

How to Maximize Value for Your Attorney Fee Dollars: Tips to Decrease your Legal Bill

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If you are faced with needing the services of an attorney either for a personal matter or a business matter, the cost of quality legal services may seem expensive. The more educated you are about purchasing legal services, the more value you will receive. The following are 10 important considerations when hiring an attorney.

Know when to use a lawyer

The old cliché of “an ounce of prevention is worth a pound of cure” is especially relevant with legal services. It is relatively inexpensive to have an attorney review or help negotiate a contract. Compare that to the cost of litigating an ambiguity or a “what if” that was not anticipated. Verbal agreements and “simple” contracts created without the benefit of a lawyer are often a precursor to expensive litigation to resolve an ambiguity or misunderstanding.

Select the right attorney for your legal need

Find an attorney who has expertise in your particular matter. I am frequently surprised that more clients do not specifically ask their attorney how often they have dealt with matters similar to their issue. Most attorneys charge by the hour. Knowing what to do, how to do it, and when to do it, can make the cost for an experienced attorney significantly less than an inexperienced attorney who is learning at your expense.

You also need to match the complexity of the matter with the specific experience of the attorney. While it is obvious to most people that if you have a large complex matter you need an attorney with experience in handling large complex matters, what many clients do not appreciate is that such an attorney would not be the best choice for a basic contract dispute. The same applies to transactional attorneys. The expertise and experience to handle large complex transactions does not translate into the best attorney to draft a relatively simple contract.

The hourly rate does not necessarily correlate with the actual cost

Logically, you would assume that an attorney at \$400 per hour costs more than an attorney at \$300 per hour. Not necessarily! For a variety of reasons the attorney charging less per hour may actually be more expensive. Attorneys, who have comparable skills, hourly rate may vary by 20% or 30%. However, the time clients might be billed for resolving the issue can vary by up to ten times. The final cost, in part, depends on the attorney’s strategy and tactics in dealing with the problem.

What is it really going to cost?

An informed consumer would never think of taking their car to the dealership, be told that they charge \$100 per hour for repair work and just tell the dealer to “fix it”. Like all goods and services you

purchase, you want to know as precisely as possible what the actual cost of your legal matter is going to be. While some legal services are not as susceptible to precise pricing as others, it is almost always possible to develop more specificity to the actual cost of resolving the issue. For example, pricing could be based on an hourly rate not to exceed a specified amount. Under certain circumstances, the fees could be a set dollar amount, plus a certain percentage or recovery known as a modified contingency fee arrangement. A contract or transaction could be a flat amount to prepare the contract and a different price depending upon negotiations and revisions to complete the transaction. As many attorneys may underestimate the actual amount of time it will take to perform a task, it is almost always to the client's benefit to get the attorney to commit to a flat fee or a not to exceed fee. Even if the ultimate price for a flat fee is the same or slightly higher than it would have been if priced by the hour there is psychological comfort to both the client and their attorney to know what a project is going to cost so that expectations are aligned.

Most attorneys ask for a retainer at the inception of a new legal matter. It is important to note that the retainer is **NOT** an estimate of total fees, unless the attorney specifically states this. Retainers are often a "good faith" prepayment of the initial work.

Be efficient - don't spend your attorney's time and your money wastefully

Come to the first meeting or consultation with your attorney, prepared and organized. If the facts and circumstances surrounding your issue are complicated, prepare a simple narrative providing significant dates, amounts in controversy, if applicable, and the essential facts of your situation. This is a more efficient way to transfer information than having your attorney ask multiple questions to obtain information. In addition, you are more likely to remember all of the vital facts if you put them in writing. Bring all relevant documents with you. If the matter involves a real estate transaction bring all of the closing documents. If it involves a contract dispute bring the contract and all correspondence before and after the contract was signed. Little discrepancies can make big differences in the legal world. If your attorney knows the specifics and nuances of your issue, they will be more effective and hopefully more efficient as they develop a strategies and tactics to resolve your issue.

Discuss and establish your goals

If not at the initial meeting, shortly thereafter, discuss your goals in resolving your legal matter. What is the most realistic outcome for you? There needs to be a mutual agreement between yourself and your attorney on essential elements.

Establish shared expectations as to the probable result, such as money to be received or paid if it is a litigation matter, or essential deal terms if it is a contract. Create common expectations as to the anticipated time frame, costs and legal fees to resolve your legal issues.

Establish a strategy and tactics to reach your goals

If not at the initial consultation, shortly thereafter, your attorney should establish a strategy for achieving your goals and the underlying tactics to support the strategy. Unfortunately, all too often, attorneys have not formulated their strategy and tactics to support their client's goals early in the representation. Without a game plan, you may spend more in attorney's fees.

“Reality check” your attorney’s strategy and tactics

Do not assume the attorney understands your business and all of the ramifications of their strategy and/or tactics on your business. Ask clarifying questions. Play devil’s advocate. Keep in mind that the best strategy will fail if it is not supported by well-reasoned and skillfully executed tactics. Conversely, the tactics can be executed perfectly but if your attorney has a flawed strategy – or it doesn’t align with your business - it is unlikely that will not achieve your goals.

Communicate with your attorney efficiently

Most attorneys will bill you in one-tenth’s of an hour or six minutes. If you ask one question in five different telephone calls you may get five different six minute billings for a total of 30 minutes. If you ask five questions in one telephone call you will only get billed for that call and most likely it will be for less than 30 minutes. If you ask the questions in an e-mail, it may be even more efficient. Written communications are generally more time efficient and –importantly - help avoid misunderstandings. Face-to-face meetings should be reserved for important complex issues and they will almost always take longer than either sending e-mails or telephone calls.

Don’t zigzag on your goals, strategy or tactics

If you have chosen the right attorney, provided the appropriate documents and information to them and have spent time developing reasonable goals, underpinning those goals with a well thought out strategy and tactics; there should be no reason to significantly adjust your plan. In some legal situations facts and circumstances change and these changes may require a modification of your – and your legal team’s - goals, strategy and tactics. Significant changes in any crucial areas can have a considerable cost impact on resolving your legal matter. As circumstances change and your goals, strategy or tactics need to be modified make certain that you again have established reasonable expectations with your attorney.

Conclusion

Find the right attorney who has expertise in your legal matter. Ask about the fee arrangements and educate yourself on how the attorney bills his clients. Be prepared at your initial meeting with them and plan a strategy for resolving the conflict or issue. Don’t be surprised, if the strategy is revised if facts change. Be efficient in using your attorney’s time and in doing so, you will be efficient in using your money.

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