



Institutional Adaptation and Evolution of Services in Colombian Single-Family Offices: Analysis of Multiple Cases

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Abstract

This research analyzes how Single-Family Offices (SFOs) adapt their service models in response to complex Institutional pressures in developing countries such as Colombia. Qualitative multiple case analysis allowed us to explore the interaction between institutional factors, preservation of family socioemotional wealth, and organizational capacity building. Findings show distinctive patterns in the evolution of services, where regulatory and fiscal pressures, combined with specific critical events, act as drivers of change. The study contributes to institutional theory and family office literature by demonstrating how these hybrid entities adopt diverse institutional logic while maintaining the family essence in markets, such as Colombia.

Keywords

Family office; Colombia; institutional theory; socioemotional wealth; wealth management.

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Adaptación institucional y evolución de los servicios en las oficinas familiares unifamiliares colombianas: análisis de múltiples casos

Resumen

Esta investigación analiza cómo las oficinas familiares únicas (SFO) adaptan sus modelos de servicio en respuesta a las complejas presiones institucionales en países en desarrollo como Colombia. El análisis cualitativo de múltiples casos nos permitió explorar la interacción entre los factores institucionales, la preservación del patrimonio socioemocional familiar y el desarrollo de la capacidad organizativa. Los resultados muestran patrones distintivos en la evolución de los servicios, en los que las presiones normativas y fiscales, combinadas con acontecimientos críticos específicos, actúan como motores del cambio. El estudio contribuye a la teoría institucional y a la literatura sobre oficinas familiares al demostrar cómo estas entidades híbridas adoptan una lógica institucional diversa al tiempo que mantienen la esencia familiar en mercados como el de Colombia.

Palabras clave

Oficina familiar; Colombia; teoría institucional; riqueza socioemocional; gestión patrimonial.

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1. Introduction

Single Family Offices (SFOs) are hybrid organizations, where family customs and pressures of global market modernization are integrated, producing unique dynamics of institutional adaptation. Its transition from conventional structures of wealth management to multifaceted entities shows financial changes that combine with the most relevant needs and expectations for homeowner families. ([Rivo-López, Villanueva-Villar, Vaquero-García and Lago-Peñas, 2017](#); [Fernández-Moya and Castro-Balaguer, 2011](#)).

Literature has documented the function of family offices in developed markets extensively ([Block, Fathollahi and Eroglu, 2019](#); [Schickinger, Bertschi-Michel, Leitterstorf and Kammerlander, 2022](#)), but not so in emerging markets where there is wide gap to be addressed, especially in light of their adaptive capabilities in dynamic environments. Even though previous studies have examined specific dimensions such as capital structures ([Block, Fathollahi and Eroglu, 2024](#)) or personal services ([Rivo-López et al., 2020](#)), we lack a comprehensive theoretical framework to explain how these organizations adapt to complex institutional environments without losing their identity.

Development of FOs in Emerging Contexts

Family Offices (FOs) in developing markets have followed different paths in accordance with their local institutions. In Latin America, the institutionalization of FOs is a result of the intertwining of family customs and the influence of the financial market ([Fernández-Moya and Castro-Balaguer, 2011](#)). For example, there is Brazil in the 1990's, when it began to formalize the sector, it promoted economic stabilization and professionalized family wealth management ([Orth, Macagnan and Zani, 2014](#); [Rosplock and Hause, 2014](#)), in a process that continues to progress towards more advanced models of financial family education ([Orth, Macagnan and Rossetto, 2023](#)).

The sophistication of these financial services for high-net-worth individuals, has been documented on a global scale ([Beaverstock, Hall and Wainwright, 2013](#)), with specific features for Latin America ([Rivo-López et al., 2017](#)). This evolution contrasts with the progress observed in other emerging economies. While in Asia, growth was promoted through the rapid accumulation of wealth and internalization of investments ([Liu, 2023](#)), in Latin America, the process focused on the conservation of trans-generational legacy and management of complex family relationships ([Amit, Liechtenstein, Prats, Millay and Pendleton, 2008](#); [Martinez and Tapia, 2023](#)).

The history of FOs in Latin America also reveals an adaptive answer in response to the reoccurring economic crisis of the region. In the last decade, these entities have acquired advanced risk management capabilities and global diversification ([Molly, Uhlaner, De Massis and Laveren, 2019](#)), which provides them with an advantage over their competitors accustomed to prioritizing only the local investment administration ([Wessel Decker, Lange and Hack, 2014](#); [Decker and Lange, 2016](#); [Kozinska, 2021](#)).

The institutionalization of the region has also been promoted by generational transitions in business families. In contrast with Europe, which usually follows more organized generational transition models ([Zellweger and Kammerlander, 2015](#)), Latin American SFOs have developed mixed approximations that merge international practices with local cultural sensibilities ([Suess-Reyes and Fuetsch, 2016](#); [Suess-Reyes, 2017](#)).

FOs in Colombia

In Colombia, the evolutionary process of SFOs has gone through unique moments in institutional terms, such as recurring tax reforms, political instability and a constantly changing legal framework ([Granger, Hernández, Ramos, Toro and Zárate, 2018](#)). This context proposes unique challenges for business families looking forward to developing effective systems of wealth management and transfer throughout generations.

This research explores how Single-Family Offices (SFOs) have adapted to complex institutional changes in Colombia. Using a qualitative multiple case study, we explore the following investigation questions:

How do Colombian SFOs respond to institutional pressures from their Environment?

What factors promote the evolution of their service models?

How do they balance the conservation goals of socioemotional wealth with the needs of professionalization and adaptation to the environment?

This research contributes to the field of family business studies and family offices in three main dimensions: empirical evidence on the development of SFOs in emerging economies; incorporates theoretical dimensions of institutional theory and socioemotional wealth to account for their adaptation processes; and recognizes the singular evolutionary patterns that would inform professional practice and future investigation in the field.

2. Theoretical framework

Changes of SFOs can be analyzed from the perspective of two complementing theories: the institutional theory and the focus on socioemotional wealth (SEW).

Institutional Theory and Family Offices

Institutional theory has the capacity to offer the analytical framework to the approach by [DiMaggio and Powell \(1983\)](#), in which the organizations face coercive, mimetic and normative isomorphic pressures. Within the framework of the SFOs, these can originate in social expectations, in the financial normative framework or in tax modifications. [Scott \(2008\)](#) highlights three fundamental institutions - regulatory, normative and cognitive - which influence the legitimization processes of an organization. Not only is it necessary that SFOs comply with legal requirements, but they must also adjust to social norms on wealth planning and cultural expectations concerning the role of family wealth. This is where the term institutional "embeddedness" by [Granovetter \(1985\)](#) is key to analyzing how SFOs move simultaneously within different institutional logics, as are family culture, the financial market and the local regulatory environment. This range of arguments creates unique tensions that SFOs must negotiate as they develop their organizational capabilities.

Socioemotional Wealth and Family Offices

The socioemotional wealth (SEW) perspective emphasizes particular characteristics of family organizations in which non-financial goals influence strategic decisions ([Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson and Moyano-Fuentes, 2007](#)). According to [Berrone, Cruz and Gómez-Mejía \(2012\)](#), the SEW can be operationalized with five observable dimensions, such as family control and influence, identification of the business members, social relationships, emotional attachments and renovation of family ties. In SFOs, these dimensions can be demonstrated by prioritizing family control above over investment decisions, preserving legacy, or structuring services that strengthen family unity.

Prior studies have documented the effect of family property over organizational innovation ([Decker and Günther, 2017](#)) and how the perceptions between generations affect the way that wealth is managed ([Welsh, Memili, Rosplock, Roure and Segurado, 2013](#)). But more investigation is needed to further understand how SFOs negotiate financial and socioemotional objectives simultaneously in response to institutional pressures of change.

Evolution of Services in Family Offices

The services offered by the SFOs have gone beyond limiting themselves exclusively to traditional investments to having a much wider variety of products and services. [Amit et al. \(2008\)](#) found that family offices in advanced markets tend to evolve towards more advanced models that include wealth planning, legal, tax, and administrative services. But this evolutionary trajectory could contrast with developing markets due to differences in institutional contexts and family expectations.

[Zellweger and Kammerlander \(2015\)](#) affirm that Family Offices are mechanisms that help reduce agency conflicts in family businesses, aligning their members interests with wealth planning. This capability becomes relevant in contexts, such as in the Colombian context, where the formal institutional channels are weak, and require an increase in alternative mechanisms for wealth protection.

Hypotheses and Theoretical propositions

Based on literature review on institutional theory, on socioemotional wealth and family offices, a conceptual model is developed, which integrates institutional pressures, family objectives and organizational development of SFOs in emerging markets. This model is based on the premise that SFOs are hybrid organizations that have to navigate through different institutional logics and preserve family socioemotional objectives.

Institutional theory states that organizations adapt to the environmental pressures through strategies of conformity, commitment, evasion, challenge or manipulation ([Oliver, 1991](#)). For SFOs in emerging economies, this paper proposes that reactions are mitigated by the magnitude of socioemotional wealth that the family pretends to preserve. In particular, it suggests that conservation of family control and protection of legacy influence the strategic decisions in response to regulatory and normative pressures.

Four theoretical propositions emerge from this framework that will guide the empirical analysis:

P1. Catalysts for institutional change: SFOs in emerging markets suffer structural changes during times of critical external events (economic crisis, regulatory changes) and internal (generational changes), which act as catalysts rather than as gradual processes of professionalization.

P2. Evolutionary sequence of services: Service adoption in SFOs follows a predictable route, from basic wealth protection services (legal and tax structuring) to family government services (protocols and advice) and, finally, to sophisticated investment services (venture capital and global diversification), according to the professionalization level of the SFO.

P3. Balance of multiple objectives: SFOs create forms of governance that combine professional operations management with family control of strategic decisions, solving conflicts between SEW financial and conservation efficiency with compatible decision-making structures.

P4. Differentiated response to Institutional pressures: The reaction of SFOs to institutional pressures depends on the leading generation; second and third generations tend to develop institutionalized forms of government and diversification of services, a difference with first generations.

These propositions are not proposed as a hypothesis to be verified statistically, but rather as theoretical awareness ([Blumer, 2017](#)) that guides the collection and interpretation of qualitative data, recognizing emerging patterns and being open to unexpected discoveries. The multiple-case design that we describe below was designed to systematically investigate these affirmations in real world environments.

3. Methodology

Research design

Under the qualitative approach, multiple-case design ([Yin, 2018](#); [Eisenhardt, 1989](#)) was used to explore complex phenomena in their natural context and to explore emerging theories. This approximation allowed us to capture the wealth of contextual factors and change processes of SFOs in Colombia.

A selection of cases was conducted using theoretical sampling, searching for SFOs that would represent different evolutionary stages, sizes, and ownership structures. Five Colombian SFOs were selected, all with different characteristics, which allowed us to recognize common patterns and differences in their trajectories.

Data collection

Data collection took place in the first trimester of 2025 by means of semi-structured interviews with executives and families of the selected SFOs. The interviews took place with a protocol standardized by experts, with structured questions in four dimensions:

1. Historical development and catalyst factors of change
2. Answers in response to institutional pressures
3. Services and organizational capabilities.
4. Future perspectives and concerns

Interviews, with a duration of approximately 60 minutes, were recorded, transcribed and codified according to iterative qualitative analysis procedures. A method for collecting structured data for characterization on particular elements, such as services provided, year of implementation, percentage of assets under management and evaluation of diverse institutional factors was added on the theoretical and inductive framework.

Data Analysis

Following the [Gioia, Corley, y Hamilton \(2013\)](#) methodology with an iterative coding process and thematic grouping that merged deductive coding based on the theoretical and inductive framework to capture emerging topics, an analysis was carried out within each case, and subsequently, cross-analysis between cases to detect consistent patterns and relevant differences.

In order to maintain confidentiality and protect the identity of families and participating entities, the names of the analyzed SFOs were changed in this investigation. Pseudonyms were used to preserve the essence of the Colombian context, thus avoiding the direct identification of the family owners and respecting the privacy agreements reached with the participants.

To guarantee trustworthiness, various encoders were used and crossed-checks were made of the interpretations. Triangulation methodology was used between various information sources to confirm emerging discoveries.

4. Results

[Table 1](#) provides a concise summary of the principal characteristics of the cases

Table 1.

Structural characteristics of analyzed SFOs

	Andean Investments	Emerald Group	Coffee Group	Orchid Investment Group	Gold Group
Founding Year	2009	2015	2020	2013	1985
AUM (Millions USD)	300	12	10	250	50
Number of families addressed	8	12	5	7	4
Controlling Generation	Second	Second	Second	Third	First

Continued on the next page

	Andean Investments	Emerald Group	Coffee Group	Orchid Investment Group	Gold Group
Decision Structure	Family Consensus with External Professionals	Weekly Reunion of Siblings	Investment Committee with External Advisors	Family Council names Investment Committee	Family Consensus with External Professionals. Shares Type A/B with Family Protocol
Leadership Training	Master's Degree in International Taxation	Lawyer Specializing in Corporate Law	MBA with Specialization in Finances	Specialization in Financial Administration	Specialization
Number of Family Branches	2	6	2	3	3

Note: Proprietary data.

Case 1: Andean Investments (2009)

Looking closely at Andean investments, which started in 2009 focusing on the maritime and port sector, managing some 300 million dollars for 2 branches of eight families. Its path has been full of ups and downs, driven by tax problems. As the Chief Executive Officer mentioned: “We have tried to improve the structure... optimize tax operations at the international level...the company that functioned as a holding company of everything, was in Panamá and then we opted to transfer to Spain in order to benefit from the free-trade agreements...”. All in all, it is a classic example of how external pressure obligates a company to reinvent itself without losing family control.

In Andean Investments, you see an interesting mixture: external professionals manage the day by day, but the family makes the big decisions. The manager made it very clear: “no one in the family is hired in the family office structure, we are all third parties that we have been hiring as support” and she added that “obviously up there, in the final decisions, they are there”. It is like professionalizing by layers, just as [Dekker et al. \(2015\)](#) describe it, where not everything changes like a blow, but rather step by step to maintain balance, maintaining coherence among the multiple systems.

Andino Investments followed a clear sequence of incorporation of services that initially dealt with tax pressures, such as tax services implemented in 2011 with specialized formalization to address the complexities of international structuring; followed by wealth planning (2022) with an initial incentive due to external regulatory pressures but followed by internal intergenerational planning initiatives; alternative (2019) and real estate (since early 2009) investments that reflect on the accumulation potential of the family's wealth; finally, the consolidation of asset reports, which is the most recent service, it is the evidence of an evolution towards greater transparency and managerial control.

Besides the institutional factors, such as tax modifications, which are the key drivers of organizational change in this case, generational dynamics are added, since the “second generation is close to retirement, they say they will not last one thousand years, then they become a bit more organized.” This convergence between external tax pressure and conscious of generational fragility and life itself, reflects the multiple institutional pressures that generate organizational transformation, consistent with the perspective of [Scott \(2008\)](#) on the multiplicity of institutional pillars that simultaneously affect the organizations.

Case 2: SFO Emerald Group (2015)

This SFO started by focusing on organizing and protecting the family wealth in face of real risks. A member explained it like this: “We were facing a serious property issue....Basic essentials as to how we would manage the succession, aspects such as security, being a family with a last name like ours...The risk

of going bankrupt and not losing the properties after going bankrupt, also protecting the properties from possible divorces and family disagreements.” It is like building a shield before a storm, something that is common in Colombian family businesses.

Its development had clear phases: first to put their properties in order; then build structures for their companies, collective and individual assets; and finally, strengthen the administration. They learned how to deal with lawyers the hard way: “We had hired some lawyers... and the setback at the tax level was devastating. The advice from one of the largest law firms in Colombia was really bad.” Isn’t it ironic? To trust the “experts” and end up paying dearly, a reoccurring lesson in these environments.

This case also shows the importance of having formalized structures during critical family situations, “My mother passed away a month ago. Today everything is organized...one month later, absolutely everything has been divided up and we did not have one objection...If we would have had a mess in that, it would have been absolutely impossible to achieve what we have achieved.” (Family member, Emerald Group)

Case 3: Coffee Group (2020)

Here, this SFO was born from a real crisis: “COVID was 100% of the trigger, which generated some very clear needs for cash, considering that from one month to the other we were going to have zero income or income that would not even cover the basic necessary expenses.” From one traditional real-estate agency, they quickly went to four fronts: real estate, debt, venture capital and equity. The pandemic shook them up, but it also opened doors to new investments. This case illustrates a new SFO, established in direct response to an external crisis:

“I have invested the surplus cash flow in venture capital and a little bit in equity. The first big investment made was a venture capital in batch with a third party....just like the first investment capital with an external fund.” (Family member, Coffee Group). This case shows a systematic focus on risk administration: “one’s role as a family member or director of a family department is management, risk administration. Since there are opportunities all over, risks are going to depend on what one wants to do.” (Family Member, Coffee Group)

Case 4: Orchid Investment Group (2013)

According to the CEO, “everything came together due to a strong crisis that we experienced in 2010...the original agroindustrial business suffered a major crisis due to some crop flooding, forcing us to structure a vehicle that could provide subsidies in the event of a crisis in our operating business.” This is why they began the SFO in 2013, where the family controlled the investments, but afterwards this changed: “During the first six years, the family still controlled the investment decisions.” They always opted to diversify away from agriculture and Colombia. With time, they professionalized everything with a Family council that appoints an investment committee. The CEO summarized it, “Before, it was decided by the same family members and we realized that this caused a lot of friction... to avoid this friction, there is a Family Council, with a duration of 2 years, where the people are rotated.” A useful move that separates the emotional from the strategic. Its progress reflects a gradual process of professionalization and a modification in decision making, “during the first six years, the family still controlled the investment decisions...away from the farming and out of Colombia, to the extent possible. Finally, it became more professional to count on the Family Council that selected an Investment Committee,” said the CEO.

Case 5: Gold Group (1985)

This is the oldest group, since 1985, with an adaptation process that centers on formalizing the informal. The CFO said it well: One begins by trying to be conservative with the patriarch, managing a relationship with the family, searching on how to formalize things.” It is like going from intuitive decisions to solid protocols,

something that takes decades in traditional families, but here it accelerated thanks to his gradual approach in the inclusion and education of the following generation, “the siblings begin to become involved... that in the beginning, they are very young. They complain that the father does not inform them, but when they are called to a formal reunion, they also don’t concentrate”.

This SFO has developed governance mechanisms with a clear decision-making structure that includes different classes of shares. According to the CFO, “We have type A and type B shares, meaning the decisions are still made by the leader. We have a family protocol that defines that there are some investments of a certain amount that, independently of who takes the decision, they should be commented on and defined.

Cross-cutting Patterns

Cross-cutting the five cases, surprising tendencies emerge; Colombian SFOs do not evolve in a vacuum, but rather by responding to blows by the environment. First, the catalysts of change: the SFOs in Colombia tend to be born or transformed in the face of a crisis, be they external like the pandemic or internal like successions, summarized by the Executive of Andean Investments, “the tax issue plays a crucial role.... on free trade agreement issues, corporate structure issues in other jurisdictions,” that turn a slow evolution into a forced leap by the environment. Second, the approach to asset structuring: no matter the level, all prioritize protecting assets. As in the Emerald Group: “Under those premises, we established that we had to organize the property....and that was the beginning of our Family Office.” It is like awakening an instinct of family survival.

Third, key institutional pressures: regulatory and fiscal dominate, driving changes that according to a family member of the Emerald Group: “Has generated an important development in Family Offices... when the current government began (President Petro) and the fear of people of losing everything, you cannot imagine how many of our friends that would call us to ask, what have you done?, How do you do it?, a fear of the political intentions that accelerate the whole structure. Fourth, gradual professionalization: there is a tendency to go deeper, but it varies, as in the case of the Executive director of Andean Investments: “Today, for example, we count on a more international tax consultant, because it was relevant that we obtain a greater understanding.”

Fifth, service evolution, from elemental (administration and taxes) to the complex (venture capital and globalization). Sixth, adaptation to instability: strategies for volatility, as in the Coffee Group: “We have become much more financially profitable and efficient since the election of a government that generates economic instability in the region...When one begins to generate risk management to mitigate the pandemic, the elections and weird things, you begin to generate other types of efficiencies.”

Seventh, family protocols in movement: evolve with generations like in Gold: “Now we are in the third...In the first are our small children, but establish some norms. Afterwards they were made for the intermediate age of 25, our children have already participated more. Now we are making one with our 40 year old children, who now have families.” All the patterns paint a dynamic and resilient ecosystem, but always on the border of pressure.

Comparative Analysis of Services

[Table 2](#) provides a comparison of service by case, and reveals the evolutionary patterns with common details, but unique trajectories.

Three patterns emerge from the cross-analysis of cases that go beyond the individual. First, speed of adoption: some move incrementally (Andean, Gold), Consolidating step by step; others accelerate in crisis (Coffee, Orchid), implementing everything all at once. Emerald is hybrid, rapid in protection, and gradual in government. Why? The urgency of a threat dictates the rhythm, as in consulting firms where flooding forces leaps.

Table 2.

Comparison of services between cases

Category of Services	Andean Investments (2009)	Emerald Group (2015)	Coffee Group (2020)	Orchid Investment Group (2013)	Gold Group (1985)
Management of Liquid Investments	2021	Not available	2020	2013	Not available
Alternative Investments	2019	Not available	2020	2017	2000
Real-Estate Investments	2009	2016	1964*	2013	2005
Family Planning	2022	2015	2020	2013	2007
Tax Services	2011	2015	2020	2013	2000
Asset Structuring	2021	2015	2020	2013	Not available
Succession Planning	2021	2015	2020	2013	2007
Family Protocols	No	Yes	No	Yes	No
Technology Management (1-5)**	2	3	5	3	2
Regulatory Adaptation (1-5)**	4	5	5	4	4

*Traditional family business before SFO. **Scale of 1 (low development) to 5 (high development)

Note: Proprietary data.

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Second, governance and sophistication: more formalization (Family Councils, Investment Committees, documented protocols) correlate with the diversity of services. In Orchid, after six years of family friction, the Council enabled expansions: “the decision to professionalize arose when we recognized that the direct family decisions caused a lot of friction.” It is an enabler of expanded organizational capabilities, it reduces friction, common in Latin American families, and allows for broader challenges in the scope of services.

Third, perceptions of challenges: vary by characteristics, as in Coffee, that views politics as moderate (3), while the others as challenging (5), maybe due to its birth in the crisis. Emerald qualifies family expectations as High (5), due to its six branches. It depends on the history and structure, it is not uniform.

The perception of external challenges also varies, as seen in [Table 3](#).

Table 3.

Comparison of services between cases

Institutional Factor	Andean Investments	Emerald Group	Coffee Group	Orchid Investment Group	Gold Group
Regulatory Complexity	5 (Very Challenging)	4 (Challenging)	3 (Moderate)	5 (Very Challenging)	5 (Very Challenging)
Tax Regulations	5 (Very Challenging)	3 (Moderate)	4 (Challenging)	5 (Very Challenging)	5 (Very Challenging)

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Institutional Factor	Andean Investments	Emerald Group	Coffee Group	Orchid Investment Group	Gold Group
Political Changes	5 (Very Challenging)	2 (not very challenging)	3 (Moderate)	5 (Very Challenging)	5 (Very Challenging)
Alignment of Family Interests	4 (Challenging)	5 (Very Challenging)	4 (Challenging)	4 (Challenging)	4 (Challenging)
Family Expectations	4 (Challenging)	5 (Very Challenging)	3 (Moderate)		5 (Very Challenging)

*Scale of 1 (Not challenging/important) to 5 (Very Challenging/important)

Nota: Proprietary data.

5. Discussion

Theoretical implications

This study presents three new elements to the world of SFOs in emerging markets. First, in the dialogue with [Martinez and Tapia \(2023\)](#) or [Schickinger, Bierl, Leitterstorf and Kammerlander \(2023\)](#) showing that they manage the varied institutional logics, not only simple isomorphism ([DiMaggio and Powell, 1983](#)), but also the complex answers that balance the external with the family. It answers [Suddaby \(2010\)](#), an agency under pressure, which is key in Latin America, where families not only survive, but also innovate under pressure.

Second, we extend the literature on socioemotional wealth [Gómez-Mejía et al., 2007](#); [Berrone et al., 2012](#), since SEW molds the services, especially regarding Colombian instability, where the SFOs soften, therefore controlling the legacy and ties, because everything influences. Gold illustrates this with its share structures type A and type B, which balance control and succession. The CFO said, “maturity is being achieved,..... they see that they must train their children.” Delicate, but effective.

Third, FOs patterns in emerging markets ([Decker and Lange, 2016](#); [Rivo-López et al., 2017](#)), that are not linear but rather driven by crisis that contrast with advanced markets ([Amit et al., 2008](#)). Critical events (COVID 19, floods or internal issues) accelerate, connecting with organizational resilience ([Conz and Magnani, 2020](#)). There is also hybrid professionalization, which is not a dichotomous ([Stewart and Hitt, 2012](#)), but instead multidimensional ([Dekker and Günther, 2015](#)), with experts that operate and the family that decides.

We observe propositions backed by some aspects. P1 with robust backing, P2 refined by compressed evolution when high-intensity crisis, formed leadership and access to accumulated knowledge converge in what [Content, Bosma, Jordaan and Sanders \(2020\)](#) would call “contextualized vicarious learning,” or a sequence of organizational learning developed simultaneously along with the maturity of the SFO, and mentioned by [Nordqvist and Melin \(2010\)](#), as “sequential ordering” in family business contexts. P3 is dominant but not universal, and P4 is interactive with maturation. The above enriches the propositions without invading them, demonstrating the contextual complexity of the studied phenomenon (See [Table 4](#)).

Table 4

Propositions and evidence

Proposition	Statement	Supporting Evidence	Confirmatory Cases	Clarifications
P1	Transformations in critical events, more than gradual	COVID (Coffee), Flooding (Orchid), Demise (Emerald), Fiscal (Andean)	Coffee (external crisis), Orchid (sectoral crisis), Emerald (family crisis), Andean (fiscal crisis)	Necessary but not sufficient; requires prior capability

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Proposition	Statement	Supporting Evidence	Confirmatory Cases	Clarifications
P2	Secuencia: protection, government, sophisticated investment	Fiscal first (Andina 2011, Gold 2000, Orchid 2013), government after (Andean 2022, Gold 2007, Orchid 2019)	Andean, Gold, Orchid (partial)	Coffee “compressed” by contingent context
P3	Hybrid governance: operational, professional, strategic family	Third parties operate (Andean), professional CEO + Family Council + Committee (Orchid), Shares A/B + management separation and control (Gold)	Andean, Orchid, Gold	Emerald more fluid without a marked separation
P4	Formalization grows in 2nd - 3rd generations	Formal Council (Orchid 3rd), protocols (Emerald 2nd)	Orchid, Emerald	Time is also an influence; Gold(1st) formalized after 40 years

Nota: Proprietary data

Dual Evolution Model of Family Offices

The cross-cutting analysis of these cases reveals two fundamentally different evolutionary trajectories followed by SFOs in their institutionalization process and sophistication of services. These trajectories, which we refer to here as Reactive Evolution and Proactive Evolution, are not intended to become a judgement to determine which is better than the other, but rather to show an archetype with its own logics, clear advantages, and differentiated risks, according to what is evident in other Latin American families

Reactive Evolution is defined by accelerated organizational transformations, triggered by critical events that threaten collective wealth. The Coffee Group, due to the Covid-19 pandemic, underwent a threat that precipitated the implementation, almost simultaneously, of multiple services, such as liquid investment management, alternatives, estate planning, tax and technology services, all in less than 24 months. This trajectory repeats itself in the Orchid Investment Group, with floods as the catalyst, and in the Emerald Group driven by urgent needs of wealth protection against risks or bankruptcy. All these crises construct integral impact structures, obtaining quick legitimacy before the family shareholders. The strategic advantage is the immediate reply, which generates financial resilience and efficiency, as noted by a Coffee member: “We have become much more profitable... since the election of a government that generates instability.” But this implies significant risks: costly errors due to inadequate consulting, as in Emerald’s “fiscal disaster” with a prestigious law firm, or a possible lack of thorough consolidation, where speed does not always go down well.

In contrast, Proactive Evolution typifies incremental roads of construction, where services are adopted sequentially as the organization develops the capabilities and learns from the environment. Andean Investments and Gold Group are examples of this model, since they began with basic tax services in 2011 and 2000 respectively, gradually incorporating wealth structuring in 2021 and 2007, and in only three years of operation, they advanced towards alternative investments and more formal family government mechanisms. This sequence, which begins with tax, followed by wealth and government matters, and ends with sophisticated investment, reflects the logic of organizational learning, where every layer lays the groundwork for the following one, minimizing exposure due to risks from quick decisions and consolidating capabilities. Nevertheless, risks include an adaptive slowness that could leave them vulnerable to abrupt changes in the Colombian context, as are unexpected tributary reforms, that could become very expensive if not attended to on time.

Factors that determine what trajectory an SFO follows are not aleatory, but rather interconnected: (1) intensity of the threat perceived by the family estate, where existential threats, such as pandemics or natural disasters favor the reactive; (2) formative profile of the leader, since those with advanced financial backgrounds, such as MBAs or specializations in taxes manage the accelerated evolutions better without tripping; (3) leading generation, with second and third generations, showing greater interest in rapid transformations, such as in Emerald or Orchid; (4) access to accumulated knowledge of FOs in local ecosystems, permitting “jumping stages” through vicarious learning; and (5) available resources to invest in professional structures, from external consultants to formal protocols. All this has made this dual model not-rigid, since many hybrid SFOs combine elements of both, but offer a practical framework to diagnose and guide evolutions.

Practical Implications

Our findings bring practical repercussions to different actors. For entrepreneurial families, they provide a clear diagram to understand the possible phases of evolution in their SFOs and the key elements to take into account in each stage to force structural necessities before a crisis hits them as it did in the Emerald Group, where the organization anticipated and facilitated the transition on the death of a key member.

Also, it is important to note the relevance of cultivating specific capabilities in risk administration adjusted to the Latin American environment, volatile by nature. The entrepreneurial families can take advantage of structures that not only protect wealth, but also capture opportunities in unstable moments, as shown with the Coffee Group, when they invested excess venture capital during the pandemic.

For professional advisors, such as lawyers and consultants, the findings highlight the necessity of comprehensive approaches that include legal, tax, financial and family aspects. The example of the “fiscal disaster” in Emerald Group caused fragmented advice by their lawyers, and brings to light the dangers of decontextualized advice.

This study illustrates, to both legislators and creators of public policies, how normative and tax frameworks directly impact the family wealth configuration. The common perception of institutional instability acts as a driving force for defensive structures, suggesting opportunities for public policies that promote more productive ties between entrepreneurial families and institutions.

Finally, the Model of Dual Evolution of Family Offices has direct practical implications for entrepreneurial families and advisors, because it enables the diagnosis of the current trajectory, evaluates if it fits into a specific context, and designs transition strategies when the current one does not correspond to the needs of the emerging SFOs. The environments of high institution volatility, as in Colombia, could be benefited by preparing for a reactive evolution through the pre-identification of trustworthy advisors and rapid-answer protocols. On the other hand, in more stable contexts, they can optimize the proactive evolution through long-term routes that anticipate generational needs.

Limitations and Future Investigations

In this research, transferability is limited by perspective in Colombia, and in order to apply it to other institutional contexts, comparative studies between other Latin American countries would be required, or even among emerging and developed economies that better illustrate how institutional factors interact with organizational evolution.

Second, our transversal design is based on retrospective visions of organizational progress, which could bias memories, while longitudinal studies, following SFOs with specific contextual date, would offer a more profound understanding of the adaptation processes through the years, capturing dynamics that punctual interviews could ignore.

Third, even though the qualitative approach captures the rich complexity of the phenomenon, it can be complemented with quantitative approaches, such as interviews and broad samples that would allow prevalence and relative influence of diverse evolutionary factors to be measured, adding statistical robustness.

As for future lines of investigation, there is fertile soil to explore. It would be valuable to delve into the intergenerational transfer in SFOs, since these cases show varied perspectives on including the following generations, and therefore literature could be enriched through a systematic study on how knowledge, values and authority are transmitted.

Another interesting angle would be the impact on digitalization. Even though the pandemic promoted the adoption of technology in cases like Group Coffee, this phenomenon deserves exhaustive analysis, especially in venture capital investments and digital assets. Additionally, family offices and entrepreneurial ecosystems, as seen in cases like Coffee and Orchid, which show greater participation in regional innovation and examine how SFOs foment startup ecosystems could add value. Lastly, a comparison between SFOs and Multi-Family Offices, analyzing evolutionary dynamics among these models would reveal advantages and disadvantages in emerging contexts, guiding practical decisions.

6. Conclusion

This investigation answered the fundamental questions about Colombian SFOs. First, how do they respond to institutional pressures? The findings show strategic hybrid answers that combine selective conformity with adaptive innovation. Specifically, they fulfill regulatory and tax pressures, adopting formal structures, and also exercise agency on designing wealth vehicles that optimize their position, which is constant with Proposition 3 and works by [Zellweger y Kammerlander \(2015\)](#).

Second, what factors catalyze the evolution of service models? The empirical evidence confirms Proposition 1, where critical external events, such as COVID 19, natural disasters and government changes, as well as critical internal events, such as demise or divorce act as potent triggers, plunging the majority of the transformational structures in the five cases, more than in gradual processes.

Third, how do they balance the preservation of socioemotional wealth with professionalization? The results back Proposition 3, since they develop forked governance architectures, where external professionals manage daily operations while the families retain the strategic authority, thus allowing contradictory logics to coexist in the market and family.

The analysis also partially supports Proposition 2 in service sequencing, given that a predominant sequential pattern of wealth structuring, family governance and sophisticated investment was identified, but the Coffee Group reveals a “simultaneous” flat revolution,” nuancing that the sequence is contingent to the catalyst’s intensity, the leader’s profile and local knowledge, as described by [Monllor, Althalathini y Beck \(2023\)](#) on dynamic interactions between individuals, family and community. In transition periods, complexity of family expectations grows with the generations. In respect to Proposition 4, that data shows tendencies, as in second/third generation SFOs (Emerald, Orchid) that exhibit a greater formalization than in the first (Gold, initial), even though this last SFO evolved after 40 years with an interactive effect of generation and maturation.

This analysis contributes to the organizational and institutional when clarifying hybrid entities, such as SFOs, navigate markets, families and institutions in emerging countries. The finding opens specific lines for empirical studies, particularly in family businesses aspiring to sustainable transgenerational wealth.

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Data availability

The authors declare that the article contains all the data necessary and sufficient for understanding the research.

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