

OFF TO THE RACES

Situation:

“Indra” was not especially into horse racing. She’d been to a racetrack once, on an outing with business school friends, and enjoyed the atmosphere. But it wasn’t something she had grown up with or spent much time thinking about. But, sitting with her investment bankers in a New York City conference room the night before her IPO, she couldn’t shake the feeling that maybe this is how the jockey feels when loading up at the starting gate...shivering with pent-up nervous excitement, readying for the moment when the bell rings and the gate flies open, and it’s time to explode into a blur of flying feet kicking up shrapnel-bursts of mud.

Taking a sip of water, Indra forced herself to focus on what the bankers were telling her about any last-minute share allocations she might want to make to colleagues, friends and family.

To herself, Indra was a bit weary of being introduced as the founder of a startup that was an “overnight success.” That is, if you consider 12+ years overnight! From the inception of the idea, to the traction that led to a potential public offering, were many long years of often-frenetic days and late nights, plenty of failures and frustrations and, absolutely no guarantee of eventual success.

Going to bed late that night before, the final details of the offering signed and sealed, Indra felt like “overnight success” was finally at hand. It would be triumphant ringing of the NASDAQ opening bell and not the harsh trill of the racetrack bell that would herald that moment the following morning.

Indra planned to continue on as CEO after the IPO. Her institutional investors very much wanted her at the helm. But, she had also decided to take a significant sum of money *off the table* – retaining a large position in the company and setting herself up for life in terms of cash she could count on. Her parents had both been college professors and her upbringing had been comfortable. But Indra had the first-generation wealth creator’s awe for the safety, and sheer opportunity, presented by the balance sheet she had built through hard work, ingenuity and teamwork.



One of her mentors – a former public company CEO now sitting on her board – advised her to think about starting a family office. Indra was unsure. On one hand, she knew she would be far too busy to give the needed attention to her financial life. And, she was already formulating ideas about philanthropy and thinking about how to engage on the policy issues that she cared about, particularly climate change. She could certainly use a helping hand.

On the other hand, she was hesitant about the idea of building what's essentially, another business to manage her affairs. Thinking about her seven direct reports at the company, she mentally rolled her eyes at the idea of doing one more performance review, thinking about hiring, locating office space, determining compensation, technology, HR, processes, and risk management – all to look after the life of a single, very busy, 34-year-old entrepreneur.

Indra decided to do what most of her peers do when faced with a new problem – she Googled it – and learned that many people in her position choose to outsource some, or all, of the functions of a family office. Going deeper through internet results, Indra discovered Brown Advisory and our website. Reading through, she learned we were founded to serve families and we have robust in-house family office capabilities. In our *Beyond the Family Office* section, Indra was very attracted by our focus on sustainability and impact – and our work with wealth owners identifying as women.

Solution:

Today, we are fortunate Indra considers us her thought partner. We manage a highly-customized portfolio for her, balancing growth and safety, and attentive to the outsized role her single-stock position still plays in her life.

We serve as corporate trustee on the trusts she established for her nieces and nephews, a process we took entirely off her hands. We helped her establish, and fund, a private foundation and then took her through a discovery process to determine how she wanted to focus her philanthropy. As part of this process, we gathered wonderful input from her parents, both of whom serve on the new foundation's board, and who bring great expertise from their respective fields. We manage all the administration of the foundation, including follow-up with grant recipients and monthly reports to the family on their impact.

In addition to these more traditional family office services, we also established a quarterly rhythm of phone calls for Indra with our sustainable investing team. Indra's portfolio has meaningful allocations to sustainability, including some of our internal strategies. But she is also thinking longer-term – when she eventually moves on from her day job – about playing a national role in climate policy. She enjoys hearing our investment team's latest thinking who are immersed in this discipline. In turn, our team benefits from Indra's thoughts derived from her wide-ranging reading on the subject.

Outcome:

While Indra is thrilled to have so much complexity taken off her plate, and to be able to reach into our firm for expertise and thought leadership, perhaps her greatest joy was meeting a young female entrepreneur at one of our client events. The two developed a unique relationship that led her to become the younger woman's mentor. Indra is excited to coach her through the next decade of her own journey to becoming an "overnight success."

We can think of no one better-qualified to lead someone off to the races. [L](#)





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