

The AI Pricing Decision Tree

Three questions, in order. Does AI change the economics of this work? Is the work now predictable enough to commit to a price? And which lever shares the value with the client?

STAGE 1 IS THE PRICE IN PLAY?

Take one **work type or matter**.

DECISION

Can approved AI do part of this work faster, more consistently, or more accurately, or deliver a result that wasn't practical before?

Research · document review · first drafts · diligence · analysis · full-population review

IF NO

Reasoned non-use

AI would hurt quality, raise risk, or conflict with a client instruction. Price as you do today.

Be ready to explain where AI was and wasn't used. Revisit in six to twelve months; the tools move.

ENDS HERE: NO REPRICING

IF YES

The economics have changed

Two kinds of yes, and they price differently. **Efficiency:** the same result in less time. **Capability:** a result you couldn't practically deliver before. Note which.

Measure before you talk price: hours before and after, cycle time, rework rate.

85% of firms collect no AI ROI data. Measurement is the differentiator.

CONTINUE TO STAGE 2

STAGE 2 HOW PREDICTABLE IS THE WORK NOW?

DECISION

With AI plus process, are scope, effort, risk, and output predictable enough to commit to a price?

IF YES

Move to an alternative fee

Fixed, capped, portfolio, subscription, or retainer, priced off the AI-adjusted baseline. Not hours in a new wrapper.

Start with routine, recurring work.

IF NO

Stay hourly, but re-baseline

Budget on AI-adjusted effort, not historical hours.

Lean the staffing. Capture value through speed and predictability.

BOTH PATHS LEAD HERE

STAGE 3 WHICH LEVER SHARES THE VALUE?

First ask what the client is buying: lower cost, certainty, or an outcome. The answer points to the lever.

OFTEN MISSED

Price the new deliverable

When AI makes a result practical that wasn't before (every contract instead of a sample, continuous monitoring, scenario analysis), price it as a new product on its value, not on the hours it replaces.

FITS: work clients declined as too expensive, or never thought to ask for.

Pass efficiency through

Bill fewer hours and let the saving land on the invoice.

FITS: clients expecting visible savings.

Fixed or capped fee

Set a price on an AI-adjusted baseline for predictable work.

FITS: recurring, well-scoped matters.

Portfolio or subscription

Price a book of work or ongoing access, not the hour.

FITS: steady, higher-volume relationships.

Hold or raise the rate

Risk, expertise, and results justify the rate, not the hours behind it.

FITS: high-stakes, specialized work. Keep the total fee reasonable.

Success component

Tie part of the fee to the outcome, where the rules permit.

FITS: matters with a measurable result.

Reinvest the saved time

Redirect freed hours into deeper analysis and strategy on the same matter.

FITS: relationships where counsel wins the next mandate.

GUARDRAILS Whichever lever you choose, the fee stays defensible

1

Bill only real time

Never bill hours AI saved, double-bill a lawyer and a tool, or bill time fixing avoidable AI errors.

2

General AI is overhead

No line items for everyday AI. A matter-specific AI cost is charged at direct cost, with advance written disclosure.

3

Open the conversation

Raise AI value annually, with data. 68% of clients can't see your AI use; silence reads as concealment.