

firm fixed pricing

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Core Keyword:

firm fixed pricing

Keyword Variations:

cost plus fixed fee

fixed fee

what is a fixed fee

a fixed fee

fixed fee definition

firm pricing

flat fee vs fixed fee

fixed fee lawyers

fixed fee lawyer

fixed fee billing

what is a fixed fee in law

legal fees fixed

fixed fee legal

fixed-fee legal services

fixed fee legal services

fixed fee legal advice

fixed fee arrangements law firms

fixed fee arrangements

Word Count Range:

1100-1250	2000-2200	2900-3100
		X

Rationale:

This is a guide-type article presenting information on firm fixed pricing. The article will cover what fixed fees are, cost plus fixed fees vs fixed fee contracts, how fixed fee pricing work, when you should consider legal fixed fee pricing, fixed fee vs hourly billing. Features of fixed fee legal

software, advantages of fixed fee legal software, the software for fixed fee arrangement law firms (highlight AltFee), and why law firms need AltFee for their fixed fee arrangement software.

Post Hierarchy:

- Intro
- What Is a Firm Fixed Fee?
 - Cost Plus Fixed Fee vs Fixed Fee Contracts
 - How Does Fixed Fee Pricing Work
 - Flat Fee vs Fixed Fee
- When To Consider Legal Fixed Fee Pricing
 - ~~Why You Should Consider Fixed Fee Lawyers for Legal Services~~
 - ~~Considerations When Looking for a Fixed Fee Lawyer~~
- Fixed Fee Billing vs Hourly Billing: Which is Better?
 - *Include a table comparing both*
- Insights into Fixed Fee Legal Software
 - Advantages of Fixed Fee Legal Software
 - Advantage #1
 - Advantage #2
 - Etc.
 - Key Features to Look For
- Top Software Options for Fixed Fee Arrangements Law Firms
 - Pricing Software: AltFee
 - Why Law Firms Need AltFee for Their Fixed Fee Arrangements Software
 - Complimentary Software: #1
 - Complimentary Software: #2
 - Etc.
- Conclusion (with CTA)

Business Relevancy:

Weak	Medium	Strong
The article is moderately relevant to the client's industry and/or persona's, but not directly relevant to their business.	Some of the article sections are moderately relevant to clients' business, industry and persona's.	All or most of the article sections are strongly relevant to clients' business, industry, and persona's.
		X

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Meta Title:

[55-60 characters]

Managing Firm Fixed Pricing: How AltFee Can Help

Meta Description:

[155-160 characters]

If you use firm fixed pricing for legal services, you'll need software to manage it. Learn how AltFee can improve your realization and collection rates.

Internal Links:

[3 - 5 required depending on the article length]

1. <https://www.altfeeco.com/resources/flat-fee>
2. <https://www.altfeeco.com/resources/alternative-fee-arrangements>
3. <https://www.altfeeco.com/resources/billable-hours-law-firm>
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# of tables <i>*Note the table needs to appear directly after a heading or a keyword-rich paragraph.</i>	2
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Did you bold a sentence in each H2 section?	Yes
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# of external links	6
How many words? (not counting instructions provided by us)	3013
Total # of core keyword(s) used?	13
Total #of keyword variations used	cost plus fixed fee - 1 fixed fee - 12 flat fee vs fixed fee - 1 fixed fee lawyers - 1 fixed fee billing - 4 fixed fee legal - 3 fixed fee legal services - 1 fixed fee arrangements law firms -2 fixed fee arrangements - 3
Writer's Name	Lisa

Start blog article content below this line

Managing Firm Fixed Pricing: How AltFee Can Help



Fixed fees (sometimes called flat fees) in the legal industry are when a law firm requires a client to pay a pre-determined fee in exchange for a specific legal service.

Fixed or [Flat Fee](#) pricing is very straightforward and works great when a client (such as a corporation) needs to enlist the help of legal professionals to take on all legal work of a certain type, such as:

- Debt collection
- Employment disputes
- Litigation
- Other business-related legal services

A fixed fee could be paid to the firm either for a one-time scenario or, more likely, on an ongoing basis in the case of a corporate client or professional client like a real estate agent as a fixed subscription fee.

Another scenario could be if a law firm wants to outsource certain work that they don't have the time or resources to complete to another firm, they could similarly pay a fixed fee to another law firm or solo practitioner to complete the work as an extension of the firm's existing team.

Of course, firm fixed pricing could also be offered to members of the public seeking legal services for straightforward matters.

In short, for corporations and professionals, firm fixed pricing keeps workflows moving efficiently by establishing payment terms upfront—meaning that time doesn't need to be spent negotiating their bill after the completion of a project. Additionally, firm fixed pricing helps to align both lawyer and client interests before diving into a project. For consumers, fixed fees offer a similar benefits—upfront cost certainty for an uncontested divorce, to create and review a simple estate plan, or handle the legalities surrounding buying or selling property.

This article dives into fixed fee legal services, including what it is, when it should be considered, its comparison to hourly billing, and recommended software for managing your fixed fee arrangements.

What Is a Firm Fixed Fee?



A firm fixed fee is a price charged to a client for a one-time legal service, or through a fixed subscription where the legal service is offered on an ongoing basis for a monthly fee. Depending on the law firm and how they approach pricing, what constitutes firm fixed fee pricing may differ.

For example, a law firm offering [alternative fee arrangements](#) will likely use the term fixed fee and flat fee interchangeably, meaning that they offer a single price for an entire legal service (see the flat fee vs. fixed fee below). In contrast, a firm that still uses the billable hour may define a firm fixed fee in terms of hourly pricing, meaning that they charge a “fixed hourly fee” for a legal service.

How Does Fixed Fee Pricing Work?

Depending on the firm's approach for pricing legal services (AFAs or the billable hour), fixed fee pricing will work differently.

For an AFA law firm, fixed fee pricing means a single price for a straightforward legal service.

For example, if a client needs a contract review, the attorney would charge one total price for the process, regardless of the time it takes to complete (although the attorney would consider that time, based on their experience and expertise, in the overall price).

For a [billable hours law firm](#), firm fixed fee pricing means that the hourly rate will remain unchanged throughout the matter. For instance, if the client has a retainer agreement with the firm, the document will always outline the hourly rate for each professional that will be working on the matter. With firm fixed fee pricing, this rate would be listed as one static rate rather than a separate rate for each professional.

Cost Plus Fixed Fee vs Fixed Fee Contracts

The difference between a cost plus fixed fee contract and a fixed fee contract is rather simple:

- A **cost-plus fixed fee contract** means that the costs associated with the project are estimated, and a final price isn't available until the contract is completed.
- A **fixed price contract** means that the project's cost is set out at the beginning, agreed upon by the parties involved in the project, and doesn't change.

Flat Fee vs Fixed Fee

The terms “flat fee” and “fixed fee” are both terms that mean the same thing, so they are often used interchangeably. Some legal professionals may define the terms slightly differently—this usually depends on the amount of work included in each fee structure.

With fixed fees, some legal professionals may see it as a way to describe a set price for a “package” of legal work, that a corporation would pay an ongoing fee to cover, while a flat fee would be paid for a single legal service.

With that being said, regulatory bodies like the [Canadian Bar Association](#) use the term flat fee and fixed fee interchangeably, but the [American Bar Association](#) suggests that a “flat fee is a type of fixed fee”, where a fixed fee could refer to something other than a total price agreed upon at the beginning, like a fixed hourly rate charged by a firm that still uses the billable hour.

To summarize the **potential difference** between flat fees and fixed fees, consider the following table:

Flat Fee	Fixed Fee
Describes a one-time price for a single legal service	Describes a one-time or ongoing price for a package of legal services

Because there are no specific guidelines on the meanings of flat fee vs. fixed fee, the best course of action is to develop a definition that fits your firm and the pricing structure(s) you offer. This way, you can clearly explain the difference to your client if you need to.

When To Consider Legal Fixed Fee Pricing

Law firms should always review their pricing structures and determine where changes need to be made. When doing so, you may encounter situations where you are trying to determine if using fixed fee legal pricing is an appropriate solution.

Here are some scenarios where you should consider using firm fixed pricing:

1. When You're Sure of the Scope of a Matter or Project

One of the most common ways that fixed fee lawyers use the pricing arrangement is when they can apply their experience and expertise to, with reasonable certainty, understand what the scope of a matter or project will be. Because they know how much work it will take, offering firm fixed pricing for the project or matter is more manageable.

A few examples of where fixed fee billing would be appropriate in this scenario would be for:

- Incorporating a business
- Drafting a straightforward last will and testament
- Most real estate transactions

It's important to note that it can be difficult to be absolutely sure of the scope of a project, but you can still use a fixed fee approach. You would still need to clearly define scope at the beginning of the project with the client, of course, but with the caveat that if the scope significantly changes over the course of completing the project, the original fixed fee amount would need to be revisited.

2. You Need to Attract More Clients

Given that 67% of consumers want the option to pay for legal services via a flat fee arrangement ([2022 Clio Legal Trends Report](#)) and that corporate clients are more aware of costs than ever before due to pressure to control spending, it makes sense that law firms are giving alternative fee arrangements a serious look.

With consumers, increasing economic uncertainty with factors like inflation affecting bank accounts more than usual, it makes sense they would be attracted to a straightforward legal service pricing option. Offering a flat fee or a type of fixed fee to the general public shows that your firm is paying attention to the state of the world and what clients want.

Corporate clients are also affected by inflation and other economic pressures, requiring more upfront cost certainty as well as causing them to be more budget-conscious when seeking out legal services. At the same time, they can't just forego legal services altogether, so law firms that offer firm fixed fee pricing, including flat fee pricing, will be more attractive to corporations than those that do not.

3. Corporate Clients are Becoming More Price-Conscious

Increasing counsel rates are a top-of-mind issue for CLDs, so to save money and streamline processes, they've been investing in [legal technology](#) in an effort to optimize operations across the board. This means they're more focused on efficiency and value than ever—ensuring that every dollar spent is worth it.

CLDs are aware that outside counsel costs are increasing but will pay the price for high-quality, efficient, and effective work ([2023 Report on the State of the Legal Market](#)). **So, firms can communicate their value to these clients further and strengthen their relationships with them.**

One way this can be done is by offering firm fixed pricing. This way, you're accomplishing two things:

1. You're addressing the fact that budgets are tight, so giving the price of a service upfront allows the client to prepare for paying that cost without surprises.
2. You're communicating your value to the client by showing them that you understand the scope of their project based on your expertise and experience and can assign a price to it that's fair for both parties.

Fixed Fee Billing vs Hourly Billing: Which is Better?

It would be easy to simply say that fixed fee billing is the better option because it's easy for the client to understand, helps the attorney avoid awkward conversations about cost later on, and

supports a better work-life balance for the attorney. Still, it might not be the best choice for every type of legal service.

Hourly billing, on the other hand, can cover all legal services. It's easy to explain, but it isn't easy to track time and develop invoices, and it often results in lower collection and [realization rates](#) because of discounts and unpaid bills.

The table below outlines some of the advantages and disadvantages of both billing types:

	Advantages	Disadvantages
Fixed Fee Billing	• Offers complete predictability: there are no surprises for the client when they receive their invoice • Aligns the interests of the client and law firm by focusing on value delivered rather than time spent • Supports better work-life balance for legal professionals • Easier for clients to compare pricing for different law firms • Typically results in higher realization, utilization, and collection rates for law firms	• Firms can potentially lose money if they do a poor job of scoping based on the value they're delivering • Can be more challenging to price complex projects without significant prior planning or incorporating other fee arrangements • More complex files often require an experienced lawyer to carry out the scoping and pricing
Hourly Billing	• Easy to explain to clients • Works for every type of legal service, including complex cases • Easy to calculate	• No upfront price certainty for clients. Clients will be unsure of their final bill, which could result in negotiations, discounts, and non-payments • Requires the attorney to carefully and tediously track their time (often in 6-15 minute increments)

		• Low incentive for lawyers to be efficient with completing legal work • Increased focus on price rather than value (i.e., the lawyer that charges the least is more likely to be preferred vs. the one that offers the most value)
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Insights into Fixed Fee Legal Software



Investing in [legal software](#) is a good idea to manage your firm fixed pricing effectively and efficiently. Legal technology plays a pivotal role in helping law firms that use AFAs collect, analyze, and leverage data to price their services more effectively.

Advantages of Fixed Fee Legal Software

Investment in legal software will provide several advantages for law firms and solo practitioners when it comes to pricing services. These advantages include:

1. **Better collaboration on pricing.** Legal pricing software provides opportunities for increased asynchronous collaboration on pricing with comment and notification functionality, allowing more team members to weigh in on pricing, including offering their experience and expertise, asking and answering questions, and more. This results in more confidence when presenting pricing to clients.
2. **Increased collection and realization rates.** Collections and realization rates can increase when pricing is managed effectively using legal pricing software. For example, [DL&Co.](#) Saw a 21% increase in realization rates after AltFee's pricing software was implemented in their law firm.
3. **Increased pricing efficiency.** By implementing effective pricing software and moving away from manual systems, law firms will see increased efficiency when it comes to implementing their pricing objectives.

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Key Features to Look For

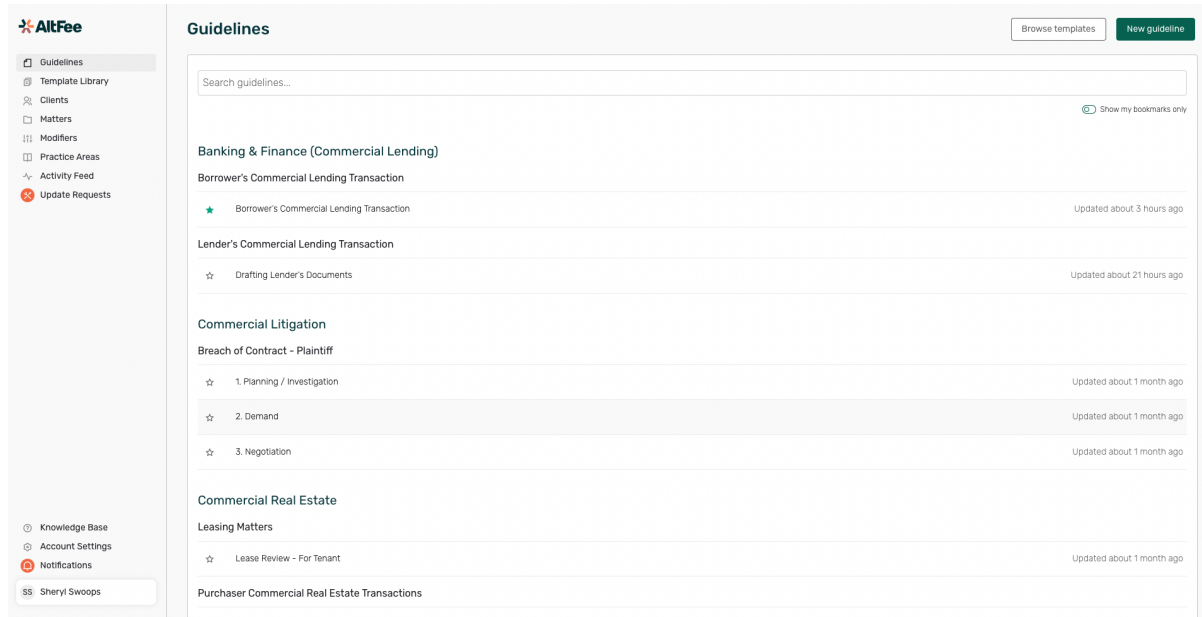
When selecting legal pricing software, be sure to align its features with the goals and objectives of your law firm's pricing strategy. In other words, the software's features should directly relate to improving a process, procedure, or workflow related to your firm's pricing.

Key features to look for in legal pricing software include:

Pricing Templates

Scoping and pricing a project from scratch every single time with no starting point can be difficult and time-consuming. Fixed fee legal software simplifies this process by providing pre-built pricing templates that are created by lawyers, for lawyers so that you have a strong starting point for your pricing strategy.

With AltFee, you can price matters in minutes by taking advantage of an ever-growing library of legal templates with recommended pricing factors to consider:



Automations

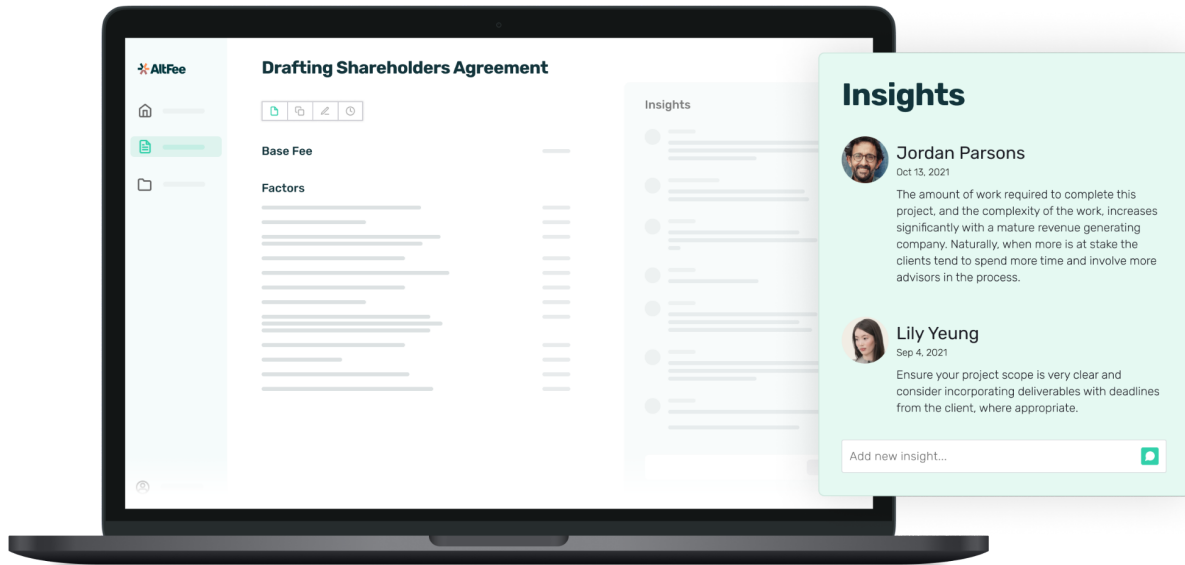
Instead of having to perform updates when information changes manually, automations can do it for you. This not only reduces workload but eliminates the possibility of human error as well. Examples of potential automations include notifications when a matter guideline has been updated or changed or a new comment has been added.

Collaboration & Capture Learning Features

Collaborating effectively with team members in a firm on pricing strategies is essential. Pricing software enabling collaboration within the platform is beneficial because communications are consistently captured in one place, ensuring that the context behind a comment isn't lost in the shuffle.

Great pricing software should provide the tools to ensure that the learnings from every pricing experience are captured and inputted back into the pricing software so that future pricers of similar projects can benefit from those learnings to tightly scope and maximize the value they can capture.

Enable team members to work together asynchronously and achieve the best outcomes with AltFee's collaboration tool, "Insights":



Top Software Options for Fixed Fee Arrangements Law Firms

Managing the pricing initiatives for your AFA law firm requires purpose-built software. Whether you're a firm just starting out with AFAs or looking to improve the processes and procedures you already have, these top software offerings for fixed fee arrangements law firms are worth investigating.

Pricing Software: AltFee

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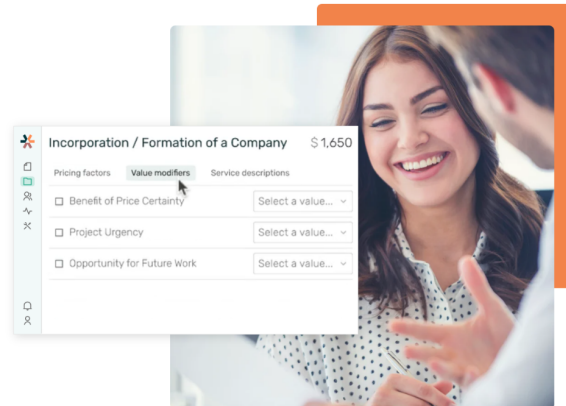
Drive More Revenue with Fixed Fees.

Earn More While Working Less.

Break free from hourly pricing and take the fear out of scoping and pricing client projects to start maximizing profitability.

[GET A DEMO](#) →[ROI CALCULATOR](#) →

Integrates with



With the conversation around the billable hour in the legal industry encompassing realities such as lawyer burnout, lack of price certainty for clients, and not being able to effectively communicate the value of legal services, more and more law firms are realizing that AFAs are a more effective pricing method. AFAs often result in increased realization, utilization, and collection rates, and lawyers aren't beholden to record their time in six-minute increments.

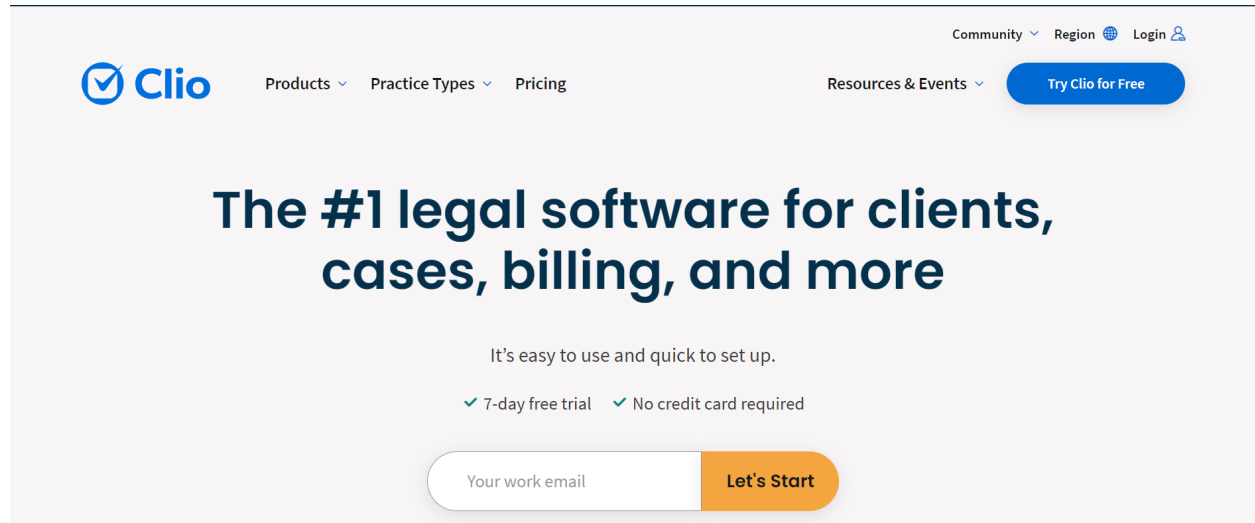
However, there wasn't a legal pricing software solution on the market that catered specifically to AFAs; everything was tailored to managing time tracking necessary with the billable hour. That's where AltFee comes in. **As legal pricing software designed to make managing AFAs easier and more efficient for law firms, it's solution-focused software that allows legal professionals to accurately scope and price their client matters with confidence.** With software like AltFee, firms interested in providing AFA pricing for the first time or wanting to optimize their AFA strategy can utilize software that centralizes matter pricing and collaboration.

Why Law Firms Need AltFee for Their Fixed Fee Arrangements

One of the major features of AltFee that makes it essential for AFA-providing law firms is the purpose-made pricing templates available out of the box. Templates for common legal services across several practice areas, including estate planning, business law, and more, are available immediately for your firm to utilize as a starting point. Value-based modifiers mean you can consistently adjust pricing based on factors such as project urgency and your team's capacity. For example, if your team's capacity is almost at its max but a client requires a rush matter to be completed, a consistent value percentage increase can be applied directly to the matter without additional calculations ensuring you're capturing the added value you're providing to the client by prioritizing their project.

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Legal Practice Management: Clio

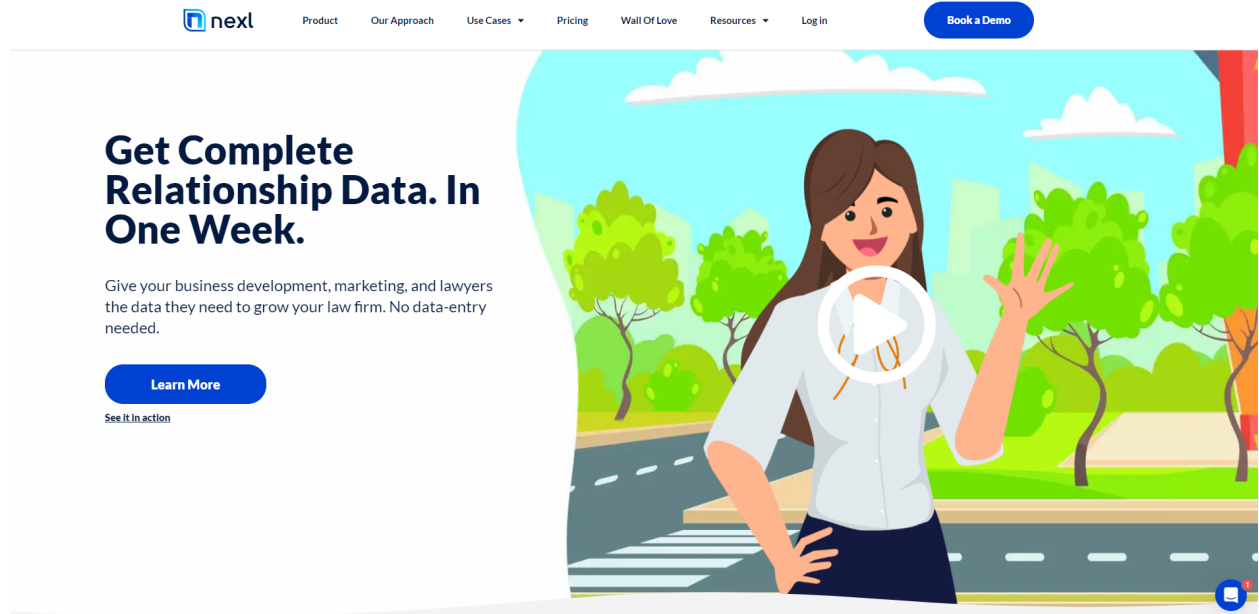


[Clio](#) offers a wide range of legal features and is one of the market's most well-known (and used) legal software solutions **Clio is legal practice management software that offers customer management, document management, calendaring, time-tracking, and more. This section will focus specifically on Clio's legal billing solution.**

After you've priced a matter and finished completing the associated tasks, it's time to bill the client. AltFee integrates with Clio, so client information that is updated in Clio will be automatically updated in AltFee, meaning that you don't have to perform updates in both programs manually.

Specifically, Clio's billing software allows firms to create and approve bills on the go, and automations allow instant bill changes as necessary. For example, interest can be set to be automatically applied for late payments. It also includes a client portal to log on and pay bills anywhere.

Legal CRM: Nexl



The header of the Nexl website features a navigation bar with links for Product, Our Approach, Use Cases, Pricing, Wall Of Love, Resources, and Log In. A prominent blue button labeled "Book a Demo" is positioned on the right. The main visual is a large illustration of a woman in a light blue shirt and dark skirt, standing on a sidewalk with trees and a city skyline in the background. A large white play button icon is overlaid on her chest. To the left of the illustration, the text "Get Complete Relationship Data. In One Week." is displayed in a bold, dark font. Below this, a smaller line of text states: "Give your business development, marketing, and lawyers the data they need to grow your law firm. No data-entry needed." A blue button labeled "Learn More" is placed below the text, with a small link "See it in action" underneath it.

Successful law firms know that prioritizing the [attorney-client relationship](#) is one of the most important keys to success.

There are a variety of legal CRMs out there, but the fact that [Nexl](#) doesn't require any manual data entry makes it a unique legal CRM offering on the market. By automatically capturing all your firm's client interactions, including existing clients, prospective clients, and referrals, the software can provide actionable relationship insights that can be used to drive revenue, make processes more efficient, reduce client churn, generate more referrals, and more.

Nexl aligns the different teams within your firm in one collaborative space, so they can act on those relationship insights to execute tasks faster and fully understand the context behind client interactions. In other words, the system tracks every email, calendar task, phone call, and text message and attaches it to the right client, so client communications are always transparent.

Conclusion

Concerning AFA pricing options, firm fixed pricing (or flat fee pricing) remains one of the most popular choices for law firms. This is not only due to demand from consumers and professional clients but also because it's a relatively easy way to price legal services. With that being said, firms need to be mindful of how they are utilizing firm fixed pricing and ensure that they are considering other AFA types for more complex or involved projects or matters. But using a variety of AFA pricing strategies, firms can effectively communicate their value to their clients while at the same time offering a price that is fair for the client and the law firm.



AltFee was built from the ground up by lawyers, for lawyers, to manage AFA pricing effectively. With pre-built and bespoke pricing templates that save your law firm time creating pricing strategies and built-in collaboration that involves the entire team and reduces silos regarding pricing matters, AltFee helps your firm implement, improve, and continually manage AFAs effectively.

[product-callout]

To get started with AltFee and see how the software can improve your law firm's pricing strategy, [book a demo](#) today!