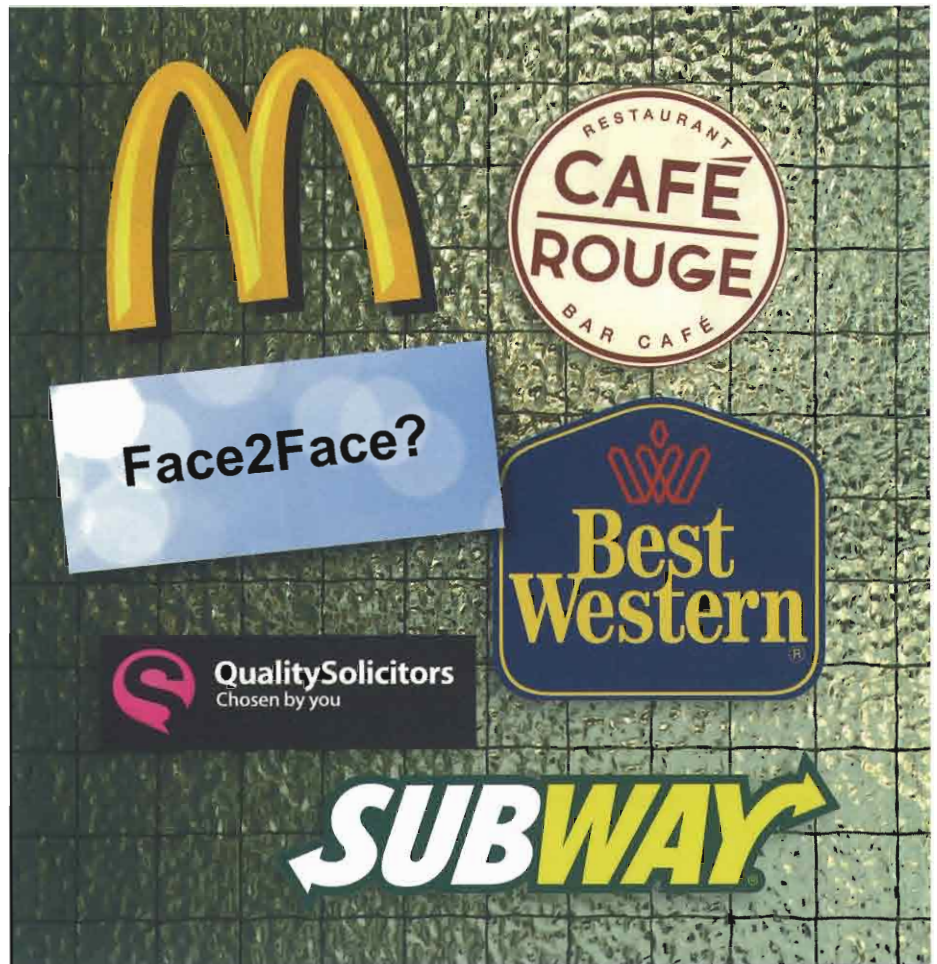


Can Face2Face Solicitors really call itself a franchise? asks Stuart Bushell

The latest scheme to be launched with a view to assisting solicitors to address the challenges presented by the Legal Services Act, Face2Face Solicitors, refers to itself as a franchise but is essentially an outsourcing arrangement established in conjunction with the software house SOS.

Usually the essence of a franchise proposition is that franchisees are entrusted with a brand name, subject to their conforming to clearly defined business management procedures and standards. Well-known examples include McDonalds, Subway, Café Rouge and Best Western hotels.

Face2Face Solicitors, according to reports, "will provide franchisee solicitors with centralised back-office systems – including accounts, IT and regulatory compliance – and central marketing and business development, to enable them to focus on the legal work".



Can solicitors develop a recognisable brand through franchise networks?

Variations on a theme

This model is more akin to the one offered by Capita to Optima, the volume law firm, which went so far as to involve the transfer of 130 of Optima's non-legal staff to Capita and fell foul of the SRA by including an option for Capita to acquire control of Optima. This, in the view of the SRA, constituted an ABS at a time before the necessary consumer protections were in place; and the regulator demanded that it should be unwound.

The fragmented nature of the legal software market, which is driven by the 'matters' which are the parochial concern of individual specialists within firms, underlines the crying need for the provision of firm-wide systems centred on clients and databases, which not only provide an administrative platform but also the basis for marketing and client communications.

It is this need which Face2Face and SOS are addressing, and it could be supplied either by an outsourcer or at the level of individual firms by the cloud-based

technology now being promoted among others by Microsoft, whereby systems are rented online rather than being installed locally.

The name game

QualitySolicitors is in reality closer to the established franchise model than F2F, though, whereas the traditional model assumes that a turnkey business package will be provided which is identified by a brand name, QS is starting with the brand name and promoting the proposition that, even though the participating firms provide different services with different business models, the fact that they claim to offer quality will serve sufficiently to distinguish them from their competitors, and enable them to become the first truly national high street brand of solicitors.

The QS model is in fact reminiscent of the way in which Eversheds created its national footprint, by inviting firms with similar market standing to adopt the word Eversheds as a prefix to their existing

names and to work together so as a cohesive network. It remains to be seen whether QS might ultimately propose that members should follow the Eversheds precedent and abandon their existing names.

Significantly, both F2F and QS see financial advice as a useful component in their business proposition and each has finalised a deal with a financial services provider. QS has negotiated what appears to be an exclusive referral agreement with a national IFA firm, and F2F is reported to be negotiating with a number of IFAs.

The objective of providing what F2F refers to as a "complete end-to-end service" is clearly laudable, but it is hard to predict whether solicitors are willing to be corralled into centrally negotiated arrangements of this sort.

Stuart Bushell is legal affairs director of Solicitors Independent Financial Advice (SIFA) and was previously the Law Society's director responsible for Legal Services Act transition