

Why You Should Never Negotiate Your Fees

By Christopher Earley

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Have you ever had a potential client call and try to negotiate the fee you've quoted? At my personal injury law firm, this happens from time to time. It happens to us all. For years, I was willing to reduce our quoted fees when asked to because I needed the business. But now, I have a different approach that has worked quite well. As an example, a new potential client recently called with a very strong car accident claim. She asked if we would reduce the contingent fee percentage we quoted her. I told her we were not able to do that because that would mean we are not worth the fee we quoted her, and I encouraged her to seek out a law firm that would take on the case for the fee percentage she was looking for. I knew I could (and probably would) lose her to a competitor who would handle the case on a cheaper contingency fee. I was okay with that because we are not the right law firm for everyone. She ended up signing with us later that day.

Here are some reasons I believe that you should never discount your fees.

An advertisement for BridgeBank. On the left, the text reads "OUR TEAM MAKES SOPHISTICATED M&A DEALS DOWNRIGHT SIMPLE." Below this is the BridgeBank logo, which consists of a stylized circular icon and the text "BridgeBank". On the right side of the ad, there is a black and white photograph of a person's hands typing on a laptop keyboard. At the bottom center of the ad, there is a dark rectangular button with the white text "SCHEDULE A DEMO".

Fee reductions commoditize you, and that reduces your worth. If you are reducing your fees, that means you are in a race to the bottom to see which lawyer can charge the least. That is when commoditization occurs, and you

have just been rendered a commodity with a fluctuating value. If you set a fee, and then, at the potential client's urging, you agree to reduce that fee, then you have signaled that you are not really worth the fee you originally quoted. Not only does this make you instantly lose credibility in the eyes of the potential client, but it literally cheapens you and the value you bring to the table.

I have learned that potential clients who haggle are many times just looking for a bargain and shopping around by calling multiple lawyers. They want to get the cheapest fee possible. Quality is not important to them. Ironically, I have found through the years that those clients for whom we have reduced our fee frequently turn out to be the most demanding clients, despite the fact that we have given them a price break. Do yourself a favor and steer clear of these potential clients so that you attract and serve only those clients who will pay you what you are worth.

In fact, not only do I encourage you not to lower your fees, I encourage you to consider raising your fees. Of course, you must charge fees that are reasonable in accordance with the American Bar Association Rules of Professional Conduct. But by ethically raising your prices, you separate yourself from other lawyers in your market who may not be willing to quote premium fees. Additionally, I have found that clients are actually easier to work with when they pay a premium fee. That is arguably due to the idea that the more expensive a product is, the higher the perceived value becomes. As with any business, perception matters when it comes to selling services. Because of that, I encourage you to always create and maintain the perception that your legal services are high quality, and that is why they are priced the way they are.

Never forget that as attorneys, we are in the *business* of law rather than the *practice* of law. That is because we can't practice law without clients. But that does not mean we can devalue our worth to retain clients. Always keep this in mind when you quote your fees, and never, ever pull your punches by taking a discount. Repelling people who don't want to pay your fees is good for you and good for your practice. It is also good for these potential clients because they would be better served by hiring a lawyer who is willing to reduce his or her fees. I believe that sometimes the very best decisions we make as attorneys are

when we say no to clients who do not feel we are worth the fees we have quoted them.

If you have other ideas when it comes to whether or not to reduce fees for clients, please email me at cearley@earleylawgroup.com because I would love to hear from you.

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