

# STRATEGIC RATE DESIGN SERVICE

Rate management is beyond challenging today. Law firms must not only set competitive rates but also ensure those rates reflect the firm's value, economic diversity, and long-term goals. Too often, firms suffer value loss from pricing mistakes such as random discounts, rate stagnation, and inconsistent structures across practice areas. These problems lead to brand confusion, poor performance, and misalignment with market expectations.

The **Strategic Rate Design Service** is a structured consulting engagement that provides firms with a high-performing, market-informed rate structure. Whether conducted as a diagnostic or a standalone project, the service helps firms build the pricing infrastructure, communication strategies, and governance models needed to ensure long-term pricing success and prepare the firm for future growth.

## Symptoms of Design Issues and Underlying Causes

Firms that often struggle with rate and pricing performance commonly see the following symptoms:

### Unnecessary Discounting



Random discounting is discounting without regard to value or process and operates as a path of least resistance.

30/30 rule applies.

### Rate Stagnation



Flat rates over extended periods can lead to significant losses due to compounding effects.

These losses can occur at various levels-client, timekeeper, or matter-and potentially cost the firm millions annually.

### Fragmentation



Indiscriminate differences in rates for similarly situated timekeepers. Leads to mispriced rates/services, client confusion, and brand disruption.

# Project Elements:

The Strategic Rate Design Service is tailored to meet the unique needs of each law firm. It is built around five core elements that collectively enable a more structured, market-aligned, and future-focused approach to rate setting.



## Strategic Pricing Architecture:

This phase focuses on aligning the firm's rate structure with its identity, practice mix, and overall economic profile. The goal is to create a cohesive framework that balances internal consistency with flexibility across practices. Particular attention is given to mitigating fragmentation by rationalizing timekeeper levels and matter types. Deliverables include a practice-based pricing framework, a timekeeper rate map, and optional support for role-based pricing.



## Market Positioning & Intelligence Alignment:

We benchmark the firm's current rates against both internal and external market data to determine whether its pricing stance is aspirational or defensive. This work involves diagnosing rate stagnation using tools such as compound annual growth rate (CAGR) analysis and variance testing. Key deliverables include market-based rate targets, a gap analysis versus peers, and actionable insights to guide repositioning.



## Rate Progression Strategy:

A critical component of rate success is long-term discipline. This module establishes a structured cadence for annual rate increases, builds an internal schedule for review, and ensures a forward-looking plan is in place to avoid stagnation. Deliverables include a three-year rate progression roadmap, rate increase policies, and tiered schedules tailored to firm needs.



## Client Communication & Change Management:

Effective communication is essential to securing client buy-in. We help the firm craft messaging that aligns with its brand and values, and we prepare communication materials for both internal and external use. A forward-looking communication calendar is developed, and support is provided to prepare partners for client conversations. Deliverables include customizable templates, talking points, and optional partner coaching.



## Pricing Governance Enhancements:

Governance structures are reviewed and strengthened to ensure rate discipline is sustainable. This includes defining discount authority levels, creating oversight workflows, and establishing mechanisms to track and review rate deviations. Deliverables include a discount approval matrix, governance structure recommendations, and tools to monitor trends and ensure compliance.

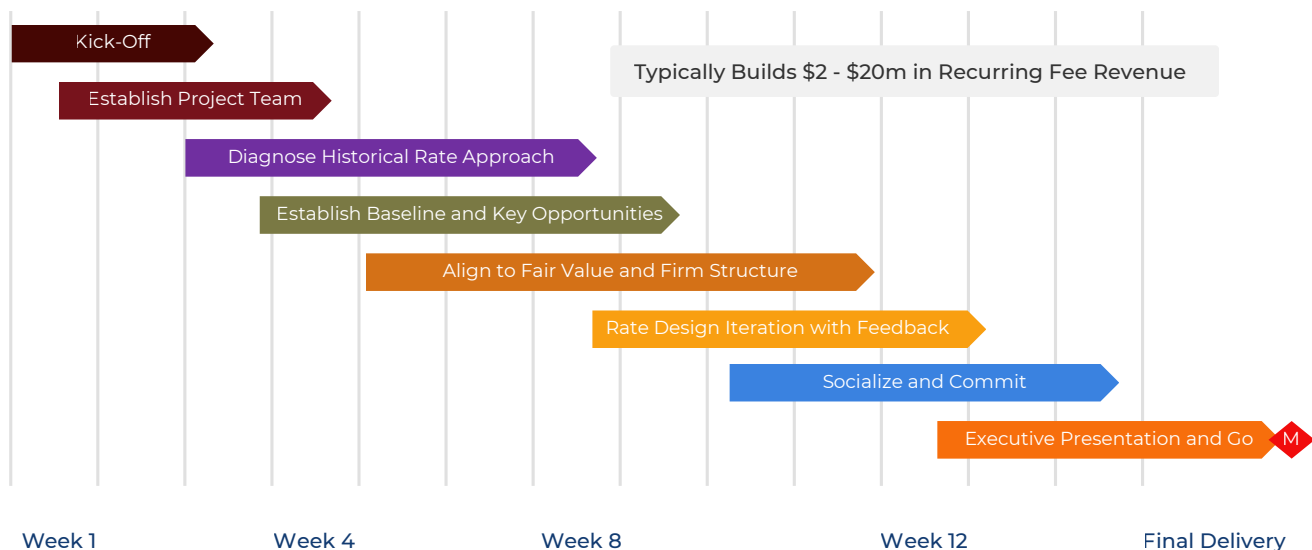
# Engagement Format:

Length: 6 to 12 weeks

## Deliverables:

- Strategic rate playbook.
- Structured rate design.
- Comms plan.
- Enhanced governance framework.

## 8-12 Week Engagement Schedule



## Post-Engagement Support Services

- Partner playbooking and pricing assistance.
- Use of AI tool (Strategic Pricing AI Advisor) to help partners know their value and discuss pricing with clients.
- Partner coaching on rate conversations.
- Rollout support for specific clients or practices.
- Monitoring dashboards.
- Quarterly rate review facilitation.

Interested in the Rate Design Service?  
Contact Mark Medice today:

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