

BANKING ON THE PROBATE PROFESSIONAL

Smaller firms need to develop a strategy to survive in a post-Clementi world, says **Rupert Kendrick**, and IT is the key

New entrants to the probate services market will present a significant challenge for the legal profession," says Gregory van Dyk Watson, CEO, Isokon, a company which supplies probate and trusts software to law firms of a various shapes and sizes – from a dozen in the Top 100 to many more 5-20 partner firms with dedicated probate departments. "In fact, it's already happening. We've already been approached by three non-lawyer organisations – new corporate entities who want to sign up in anticipation of picking up a significant turnover. One is a newly formed entity that will offer trust services. Another is a trust corporation which is a subsidiary of a large insurance company."

If Tesco entered the market they would still need qualified professionals, he says, because probate and trust work is not straightforward. It's unrealistic to expect clients to make their wills as part of their shopping experience in his view. "They will need someone to visit them and talk over their instructions. Tesco might operate as a marketing front but they will need qualified professionals to build up a probate service."

Isokon is already in the market to supply some of the new potential entrants and is beginning to find a demand for hosted services, enabling the technology to be operated remotely until the organisation has grown sufficiently to import it as part of a new department.

"We have already provided a similar service to a number of law firms. I see it as a trend that's likely to develop especially for new entrants who don't have the resources initially to develop an IT infrastructure. If we provide the service, it minimises the expense and the risks in setting up a new venture."

He is emphatic that smaller law firms in particular, need to develop a strategy to compete, if they are to survive. He sees the solution by looking at it from the client's perspective: to whom will the bereaved take the will? Usually it will be the local solicitor and often that will be a smallish firm. But it will be difficult for them to compete without a probate department and effective software to support the practitioners.

"They may have to consider an alternative business model if they are going to keep this type of work. They could, for instance, accept instructions but outsource the actual work to an organisation with specialist probate professionals that would operate as the firm's probate department, while still retaining a significant share of the profit. The cost to the firm

would be minimal, while still enabling them to be in control of each case.

"We have been consulted about a model along these lines, but it's only at the planning stage. The key factor is the willingness of firms to outsource the work while paradoxically retaining control and agreeing an equitable fee structure."

The alternative for these firms is to ensure that their IT infrastructure is in place with effective probate software and properly trained staff in order to do this work profitably. For smaller firms without a dedicated probate team, it may well not be a worthwhile return on investment.

Mr Van Dyke Watson thinks the IT market will remain relatively stable. "Software companies often make the mistake in believing that creating a trust and probate package is a simple exercise by using a case management tool with a rudimentary list of assets attached. We have found that this will not be an acceptable solution for the profession. It has taken us several years to develop a sophisticated and solid accounting core around which we have built case management, workflow and a diary system. It has been, and still is, a continuing and complex process.

"The future in this market," he says, "will focus on the interests of the beneficiary and providing a managed customer service. Online tracking will enable executors and beneficiaries to track the progress of the administration of an estate.

"Surviving and being profitable in this marketplace is about maintaining a properly managed and up-to-date Will Bank so that the newly bereaved and the executors will know where to go to have the will read and issue consequent instructions. It is also about having satisfied beneficiaries and executors doing the marketing by spreading the word about good quality service. It will also ensure further legal work."

New entrants to this marketplace will have the challenge of persuading the newly bereaved to bring the work to them. A promise of lower costs and fixed costs is, of course, the most obvious way to compete against the profession. The way to maintain dominance in probate work is by actively managing the Will Bank, effective use of technology, and above all else, staying focussed on client care.

Rupert Kendrick is a solicitor and director of Web4Law Ltd., a risk management consultancy.

The Family Minefield of who inherits?								
Issue from a previous marriage?	Step Children?	Partner?	Full Blood Siblings or their issue?	Half Blood Siblings or their issue?	Second Cousins?	Full Blood Aunts/Uncles or their issue?	Half Blood Aunts/Uncles or their issue?	Treasury?
<i>So many questions? – Finding the solution is what we do!</i>								
Family Lines Research								
The Common Sense Approach to Probate Genealogy								
Mail: PO Box 47, York YO19 6WZ ~ Tel: 01759 318222 ~ Fax: 01759 318520 ~ Email: familylines@btconnect.com ~ DX: 720626 York 21 ~ www.familylines.co.uk								