



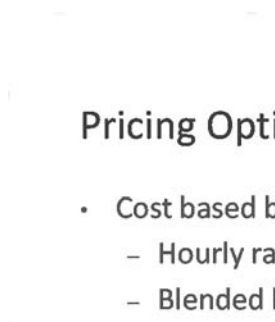
Costing & Pricing Legal
Services





The Basics

- Demand for legal services
 - Cost of production – underpins everything
 - Role of time recording
 - Product offering
 - Strategic implications of price
 - Importance of the top line
 - Profit margin
 - Effort for income
 - Client and matter quality
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Pricing Options

- Cost based billing
 - Hourly rate
 - Blended hourly rate
 - Fixed fee plus contingency
 - Value based billing
 - Fixed fee
 - Retrospective fee based on value
 - Retainer
 - Unit fee
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Marketing Aspects of Price

- Service quality dimensions
- No surprises
- Packaging
- Moving from cost based to value based
 - Seek higher dollar realisation
 - Raise the value of the service
 - Golden rule of reasonableness



Other Considerations

- To operate with a profit motive cant do work for less than COP
- Emphasis on file velocity rather than volume – particularly for fixed fee work
- Understand COP attaches itself to an individual not an activity – opportunity to lower COP
- The effect of discounting