

Overcoming Fee Resistance

The first step in convincing a client of your value is to have confidence in yourself and the fees you charge.

By Gerry Riskin

Consumers want the very best price for any given product or service. As a lawyer, you suggest a fee. Your client looks at you and says, "Gee, that's a lot of money. It's really a lot more than I had budgeted for, and I'm really concerned about that." Or perhaps, "My CEO is concerned about our legal budget. Is there a possibility that you could do this for less?"

What do we do?

What we do not typically do is give that client an assurance. We do not usually look the client in the eye and assert the merits of our fee. Instead, we become frightened. What if we lose the client? What if they select someone else? With those fears in mind, we either capitulate on the spot, or we say we would like to talk to our management committee - and then we run to our partners and suggest that we ought to lower our fees to keep the client.

I am not suggesting that this is not a competitive world. I know it is. There may be times when you need to exercise personal judgement, reduce the scope of the mandate and lower or moderate your fees. However, rather than responding reflexively with fear, we should learn first to apply the same approach as professional salespeople-and that is to demonstrate to clients that they are getting good value. We need to assure clients that we are uniquely equipped to deal with their situation and deploying the very best people available. We need to assure them that the fee is commensurate with the value that they will receive. We may even want to add, where appropriate, that due to efficiencies and effective systems the fee is lower than some other firms would charge to provide similar value.

At that point, the client may very well do what we do often in a showroom when we are buying a product, and that is to accept the explanation. If this does not happen, then we need to apply personal judgement as to how to proceed from there.

The important point is that all too often, we capitulate too early: we fail to demonstrate that we have confidence in our fees. By capitulating so early, we probably reinforce the client behavior of questioning our fees and make the client think, "I guess the name of the

game is that whatever the law firm suggests by way of fees, you complain a little and you say it's painful and then they moderate the amount." It becomes a conditioned response.

Assert your fees and demonstrate your value. Your client is looking for confidence; don't disappoint.

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