

“Grubby Money” - Lawyers’ Reluctance to Talk About Fees

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It’s no secret – and no surprise – that in today’s competitive and cost-constrained legal landscape the Almighty Dollar has taken center stage: clients are increasingly fixated on tightened budgets and efficient service delivery. It’s also clear that discussing the dollars is something a lot of lawyers prefer to avoid.

We recently led a Legal Project Management (LPM) workshop that included both law firm partners and representatives of one of their biggest clients, a financial services giant. The format proved very successful in airing out a variety of issues and building some new communications bridges.

The Elephant in the Living Room



Then the conversation turned to budgeting, and the tenor turned tense. One partner, speaking with a hint of self-righteousness in his voice, said, “our priority is to provide the finest possible legal service. We find it distasteful to talk about grubby money matters with clients. We want to do the legal work to the best of our ability and then send the bill.”

Jaws dropped. The client-side folks looked at each other in disbelief. Silence darkened the room. After a pregnant pause, the highest-ranking client lawyer cleared his throat.

“*I don’t think you guys are getting the memo. Look, we are in the business of talking about money. In fact, money is our business. We want to talk about legal costs. We do not consider negotiations about money to be... grubby.*”

Historical High Ground: *Dollars are Dirty*

Partner discomfort with discussing the details of what legal services cost is hardly unusual—or hardly surprising, especially because firms often don’t know what it costs them to deliver service. Historically, they just passed all the costs of doing business through to the client – along with a healthy premium. They hid behind the time-honored claim that law was a profession, not a business, and that the discussion of price and costs was rather unseemly.

Today's Client Perspective: Law *is* Business

Regardless of what law may have been historically, today it is undeniably a business. Big business, with big stakes and big money.

As Paul Lippe pointed out in his splendid recent blog post, [*Is Your Firm or Legal Department 'Old Normal' or 'New Normal,'*](#) the old law firm orientation was that “every matter is unique – to think otherwise is to devalue and ‘commoditize’ the profession.” The new orientation is that “every matter is similar to other matters...and reinventing the wheel leads to...excess costs and clients avoiding lawyers.” Historically, the highest praise for law firm lawyers was that they were “ethical.” Today, the highest compliment is that they are “operationally excellent.”

A Double Standard

Funny, partners don't seem averse to talking about money when it comes to divvying up the booty into partner points and annual compensation. In fact, many want so much more of that “grubby money” that they readily jump ship to another firm with a higher PPP.

Clients are justifiably chagrined that their lawyers are so reluctant to talk about the critical measure of value conferred. They tell us they like it when money matters are addressed candidly, forthrightly and early. When law firms balk at discussing the coin of the realm, they would do well to remember who rules the realm these days.

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