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LawPact – Manchester

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Pricing Strategies in the UK: Non-Contentious and Contentious Law

Frbes
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Introduction

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Our expectations for the session ...

Objective

- Everyone going away with a better understanding of how we all operate and taking learnings that we can apply to our day to day practices regarding pricing and engaging with clients.

Approach

- The value of this isn't what we say but what we discuss.
- We actively encourage everyone to chip in / interrupt / engage in the session as much as possible.
- We want to know what you know and what you want to know.

Behavioural economics

“a method of economic analysis
that applies psychological
insights into human behaviour to
explain economic decision
making”

Why pricing is important

Client-centric reasoning

- Our pricing strategy is market-driven, client demands in the UK have lead to this
- Listening to the client but not hearing – leads to poor scoping and inaccurate pricing
- Clarity regarding engagement
- Greater pricing certainty & involvement in pricing decisions

Firm-centric reasoning

- Having confidence in your pricing – price is a proxy for quality
- No more ‘race to the bottom ‘ discounting to win work
- Low pricing and willingness to discount may damage your brand
- Increasing client wins and retention rates
- Effect on profit by increasing turnover – no additional overhead
- Technological threats (e.g. AI) – moving with the times
- Minimising write offs & “Let’s speak at the end” approach

What our clients demand of us

Costs & Service Levels

- Transparency – greater pricing certainty and budgetary predictability
- What is the price? Get away from (unexpected) add ons ...
- Choice – want to feel like they choose, even if we steer
- Partnership – a shared approach when it comes to risk
- Accountability – little wiggle room when it comes to going over budget or late on response times
- Payment terms

Non-Contentious Law

- Front loading – THE most important part of the job from my personal perspective
 - Proper understanding
 - Accurate and detailed scoping
 - ‘Wearing the client down’
- Upsell – find out what they need, not what they want
- Give the client options (but with a steer):
 - Estimates – uncapped
 - Fixed fee versioning – what is and isn’t included / turnaround times / bundling
 - Mix and match – loss leader fixed fee leading to hourly rates
- Retainers – becomes more justifiable if sold from the start

Contentious Law

Traditional litigation

- Hourly rates, fixed fees, contingency fees
- Care over cost estimates - second pair of eyes – critical to spend the time at the outset to get this right
- Costs budgeting & Costs recovery at Court

Newer ways of working – prevention is better than cure

- Identifying the client's commercial priority – aim for that
- Manage risk, provide options & different funding options
- Advisory work with other departments pre-action
- Alternative to Court? - ADR / Mediation – fixed fees
- Retainer work – capture the free advice and advise the client early

Retainers

- Creates an easy access client 'portal' for advice
- No scoping issues – getting paid to do this once in place
- Volume pricing – the more you spend the more you save
- Collaboration between departments – cross selling opportunities
- Entrenchment of client relationship – discourages multi-firm use
- Discounted hourly rates BUT not really:
 - Reduced administrative requirements
 - More instructions
 - No time falling through the cracks
 - Captures free advice

Make a change ...

“insanity: doing the same thing
over and over again and
expecting different results”

Albert Einstein

thank you for your time



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