trust*, who quietly carries decisions across boundaries that the chart treats as separate.

*That third picture has a name. Almost no family office has ever drawn it.*

A FIGURE · THREE PICTURES OF THE SAME OFFICE



THE CHART SHOWS ONE. THE HANDSHAKES SHOW ANOTHER. THE TRUTH IS THE OVERLAY.

§2 · WHY THE STATISTICS REFUSE TO MOVE

## Family wealth is fragile by design.

**70%**

of family wealth is lost by the end of the second generation.

**90%**

is dissipated before the third generation.

**<5%**

of family enterprises survive to the fourth generation.

These numbers may surprise you, but they describe a pattern that is often observed. The offices that endure are usually the ones that took governance seriously: disciplined structures, diversified allocation, rigorous legal frameworks, professional independent management, formal succession planning. Necessary. Not sufficient. Most multigenerational offices have answered those questions well. And yet the statistics persist.

The under-examined cause sits in the third picture: the relational fabric through which decisions, trust, and institutional memory travel. When that fabric thins across a generational handover, quietly and asymmetrically and without anyone noticing, the office that arrives at gen 3 is not the office that left gen 2.

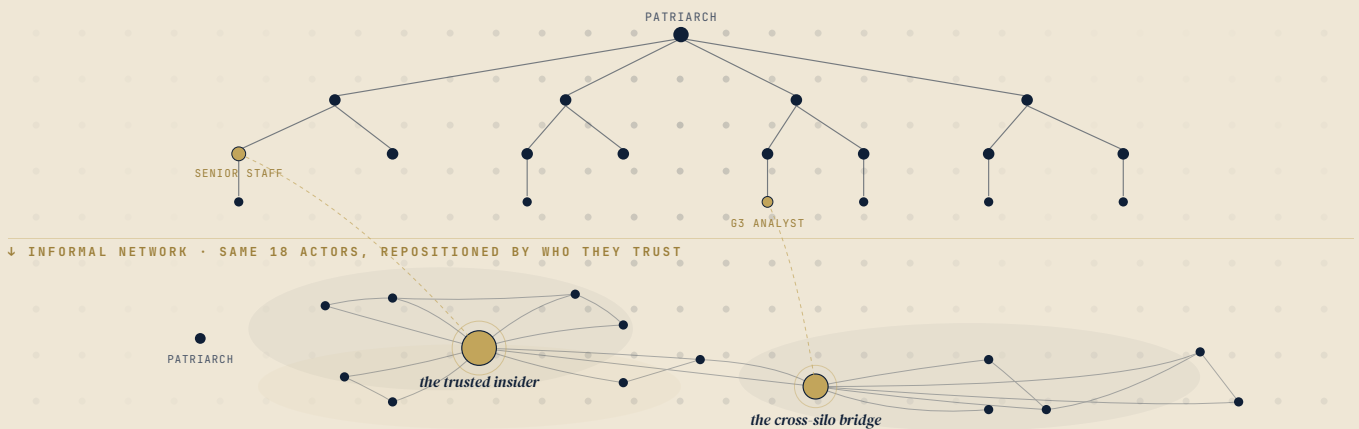
*Two questions in particular are easy to miss with a chart alone: who quietly carries trust across silos, and who connects camps the chart treats as separate. The same two kinds of people surface in every office.*

### A FIGURE · SAME OFFICE, TWO LENSES

## Look at the office twice.

↑ FORMAL HIERARCHY · WHAT THE CHART SHOWS

SAME CAST · DIFFERENT LENS



### §3 · TWO CASES WORTH NAMING

## Bonding. Bridging. Two roles. The same office.

### BONDING CAPITAL · THE TRUSTED INSIDER

## Catherine.

A senior staff role without equity or executive authority: perhaps an Independent Director, a long-tenured private secretary, a principal's chief of staff. By the chart, peripheral. By the network, the office's highest informal influence, touching every silo.

The case worth knowing. In the office we model in our demo, this is Catherine: a board appointee with no equity, who quietly outranks the entire family by network gravity. Her departure was in the plan. The office's structural anchor walking out alongside the founder is not a question the chart asked.

## Maya.

A generation-3 family member in a junior or specialist role: perhaps a sustainability analyst, a junior counsel, a family-foundation associate. By the chart, a leaf. By the network, the cross-cluster bridge nobody else at her seniority has.

The case worth knowing. In our demo office this is Maya, a niece chairing the Family Philanthropy arm. The formal three-slot succession plan doesn't name her. But every structural lens we ran (status, control, coalition, runway) puts her in the shortlist. The structural successor whose name the plan hasn't thought to write is often already doing the work.

*These two roles appear in nearly every multigenerational office. The names change. The structural positions don't. And the two often act as each other's **mutual buffer**: losing either alone is recoverable; losing both in succession collapses both safeguards. The org chart never named that dependency.*

## Support the anchor. Cultivate the bridge.

The framework is complementary to existing governance, not a replacement. The chart and the plan still answer the questions they were built for. The network adds two questions on top, and two corresponding moves.

### Support

Build redundancy around the anchor. Once the trusted insider is identified, the wrong move is to add more ties to them. That concentrates the office's dependency further. The right move is to recognise the role, protect the position, and deliberately build the structural alternatives so the office stops depending on a single person.

### Cultivate

Add brokerage + closure to the bridge. Once the cross-silo connector is identified, the right move is to add the brokerage ties (cross-silo reach) and the closure ties (trust depth) their future role will require, *before* the moment of change, not during it. The same prescription that produces effective change agents.

*Battilana & Casciaro (2013), HBR: "The Network Secrets of Great Change Agents."*

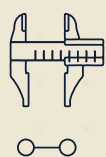
A small story. The fourth-generation heir of an Italian cigarette-packaging family took over the company as cigarettes were fading. She pointed the same factories at packaging for fresh vegetables: same machines, new market, values she could stand behind. Two things made it work. She built new relationships outside the family's existing world (with sustainability buyers, regulators, food-sector networks the company had never engaged), and she drew on the deep trust and operational knowledge the family had built across four generations. That is what cultivation looks like in practice. Developing the next generation and protecting the office from quiet structural risk turn out to be the same activity, seen from two angles.

*This is the **predictive value** of the network. It surfaces who will hold succession, who will quietly defect, and where cohesion is already thinning, long before the formal process catches up.*



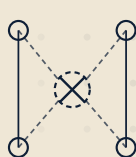
**MAP**

Identify every node



**MEASURE**

Run the three metrics



**STRESS-TEST**

Simulate departures



**STRENGTHEN**

Close the gaps

## The network is your family's long-lasting asset.

### Fragile *by default.*

Wealth concentrates and dissipates. Relationships, when managed, compound. The first generation builds the office. The second runs it. The third inherits its relationships, or doesn't.

### Predictive *by design.*

Network position anticipates who will lead next, who will quietly defect, and where cohesion is already at risk. The signals are present in the office long before they appear on the dashboard, in the legal filings, or in the boardroom.

### Resilient *by choice.*

Healthy family-office networks are redundant and multi-hub. That redundancy *is* resilience. Auditing, diversifying, and formalising the relational layer converts invisible social capital into a managed asset. The discipline is not difficult. It is, however, deliberate.

*Map it. · Manage it. · Protect it.*

## The next conversation is over coffee.

If any of this resonates, we would welcome a (digital) coffee with SFO Alliance attendees who would like to talk through their own office in confidence: what's working, what's been quietly worrying you, what your network might already be saying. No deck. No agenda. Just a conversation.

LET'S HAVE A COFFEE →

AFTER THE CONFERENCE  
VIRTUAL COFFEE, YOUR TIME ZONE

We apply network science to family offices. The research base (status, brokerage, coalition, reach in closed institutions) runs decades deep. The application to multi-generational wealth is new. That is the conversation we are here to have.

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