

Mastering the Art of Client Communication on Law Firm Pricing

By [Mark Medice](#) on August 20, 2024

A recent article on Law.com, [Partners Confront 'Deeply Uncomfortable' Client Communications on Soaring Billing Rates](#), highlighted a growing trend in the legal industry: many firms are shifting away from personal communications about rate increases, relying instead on engagement letters or e-billing platforms. As I mentioned in my interview for this article, this impersonal approach often leads to client frustration and missed opportunities for deepening relationships. So, how can law firms handle these crucial conversations more effectively?

Beyond Pricing: A Holistic Approach

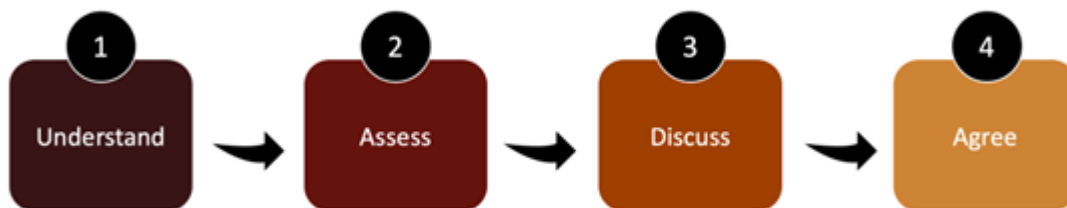
When discussing rates, avoid a one-dimensional conversation focused solely on numbers. Instead, broaden the discussion to include:

- The value of your services
- Ways your firm can better serve the client
- The holistic nature of your relationship

This approach helps clients see beyond the immediate cost to the long-term benefits of your partnership. And best practices for client communications involve a process or playbook illustrated below.

Client Engagement Playbook

Here is a simple yet effective model to prepare for and guide these conversations. Use the process below or adapt your process to meet the style of your practice or firm:



1. Understand

Start by understanding the context of your relationship with the client. This step involves thorough research to understand their unique circumstances, business environment, and how your legal services contribute to their success. This step serves as your strategic engagement foundation.

2. Assess

Next, assess your pricing for the value you deliver, evaluate the scope of your services, the results you've achieved, and how they align with the client's objectives. The conversation should not focus solely on the numbers but also on the larger picture of value, strategy, and client goals.

3. Discuss

Now comes the heart of the interaction: discussing the pricing. Make this a collaborative dialogue where the client has space to express their expectations and concerns. Share the rationale behind your rates, emphasizing the holistic nature of your services and exploring ways to continue meeting their needs effectively. This open, transparent discussion helps clients appreciate your broader value, fostering a deeper connection.

4. Agree

Finally, seek agreement. In this phase, closing the deal and committing to the next steps is essential. Whether a formal commitment to the new rate structure or a broader understanding of the long-term partnership, this step solidifies the progress made in earlier stages. It ensures both parties leave the conversation with clear expectations and a reinforced relationship.

The Importance of Regular, Personalized Communication

These pricing conversations shouldn't be an annual ritual to surprise clients at the last minute. Instead, they should be regular, ongoing dialogues. Making these conversations a natural part of your client relationship eliminates awkwardness and creates more engagement opportunities.

Tailoring Your Approach

Not every client interaction will follow the same path. You should customize your discussions based on factors such as:

- **Relationship status:** Is this a new or long-term client?
- **Service complexity:** Are you providing a one-off or ongoing, in-depth partnership?
- **Client objectives:** What specific goals or timelines are driving their business decisions?

Considering these elements ensures that each conversation is personalized and impactful.

Tracking and Improving Conversations

Tracking the results of these discussions is essential to improving your overall client strategy. After each interaction, share insights across your firm so partners are aligned in their approach. This collective knowledge can lead to more consistent and productive pricing conversations in the future.

By following this structured approach, you can turn what might otherwise be uncomfortable conversations into strategic discussions that deepen client relationships and highlight the value you bring.

Key Takeaway

Mastering the art of client communication on pricing is vital to thriving in an increasingly competitive legal market. Those who excel at this will maintain strong client relationships and position themselves as trusted advisors in their client's

eyes.