

A Gap Persists Between Law Firm Pricing Staff and In-House Legal Ops Teams

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*Pricing professionals within law firms and **in-house** legal operations experts are at odds over the value of technology and each side's role in developing **alternative fee** agreements, according to a new survey, but the results also show there's an opportunity to narrow these gaps in understanding.*

The **report**, compiled by the Blickstein Group and the Legal Value Network (LVN) in **collaboration** with software company Intapp, is a novel effort to place the findings of a brand new survey of law firm pricing professionals alongside the results from the latest iteration of a longer-running survey of law department operations.

The report revealed that 83% of law firm pricing specialists believed their firms are leveraging technology effectively, compared with 52% of **in-house** legal ops experts expressing the same confidence in law firm tech efforts. The results echo the client confidence gap seen in **law firm innovation** efforts, too.

"Law firms aren't really good at telling clients in a wholesale fashion, 'Here are the things we have available to you,'" explained Keith Maziarek, the director of pricing and legal project management at Katten Muchin Rosenman and an officer and board member at LVN.

Another illustration of disconnect is the fact that only 14% of law department operations staff believed that their law firms were suggesting **alternative fee** agreements that met their needs, while only 32% of firms approved of the AFAs their clients proposed.

"It's hard," said Brad Blickstein, of the Blickstein Group, of crafting AFAs. "It makes sense that both sides would be thrilled if the other side would do it."

Christopher Ende, chief value officer at Goulston & Storrs and another officer and board member at the Legal Value Network, said there needs to be *"more dialogue between buyers and sellers"* about what they're looking for and what meets their business needs. *"If we get that, I'm going to be in a better position to propose something to you," he said.*

Yet another gap was on the subject of how the different sides value partners' versus associates' work. While 73% of law firm pricing professionals said that their firms' partners delivered more value per dollar than associates, only 40% of **in-house** law department operations teams believed that was true.

Across the board, legal pricing staff in law firms and **in-house** operations teams tend to get good buy-in from executives, "but the challenge is getting buy-in from line partners and assistant general **counsel** folks at their own organizations," said Blickstein.

While the results immediately suggest misalignment between both sides, they also indicate that pricing specialists in firms and in businesses are at least partly succeeding in communicating across the divide.

Majorities on both sides (77% of law firm pricing specialists and 67% of law department operations teams) agreed that measuring the value of legal services is more art than science.

"From both sides, there's a recognition that you don't just press a button on software and a number comes out," Maziarek said. "That admission is very telling."

"The word that strikes me is 'opportunity,'" said Ende. "When you look at the questions together, certain themes emerge as both sides work with each other as partners."

Majorities of both groups (75% of pricing professionals in law firms and 62% of law department operations staff) reported that their primary job is "change management," even if that's not reflected in titles within law firms or corporate law departments. It's a sign that these professionals are all **aligned** in the need to advance their organizations so that **collaboration** can improve and communication deepens, the report authors said.

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