

Foreword

When I founded “AdamSmithEsq.com” over four years ago, one of my motivations was that I believed there was a tremendous need for an online publication and forum discussing the strategy and economics of large law firms—and I couldn’t find anything on target. Today, with the readership of “AdamSmithEsq.com” global, it seems that surmise was correct. With *Law Firm Fees & Compensation: Value & Growth Dynamics*, Ed Poll is filling a similar void for law practices of all sizes. There is nothing out there as comprehensive and thorough, or as practical and down to earth, as this guide to every material issue about how law firms charge for their services and collect their fees.

Ed covers a range of critical topics, including:

- Hourly billing, its history and genesis
- The engagement letter, including ethical considerations surrounding it
- Budgets and time, pricing, and scope
- Trust accounts and the special professional and ethical obligations appurtenant to them
- “Value” billing, including alternative pricing methods such as blended hourly rates, fixed or flat fees, contingency or percentage fees, premium pricing, retainers, and combinations of these methods
- Refunded fees and split “ownership” of matters and fees (often between a lawyer and his or her firm)
- The nuts and bolts of billing, including collections

Lastly, Ed rounds out the picture by discussing how fees and billing intersect with and dynamically influence internal firm issues of compensation, as well as two of the most powerful external waves building force and soon to roll ashore on the cozy beaches of law firms:

(1) commoditization and (2) convergence.

In short, if you help manage a law firm of any size—from your own solo practice to a department or practice area at a large firm—you will find clear-headed advice from Ed’s nearly two decades of experience helping lawyers manage the business side of their practices more effectively.

And that's the theme of this book, isn't it?

Lawyers—take it from me, I'm one!—frequently are allergic to the notion that their firms *are* businesses. And Ed's message? "Get over it."

Ignoring the business dimensions of one's practice cannot only be dangerous to your income, it can alienate clients and colleagues alike, impede your own professional success, and diminish your future potential. So what does being "businesslike" mean? It's nothing frightening in the least—but you must do the following:

- Manage cases and transactional assignments like projects. That's what they are. There's a reason corporate America has refined "project management" to a science.
- Recognize that your individual success comes within the context of the firm, and that its success and yours are two sides of the same coin.
- Finally, why not emulate corporations more explicitly? In serving your clients, these must be your priorities:
 - Communicate, communicate, communicate.
 - Be driven by the highest standards of client service.
 - Be a team player inside your firm and with your client. Your highest success will come in league with your firm's success and your client's.

Ed Poll enthusiastically espouses these principles throughout this new publication—and he provides detailed advice on how to put them into action in your law practice.

—Bruce MacEwen
New York City
March 2008