

Challenges in family-owned law firms

Family practices often experience a defining moment: the second-generation succession. This is a critical time, as the firm's growth, survival or decline is at stake. It is a similar process to that of small and medium-sized businesses.

The founder of the law firm

The founder is usually a lawyer who once made a name for himself and built up a large number of loyal clients. He established a reputation in his geographical area of activity or in his specialty or specialties and faces the succession process with logical concern. If there is one thing he wants, apart from the continuity of the firm, is not only the well-being of his successor or successors, but also of the rest of his team.

It is often the case that family practices are strongly focused on individuals, with the founding partner taking centre stage. This professional is usually a lawyer who has run his firm more from a professional perspective than an entrepreneurial one.

The successor or successors want to introduce changes, but are met with resistance, with some exceptions, from the founder himself or from the rest of the team. This resistance is often the result of operational inertia, which needs to be faced to be changed, and acted on with determination and perseverance to manage it better or overcome it.

The successor in the law firm

In certain firms, the successor or successors often declare “we have failed to pick up the baton in terms of attracting new clients and being selective. The work that comes in is by referral or through acquaintances”. There is often that guilt complex, yet there is no need to lay the blame on anyone, for we all do what we can. The point is to find solutions by carrying out the succession process with a methodology and determination that will guarantee the continuity and competitiveness of the firm.

Succession is a complex process in which emotions, relationships, inertia, “what is always done” and the power struggles present in any organisation must be managed.

Business management of the family firm

The starting point is often worrying from a business point of view. In many family law firms there tends to be a lack of entrepreneurial criteria in management that leads to outcomes such as: absence of leadership, goals and objectives; lack of time and resources for client acquisition, in other words, the firm focuses on working on cases instead of seeking them out; lack of market and commercial strategy; lack of external communication: the firm has nothing other than a website and various profiles with untapped potential on social networks. The office conveys an outdated image. There is no premium service or services, which makes it difficult to differentiate the firm in the market. There is no fee-policy: systematic free consultations to people who do not become clients, translate into opportunity costs and lawyers’ frustration. Lack of organisational criteria for the firm. Lack of a

defined client service policy. The firm attracts new clients through its main partner, not through the firm, and so on.

The law firm's roadmap

The above is often accompanied by the fact that the founder, of a decidedly professional nature, does not know "what strategy to take to recover the caseloads or teach his successors how to do it and set a course". There is no roadmap to provide vision and reassurance to the other professionals in the firm. As someone said, "Where there is no vision, the people perish".

This can be further aggravated if the founder is a good and generous person who "remains committed to the firm, making great personal and financial sacrifices on his behalf".

It is hard to change. It is less hard if we know how to carry out the process of change, how to overcome the resistance most of us feel, even when we believe that the benefits of change will be greater than inaction.

People are the most important asset

In this process of change, the role of the founder is essential, helping other professionals to grow, being flexible and magnanimous, showing patience on results, trusting others, believing that there are other ways to achieve objectives.

Most importantly, people and believing you can reinvent your firm make all the difference.

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