



## Law Firm Subscription Models: A Potential Solution to an Age-Old Problem

It's no secret that hourly attorney fees can drive costs through the roof for any business, particularly for small businesses or startups. Unfortunately, no matter the size of the company or its wallet, running a successful business free of legal headaches will eventually require the use of formal legal expertise.

The main issue for these small businesses is cost predictability and fees that often exceed budgetary constraints. For example, attorneys typically bill at rates ranging from \$300 to \$700 an hour. If a startup hires a firm to handle a legal matter that the attorney estimates might take 10 hours, but then, due to unforeseen complications, ends up taking 20—that startup is suddenly left with a hefty bill it may not be able to stomach. It is for this reason that many small businesses feel they cannot hire an attorney to help them draft important documents and navigate legal issues. While LegalZoom® and similar legal template services are one option, businesses who use them lose out on the expert legal counsel of an attorney. So what's the solution?

### THE WORKAROUND

Some law firms are embracing a workaround of sorts for clients who need legal services but can't commit to the hefty rates and (often unknown) number of attorney hours needed to handle a given project: subscription-based pricing. Under this model, clients pay a monthly fee for a fixed number of projects, hours or attorney services, often at a discounted rate. This way, the company can accurately predict costs from month to month and can reach out for help without fear of incurring fees that may end up being overwhelming.

[K Bennett Law LLC](#) is an example of a firm thriving on this type of pricing model, offering “monthly subscription legal services to clients that require ongoing legal support but are not ready to hire a full-time attorney.” The firm offers different tiers of service—ranging from \$500 to \$2,000 per month—each offering unlimited legal and business advice, workshops and document review services.

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**Jess Birken**, a solo lawyer who focuses her work on nonprofits and offers a subscription-based pricing model, says that offering clients this kind of option prevents last-minute emergencies and stress by encouraging them to reach out *before* problems arise. Prior to implementing this pricing structure, she would get calls at all hours of the day to put out fires that could have been avoided had she been involved sooner. Her clients would often avoid engaging her for fear of legal fees—until an emergency developed and they were forced to pick up the phone. With a fixed-fee structure, clients “can call **before they even smell smoke**, not just when the beams are burning and the walls collapsing down around them.” This allows Jess to be proactive with her clients and address any potential legal snares head-on, rather than just reacting to problems as they arise.

## POSSIBLE PITFALLS: WILL I END UP DOING MORE WORK THAN I’M PAID FOR?

Of course, many **types of legal work** are not good candidates for alternative pricing—think personal injury cases and other types of litigation that could drag on for any length of time—but for businesses seeking everyday, preventative legal advice, a subscription model might actually be a money maker for the firm. For example, unlike traditional hourly billing, subscription-based billing fosters **operational efficiency**. With the hourly approach, firms make *more* money the longer a project takes, and attorney outputs are essentially **capped** at 24 hours per day. Simply put, attorneys who bill hourly fees are incentivized to be inefficient with their time. Subscription billing, on the other hand, means you are getting paid regardless of how you spend your time. This allows attorneys to fit more clients into the day and thus reap the benefits of being efficient.

## FINDING THE RIGHT FIT

Subscription-based billing does require some discernment based on clientele, and the particular package offered may need to be tailored to each client. If you are nervous about having to field five calls every day from the same client while operating on a fixed fee, you could offer different tiers of service for a variety of prices: for example, perhaps tier 1 is a single service or bundle of services for a fixed price on a recurring basis, and would be ideal for startups or smaller businesses with **less complex legal needs**. (Note: though it may feel like small potatoes at the time, making services affordable early on increases the likelihood that said client will continue to turn to you as its business expands.) Tier 3 may cost more and be more appropriate for higher-needs clients who may require unlimited phone calls and legal advice. Some of the logistics will likely require trial and error, but soon you’ll find a model that works for your particular firm and client base.

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