

Transcript

Episode 104 - [The Family Office with Ranlyn Tilley Hill, J.D.](#)

Dolph Goldenburg: Welcome to the Successful Nonprofits™ Podcast. I'm your host Dolph Goldenburg. Today, we're talking about the family office, and I do not mean that corner of the kitchen where kids dumped their schoolwork, bills sit waiting to get paid and where a never-ending stream of laundry piles up. No, this is not that kind of family office. It is also quite possible that even as a nonprofit professional or board member you are not familiar with the type of family office we will be discussing today. I am sure you're aware of family foundations, those entities that provide grants to causes the family deems worthy. Family foundations range in asset size from frankly, you know, just a few thousand dollars to over a billion dollars. In fact, if you listen to NPR, you have no doubt heard the names of some very wealthy family foundations such as the John D and Catherine T Macarthur Foundation.

Now, have you ever wondered how some of these foundations are managed? Have you ever wondered how some of the families that have set up these foundations go about planning their meetings, vetting their potential benefactors and getting their dry cleaning done? Well, that's the kind of family office we're going to be talking about today. It really behooves the nonprofit professional and board member to understand what happens behind the scenes of a foundation, and in many cases, you may end up interacting with the family office. Ranlyn Tilley Hill, J.D. is President of Benevolent Vision, an organization that provides services to family offices. She joins us today to give us insight into the goings-on of the family office. Ranlyn has an extensive background as an attorney representing business employment, real estate development, construction, and nonprofit clients in civil litigation. All of these areas inform her work with the family offices today. In addition, she recently completed a Certificate in the Family Office Investment management from Pepperdine University. So, let's open the doors of the family office as we welcome Ranlyn Tilley Hill.

Welcome to the podcast, Ranlyn.

Ranlyn Tilley Hill, J.D.: Morning, Dolph. Thank you for having me.

Dolph Goldenburg: I am thrilled that you are here. I will share with you that I first learned about family offices when I was working with a major donor, and they decided that they wanted to get their children involved in philanthropy. Their children were in their twenties and thirties, and essentially, they said, "Call my family office and arrange to schedule some time with me and my children." That was the first time I've ever had someone say to me, call another person to schedule time with my children.

Ranlyn Tilley Hill, J.D.: Yeah, that's not unusual at all. The desire of the potential patriarch of the family to involve the next generation and, perhaps, even the third generation is very common.

Dolph Goldenburg: Share with me. Obviously, you have way more information and knowledge about family offices than I and probably the vast majority of our listeners do. Share with us, what is a family office? What does it do?

Ranlyn Tilley Hill, J.D.: So, a family office can be a large family office representing multiple families, or it can be an individual at the kitchen table, investing, managing their wealth and transferring their wealth onto the next generation. There is a saying in the family office sector, "If you've seen one family office, you've seen one family office," and I believe the same is true for family foundations. The core function of the family office is to grow and preserve wealth. It serves as a vehicle for families to stay together, to ease and navigate the course of life for families everything that you mentioned, everything from potentially dry cleaning, although I wouldn't encourage that. The primary source is really investments, and if we look at the nonprofit sector and philanthropy, philanthropy is also an investment, and the family office, through the family foundation or donor-advised funds, treats philanthropy as an investment.

Dolph Goldenburg: I'll share with you once upon a time, I had a board chair who worked for a firm that serves as a family office for multiple wealthy families, and it was very clear that she was a trusted advisor to each of the families that she worked with.

Ranlyn Tilley Hill, J.D.: That is a core term in the sector, both in terms of general philanthropy working with individual donors and in terms of the family office. So, there's usually a tight circle of highly educated, highly focused and specialized professionals that advise the family office, and one of those individuals and be a consultant to nonprofits or a specialist in nonprofits and philanthropy.

Dolph Goldenburg: And so, what type of work do you do with family offices?

Ranlyn Tilley Hill, J.D.: My involvement is at the level of helping them determine what their philanthropy is going to look like. If I'm working with a family that has been functioning in a less formal family office environment, there's usually a very rich opportunity to help them bring intention to their philanthropy. So, what does that mean to bring attention to your philanthropy? That means to really think out your philanthropic purposes, the purpose of giving for this family, their focus, and how they want to go about doing that. So, there can be various structures that they can adapt that we can talk about.

Dolph Goldenburg: I'd be willing to bet you also end up doing... [For example], a family has a deep interest and passion for services to older adults, you [might have] to research a dozen different older adult organizations, right?

Ranlyn Tilley Hill, J.D.: That's exactly right. We've had engagements in the past where the family is determining what the focus of their philanthropy will be. They've chosen their vehicle. It's either giving directly from the individuals in the family giving from a family foundation or giving from a donor-advised fund. We've already helped them establish that and structure it, and then we talk about what the focus is so we can do due diligence and research on many organizations

through databases that we subscribe to and participate in and assist them in focusing in on the top three, top ten in the categories of giving they're involved with. As you mentioned, the aging in place might be a priority. Animal welfare, maybe a priority. Veterans is a big one consistently at this time.

Dolph Goldenburg: Let's drill down on this due diligence because I'd be willing to bet regardless of the cause, there are probably hundreds if not thousands of organizations that a philanthropist can support. What types of tools and what types of data do you use to narrow it from a field of hundreds to maybe a field of three?

Ranlyn Tilley Hill, J.D.: That's a great question, and I'll use a concrete example. We're working with a family in California and they have a family foundation that's been in existence for over ten years. Their focus is on preventing drug and alcohol addiction, treating recovery and education in these areas. So, we did research for them of the organizations in the state of California that were operating as nonprofits in this arena, and we were able to identify for them a shorter list and what they may have had otherwise of entities that they could support. That research takes place in various ways. Yes, you can do a google search; that's the rawest way of doing it. Yes, you can get good results that way, but it takes a lot of additional work. The second way is to go into Guidestar (www.guidestar.org), which is a free database with various paid subscription levels, and you can then research the cause and pull up all organizations they're reporting on their tax returns that participate in that cause.

You then have a shorter list, and you can identify also through data what the resources are of the organization meaning what their annual revenue is, what their operating budget is, who their board members are. Do they pay their board members? Do they have CEOs on the board or not have CEOs on the board? What is the compensation of the CEO and the CFO? So, that's a very rich area to get deep data. www.foundationcenter.org also has the capacity for you to go in and do what we call a reverse search where you would then research organizations that are being funded in those areas.

Dolph Goldenburg: That gives you the basic data on size and how much people get paid, that kind of thing, but how do you drill down to which organizations are effective at achieving their purpose?

Ranlyn Tilley Hill, J.D.: That is a great question, and impact is what it's all about right now. That's a huge buzz word at all family foundation and family office conferences, so we talk about that a great deal. The difficulty is how to determine impact, and that might be determined differently by each family office, each family foundation or a participant and a donor-advised fund. When we go on a site visit, I want to see that the executive director or CEO is making eye contact with the participants in the program and actually knows them by name. If I'm going to a recovery home, and I see that the CEO or executive director is interacting with the clients that are there, that's a really good sign to me. Number one. Number two, you want to have the opportunity to interact with or interview or see if you're doing a site visit the person who's responsible for the programs and program delivery, and to be able to ask them firsthand, what's your greatest

challenge? How are you overcoming that? What is the greatest opportunity that you see? How are you lining yourself up for that, and what is the impact that you're having? Impact is not just numbers. Impact is helping to move your cause forward through the people that you're serving.

Dolph Goldenburg: If I'm at a nonprofit, and I'm interested in making sure that some family offices know about my organization and what it does, what's the best way to try to link up with family offices? Do you just have to, like Ed McMann, wait for them to show up at your door with balloons and a big check?

Ranlyn Tilley Hill, J.D.: Great question. Prior to my working as much as I do now with family office, with major donors and with family foundations, donor-advised funds, when I was working on the nonprofit side and had more emphasis on that fight in my practice because we've done both and continue to do both, that was a big question for us. How in the world did we get into these donor-advised funds and the family foundations that are by invitation only? How do we meet the people who may introduce the charities we represent to these family foundations, to these family offices and donor-advised fund advisors. So, the answer to that is twofold. One is by being present. Being present means that you go to conferences where thought leaders and thinkers and participants are present. Family offices show up through their foundations and through the officers of the foundations at conferences like Southern California Grantmakers, National Council and Philanthropy and family office conferences.

Those are all places where you would find advisors to and participants in and family office philanthropy. A second way of doing that is utilizing your own network. If you are connected with people who are advisors to investment management, fund advisors, VA Insurance Advisors, to family offices, then [generate] and [nurture] a relationship with them and [share] with them the needs of your organization. Don't ask for money; ask for their advice on a specific issue that you're experiencing in your nonprofit. That gives them the opportunity to get to know you and how you operate and also gives them the opportunity to be of use of you, which always makes people feel good.

Dolph Goldenburg: When you're talking about that, I'm reminded of the old nonprofit maxim: If you want advice, ask for money. If you want money, ask for advice.

Ranlyn Tilley Hill, J.D.: Oh, my goodness. That's so on target.

Dolph Goldenburg: I also just want to share with you, I was at a conference in Rochester recently, and you're right; there were a couple of different family offices that were at that conference as well. Yeah, it was not a conference for grantmakers. It was primarily for nonprofit organizations, but these family offices have a very specific interest in, you know, in the types of services that this conference was designed for.

Ranlyn Tilley Hill, J.D.: That's also an excellent example of going where the thought leaders are and in fact going where the action is. So, that's very understandable that you saw that the

people were very connected to the cause there, both on the funder side and on the nonprofit service delivery side.

Dolph Goldenburg: Now, would you suggest that maybe people use LinkedIn to identify some employees of family offices in their areas and then ask board members, “Hey, does anybody know Gil Jones?”

Ranlyn Tilley Hill, J.D.: I'm a very big fan of LinkedIn, and I use LinkedIn as what I refer to as a *warm or hot fashion*. I tend not to reach out to new people unless they are one degree of separation from someone that I have an active relationship with. So, once you meet someone, I think that LinkedIn is a great tool. If the person's one degree of separation away from you utilizing that for an introduction, again with a specific request not having to do with money, opportunity or request not having to deal with money so that you're building a relationship. All of this is about relationships, and someone who is a trusted advisor to \$100,000,000 family foundation or a half-billion-dollar family office is going to be very protective of the people that they serve, very protective of the family and very protective of their own professional reputation. So, the relationship is absolutely critical.

Dolph Goldenburg: I completely understand your one degree of separation on LinkedIn. One of the things I think is incumbent that every organization does is, for example, if you're an executive director, ask all of your board members to connect with you on LinkedIn. That way you can see everybody in their network, and if you have 15 or 16 board members, you may end up having an additional 10 or 15,000 contacts you can draw from.

Ranlyn Tilley Hill, J.D.: Dolph, I think that's absolutely fantastic advice. And you tapped into something we say frequently: The two greatest assets of a nonprofit are their *reputation* and their *database*. The technique that you just described is an absolutely fantastic way for an organization to extend their network and their database.

Dolph Goldenburg: Say you've got a board member who knows someone at a family office and you reach out to them and ask for some advice. Once you get that advice, what are some next steps in building and developing the relationship with the family office?

Ranlyn Tilley Hill, J.D.: First, the type of advice I think is also critical. When we meet first with someone who's involved in the family office space or family foundation or donor-advised fund all relating to the family office, I asked them what trends they see in their office. What are you dealing with? What obstacle is confronting you right now? I ask them what they are experiencing in terms of the family philanthropy, and then that becomes a two-way conversation and also a way for you to really understand where they're coming from. So, the second thing, once the advice has been had and you've had the experience, follow up. Follow up with them, and tell them what the application of that advice resulted in.

Follow up with them and tell them how that advice helped you overcome a hurdle or an obstacle. And when something good happens at your organization, share the news with them. I

think one of the things that nonprofits fail to do frequently enough is to actually reach out in a personal way to the people they have relationships with, probably because their bandwidth is narrow at times due to staffing and other things. If you have a key list of people that are important to you and relationships that you want to nurture, you can actually track those relationships and contact management systems or as simple as an excel spreadsheet and your assistant bothering you every Monday and saying, have you made the phone call yet?

Dolph Goldenburg: I am an interim CEO right now somewhere and actually have the development assistant sit with me once a week and give me five to 10 names with the phone number and what we're supposed to be talking about. She sits with me while I make those calls, and sometimes we have to have someone sit on top of us. Then we do it, and I get them done. Otherwise, I know myself. I know I'll probably get the names and the numbers, and towards the end of the week, I'll say, "Hey, I can do that on Monday."

Ranlyn Tilley Hill, J.D.: That's a great, great technique. It really comes out of the Stephen Covey model of focusing not just on what's urgent, but what is important. This is one of those things that is critically important because the investment that you make in a 10 to 15-minute phone call is well worth the time and effort. We don't want to come back to that person when we have a critical funding need, and it's the midnight hour. They're not going to have to goodwill. You will not have the goodwill in the bank for them to have faith in you and make the gap

Dolph Goldenburg: Right. So, let me ask you, what is the right amount of contact with the family office? Obviously, once a week is too much. What's the right amount of contact?

Ranlyn Tilley Hill, J.D.: That's also a really good question. We talk about layers of relationships and layers of connections and contacts. So, one layer of connection and contact is the in person, and that's a one-on-one for a coffee in their office. By the way, if that's available to you, whoever has the opportunity to go to the advisor's office or to go to the family office, please accept that. You will meet multiple people. They will see you, and it's much more likely that your name will come up with recognition and the name of your organization. So, that's **one** level of contact. The **second** level of contact is the email follow up to let them know about what the results were, what you were experiencing. The **third** level of contact is the e-blast that goes out from your organization or the targeted newsletter or a more personalized newsletter that goes to a shorter list of major donors, major funders, major relationships. Whether those relationships have generated funds or not, it's a relationship, and you want to contact them. So, the frequency would be probably once a quarter at a minimum in some format, and it could be as often as every other month, but we don't want to be bombarding them with email and blogs, et cetera every week. That just doesn't work for people in those positions, but quarterly contact is the minimum contact.

Dolph Goldenburg: Maybe also like, you know, inviting them to events and that kind of thing, but a very personal invite, so an actual phone call.

Ranlyn Tilley Hill, J.D.: Yes, and take advantage of it. Again, I'm going to emphasize being present. There is no substitute for being present. If there's an annual conference, for example, they might go to a national grant makers conference each year or they might go to a national conference on your cause, [inaudible] be prepared to even call the organizer and see if they are or to call them and see if you're attending. I have one contact that I've been friends with for years, and she's an advisor to family foundations, donor-advised funds and large nonprofits. When our annual conference comes up, we always see each other and spend time. I get the early bird registration, and I forward it to her and call her on the phone, "Wendy, are you going to this? I'm going. I look forward to seeing you."

Dolph Goldenburg: Yeah, it's funny you say that. Something I've discovered this year, two of the conferences that I've attended this year have conference apps, which are really kind of incredible because you can download them, and you can see everybody who has registered for the conference and opted in. You can send them direct messages before the conference, at the conference and for some period of time after it. I have found this to be incredibly useful. For example, for one organization that I work with, we knew that we wanted to find a law firm in Chicago they could partner with, and so I was able to literally just type in Chicago, see everyone who was attending the conference from Chicago and then see who were in law firms.

Ranlyn Tilley Hill, J.D.: That's an absolutely great example. [Inaudible] family office conference does that which is fantastic, and we utilize the APP, or the advisors in my office and the families that I work with utilize the APP heavily. So, it's a great way to connect. And you touched on something else: this concept of being present. People send business to people they know. People make reference to people they know. You have goodwill and credibility in yourself as a person, how you present yourself, who you are associated with. All these things increase our credibility.

Dolph Goldenburg: Absolutely. Ranlyn, we're going to take a short break, and when we come back, we're going to talk about how to leverage the relationship with the family office after you're getting money from the philanthropists.

Ranlyn Tilley Hill, J.D.: That's great. Thank you, Dolph.

Dolph Goldenburg: This is episode 100-something of the podcast. I know that I've said this probably well over 100 times that the podcast is produced by the Goldenburg Group as part of our mission to provide board development and strategic planning and transition leadership to help nonprofits thrive in a competitive environment.

In fact, it just rolls off my tongue now, but guess what? I will stop saying this very soon. The reason is that we are going to be rebranding the Goldenburg Group. The Successful Nonprofits™ Podcast will continue to come to you every week with the same thought-provoking conversations, but it will do so under a new brand name. We're all about making life easier, and this should help. The Successful Nonprofits™ podcast will now be produced by Successful Nonprofits™. The brand update is underway. I think this episode is probably going to air toward

the end of 2018, but if you're hearing this in 2019 or beyond, we are probably already through the brand update. Thanks again for continuing to be a loyal listener of the Successful Nonprofits™ Podcast.

Welcome back to our conversation with Ranlyn Tilley Hill about family offices. Ranlyn, let's assume you've gotten not just your first but your second check from the philanthropists that the family office represents. How do you leverage that relationship?

Ranlyn Tilley Hill, J.D.: Again, I'm going to go back to being present and treating it as a relationship and communicating. Communication is huge. When I speak with family foundations, when I speak with major donors, when I speak with advisors to donor-advised funds, they all tell me the same thing that they want from the people to whom they're giving money from the organizations to whom they're giving money. They want to have meaningful communication that is clear, and they want to know what the impact is of their funds. So, when the second check is received, this may be part of a multiyear or multi-quarter, or it may be the second year of funding. What I would like to see nonprofits share with the family office advisors, so the family office, family foundations, etc., is to share with them what the impact is of the funds that they're receiving, any obstacles that they're having and how they're evaluating themselves and to be able to do that in a really clear and concise way.

So, one of the tools that we've seen utilized successfully and that has been extremely well received from the family foundations that we work with, through related family offices, is to utilize illustrated graphs on infographics that have on one sheet of paper a very simple summary. This is the number of people served. These are the areas in which we're serving. This is what the trend is. We're up or down in this area, and then to give demonstration of the impact, that they've moved 30,000 people from homelessness into transitional housing, that they had assisted in the spay and neuter 5,000 animals across the country. Not only have done that, but they have built alliances, so they're more, free spay and neuters and how that has ultimately reduced animal overpopulation in the community. Those are the types of things we'd like to see. Those are reporting pieces that can be done voluntarily or per the reporting that's required by the organization, but the personal contact part of just picking up the telephone and sharing with them a piece of good news or sharing with them an opportunity to attend an event or sharing with them an obstacle that you're confronting and asking for their advice... Again, the ability to actually have communication and ask for advice and not for money can be very valuable.

Dolph Goldenburg: How else can you leverage the relationship? Let me throw one thing out there that I think about. A funded organization could approach the family office and say, "With your help and advice. We've been very successful at redesigning our homeless to housing project. So, we'd love to co-present with you at a family office conference."

Ranlyn Tilley Hill, J.D.: That's over-the-top fantastic. There is something going on in the family foundation sector right now, and a fantastic report was given by the National Council for Responsive Philanthropy. Their report is called *Power Moves*, and it is all about how the family office, family foundation, advisors to the donor-advised funds collaborate with a nonprofit and

share power. There are two big trends in emphasis going on right now. One of them is the sharing of power, and one of them is the wielding of power. The example that you gave illustrates both. By partnering with a nonprofit to go to a conference that is important to both of them and to co-present about how their partnership has worked, you're putting the nonprofit and the family foundation, the other family office on a level playing field. You are treating them as peers, and that is a form of sharing power and even wielding power.

Another example of wielding power and engaging the family office through philanthropy is to ask members of the family to sit on the panel with you. A **third** way to do that would be to add that cause-related conference or the family office via the other family foundation representatives to call out and challenge their peers to join in this cause in similar collaborative action. The fourth thing that we're staying that we like to see a lot. We have one family foundation that openly encourages the nonprofits that they fund to come forward and share with them opportunities that they know of to fund other nonprofits that are high quality in their program and service delivery or that they are collaborating with, and this is something that's kind of scary for nonprofits. Oh my gosh, the pie might only be for a small family office family foundation. The pie might only be 10 million a year, might be only 3 million a year. I don't want to give away my piece of the Pie. How we overcame that obstacle with by the Family Foundation, assuring them that the assets are growing, that they are actively looking for organizations. They don't find one organization forever, although they definitely do repeat funding.

Dolph Goldenburg: Do family offices talk to each other? I know family foundations talk to each other but do family offices talk to each other? For example, my one family office says, "Wow, we just worked with ABC nonprofit, and they were amazing," or the corollary, "We just worked with ABC nonprofit, and they were a nightmare."

Ranlyn Tilley Hill, J.D.: Family offices and the family foundations absolutely do talk to each other. They are attending the same conferences in the same networking. When you talk about an established family office, a family office that is working with intention. There are family offices that are not working with as much intention, and their focus may be more separated. They might be siloed so that it is less likely that they're going to have this conversation. The family office representatives, advisors, participants, officers, the people who are running the businesses and running the money are highly engaged most frequently in conferences related to their field of financial wealth and/or to interacting and networking with other family offices. Then, I go back to [LEDO] as an example. They do an extreme amount of education throughout the year across the country in opportunities for family office members, family office participants to come together and hear what the trends are, what the obstacles are, how they're overcoming it.

Dolph Goldenburg: Nice. Well Ranlyn, thank you for joining us today. I'm not going to let you go just yet because we have an Off-the-Map question for you. When reading your bio, I believe I noticed that you're a great admirer of the British Prime Minister Winston Churchill. And so, my question for you is, what is your favorite Churchill quote or story and why?

Ranlyn Tilley Hill, J.D.: My favorite Churchill story is really the story of Dunkirk. There are many glib and extremely clever quotes attributed to Winston Churchill, but what I admire most about him was his fortitude and his ability to look at what appeared to be an absolutely impossible situation. You had tens of thousands of soldiers on the other side of the channel at Dunkirk and had to find a way to get them across the channel and save their lives. He did that through the most grassroots way possible. He called out volunteers. And so, long shore men, men with boats, with fishing boats, yachts, made it across the channel, risked their lives and brought men back.

Dolph Goldenburg: And not just to save the day, but really save to the British army and enabled Britain to still defend itself and, eventually, for the West, for us, to win the war.

Ranlyn Tilley Hill, J.D.: Absolutely, it's that fortitude. It's that ability to have vision. It's that ability to look at what appeared to be an absolutely disastrous, horrific and impossible situation and somehow see that there was a way to get through and not only get through but to build for the future.

Dolph Goldenburg: I love the fact that that was the story you wanted to share about Churchill because I think so often nonprofits are kind of in that space where they face a really daunting challenge. It's a different scale. You know, you're not talking the annihilation of an army and maybe a nation, but nevertheless, sometimes nonprofits find themselves in a really daunting space, and they have to find the backbone to say, "We are going to make it through, and we're going to have to have an all hands on deck and ask everybody to do what's necessary."

Ranlyn Tilley Hill, J.D.: That's absolutely it. Never give up. Never give up. Never give up.

Dolph Goldenburg: I love it. Thank you. Ranlyn, thank you so much for joining us today. It has been a pleasure chatting with you. Now, I want to make sure that our listeners can find you. We're going to link to your LinkedIn page at our website www.successfulnonprofits.com, but I also want listeners to go to www.benevolentvision.com. The Benevolent Vision website is awesome. Be sure that you check out its diversity of articles on issues ranging from budgeting to organizational culture. It is well worth a visit. In addition, Ranlyn is also offering a 30-minute thinking partner session on an issue that you or your organization is addressing. So, listeners, this is a great freemium, and I encourage you to take her up on this offer. When you call Ranlyn, be certain to mention that you heard about this offer through our podcast. I don't get anything out of it, but it would certainly make me feel good to know that Ranlyn's appearance on the podcast generated some calls for her as well. Hey Ranlyn, thank you so much for joining us.

Ranlyn Tilley Hill, J.D.: Thank you, Dolph. It's really been a pleasure.

Dolph Goldenburg: Have you been listening to this episode while you woefully consider the state of your family office where you cannot get your hands on even a pen or paper to write down Ranlyn's contact information? Dear listener, you have nothing to worry about because as you can expect, all of the contact information will be in the episode's show notes www.successfulnonprofits.com. Ranlyn really got me thinking about ways that nonprofits can

connect to family offices, and I really now going to start to brainstorm some ways and try to think through some ways that organizations that I work with can better connect with family offices. What are your takeaways from the episode today? I hope that you'll share them with me on email, social media, or somewhere, and while you're online sharing those with me, I also hope that you will rate and review the podcast on iTunes, Stitcher or your streaming app of choice. That's our show for this week. I hope you have gained some insight to help your nonprofit thrive in a competitive environment.

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