

Legal Efficiency - When Less Becomes More

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Let's face it typically, attorney fees are not cheap. In addition to paying an hourly rate, some attorneys may charge per item, which would include such tasks as phone calls, written letters, meetings, car mileage, document filing, and other administrative tasks. For most individuals or corporations in need of legal services, price becomes a significant factor. For certain professional services we want the best but we also want it at the best price. Increasingly there are attorneys who offer alternative pricing arrangements and can work out an agreement that fits your budget. However, just as price cannot determine the skill and service of a physician or accountant it should also not be the deciding factor when hiring a legal professional.

The catch is that not all "cheap" attorneys provide bad services and that not all "high-paid" attorneys provide good services. When hiring an attorney, you want to hire the most competent professional that your money can buy. The hourly billing fee is not a measurement of competence. A high priced attorney is not necessarily more competent than a lower priced attorney. Either is capable of inefficiency or worse mistakes that can cost you even more money in the end.

Hourly fees are not a good indicator of competency but they can be extremely misleading. An attorney may advertise his or her services as being much lower than another attorney would offer but in reality the services could be much higher. For instance, an attorney may advertise a rate of \$100 per hour compared to the area average of \$150 per hour. Believing that you are getting a deal you hire the lower priced attorney. However, you then discover the services rendered such as filing court documents, setting up meetings, phone conversations, research, etc is taking 50% longer to complete than they would have with the higher priced firm. What would have taken the \$150 firm 4 hours to complete and cost you \$600.00, takes the lower priced firm 7 hours to complete for \$700.00.

Legal providers are service professionals much like a physician or a CPA. When hiring a service provider you are looking for someone experienced in your area of need that can offer you the most efficient solution. Your legal professional should have access to the resources needed and be able to perform the service with a high degree of efficiency. In example, if you are a technology firm considering a joint venture with another firm, you would likely look for a firm that has some expertise in joint ventures and a track record with other technology firms. Hiring a firm that specializes in Real Estate would probably not be the most efficient route to take. Legal efficiency is more important than the rate. You want the shortest route to success and to achieve this your firm must have competence, and sufficient access to resources.

Having access to resources does not necessarily depend on the size of the firm. If you needed legal assistance with a large contract, hiring a one person firm that specializes in contract law would be wiser than handling a ten person firm that specializes in International Law. Resources extend beyond human capital to include things such as specialized knowledge (or access through outsourcing).

To gain the most for your dollar you should also have a firm understanding of how your legal professional will handle your work. If you hire a large firm, will your business be handled by paraprofessionals, associates or senior attorneys? You will want tasks to be managed by the appropriate level of staff and of course you should be billed accordingly.

Finally if you hire a law firm for their area of expertise, make sure that the firm actually has access to that knowledge. Can they quickly access information? Do they have in-house knowledge or do they outsource? Is there a standard data retrieval method in place? Don't be afraid to ask questions about process before you hire an attorney. They are service providers and most will be happy to demonstrate how they will work with you, which will be a good predictor of a successful and efficient working relationship. Richard A. Hall is founder and President/CEO of LexTech, Inc., a legal information consulting company. Mr. Hall has a unique breadth of experience which has enabled him to meld technology and sophisticated statistical analysis to produce a technology driven analytical model of the practice of law. As a busy civil trial attorney, he was responsible for the design and implementation of a LAN based litigation database and fully automated document production system for a mid-sized civil defense firm. He developed a task based billing model built on extensive statistical analysis of hundreds of litigated civil matters. In 1994, Mr. Hall invented linguistic modeling software which automatically reads, applies budget codes, budget codes and analyzes legal bill content. He also served as California Director and lecturer for a nationwide bar review. Mr. Hall continues to practice law and perform pro bono services for several Northern California judicial districts.