

Subscription Plans for Clients

Does anyone offer subscription plans to clients? I'm thinking about offering one targeting my business clients, something along the lines of "x number of free documents per year, unlimited short phone calls, quarterly meetings" for a monthly fee. I'd love to hear from people who have tried something similar and whether it has worked for them.

I feel like this has probably been discussed before, but my search came up dry, so I'll apologize in advance if I'm reviving a previously well discussed topic.

I explored this idea a few years ago. I may have even discussed it with others on the listserv. For me, the issue was about tracking the activities for each subscribers. At the time, I did not have systems in place to accomplish that task. Without the proper systems in place, you will spend more time tracking than billing.

If you have a good system and clients willing to pay a subscription fee, this is an excellent cash flow idea.

good luck with it.

Rod Alcidonis, Pennsylvania

I know that Gina Bongiovi of this list has done that.

If she doesn't reply to your message, here is her contact information from a recent post:

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Brian H. Cole, California

I have done that in the past with success. There are two models I have seen used:

Model 1 - (which I used) - loss leader. Basically, you "train" your clients to call you for regular matters that do not take any/much research on your part for a small flat fee a month (example \$100 - \$250 depending on client size). You can add variations to this. For example, I provided an option for my clients to add a yearly employee handbook review at a reduced yearly flat fee over what I would normally charge a one off client. What I found was that using this loss leader caused my clients to call me whenever they had any legal questions (because they knew the clock would not start ticking the minute I picked up the phone). This allowed me to grow my labor and employment practice, and act as a referral source for my local network.

Model 2 - Flat Fee representative of how much time you expect to spend (example - \$500 - \$1000 / month). I worked with a firm that tried doing this. It did not work for them as clients shied away from the hefty monthly "retainer."

Regarding either model, I did not have any issues "tracking my time" on the Retainer matter. I just opened a file matter for that particular client titled Telephone Retainer and billed my time to that file whenever they called (unless, of course, it was on a call that was not subject to the Retainer). This allowed me to quickly look at each Retainer monthly and see if I should consider adjusting the price depending on usage.

Hope it helps.

Sincerely,

Christian Zinn

Glad you're thinking along these lines. When I was the Director of Attorney Services at LegalZoom, I created the entire network of attorneys that would fulfill the legal plan offering. That product ultimately contributed significant revenue to the bottom line. It surprises that more business law attorneys haven't adopted it in their own practices. So far I think Christian Zinn's "Model 1" example is a strong recommendation, especially around pricing (great job Christian!).

I would also add the following to your planning. The biggest concern for attorneys is utilization rates (number of subscribers actual using the service you offer at any given time). However, after working several service based subscription plans in and out of the legal industry I can tell you that utilization rarely exceeds 25% of your total subscriber base on any given month. If your utilization rate is too low, you will have high

attrition. If it is too high, well your operating costs go up and the plan becomes less profitable. Pricing and product scope is key to finding the sweet spot which in my opinion is about 18%.

What to offer? You should basically consider offering anything you can complete in about 30 minute phone call. For instance, a document review of 10 pages or less. Most documents of this length are not very sophisticated legal docs. There may be a few outliers but most will be simple notices, NDA's, offer letters, simple lease agreements etc. Clearly, simple legal advice would also fall into this category. What you offer is up to you just use the 30 minute time frame as a gauge.

Also, consider offering a discount on the monthly fee if the client agrees to prepay for the year or 6 months. This puts more money in your pocket upfront and will likely result in lower utilization. Finally, what are the major benefits to your firm? One thing is predictable recurring revenue (a key challenge for any business!). Other benefits include, being the first point of contact for all legal questions. Your business client may actually need a divorce, or involved in accident. In every case they will reach out to you first. You can then refer it out to your network of attorneys (fee split if your state allows) and expect referrals back.

While legal plans have been around since at least the 70's it is our current collaborative consumption economy that is making these plans more popular. I am glad you're thinking about and if you have specific questions, feel free to reach out to me privately. Happy to help.

Allen Rodriguez

As always, check your jurisdiction's ethics rules. Some jurisdictions prohibit unearned fees - that is, in those jurisdictions, you can only bill for work that is actually done and not a set amount that would be charged even if no work was done.

Naomi C. Fujimoto, Hawaii

In ye olden days, that was called "having a lawyer on retainer." Calling it a "subscription" sounds more like a commodity (e.g. the Book of the Month Club or a health club).

Steven Finell, California

Thanks everyone for the wealth of advice! I'm going to do some prep work and then give it a go, keeping in mind what's been said here.

Noel French

We offer a subscription pricing for corporate clients, on some of the same terms you've described.

Dan X. Nguyen, California

I have been playing around with an idea which I have not been able to implement. I am sirt of using Massage Envy as a model. Clients would pay a selected fee each month which would buy the a certain number of hours of legal services which they could use or accumulate until they needed them. Flat fee services would be discounted and not go against the accumulated hours. A client could cancel any time with thirty days' notice but the accumulated hours would have to be used within that thirty day period or be forfeited (I see a possible ethical problem with this but am looking for a work around.

Putting this program together has two distinct aspects. First formulating a workable plan that will be profitable. Second, and more importantly, finding clients willing to subscribe. No one thinks they will ever need a lawyer until they do.

John Miles, Georgia
