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Book Review: Smarter Pricing, Smarter Profit

Six months ago, if you had asked me what book to read for a complete analysis of legal pricing, I would have said “Nobody has written that book yet.” (At that time, my book [Legal Project Management, Pricing and Alternative Fee Arrangements](#) was the only one that even provided a 20,000 foot overview.)

But now there are two. [Jonathan Groner](#) and I reviewed [the first, by Toby Brown and Vince Cordo, last February](#). Today’s review focuses on a brand new book by [Stuart J.T. Dodds](#), director of global pricing and legal project management at [Baker & McKenzie](#), one of the largest law firms in the world.

[Smarter Pricing, Smarter Profit](#) is the only book on the market that goes step by step through everything lawyers need to know to survive and prosper in today’s rapidly changing marketplace. It is divided into four main sections: set the price, get the price, manage to the price, and review the price. Until a few years ago, lawyers could make a great deal of money with only a basic understanding of these stages, so that’s what most did. Since the dawn of the new normal of a few years ago, competition has gotten much tougher, and lawyers have learned that they must improve their business practices to remain profitable. Several books have appeared that provide useful advice on the third stage of legal project management (LPM). But Stuart’s book is the first to review all the practical steps a lawyer should take from the first moment she becomes aware of a new opportunity, through negotiating a deal and managing the work to the final post-matter review.

I was particularly interested in the chapters on LPM, especially the ten steps which Stuart recommends at the start of every matter:

1. Confirm what the client wants and expects
2. Group the work into the main areas
3. Agree how to address changes of scope *upfront*
4. Develop and agree on the matter plan
5. Agree on the fee and fee approach
6. Agree on the engagement letter and *share* with the team
7. Agree on the reporting format and schedule
8. Establish your matter phases and tasks
9. Approve new timekeepers
10. Staff the core team and agree on client responsibilities

All this before you begin working on a matter! While it is true that in some legal situations there is simply not enough time to accomplish all ten steps upfront, it is also true that in many matters there IS time, and a little initial planning can save a lot of long-term expense. At this moment in history, any lawyer that follows even a few of Stuart’s steps will be ahead of most competitors. But as one managing partner said in my soon to be published research on [Client Value and Law Firm Profitability](#):

Project management will probably have the biggest long-term positive impact [of all the things that are changing in law firms], but it’s been the biggest challenge because it’s something that hasn’t been easily absorbed by a lot of the lawyers. When busy lawyers start scrambling around, the inefficiency creeps right up.

That’s why the key to success is changing behavior. Stuart has been a panelist on several of my Ark workshops on “[LPM: Changing Behavior within the Firm](#)”, and underlines a key lesson we’ve seen one law firm after another learn the hard way when he writes “Educating is easy (relatively), but changing behavior is much harder, and the change is especially difficult for lawyers.” (p. 213)

In addition to all its business insights, there are also many small things to like about this book. Stuart is based in Chicago but spent most of his career in London, including 14 years as a management consultant at Accenture. (He often reminds people that he is actually from Scotland.) Anglophiles will especially appreciate the references to UK research which has not been widely cited in the US, and the occasional British colloquialism. For one example, read the story of a lawyer who put a procurement officer “on his back foot” (p 148) by threatening to walk out of a meeting about discounts, when the meeting should have focused on “protecting your company from losing a potential multi-million dollar claim.”

I’d love to keep writing about this book, but the best advice I can offer is that you stop reading this review and [order a copy](#). Read the book and act on it before your competitors do, and you will earn back the \$169 price many times over.

Full disclosure: I have worked closely with Stuart over the last several years, since he manages our LPM coaching program for Baker & McKenzie. Whenever Stuart quoted me in this book, I smiled a little. But to be honest, I also got a little jealous when I saw how well he presented some of the key concepts. When I saw the title of Chapter 14, for example -- Thinking Big, Starting Small -- I thought: Why didn’t I think of that catchphrase?

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