

Regaining Control of Pricing

By Ed Wesemann

By Ed Wesemann

In a growth industry, the sellers of services are always in a position of power when setting price. The recession, however, has shifted that balance of power to the benefit of the buyers of legal services. Law firms need to deal with some major pricing issues now or risk never regaining a level playing field for selling legal services.

For years, law firms and their clients alike have understood the inherent problems with the way law firms charge for their services. But for lawyers, charging by the hour is simple, requires little judgment or management, and effectively shifts the risk of inefficiency to the client. For clients, even those who are themselves lawyers, the legal process in America is a black science and attempting to relate outcome, or even activity, to price requires an effort that few general counsel have been willing to make.

Further, the desire for confidentiality has limited clients' willingness and ability to trade much information about fees. And for many in-house legal managers, becoming too involved in the manner in which legal work is performed or the direct management of the lawyers who provide the services could result in the need to accept some level of accountability for costs or outcomes. And so the process of billing by the hour has gone on for decades.

[Download PDF](#)