

Lawyer's Fee

By Alan Weiss



HOW TO SET AND SELL YOU IDEAL FEE



Creating a balance between the value you offer and the fee you charge

There are two things you need to achieve in order to ensure that clients book you. You need to set the right fee and sell that fee to ensure that potential clients will want to pay it.

Your specialisation will play a role in the fees you charge. Some of your services may be charged at a fixed rate, while other structures may apply to different matters. For some matters, you may charge an hourly rate, something which your business clients will be used to doing already. Individual clients, on the other hand, will probably prefer fixed fees, because knowing exactly what their legal costs will be, will make it easier to budget.

Your number one objective will be to get foot traffic into your office, because that gives you the opportunity to let them know how you can help them solve their legal issues. Speaking to clients enables you to assess whether you want to represent them, and it helps them see the value you're offering.

Clients often interview a few lawyers before settling on the one that is a good fit, but they don't want to pay just to find out whether they want to hire you. They are bound to go to lawyers who don't charge for the initial consultation.

For you, the lawyer, it pays to offer a free initial consultation. That will ensure that you're pitching to your market and that you have a fighting chance to win the client over. Sometimes, lawyers limit the free initial consultation to half an hour, but you don't necessarily have to advertise it that way. You will probably not need as much time to determine whether the client has a case.

If you determine that they have a case, you may want to invest a little more time into the free consultation, because this will pay for itself when the client secures your services - and hopefully, eventually, sends you referrals. Don't put the client in a situation where they have to end the conversation in order to avoid paying for the consultation.

The next thing to consider when you're setting a fee, is the value of the services you're offering. Consider the benefit your clients will derive from your services and be sure to relay that to the client - not by telling them directly, but by showing it through the education you provide.

Once you have a clear and concise value proposition, you need to set a fee that is proportionate to the value you're offering. Remember, your fee is an investment to the client, and they will be expecting a proportionate return.

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Different areas of law offer specific value propositions to the client, for instance:

- resolving family law issues or marital disputes help ease your client's pain.
- fighting a criminal charge or assisting with property and other contracts, bring clients peace of mind.
- assisting with business, investments and trusts help to build dreams.

Remember, your client does not see this process as hiring a lawyer, but rather as making an investment that will repay itself in different ways. Your fees should reflect the value they will see in achieving their goals. Your marketing should then explain the fees accordingly.

For you, the fee is based on what your time is worth, and the amount of time you will spend on a case. You will also want to cover the overheads and have some money left over at the end of the day. However, you don't want to price yourself out of the market. If you charge much more than your competitors, clients will vote with their feet.

Positioning is key to pricing your services right. Therefore, you will probably have to start from the bottom and work your way up when you're just starting out. As you gain experience, your credibility will increase and you will be able to match your fees to that of your competitors.

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An authority in the field is able to charge more than the competition, as they are in a position to attract clients who appreciate the value you offer.

With many unexpected events that may form part of a legal proceeding, it can be hard to determine exactly how long something might take. Base your fee on a typical ballpark of time you usually spend on similar cases.

You can ensure transparency by letting your clients know that a case will require hard work, **and by giving them an estimated timeframe. If a client knows what to expect, they will be much more likely to see your fees as an investment.**

How to Sell Your Fee

When charging by the hour, you make more money when you work more hours. For that reason, some lawyers look for the cases that will allow them to bill as many hours as possible.

However, you first need to convince the client to pay your fee; but before you can do that, you have to first get to a place where you are comfortable with your fee. You need to feel that you're providing value. Your work has value if you:

- help ease your clients' pain
- help them realise a dream
- save them money
- protect their rights
- ease their fears

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Some of these things are so important to clients that they actually can't put a value to it. That makes your work valuable, and means that you are entitled to fair compensation in exchange for your expertise and the value you bring.

When you relay your fees to your clients, you need to do so in a confident manner, which will come naturally if you know that you're worth it.

When you're selling your fees to your clients, encourage a back and forth conversation where you're listening to their challenges and ask how you can help them. If they don't know the answer, you can explain the value you can bring. This will ensure that you don't have a high-pressure sales pitch, but rather a free-flowing sales conversation where you're responding to the information your client is giving you. It gives you the opportunity to relay your value proposition.

In many cases, the client will want to think about their options for a couple of days. They may still shop around, but don't let that cause you to pressure them. You will only seem desperate. Your objective is to ensure that clients know that they need you more than you need them, but in a nice way.

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