

# Getting Through the Rough Days With Fixed Fees

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The economy can be an unreliable friend or foe. Sometimes it swings in the positive direction, resulting in increased clients and lucrative matters. But the potential downturn is always lurking around the corner, waiting to steal your profits. This is particularly true within the legal community where experts have reported limited growth, even as the national economy strengthens. But just as you prepare for a winter storm, you can prepare and better position your firm to handle the economic downturn that will inevitably make an appearance.

## Changing Your Fee Structure

When times get rough, your first instinct may be to raise your hourly rates. But this strategy may prove ineffective, particularly if your clients are also feeling the economic pressure. Instead of generally raising rates, why not consider changing your fee structure in a way that increases the value of your rates for your firm and your clients. Flat fee billing allows you to provide the client with an upfront cost that they can rely on, while offering your firm the opportunity to provide legal services in a more efficient manner.

The first time you start on this journey, it may seem daunting. Establishing an appropriate flat fee requires careful consideration of a matter and what it will take to bring about the desired outcome. You need to consider such factors as:

- The number of hours needed
- Each anticipated step of the process
- Delegation of duties to staff members
- Billing rates for each involved party

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## Benefits of Fixed Fee Billing



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TimeSolv time tracking and legal billing software is a valuable tool during this process. With numerous [reporting capabilities](#), you can easily access the data you need to set adequate fixed fees. Fortunately, if done correctly, you only have to make this time investment once for each type of case. That's why flat fees work well with matters that your firm repeatedly handles.

From a financial point of view, clients like the predictability of fixed fees. When clients are happy, they refer your services to others, and come back with repeat business, even during an economic downturn. Establishing fixed fees also allows you to objectively examine how much time and how many resources go into the completion of each matter. You may find areas where time is being wasted or where clients are being underbilled. If you take the opportunity to make appropriate changes, you may be able to identify more efficient ways of handling these tasks, ultimately resulting in higher profitability.

Rough times are going to come, but they do not have to mean the end for your law practice. With some planning and strategies like fixed fee billing, your firm can stay afloat in the roughest waters.

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**About Erika Winston:**

*Erika Winston is a freelance writer with a passion for law. Through her business, The Legal Writing Studio, she helps legal professionals deliver effective written messages. Erika is a regular contributor to [TimeSolv](#) and a variety of other publications.*