

Profitability and Pricing Assessment

Overview

The Profitability & Pricing Assessment is a structured analysis of how the firm currently generates and captures value. It provides partners with clear insight into which work is profitable, where margin is lost, and how pricing decisions are being made across the firm. Most firms do not have a consistent or data-driven view of profitability. Pricing is often set informally, with significant variation between partners and limited visibility of true margin at a matter level.

This assessment establishes a clear commercial baseline and provides the evidence required to improve pricing discipline and profitability.

Scope of Review

Matter-Level Profitability

Analysis of historic billing data to assess profitability by matter type, practice area, client segment and lawyer or team.

Client and Work Type Analysis

Assessment of which clients, matter types or services are consistently profitable, and which are not.

Pricing Behaviour and Policy

Review of how pricing decisions are made, including use of hourly rates, fixed fees and estimates, discounting patterns, and approval processes.

Consistency Across the Firm

Evaluation of variation in pricing approaches between partners, teams and practice areas.

Margin Leakage

Identification of where value is lost through write-offs, discounts, inefficiencies or poor scoping.

Client Value Drivers

Identification of what clients value most, including speed, certainty, outcomes and service, and how this aligns with current pricing approaches.

Method

Data Collection and Review

Extraction and analysis of available billing and matter data to build a view of profitability across the firm. The level of detail will depend on the quality and structure of available data.

Pricing and Behaviour Assessment

Review of current pricing practices, including how fees are set, negotiated and adjusted in practice.

Partner and Stakeholder Input

Targeted discussions with partners and key staff to understand how pricing decisions are made and where challenges exist.

Analysis and Synthesis

Consolidation of findings to identify patterns, inconsistencies and opportunities for improvement, with a focus on practical commercial impact.

Outputs

Each firm receives a concise, commercially focused report including:

- A profitability overview by matter type, practice area and lawyer
- Identification of high-value and low-value work
- Analysis of margin leakage, including write-offs and discounting
- A review of pricing behaviour and decision-making practices
- Insights into client value drivers and alignment with pricing
- Identification of inconsistencies across teams and partners
- A shortlist of practice areas suitable for alternative pricing models

Outputs are designed to provide a clear evidence base for improving pricing discipline and supporting future pricing initiatives.

Note. The assessment will almost certainly throw up anomalies which may need further investigation. These can be dealt with as a separate piece of work.

Outcome

The assessment provides a clear understanding of how the firm currently makes money and where it is losing value. It enables partners to make more informed pricing decisions, improve consistency across the firm and focus on the work that delivers the strongest returns. It also creates the foundation for moving to more structured and value-based pricing approaches.

Pricing (Fixed Fee)

Small firms

(upto 20 employees)

\$12,650

Medium firms

(21–50 employees)

\$16,165

Large firms

(51-100 employees)

\$20,650

BOOK A DISCOVERY CALL