



# 5 STEPS

For Litigation Firms to Prove Their Value  
to Clients and Increase Profits

According to the Thomson Reuters Legal Executive Institute, 58% of legal clients are shifting at least some portion of their legal business every one or two years. This means a lot of opportunities for law firms, but also a lot of threats to an existing book of business.

This also points to a powerful profit-making opportunity that doesn't require a huge marketing budget or business-development staff. All it requires is providing the kind of service that ensures clients won't want to leave you and, even better, will make them eager to send referrals your way.

**Adopting a client-service mind-set will set you up for more referrals and revenue. To get started, take the following steps:**



### 1. Know what your clients value most and do your best to deliver that.

Immediately find out what success looks like to clients so you give them what they want most. Before the end of your first meeting, make sure you know what they define as a win and precisely what they hope to get out of your relationship.

You don't want to move forward without this clarity or you're setting yourself and your client up for disappointment. For instance, does your client want to battle it out to the bitter end in the hopes of a record award, or are they simply looking for a quick resolution to an injustice? Do they want to defend their reputation at all costs, or are they more interested in a quick and quiet settlement? In reality, they may not know. But an effective lawyer can help them determine where their interests really lie. Draw on your experience to help the client understand the strengths and weaknesses of their case. If possible, show them examples of outcomes in comparable cases and have a frank discussion of the amount of work that goes into such a result. In short, ask them what outcome they're hoping for and develop your case strategy accordingly.



### 2. Set proper expectations with the client.

Although you may be immersed in litigation every day, this may be your client's first experience with it. Explain to them what they can expect in terms that are appropriate to their level of experience and comfort.

Begin by thoroughly and simply outlining what the life cycle of the case will be. Detail what happens if the case moves along as expected, and what happens if it doesn't. You may want to illustrate this with a timeline.

Showcase your expertise to underscore your value and instill trust. Leveraging new [litigation analytics](#) technology, provide insight about likely timelines and about judges, such as what sways them and how they have ruled in the past. Share what you know about opposing attorneys, such as their favorite tactics. Explain the disadvantages and advantages of the case, and the strategy you think is best based on that research. Be sure to have clients sign off on these expectations and send them a copy. This way you'll have a record that you can fall back on if there are any questions or concerns later.

It's also important to keep clients abreast of the progress of their matter and continue to manage expectations throughout their matter. After all, matters never go as precisely as expected. Continuously communicate to ensure they're clear on how their case is moving forward and check in to see if they're satisfied with your work. They'll have greater trust in you and what you're doing, they'll be assured you have their best interest at heart, and you'll build the kind of relationship that results in abundant referrals.

Furthermore, when clients know precisely what's happening with their case, and why you're taking a certain direction that may require extra hours, they'll be more apt to pay their full legal bill. This will result in fewer write-offs because they will understand the value you're providing them.



### 3. Be responsive.

According to a recent Thomson Reuters State of Small Law Consumer Study, one of the biggest issues unhappy clients have is an unresponsive or uncommunicative attorney.

Mitigate this issue by letting clients know up front your preferred communication method – a phone call, text, or email – and your availability. For instance, if you're in court or at a deposition, explain that you likely won't be able to respond until the next day. This way, they won't be upset when you call back 24 hours later to provide an answer they thought they would have in an hour. Clarify after-hours availability as well.

Empower your staff to reinforce this message by letting clients know when they can reach you, because it can be reassuring to talk to an actual person instead of a voicemail. To avoid telephone tag, have your staff schedule a time for you to speak with the client. This will give you an opportunity to prepare, and the client will know that you have time on your calendar to give them your full attention.

Keep in mind, though, that the most responsive lawyers may win the most clients. While findings vary, studies suggest that consumers expect response to communication in anywhere from one to six hours. If you get pushback from clients about the response time you propose up front, you may have to reconsider how quickly you must respond if you want to retain them.



#### 4. Work efficiently.

There are limited hours in a day, and once those hours are gone, you can never recapture them. So, know precisely how much work you must do in order to achieve a billable hour. Be brutally honest because these details matter – after all, only a few hours per year are what separates very successful law firms from unsuccessful law firms. According to the Thomson Reuters 2017 State of U.S. Small Law Firms Study, a lawyer at an unsuccessful firm works 3,100 hours to reach 1,800 billable hours annually, while a lawyer at a successful firm works only 2,900 hours to reach the 1,800 billable-hour mark.

You can become more efficient with technology that makes both practicing law and managing matters easier – from [being more efficient with your legal research](#), to [checking citations](#), [building better briefs](#), [creating an invoice in a couple of clicks](#) and [monitoring firm financials](#) at a glance. You can create

the efficiency that increases profit margin and also be more responsive. Technology such as law practice management with a [secure client portal](#) makes communicating with clients fast, easy, and practically automatic.

In addition to driving revenue, working more efficiently gives you more time to do the activities that will make you a better lawyer. For instance, you'll have more bandwidth to touch base with clients, work on strategy, and handle the details that advance matters along to your benefit.

As a result, every one of your clients will be more apt to feel like they're your biggest and most important client – even if they're your smallest.



#### 5. Understand the impact write-downs have on your revenue.

When you take steps to give your clients what they want most, if you set expectations, be responsive, and work efficiently, you'll more than prove your value. When that happens, clients will be more confident in your work, and you'll increase profits.

Most importantly, you may be less inclined to write down your time.

According to the Legal Executive Institute, 75% of lawyers write down their time based purely on instinct. When it comes time to bill the client, they automatically decrease the total. They don't base the write-down on how many hours they worked or their hourly rate. Instead, they assume the client will pay a certain amount, and they adjust their bill total accordingly – without any client pushback.

**While the difference between the two is only 6%, the impact can be impressive. Here's an example of how this information plays out:**

Let's say a matter resulted in \$5,000 in gross revenue for 28.5 hours of billed time. At first glance, you might think you've achieved a healthy profit margin of 23%. What you didn't consider is that you had to work 35 hours to bill 28.5 hours. This means you wrote down 6.5 hours. So, the profit margin was actually 5.5%, not 23%.

What if you could charge the same amount of billable time by working just 31 hours? By reducing the hours worked just 4 hours, the profit margin would jump to more than 16%.

The problem illustrated here is no less prevalent among larger firms. The only difference is that the dollar figures get larger.

MORE  
THAN  
**16%**

**\$5,000**  
FOR 28.5 HOURS  
OF BILLED TIME



Don't trust your gut feeling alone when it comes to your client invoices. After all, you would never ask a judge to rule purely on instinct; you would present irrefutable evidence. Your law practice deserves the same kind of due diligence.

Consider how much these self-imposed write-downs cost your firm. The client hasn't complained; lawyers are just assuming that they won't pay their full fee. But the write-downs may be unnecessary. Especially if you're taking the steps outlined above to provide the value your clients want.

After addressing the volume of write-downs, audit where other write-downs and write-offs are occurring. Once you've identified the biggest revenue leaks, determine if the lost revenue is client-driven or self-inflicted. Once you understand where you're losing revenue, you can begin to address it. By ensuring your client service is top notch, you can minimize the overall price reductions.

**When you make the effort to find out what clients want and efficiently, effectively deliver that to them, the need for write-downs diminishes. Even better, while most of the clients at other law firms are looking for the next lawyer to represent them, yours will gladly stay put and eagerly send new clients your way.**

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