

Telling Shoppers Your Rates

I get calls pretty often were people just want to know the cost of X. If it is something I do for a fixed fee I tell them. Some people say not to do this, because it scares PC off. And sometimes people hear my rate and are done. But sometime people schedule a meeting with me on the spot and so far 100% of those have signed a retainer without hesitation.

I was just wondering what others thoughts are on this. Do you share your rates? Why or why not?

Would you buy a shirt at Macy's if they wouldn't tell you its price?

Shell Bleiweiss, Illinois

Well, they're going to find out eventually. Might as well be up front about it.

Michael Jack Kaczynski, Connecticut

I think you are foolish not to at least mention money at the initial phone call. Sometimes I can give them a quote (quitclaim deed is \$XXX). Sometimes I can give them a quote subject to a caveat (A simple will is \$XXX; and by simple will I mean outright devises to named beneficiaries, no trusts, no tax planning)(Ok, so you're telling me that she's been dead more than 2 years and the only thing in the estate is the home; and all the kids are in agreement. IF we can do a summary administration, if they all agree it's going to be \$345 for the filing fee, and \$XXXX for me to draw up petitions and orders, and we won't have to advertise the estate) . Sometimes I can give them a range or at least a starting point (How much is the mortgage for? Ok, so the filing fee will be \$900; husband and wife on the mortgage? That means we're going to have to name and serve both of them: that's \$50 each, or \$100 for service on both; that's \$1000 in costs. My fees for a foreclosure start at \$XXXX; and that figure is based on our being able to personally serve them, their either not filing an answer or filing an answer we can defeat by motion for summary judgment, my attending hearing on final judgment, and my attending foreclosure sale. If there are additional hearings or if they hire a lawyer and contest it we're looking at more money).

Sometimes I can't give particular specific quote, particularly if it involves litigation; but I can at least give a floor; a partition suit, filing fee is this, figure hiring an appraiser will run at least that; and

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the least I would expect for me to handle the case is this; so we're looking at minimum of \$X. But it could run a lot more.

Now, the key is, if the client responds, boy, that's expensive, then you need to sell them on it. In the case of a partition; I ask, how much is the property worth? It's \$200,000 farm? And you're entitled to half of it? And you're not willing to spend \$X to recover that? I understand, sir, it's not cheap but this is what you need to spend in order to get what you want.

Ronald Jones, Florida

You could play doctor and say you don't know. I asked a doctor what was the cost of the procedure they just order. And had ordered 100 times before and they with a straight face said they didn't know. Seriously you're really going to hate Davidsoncare.

John Davidson, Pennsylvania

"Now, the key is, if the client responds, boy, that's expensive, then you need to sell them on it."

That is really what I was looking for. Like I said, I always give my rates. But the selling...

Koren Boyd

I try to ask them some other questions regarding the matter to let them know that I have experience and my background and experience is valuable and I can help them obtain success (mostly patent clients....) I also want to get a feeling for where they are in the process and their sophistication level.

If they insist on knowing what it is going to cost - I quote them a large total cost, what the big firms quote, and shut my mouth. Most of the time they are done as they are just shopping on price. I refuse to participate in that 'cause when you start doing that then it is a race to the bottom. I'd rather not work then work for nothing or very little. YMMV

Ronald R Kilponen, Michigan

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I believe in telling them right up front. If they are going to have sticker shock and not hire me because if it, I'd rather they do so as early in the interaction as possible to avoid wasted time in trying to "convince" them.

The conversation usually goes like this:

PC: Hi, I have a problem, can you help?

Me: Perhaps, tell me more about the problem.

PC: (Enough of the problem for me to know whether I am the appropriate solution.)

Me: Okay, yes, I think I can help you with that. Here's what you need to know. Pricing, experience review and why I think that experience will enable me to fix it. Do you want to take some time to think about it? Talk to the boss and make sure they are okay with it? Okay, call me back when you are ready.

Some already have authority to spend the \$\$\$ and say they are ready right then, in which case we "get er done." Love those clients.

Also, if you get:

PC: Wow, that is kind of high, do you have any sort of discount?
my answer is:

Me: I appreciate your asking, but No. That's the price.

HTH

Nancy Duhon, Georgia

Frankly, that's where a lot of lawyers fall down. You need to convince them that what you are offering them is a good value. And that can be tough.

But you need to do that.

Several years ago, I had a legal problem relating to our commercial property here; it was complicated, and frankly, beyond my handling myself; I called very experienced, very smart local litigator I knew and said, Bryce, I need a good attorney who handles this type of case; who do you recommend. He gave me name and phone number of specialist; I called specialist, spent a few minutes outlining the problem, and asked if he handles this; he said yes. I then asked what it would cost for initial retainer. He quoted me a figure. Then I asked, what do I get for that initial retainer? And he didn't know how to respond. I wasn't trying to put him on the spot, but I kind of like

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to know what I'm paying for. And I rephrased it; What, exactly, will you do for that retainer? And he acted like I insulted him; he got all defensive and said, Well, I'll do this, that, etc.

I wasn't trying to imply he was a ripoff; but what is an estimate of cost and what will you do for that is a very valid question. And you should have an answer.

My answers are:

In probate: you got some property and money in the name of the deceased; you can't access that money; I will get the money transferred to you (and other heirs) subject to any bills owed; in some cases I can get the property transferred and not have to pay creditors.

Back when I used to do bankruptcy; sure, my fee is considerably more than what the paralegal/document preparer will charge you for a chapter 7, but the paralegal isn't a lawyer; and the paralegal isn't going to deal with the creditors; and the paralegal isn't going to attend the 341 meeting.

In estate planning; Yeah, it's an expensive deed, but it will transfer the house upon your death to whoever you want; outside of probate, and exempt from creditors' claims; all they have to do is record your death certificate which costs \$10.

Or whatever.

You need to explain what the value is in hiring you. A lot of lawyers act like the value of a lawyer is self-apparent; in some cases it is, in some cases it isn't; the cases that it isn't self-apparent need to be explained.

You need to make the sale; you need to close the deal. I know lawyers hate this analogy; but it's like a car dealer; a certain, few, people come on the lot intent on buying a car; they don't have to be sold. Some people come on the lot and have no intention of buying a car and can't be sold a car; they're there out of curiosity, boredom, or because they get their jollies looking at cars; they're 'tire kickers' who can't be sold a car. Get rid of them as quickly as possible. Then there's a bunch of people in the middle; they may not be planning on a car purchase, today; but they're interested; some of them can be converted from "not today" to "today".

In fact, I was in that same position three weeks ago; my Pontiac had hit 90,000 miles, 5 years and my rule is to trade it before it hits 100K. Fine. I was investigating cars at GM lots; first dealership, Buick, the guy kind of blew me off; Fine, I told him I was just looking and didn't intend to buy today; OTOH, I went to the Chevy dealership, told him the same thing, and he

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mentioned they had cash back on the Malibu. I said, great, but you know I'm buying under 'S' plan; for retirees, what's the net price to me on this? He quoted me a figure about \$700 below sticker, and said the \$1000 would be on top of that. Fine, I STILL wasn't looking to buy today. THEN he said, you know, let me check.. And came back and said, golly gee whiz, if you're buying under GMS plan, GM's offering another \$1500 cash assistance under that plan AND another \$500 bonus cash for GMS buyer AND \$500 dealer incentive, which we'd throw your way. So. All of the sudden I'm looking at like \$4200 under invoice on a \$22,000 car, before trade or down payment. Did test drive, yeah, it's comfortable, quick search of safety ratings, yeah, top safety pick, yeah, airbags all over the place, and the next thing you know, the guy had a sale. But it was his SELLING it to me; as opposed to the Buick guy who wrote me off.

You have to sell them.

Ronald Jones

I wish I could give credit to the person I got this from. But, unfortunately, I forgot who it was. My guess is that it's from CPA/Author Ron Baker. But, I can't remember for sure. When you quote a fee, if the prospect says "that's expensive" or "that's more expensive than the other guy," here is the BEST response:

"I know. Why do you think it costs that much?"

Most people will actually answer their own price objection. "Um, I guess because you have more experience? You'll do a better job?" Often, they'll do a better job of answering the objection than I could do on my own.

I use a similar technique with the "how much does it cost?" question. When someone asks the question, I will say, "that depends on what you mean by 'it' - do you mean the document? Or, do you mean all the work that we have to do in order to make sure that it works? Because, the document is cheap. It's making the document work that costs money."

Cheers,

David Allen Hiersekorn, California

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The answer to that question is here:

http://www.rickrutledgelaw.com/documents/Client_Distribution/Reference_Fee_Schedule.pdf

I'm also very forthcoming about my billing policies. This information goes out with every engagement letter:

<http://rickrutledgelaw.com/html/en/billing.php>

If price is their first filtering factor and I'm not going to get through it, I don't want to waste my time (or theirs) laying groundwork for something that's not going to happen. If anyone was bothered by it, they apparently moved on; any feedback I have received to-date was an expression of gratitude for the candor, as I have many clients who've never worked with an attorney before.

I am open about price, and I make a point of telling them if there will be a fee for the initial consultation (it avoids that awkward moment at the end of the consultation when you ask for payment), so much so that I always make notes on the call on what I quoted them, if I offered estimates, etc.

I also sort of discussed it here (in terms of what's billed, what's not):

<http://rickrutledgelaw.com/lawblog/2010/05/money-for-nothing/>

And, as to the favor you're doing them by requiring a retainer:

<http://rickrutledgelaw.com/lawblog/2012/08/conflict-of-interest/>

The "selling" - or need for it - varies by client and matter. (And I suppose I'm indirectly answering the question about whether I share "marketing" tips...)

-Rick

Richard J. Rutledge, Jr., North Carolina

And building upon the car analogy, I haven't resorted to this response in a while, but it ALWAYS worked when someone gasped at my costs. I smile sadly and say, "You know, I understand. Shopping attorneys can be a bit like shopping for cars. Some people can only afford a _____ (some low end car). Others can afford and want to buy _____ (a high end car). There's definitely a performance and comfort difference between A and B, but you have to go with what you like, trust and what you and your family can afford. I wouldn't feel comfortable giving you cut rate service and definitely understand if you would prefer to seek

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advice from an attorney with different rates. I don't know what he or she will offer you. I know what I offer and I know my level of education and experience and know I'm worth what I charge. But I'm certainly not offended if you need to go elsewhere." And I wish them well. When they try to talk me into doing perhaps only part of an estate plan or work that wouldn't appear to be in their best interest, or even to review something they printed off the internet or got from someone else, I again smile sadly and say, "Just like your doctor won't intentionally prescribe something that isn't good for you or give you a prescription over the phone, I just don't run my practice by guessing games. Good luck to you."

I can't think of a time when anyone walked away. But as with cars, YMMV.

Vicki Levy Eskin, Florida

I like those pages, Rick. Good idea. That probably helps reduce client confusion and frustration.

Tom Crane, Texas

I would screen them to see if they are a potential client. "Well, let me ask you a few questions to see whether there is anything I can do to help you."

If they are a real potential client, then offer a price range for services.

Then be prepared for any objections (as David sets forth above). You should have pat answers for every possible objection.

Then quickly ask for their address, "What is your address in case I need to send you a follow-up letter?" or "You know, I just wrote a pamphlet explaining all the things I do to earn that fee. What is your address so we can send you some information about what we do?" I've never once had an objection to this request.

Then send them a nice package which may include a cover letter, brochure, white papers ("How to choose an estate planning attorney.", "FAQs on Estate Planning", "SAQs on Estate Planning", etc.). If you have a book, include that too. You can do this with e-mail, but more effective with actual mail.

If you send them a "shock and awe" package evidencing why they should pick you, that should increase your conversions.

Very truly yours,

Nick A. Ortiz, Florida

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This is and has been a psychological stumbling block in my practice for quite some time. Typically, members of my community who call me asking "how much do you charge for a will?" are over 80 years old, hard of hearing, and most definitely not interested nor able to listen (or understand, usually) a lengthy or philosophical answer regarding my fee pricing methodology.

Since well more than half of my annual revenue comes from estate administration for decedents living in my community (will preparation is a loss leader for me), it's absolutely imperative that I get these callers into the office. Unfortunately I've yet to develop a short response which resonates with the senior price shopper community and gets them in the door, while leaving myself room for upward pricing movement when the testator's needs and wishes are convoluted.

Rick Bryan, New York

I think this is where sales training is important for SSFers. Many have already said great things as a response, and I think the foundation is to tell them the price and then what they get for that price.

Some people think all we do is fill out forms and charge an arm and a leg.

Dan X. Nguyen, California

If you spend up to 1/2 hour on the phone explaining what you do and what you charge, why not offer these potential clients a free 1/2 hour consultation? Face to face it may be easier to communicate, although you may discover in such a meeting that their mental capacity is borderline, in which case you won't really want to do the estate planning anyway. This way, you won't have killed any more time than you'd give away in a phone conversation, unless you come across as a monster, the personal meeting will better convey your approach and work to woo them if they really want to proceed. Plus, you can schedule it, fitting it into your schedule, without spending a lot of time on the initial call.

I do spend time on initial calls finding out what the situation is [not just estate planning], if/how I could help, and based on my impression of the caller, if I want to be involved. If I get an early sense about it, I'll offer a free consultation or a paid one with the fee being credited to the total fee if it's a fixed rate matter. I'm careful with consultations,

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because I pay for a conference room, so it's an out of pocket expense, but I'm told it's a COGS. Or something like that. Such a crass term.

I try to explain the difference between a basic will and anything more involved. I do also include POA, Health Care directives and POA and other related documents in my will package, and generally do provide a fixed fee, unless it's not a "basic" will. I had one testator, whose estate I later represented, who made at least 10-12 individual bequests, cut out one child from his will, had art to be separately disposed of. It was not that complicated, but more work than a simple basic will, and the administration was a real pain. It was like herding cats. I did NOT do that on a flat fee.

It's a learning process, and eventually you get a feel for it. You'll still get burned on some, but not on all. And the clients who don't try to negotiate for discounts will appreciate your work and come back and make referrals to you.

Miriam N. Jacobson, Pennsylvania

I hear you. Been there and done that for years now. If I offered free consultations the seniors would be lined up at 7 am outside my door. I have a visceral reaction against giving away legal advice for free, which is what "free consultation" means to the general public. I can cause a riot by giving away pens and magnets for free at my seminars; it's astounding what people won't do when they see the word "free."

Truth be told I would like to close my doors for a month just to catch up on my outstanding work. Our NY guardian's reports are due at the end of May, and I have almost two dozen accountings to prepare. I'm sure this weekend the stress will kick in to insanity levels. I had a woman in yesterday with few assets demanding MR. BRYAN, I WANT YOU TO EXPLAIN TO ME WHAT IS AN IRREVOCABLE LIVING INTER VIVOS LIVING DURABLE POWER OF A RETAINED ANNUITY TRUST.

Please, shoot me.

Rick Bryan

First, how often do you have to increase your estimate? In my case, it's relatively rare; but if someone starts describing a convoluted estate plan that is going to cost more, I'll stop them right there and say, "hold it, this is not covered by my estimate". And that's how I would recommend that you handle it, assuming this is rare occurrence.

If it is NOT a rare occurrence, and you are regularly 'upcharging' them, then you need to quote the higher rate to begin with; you can quote the

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rate like "I find most people need a \$XXXX package", you can always adjust it downward, golly gee whiz, you know, I quoted you this price, but I don't think you need that, I can do simpler package for that price. People will be thrilled.

You quote the higher price, I can tell you right now you are going to lose a few clients; but odds are they are the ones who are most demanding.

It's a trade off; you are never going to capture all, or even a majority of, the market. You just got to get enough of the market to make a living and hopefully, prosper.

Ronald Jones

I can't keep up. Here's my perspective- if you are happy with your fees, (big IF) and you are closing enough clients to make your income goal each month or year-to-date, then what you are doing is working, stick with it.

Lots of good advice and counsel here on the thread if the above isn't the case. One shift I'd offer is that you don't have to convince them of your value. What you have to do is ensure they are very clear on the consequences of NOT working with you, and then ask them if they'd like to have you solve that problem. It's a different angle on the same conversation, but it's more client focused.

Something like-

Let me see, so your situation is...and if you don't....then..[bad thing they want to avoid]. Is that it? Terrific. And that is something I know I can help you with, I have a great deal of experience with this situation and people just like you.... All right, and my fee for that is When would you like to start?

Just more fodder. Pick the advice that feels right and then use it and track the results. Watch your conversion rate, make some notes, see if you need to change your conversation. Definitely a mix of art and science!

Best, B

Barbara Nelson
Notta Lawyer. Business Coach, New Jersey

To these very good suggestions, I'll add the following.

Ask:

- *"How did you find me?"* Have they been reading your blog? Did they see an ad? Did a client refer you? Their path to you defines how you conduct the initial discussion.
- *How much experience do you have hiring lawyers?* *Have you ever dealt with this type of problem before?* Many first-time buyers are anxious about engaging professionals because they're aware of their ignorance re: an unfamiliar subject, and uncomfortable with the potential disadvantage that might convey. If they acknowledge that this is the first time they've had to hire a lawyer at all, or for this purpose, you know they'll need some education and reassurance. They need time to experience you and conclude that you're human and not going to exploit them.
- (Unless it's obvious) *"Why now?"* What made them decide to actually pick up the phone and make the call (instead of thinking about it). This usually reveals relative urgency, and exposes idle shoppers and tire-kickers. If you determine that they're the latter, be empathetic while redirecting them to your marketing (lead-nurturing) channel, e.g., website, blog, articles, etc., where they can do whatever they need to do to get serious, or satisfy their idle curiosity. *It sounds like you have the luxury of time to decide what to do. That's very fortunate. I encourage you to spend some of that time getting more familiar with _____. Many people find that they're more comfortable once they have some foundation for this type of decision."*

Your biggest competitor is "no decision." Instead of trying to persuade prospects of the relative superiority of your service/solution, I encourage lawyers to focus on the difficulty people have making decisions. Until buyers are comfortable making a decision, no solution or supplier is sufficiently attractive to overcome that. Conduct yourself as if you've been hired, i.e., help them -- not with their legal problem, but with their decision problem.

The easiest value to deliver is Clarity. Initially, people want clarity and confidence in their decision more than they want a solution. Break the matter into two separate sales. Sell Clarity first, and have that inform the second sale, which is Implementation. By doing so, the client becomes a co-creator of the implementation "product" in the second sale; they're already invested in it emotionally and believe in its legitimacy.

*"The loss of a parent is really difficult, and trying to sort through and resolve their estate can be difficult when you're not sure how to go about it. After all, this isn't what you do every day. It's hard to make good decisions without having a clear understanding of your options and the implications of each. Think of this as a two-phase effort. First, you help

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me understand your situation, and I'll help you identify and think through all the factors that will influence how you prefer to resolve the matter, explain your solution options, and what it means to choose each one. The goal is to get you to a point of sufficient clarity that you're comfortable making decisions about what actions you should take."*

Next, make Phase 1 real. Tell them what to expect, what their and your respective roles will be, and how much time and effort they'll need to expend to help themselves to maximize clarity and minimize cost.

*"You should plan on meeting with me ___ times for an hour or so each time over a period of ___ days/weeks, and, depending on how well organized your mother's records are, spending anywhere from ___ to ___ hours gathering the information we'll need for you to make a good decision. For all that, I charge \$___. *

*

*

*In the course of reaching the level of clarity and comfort you need, you're going to learn a lot about what it's like to work with me. It doesn't happen often, but should you discover that you're not as comfortable working with me as you thought you'd be, you won't have wasted your money or time. You'll have made a well-informed decision, and you'll have a solid plan for what you want to do, which you can take to any lawyer with whom you're more comfortable. *[This "escape valve" eliminates the greatest fear, i.e., of committing to too much with someone you just met.

*

*

If, as usually happens, you're comfortable working with me, what we did together in Phase 1 will have given me what I need to give you a reliable estimate of how long it will take, and what it will cost, to make everything happen and wrap this up satisfactorily. Does that make sense? Is there anything that would prevent our getting started on helping you make a great decision?"

This last question will ferret out any remain doubts and hesitations, which you can address. Even if they don't commit now, and go shopping for other lawyers, the likelihood that those lawyers will focus on the primary problem, i.e., the client's decision difficulty, is very low. You'll have differentiated yourself, permanently. When you hear from them again, they'll be ready to sign a check. When friends talk about hiring a lawyer, they'll tell a vivid story about how you're different.

Mike (not a lawyer, but I did stay at a Holiday Inn Express last night)

Mike O'Horo

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Depends you can pay me \$X,000 or spend an extra 10 years make \$.12/hr

John Davidson
