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Value-Based Legal Services (Not Just Estimating Hours at Standard Rates)

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Attorneys are groomed to equate the value of legal services with the number of hours it takes to do the work. Productivity in a law firm has also been historically based upon the number of hours an attorney can bill in a year. This culture places the working attorney in a state of conflict since law firm expectations are to bill more hours and client expectations are to pay what is reasonable and customary. This can lead to uncomfortable conversations at the closure of a matter to address discounts or write-offs. Inside the firm, attorneys who meet their hourly goals satisfy the firm's expectations, sometimes in conflict with the level of client satisfaction.

Enter the Association of Corporate Counsel (ACC) Value Challenge, an effort to encourage outside counsel to increase the value and reduce the cost of legal services. The challenge is no small task for law firms who continue to live under the billable hour. Many firms are re-evaluating the focus on the billable hour and are now realizing that there are numerous tools to help them meet the ACC challenge. These include streamlining legal processes, improving communications, prioritizing efficiency by advocating a legal project management (LPM) approach and creating value-based fee structures that are not tied to hours at a billable rate, but are more closely aligned with client and market expectations.

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