



The Catalysts Framework™

UNDERSTANDING WHAT DRIVES CHANGE
IN ULTRA-HIGH-NET-WORTH FAMILIES

AUTHORED BY: **Tom McCullough**, *Managing Director, Thought Leadership and Strategy*
Jim Grubman, Ph.D., *Family Wealth Consulting*

INTRODUCTION

Families Rarely Change Without a Reason

Most ultra-high-net-worth (UHNW) families don't suddenly decide to make important changes out of the blue. No one wakes up one morning and, for no reason whatsoever, says, "You know, it would be great fun to completely rethink the role of our advisors and redesign our governance structures."

Change usually begins because something has happened or is going to happen. Sometimes the trigger is dramatic and highly visible: A founder dies unexpectedly, a business receives an acquisition offer, a family member gets diagnosed with cancer. Other times, the catalyst is quieter, more gradual. Staffing complexity slowly proliferates like an untended garden. The family's Rising Generation grows passive and disengaged from the foundation board they are meant to take over. A family branch learns about modern approaches to old problems and starts to press for change.

Disruptions can be precipitated by uncertainty, transition, crisis, or even new opportunities and fresh eyes on embedded systems.

The UHNW Institute refers to these common, often predictable points of inflection as catalysts – those natural events and pressures that force families to revisit decisions, reassess priorities, and redesign systems.

The Catalysts Framework™ emerged from years of observing how wealthy families evolve over time and how their advisory relationships evolve alongside them. It is a practical model for understanding what drives change in family systems and why integrated advice becomes increasingly important as complexity grows. It is yet another piece of the broad architecture of integrated family wealth management within The UHNW Institute ecosystem.



What Is a Catalyst?

A catalyst is any transition, disruption, realization, pressure point, or evolving condition that materially changes the needs, risks, priorities, structures, relationships, or advisory requirements of a wealthy family system. Catalysts are the crucial first step in which real world events eventually lead to the advisory firms who serve UHNW families, as in this sequence:

CATALYSTS → TEN DOMAINS → AIM FRAMEWORK → ADVISORY BUSINESS MODELS

Specifically:

1. The initial tipping point is when one or more catalysts precipitate, uncover, or expand awareness of the needs of the family.
2. The needs of the family must be handled across multiple domains of the family's life with wealth, often calling for new service projects or adaptations of current services.
3. Managing those projects requires coordinated processes of assessment, implementation, and monitoring in reliable, repeatable, and accountable patterns of service delivery.
4. Finally, those processes must in turn be designed and delivered by well-chosen advisory firms capable of providing integrated services effectively.

The Catalysts Framework spotlights the beginning of the client journey. It categorizes the many energizing or instigating factors that move a family from relative stability into necessary periods of transition, reassessment, and, at best, adaptation.

Understanding catalysts is important because family systems evolve continuously across generations; they are dynamic rather than static. Relationships change, ownership structures expand, assets become more diverse. Geographic complexity increases. Family members develop different values, priorities, and expectations. Dissatisfaction with fragmented advisory relationships slowly builds until the family begins reconsidering its entire advisory structure. Simultaneously, the external world continues changing around the family through regulation, technology, politics, economics, and culture.

In essence, catalysts are not anomalies. They are normal features of multigenerational wealth. Handling catalysts well, however, requires a level of coordination and skill that only integrated services can provide.

The Four Major Categories of Catalysts

*The UHNW Institute identifies four broad categories of catalysts commonly affecting wealthy families and their advisors: **External and Environmental Catalysts, Family Catalysts, Advisory Catalysts, and Wealth Catalysts**. These categories provide a useful structure for understanding the many forms that change can take within family enterprise systems.*

EXTERNAL AND ENVIRONMENTAL CATALYSTS

Some catalysts originate largely outside the family's control. A new political regime may impose constraints or provide opportunities that did not exist before. Economic instability, sharply increased or decreased inflation, geopolitical uncertainty, tax law changes, and regulatory shifts can all force families to reassess existing assumptions and structures, even the jurisdiction in which they choose to reside. Technological disruptions, cybersecurity threats, public health crises, and changing societal equilibrium or expectations all may require responses by the family enterprise or its advisors. Some external factors may force re-evaluation of the viability or strategic direction of the family's operating businesses or investments.

These catalysts are particularly important because they often reveal whether the family possesses sufficient adaptability, resilience, and governance capability to navigate uncertainty effectively. Periods of external disruption frequently expose weaknesses that remain hidden during more stable times. Families may discover that decision-making authority is unclear, communication systems are fragmented, or trusted advisors are not coordinating effectively with one another.

External catalysts therefore tend to test the quality of the family system itself. Even though the catalyst originates outside the family, the response becomes deeply internal.



FAMILY CATALYSTS

Many of the most consequential catalysts are inherently human rather than financial. Births, deaths, marriages, divorces, health crises, addiction issues, geographic dispersion, family conflict, leadership transitions, and changing values can fundamentally reshape a family enterprise system. Long-planned ownership transitions across generations often reshape families by changing those who are sitting at the table making decisions. These natural life events often reveal the limitations of purely technical advisory approaches.

A trust structure may be legally sound while being emotionally unsustainable. A governance system may appear efficient to the elder generation while excluding younger generations from meaningful participation. A philanthropic structure designed entirely around a founder's priorities may gradually lose relevance for future generations. A family member or branch may learn of new or better strategies from a professional conference and bring fresh perspectives back for discussion by the family council.

Family catalysts remind advisors that wealth management is ultimately about people, not simply assets. The family itself remains the central enterprise.

ADVISORY CATALYSTS

A distinctive aspect of the Catalyst Framework is the recognition that the advisory system itself can become a trigger for change, either positively or negatively.

Many wealthy families begin reconsidering structures not because of external crises or a major family event but because their longstanding advisory team no longer fits the family. Trusted advisors retire, service quality suffers, coordination weakens or becomes ossified. Particularly at times of rapidly changing business environments, consolidation or merger of smaller firms by larger ones – so desired by firms themselves – can impact client relationships and the client experience itself. The capabilities of an existing or altered team fail to keep up with the family's complexity, values, or preferences. Family members begin questioning whether anyone truly understands the whole picture or is capable of managing it. Worse, trust gets broken and is not fully repaired.

Sometimes a family encounters a new advisor or firm capable of articulating a more integrated model. Suddenly, the family realizes that it has accumulated many specialists but very little coordination. This moment is often transformative. It shifts the family's focus away from isolated technical problems and toward broader questions of integration, communication, governance, and leadership.

In many respects, advisory catalysts are what often propel families toward integrated family wealth management.

WEALTH CATALYSTS

Bridging the family and the advisory system is what brought them together in the first place – management of the wealth. Wealth catalysts are among the most visible transitions affecting families because they often involve substantial financial consequences, technical complexity, and human impact.

Many things can happen to the wealth itself. Planned or unexpected liquidity events, major inheritances, disruptions to highly concentrated stock positions, significant investment gains or losses, philanthropic asset growth or spend-down, even fraud and security breaches can all require serious re-evaluation on the part of the family and the advisory system. Successful cross-border expansion of a business, changes in trust structures that release significant funds to beneficiaries, and changes in ownership structures also fall into this category.

Yet one of the most important observations underlying the framework is that wealth catalysts are rarely purely financial events. They impact both the family and advisory sides of the model. A business sale may dramatically alter family identity, governance requirements, investment complexity, philanthropic opportunities, leadership structures, and next-generation expectations.

Families that once organized themselves around operating businesses suddenly find themselves managing financial capital instead. The skills required to create wealth are not necessarily the same skills required to steward multigenerational wealth. Plus, a small team of advisors adept at managing modest liquidity alongside a significant family business can suddenly find themselves in over their heads with a now-massive investment portfolio.

In many cases, liquidity increases optionality while simultaneously increasing complexity. This is one reason why major wealth transitions often become moments of profound vulnerability as well as opportunity.



Why Catalysts Matter

SILOED SERVICES VERSUS INTEGRATED MANAGEMENT

An important insight into the Institute's work is that families do not experience catalysts in isolated professional silos. They experience them as interconnected multidimensional events, creating and compounding the complexity of their lives:

- A business sale is not merely an investment issue.
- A health diagnosis is not merely a medical issue.
- A governance breakdown is not merely a leadership issue.
- A cross-border move is not merely a tax issue.

Catalysts bring forward the multitude of needs that an UHNW family has across time and situation. Those needs have been well-defined by the Institute's first major model: the Ten Domains of Family Wealth™:

A liquidity event may trigger governance questions, family conflict, investment restructuring, philanthropic discussions, tax planning, and next-generation educational needs all at the same time. A health problem may simultaneously affect leadership succession, trust structures, caregiving responsibilities, ownership control, and family communication.

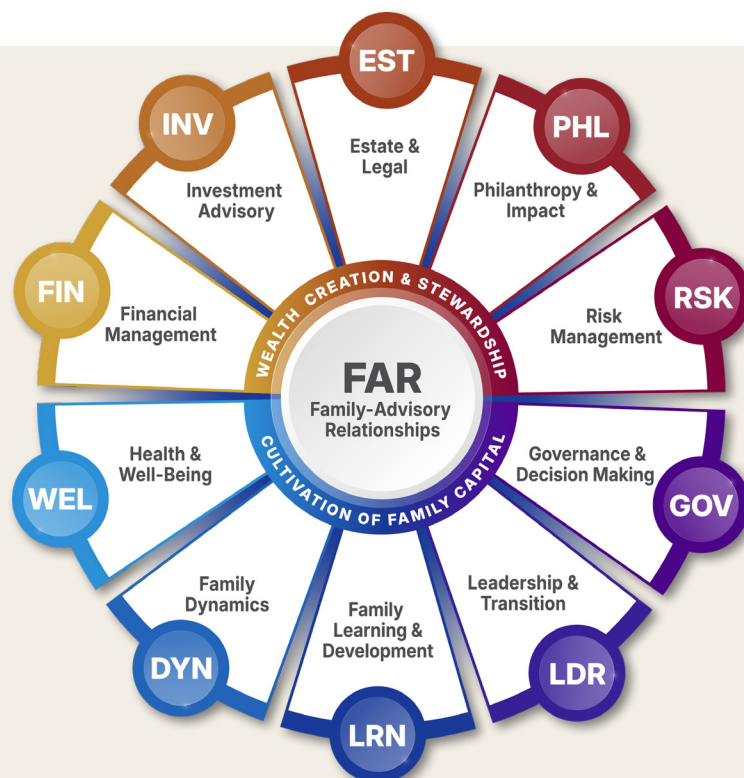
The challenge is not merely technical complexity. Wealthy families rarely suffer from a shortage of specialists who are technically brilliant at their jobs and oriented to their

particular domain of training and expertise. Although each specialty remains critically important, the problem is that families do not experience their lives in neatly discrete categories. Life typically changes in messy and often unpredictable ways all at once, impacting multiple domains.

What families often lack is coordination. Unless someone in the family is highly adept at quarterbacking its many advisors and specialists, families usually assume someone on the advisory side is coordinating the overall picture. All too often, nobody is. The consequence is usually fragmentation, not necessarily catastrophic failure. But without anyone keeping track of the whole system, things can easily get out of hand. Advisors unintentionally duplicate work, overlook interdependencies, or make recommendations that solve one issue while creating another elsewhere. Estate plans created long ago fail to reflect evolving family needs and values.

Catalysts are typically the moments when these weaknesses become visible. They expose those interconnected needs that require coordinated advisory processes across multiple domains. Handled poorly, catalysts create confusion, conflict, and reactive decision-making. Handled well, they become opportunities for alignment, education, redesign, and renewal. Given the natural complexity of UHNW family wealth, the quality of integration often becomes more important than the brilliance of any individual specialist.

THE TEN DOMAINS OF FAMILY WEALTH™



The Spencer Family

A CASE STUDY IN COMPOUNDING CATALYSTS

The Spencer family illustrates how catalysts emerge and interact within a multigenerational family enterprise system:

James and Anne Spencer built substantial wealth through a successful operating business over several decades. Along the way, the family accumulated a wide range of assets, entities, advisors, and structures. They developed trusts, investment portfolios, insurance arrangements, private investments, philanthropic interests, and multiple banking and advisory relationships.

From the outside, the family appeared highly successful and well organized. Internally, however, complexity was beginning to outpace coordination.

The family was simultaneously confronting several emerging catalysts. Questions were arising around estate planning and international issues connected to one adult daughter's family relationships abroad. The family was struggling with communication and decision-making regarding wealth. Philanthropic interests were growing but lacked a clearly articulated long-term strategy. James and Anne were beginning to think more seriously about aging, health concerns, retirement, and relocation.

At the same time, several potentially significant new catalysts were emerging. The Spencers' older daughter was considering joining the family business but without the necessary conversations that might make this successful. Discussions about a possible sale of the company had begun to surface. The family was contemplating how it would manage substantial liquidity if the business were sold. Concerns also existed regarding the health and well-being of the Spencers' youngest son, age 32.

None of these issues existed independently. The possible business sale was not simply a transaction; it represented a transformation of the family enterprise itself. The family's identity, governance structures, investment complexity, leadership roles, educational priorities, philanthropic possibilities, and advisory requirements would all change simultaneously if the company were sold.

At the same time, the family's advisory structure was becoming increasingly fragmented. The Spencers had capable specialists in many areas, including tax, accounting, investments, estate planning, banking, insurance, and transaction advisory work.

What they lacked was integration. No individual or firm clearly owned responsibility for coordinating the broader system. No one was helping the family connect governance decisions to investment implications, or philanthropic goals to succession structures, or family dynamics to leadership planning. As catalysts compounded, the limitations of the existing advisory structure became increasingly visible. The Spencers' many catalysts were naturally pointing to their proliferating needs across multiple generations, the very essence of the Ten Domains of Family Wealth Model™ developed by The UHNW Institute.

Eventually, the family began asking a fundamentally different question. It was not: "Which specialist do we need?"

It was: **"How do we pull all of this together?"**

That shift marked the beginning of the family's movement toward a more integrated approach to family wealth management.

From Catalysts and Needs to the Advisory System

Recall that Catalysts are the crucial first step in which real world events eventually lead to the advisory firms who serve UHNW families, as in this sequence:

Catalysts → Ten Domains → AIM Framework → Advisory Business Models

The impact of catalysts in revealing and highlighting the many needs of the family are now clear. The next steps in the sequence are the connection to the AIM Framework™ and the Institute's vision of the Advisory Business Models that ultimately are responsible for service delivery.

CATALYSTS AND THE AIM FRAMEWORK™

The AIM Framework™ provides a practical structure for understanding how advisory work unfolds once catalysts emerge. It is the next piece of the puzzle in how families are served by their advisors.



The framework organizes advisory activities into three broad phases: **Assessment and Goal Setting, Strategic Design and Implementation**, and **Monitoring and Administration**.

Catalysts frequently serve as the triggers that initiate or renew this cycle, initiating a comprehensive assessment of what may be required.

For example, after many years of relative equilibrium, a major liquidity event may force a family into a new phase of discovery, assessment, and goal setting across multiple domains. This process may potentially (and optimally) involve re-assessment of the governance, estate planning, risk, investment strategy, philanthropic, and educational needs of the family. As a result of carefully integrated planning, the family's advisory team then would shift into building the new or revised structures and processes that implement the goals that were established. This implementation phase may remake many of the family's financial, governance, and other systems in light of the new needs and strategies the family now has.

Once the family's systems are created or upgraded, the third phase — monitoring and administering each structure, process, and system — proceeds, usually over long periods of time. Systems are fine-tuned, problems are sorted out, family members are educated in their new procedures and services, risks to the system are carefully monitored. This continues until new catalysts emerge that require significant redesign and reassessment.

The AIM Framework™ reinforces an often-overlooked though critical idea: family wealth management is never truly linear. Families evolve, circumstances change. Structures that once worked effectively may eventually become outdated. The advisory process must therefore remain dynamic rather than static. The work must be cyclical.

CATALYSTS AND ADVISORY BUSINESS MODELS

The Advisory Business Models work under development by The UHNW Institute adds the next important dimension to the framework.

Different firms possess very different capabilities when it comes to managing catalyst-driven complexity. Some firms function primarily as specialists, designed primarily to solve complex technical issues within one or more domains of expertise. Other firms operate with broader interdisciplinary capabilities and more sophisticated integration systems. They act as hubs coordinating multiple internal and external experts.

Many wealthy families eventually discover that complexity itself becomes the primary management challenge. The family is no longer struggling because of the difficulty of individual technical decisions. Instead, the family struggles because too many moving parts exist simultaneously without sufficient integration.

As family complexity increases, therefore, the quality of integration often becomes more important than the depth of any single specialty. This does not diminish the importance of technical expertise. Rather, it highlights the growing importance of coordination, sequencing, communication, prioritization, and strategic oversight.

Catalysts are often the moments when families first recognize this distinction. They begin to shift from specialist-driven siloed services to integration-led coordination and collaboration. This leads to a search either for the first major advisory firm that will fit the family's needs or, in many cases, shedding a set of advisors that no longer fit in favor of a model that better fits the family's future.

THE ROLE OF THE INTEGRATED ADVISOR

When multiple domains are affected simultaneously, families need someone capable of understanding interdependencies, coordinating specialists, facilitating communication, sequencing decisions, and helping the family maintain clarity during periods of transition. The central role of the **integrated advisor** emerges naturally from the Catalysts Framework.

This role has sometimes been described as similar to an air traffic controller, a general contractor, or the primary care physician within a complex medical system. The underlying principle remains the same. As family systems become more complex, integration itself becomes a critical professional capability.

The integrated advisor does not replace technical specialists. Rather, the integrated advisor helps ensure that specialists operate within a coordinated framework aligned with the family's broader objectives, values, governance structures, and long-term continuity goals. It is when catalysts occur that families often discover whether this capability truly exists within the advisory system they are counting on.



Catalysts Are Neither Interruptions Nor Distractions. They Are the Work.

Wealth complexity is rarely static. Families evolve continuously across generations. Relationships shift, structures age, risks emerge unexpectedly, new opportunities appear. New family members arrive with different assumptions, priorities, and aspirations. The external environment continues changing around the family through economics, technology, regulation, politics, and culture.

The question is not whether catalysts will occur. In this environment, catalysts are inevitable, even necessary.

The deeper question is whether families and advisors possess the structures, relationships, governance systems, and integration capabilities necessary to respond thoughtfully when they do. Handled poorly, catalysts create fragmentation, confusion, conflict, and reactive decision-making. Handled well, they become opportunities for alignment, learning, renewal, adaptation, and continuity.

Some advisors see catalysts as distractions and disruptions to the neatly contained, stable business of routine wealth management. The best advisors understand that their role extends beyond solving isolated technical problems. Their role is to help families build robust systems capable of adapting intelligently as complexity evolves over time. Catalysts are not interruptions to the work of family wealth management.

They are the work.



About the Authors

Tom McCullough, *Managing Director, Thought Leadership and Strategy*

Tom McCullough is Managing Director of Thought Leadership and Strategy at The UHNW Institute. He is also a Partner at Corient and the Founder and Chairman of Northwood Family Office.

He is a frequent speaker on issues relevant to families of wealth and is the co-author of three books — *Wealth of Wisdom: The Top 50 Questions Wealthy Families Ask*, *Wealth of Wisdom: Top Practices for Wealthy Families and Their Advisors*, and *Family Wealth Management: 7 Imperatives for Successful Investing*.

He is an adjunct professor and executive-in-residence at the University of Toronto's Rotman School of Management, a member of the Editorial Board of the *Journal of Wealth Management*, and a member of the board and faculty of the Ultra High Net

Worth Institute. He was awarded 'Best Individual Contribution to Thought Leadership in the Wealth Management Industry (North America)' at the 2020 Family Wealth Report Awards.



Jim Grubman, Ph.D., *Family Wealth Consulting*

Dr. Jim Grubman is an internationally recognized consultant to families of wealth, family enterprises, and the wealth advisory industry. Dr. Grubman has been honored with the 2024 *Lifetime Achievement Award* by the Family Wealth Report and the 2024 *Richard Beckhard Practice Award*, the Family Firm Institute's premier award for practitioners.

He is the author of the renowned book, *Strangers in Paradise: How Families Adapt to Wealth Across Generations*, and co-author of *Wealth 3.0: The Future of Family Wealth Advising* (with Dennis Jaffe and Kristin Keffeler) and *Cross Cultures: How Global Families Navigate Change Across Generations* (with Dennis Jaffe) along with multiple other publications.

Dr. Grubman is a senior leader in The UHNW Institute, an industry think tank, and is a Fellow of the Family Firm Institute and Purposeful Planning Institute as well as a retired member of STEP, an international trusts-and-estates organization. He is based in Boston, Massachusetts, USA.

