

## Pricing Principles

When pricing a matter, always keep these principles in mind:

### 1. Check your rates

**Consider the complexity and risk involved, and the urgency and value to the client of the work.**

Can you do this job in your sleep, is it rocket science, or somewhere in between? **Price it accordingly.** What is the degree of **risk** (e.g. the amount or value of any property or money involved) or the **likely behaviour and abilities** of your client, the other side, any third parties etc.

### 2. Offer choice

**Offer different fee options.**

Unless it's not relevant or you're certain a client wants a particular option, offer choice – for example, give an **hourly rate estimate/range** and a **fixed fee**. If you operate in a world of fixed fees, you could still offer 2 quotes – full service (premium option, priced accordingly) and the standard/basic version (with additional assumptions and exclusions clearly outlined). **Versioning** (bronze, silver and gold options) can work well, particularly where clients push for discounts.

### 3. Consult before you quote

**Before you put together a fee estimate involving the time of other Partners, speak to them first to discuss their hourly rate/fixed fee.**

There have been too many examples of a partner having their time quoted out by a colleague at a low and unprofitable rate, without prior consultation. It is highly damaging to profitability, not to mention internal relationships and it risks our reputation with the client. Speak with a colleague first to agree the rate/fee for their time. You wouldn't want this to happen to you.

### 4. Second pair of eyes

**Before submitting any price or quote to a client, consult with a fellow partner.**

Having a 10 minute conversation with a peer before you send a pricing proposal can often result in an uplift. They are not your colleague's client, so they can be more objective; they may have relevant experience of this kind of work, or of using a particular fee structure. They can also challenge you, helping you to rehearse the potential fee negotiation with the client.

### 5. Discounting

**Resist the urge to leap straight to offering hefty discounts at the first sign of resistance.**

Offer choice – the gold-plated or standard version; paying now vs later/in instalments; tie the discount to future work (reward loyalty). Be clear in your own mind what the **profitability** of this job is – doing jobs for bargain-hunting clients at a loss is rarely a route to long-term success. Also consider the risk of the client's ability and willingness to pay in the current climate.