

## Legal Industry's Journey to Fixed Pricing is Entering its Final Stages

FOR IMMEDIATE RELEASE

**Sydney, Australia, May 4, 2020** – The [Survey of Fixed-Price Legal Services 2020](#) sheds light on what Australian lawyers are charging for their services and uncovers surprising results.

Amidst the COVID-19 pandemic, buyers are increasingly shopping around online, including for legal services. This is forcing law firms to be more transparent with their pricing, which is changing the entire pricing model.

Interestingly, the survey reveals that, ***when charging fixed-fees, the firm's return per unit time spent is higher for 'complex' documents than for 'simple' documents.***

Ben Rosswick, COO of Smarter Drafter, explains, "More transparent pricing means that the old model of billing by the hour has effectively reached its use-by date. Clients really only care about the finished product, and for the law firm, clearly charging \$1,000 for a service that took 2 hours to complete is better than charging the same amount for a service that took 10 hours to complete."

That's not to say those simpler documents should be avoided or that lawyers should only work on complex documents. The key is delivering the finished product more efficiently.

That's where technology comes in. Document automation tools like Smarter Drafter improve quality control and significantly cut down drafting time.

More details and other interesting statistics are found in the full survey report. Survey participants and Smarter Drafter subscribers have free access to the final report, and non-participants can purchase the full report here for \$99 +GST: <https://newlawCLE.com.au/purchase-the-report/>

*New Law CLE provides training to the legal sector on New Law operating models. Their annual survey of fixed-price legal services is possible thanks to sponsorship from legal-tech company [Smarter Drafter](#), which provides automated legal documents to law firms.*

**SEE SUGGESTED ARTICLE BELOW.**

**If you would like more information or to schedule an interview, please contact Smarter Drafter COO, Ben Rosswick, on 02 9137 2167 or [ben.rosswick@smarterdrafter.com.au](mailto:ben.rosswick@smarterdrafter.com.au)**

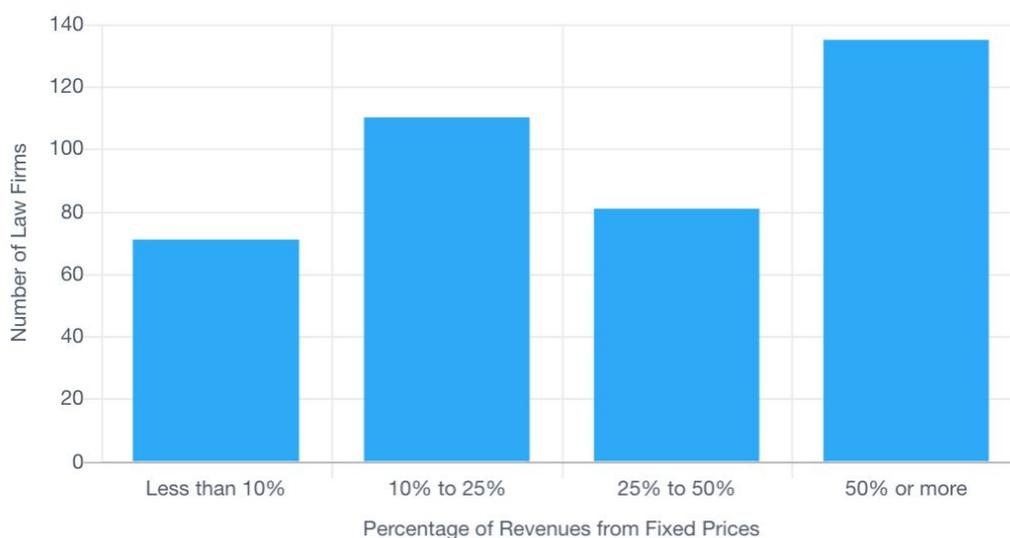
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In the last few months, the legal services industry has had change thrust upon it like no other time in its long history. That change has affected everything from how lawyers price their services to how they collect client instructions and even how signatures are witnessed.

Until very recently, solicitors gained new business primarily from networking referrals and inbound enquiries. These typically start with an introductory phone call that leads to an in-person meeting. With people now working from home and traditional networking put on the backburner, lawyers need new ways of attracting clients and even winning new business from existing clients. That means there is a greater need to do marketing online, which means being more transparent about pricing: now, more than ever, prospective clients shop around for the most attractive deal.

More transparent pricing means that the old model of billing by the hour has effectively reached its use-by date. If someone needs a new Shareholders' Agreement drafted, they don't want to know that you'll be charging them \$300 per hour for as long as it takes - they want to know what the finished product will cost. Even if quoting by the hour, clients now treat estimates as fixed prices and expect that they won't be exceeded, which is de facto fixed pricing. So lawyers, along with many other professionals, are having to offer a wider range of their services at a fixed price.

### Firm by Share of Revenue from Fixed-Price Services

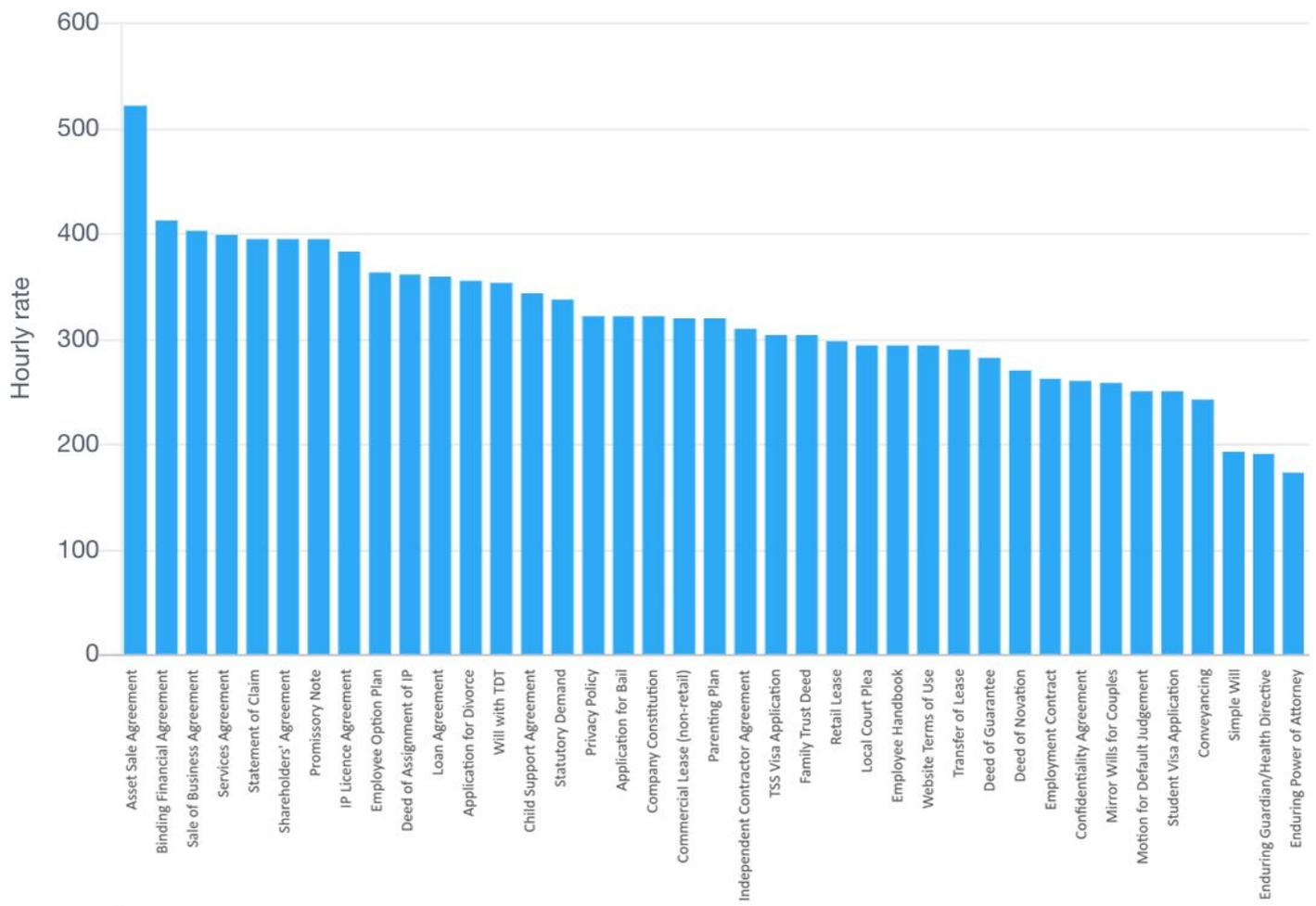


Of course, being able to offer a fixed price for your services isn't just a matter of knowing how long it will take you to render that service - you also need to have a sense for the *value* you're providing to your clients and what prices they're likely to find elsewhere. Whilst value can be an ephemeral concept, thanks to the annual [Survey of Fixed-Price Legal Services](#) sponsored by Smarter Drafter, you can now discover what other lawyers charge.

This year's survey, which included responses from over 420 firms across Australia, highlighted some interesting findings. One of our most important findings was that, when charging fixed prices, **the return per unit time spent on 'complex' documents is higher than 'simple' documents.** What does that mean? Your return - or yield - can be thought of as the price you charged divided by the amount of time it took you to provide the service. Clearly, charging \$1,000 for a service that took 2 hours to complete is better than charging the same amount for a service that took 10 hours to complete.

For example, an Asset Sale Agreement or a Services Agreement will yield a lot more per hour worked than conveyancing or an Enduring Power of Attorney. That's not to say those simpler documents should be avoided or that you should only work on complex documents. Instead, if you're looking to offer either service you need to be savvy in how you produce them and how you sell them.

# Implied Hourly Rate by Document



That's where technology comes in. It's fine to be charging \$300 for, say, an Enduring Guardianship if it only takes you half an hour to produce it. So what you really need is to find a way to reliably produce those simpler documents (and the more complex ones) in a quick and efficient manner *every time*. If you can use that same technology to scale the way your entire staff drafts documents, then all the better.

Imagine you had a team of employees who were empowered to produce documents quickly, without making mistakes or compromising on quality. Now imagine that they're all generating returns usually reserved for the partners of top-tier law firms. That sounds like a fantasy but is, in fact, very achievable and the answer is **document automation**.

Document automation (or automated document assembly) used to be something only top-tier firms could access due to the huge up-front investment and technical expertise needed. Even then, the technologies most often employed at these large firms were old-fashioned, clunky and limited in power. However, as technology has moved forward, it's become far more accessible and far more flexible. You can now sign up for a [document automation service like Smarter Drafter](#) and be producing top-tier quality documents a few minutes later. It really is that simple and the cost is surprisingly low, too.

So now that you're able to produce documents cheaply and easily, what's the logical next step? **Get clients to do it themselves**. The only thing more efficient than you using document automation software to speed up the drafting process is getting clients to create their own documents through a self-service e-commerce portal. That's exactly what Smarter Drafter has been working on for the last six months and the results are impressive! With just a single line of code, you can have an entire

[Legal Documents E-Commerce Portal](#) embedded into your firm's website and offer your clients the latest in automated document production with the same content used by over a thousand lawyers across the country. With questions and guidance that have been tailored to create the best possible customer experience, these smart online forms will take your firm into the digital age and help you compete in a world where fixed pricing is not only requested but expected.