

Pricing Governance

- Early days for most firms
- Essential control mechanism
- Impact on profitability
- Cultural issues

Pricing Analytics

- Data driven decision-making
 - Specialists v partners
 - Data hygiene
 - Financial literacy

Pricing & Profitability Project

Pricing Execution

- Art & science
- Not simply an admin function
- Skills development
- Enhanced commerciality

Pricing Technology

- Who is it built for?
- What is it intended to do?
- Does it make life easier or more difficult?
- What is the ROI?

Price Governance



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Collect Data



Analyse Data



Create Reports

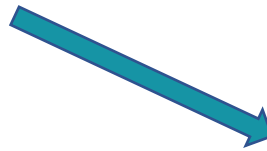
Lawyers



Analysts/Commercial Finance




VIRTUAL
PRICING
DIRECTOR



Power BI



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MODULE TITLE	CONTENT
Pricing Strategies & Tactics – Hourly Pricing	<p>There is a misconception that there isn't much to discuss about hourly pricing. It is what it is. However, that is not correct. This session will look at:</p> <ul style="list-style-type: none"> • Fee earner tiered hourly rates and a methodology for determining what rate to apply to which client and which job • The potential provided by the NZ regulatory and common law framework
Pricing Strategies & Tactics – Fixed Fees	<p>Clients increasingly demand price certainty. Although there are exceptions, fixed fees have not generally served firms well. They tend to be regarded as synonymous with 'write-offs', discounting and poor realisation. However, there is nothing wrong with the concept. The fault lies in the execution of them. Fixed fees in fact represent an excellent opportunity to address clients increasing desire for budgetary certainty <u>and</u> undertake the work at a premium above hourly rate. This session examines:</p> <ul style="list-style-type: none"> • Understanding price risk/probability and how to profitably price that risk • How to communicate a fixed fee proposal to a client and how to handle pushback • Managing 'scope creep' under a fixed fee
Pricing Strategies & Tactics – Other	<p>The key to optimal pricing outcomes is to instill in all fee earners and their support personnel, a sound understanding of a wide range of pricing strategies and tactics, enabling them to craft a customised, bespoke pricing solution for each client on each matter:</p> <ul style="list-style-type: none"> • Cap & collar • Versioning • Urgency premium • Price risk sharing models
Price Negotiations Skills & Tactics and Dealing with Procurement	<ul style="list-style-type: none"> • Understanding your positioning with the client – what's impacting how they see you? • Brand and buying power (attitudes & impact on how clients see law firms) • Navigating the client procurement relationship • Increasing commoditisation & how to use this to your advantage • Defining value – what's expected vs what's unique, and value add - % of fees vs traditional value-add models • Customer friendly language – explaining why you're different & why you should be retained • Differences in negotiating with different stakeholder groups - business/legal/finance/procurement • Standard procurement negotiation training – ELTBC methodology and the Harvard Negotiation Project • Operational savings focus, cost avoidance and value-add • E-auctions – strategy & impact • Managing the 5% discount question

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