

As seen in

THE BOTTOM LINE

OFFICIAL PUBLICATION OF THE STATE BAR OF CALIFORNIA
LAW PRACTICE MANAGEMENT AND TECHNOLOGY SECTION

April 2000

Discussing Fees

By **Robert N. Kohn**
and **Lawrence M. Kohn**

The discussion of fees provides one of the few opportunities for distinguishing yourself from the competition. And, one of the most significant methods for distinguishing yourself is by communicating value. We define value as “The most benefits for the money.”

What’s the deal?

The first step in communicating value is to take an inventory of all of the benefits you offer. Obviously, prospects seek out lawyers who are knowledgeable, experienced and skilled. However, there are many additional benefits you can bring to your clients. Ask yourself the following questions.

Do you educate your clients through newsletters or free seminars? Do you provide your clients entrée to valuable resources such as CPAs, bankers and other advisors? Do you actively support the trade organizations, charities and causes of your important clients?

Do you help your clients minimize stress? Do you maintain constant communication with your clients? Are you positive and supportive? Do you offer to meet with clients and help them identify potential problems and then help them develop strategies for minimizing those problems?

The more benefits you can identify, the more you will be able to communicate to prospects that your deal is superior to the competition.

Describe the benefits

Once you taken an inventory of the benefits, the next step is to **communicate** the benefits. Never quote fees in a vacuum. Always discuss dollars in terms of benefits.

Many benefits can be revealed simply stating them. However, in some cases you may have to prove that you offer the value. For example, instead of simply saying you are efficient and cost effective, you may want to describe your system and show any forms you use that save time and money. Other qualities such as your perseverance, aggressiveness or reliability may be communicated through stories you tell about experiences with other clients. Another technique for revealing personal qualities is to talk about those qualities in the people you admire.

In some cases, words alone may not be enough to convince prospects. In these cases we recommend a technique called, “Value in Advance.” For example, rather than saying that you are a creative problem solver, you may want to give some creative advice. If someone asks you a question for which you don’t have an immediate answer, you could volunteer to do some free research and get back to them. As you

learn to give value in advance, your prospects will come to recognize the value you offer.

Discuss fees with confidence

It is interesting, but some lawyers actually gloss over the discussion of fees. Some lawyers feel uncomfortable quoting rates that are high because it makes them appear greedy. And, some lawyers worry that their fees might be perceived as excessive and frighten prospects away.

But, instead of glossing over rates, you can use the discussion of fees to reveal many of your positive qualities. For example, by describing all of the benefits you offer, it demonstrates confidence, accuracy and fairness. And, by not backing down when clients ask you to negotiate your fees, you demonstrate that you hold your ground in a negotiation.

So, never minimize the discussion of fees. Rather, use this component of the marketing process to dramatically differentiate yourself from the competition and position yourself as the provider of choice.

Lawrence Kohn and Robert Kohn are principals with Kohn Communications, a nationally known authority on legal marketing. Kohn Communications specializes in assisting lawyers to overcome the obstacles of marketing and learn marketing skills.