

25 Tips To Create a Practice Full of Clients Who Want To Pay Their Bills

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- 1. Develop a reputation for not tolerating any nonsense when getting paid for your work.** Make sure you fulfill your part of the bargain by setting fair and reasonable fees that have been fully and carefully discussed in advance and throughout the course of the file, and then insist that the clients meet their obligations to you. Do not cut deals. Do not accept excuses. Subject to your ethical obligations, do not keep working for clients who fail to pay. After a while, you will find that clients who do not want to pay your bills will screen themselves out of your client base. Remember, it is a myth that it is always better to have more clients; what is critical to success is to have more of the right clients.
- 2. Discuss fees, disbursements and other charges openly, candidly and comprehensively.** It is up to you to take the initiative, preferably at the first interview. If you are not sure what you should charge during the first interview, and there are no deadlines looming, tell the client you want to give some thought to the fee to be charged and that you will discuss it at the next meeting. Also let your client know that you will not do anything that will cost them money until they have agreed to the fee. There is no reason to be embarrassed or apologetic about requiring reasonable compensation for your work.
- 3. Make sure your clients understand the difference between fees and disbursements.** The client should also know that you do not get to keep the disbursements.
- 4. Do not sugar-coat what the work will cost to rope in the client.** You are just planting a land mine in the middle of your relationship and sooner or later it will explode.
- 5. Spend enough time at the beginning of the relationship to find out if the client is able and willing to pay a reasonable fee for the legal work they want done.** If they are not, say "For your sake, I am glad I found that out before I did the work and ran up a larger bill than you wanted to pay for the services you need".
- 6. Evaluate the creditworthiness of every client at the initial interview.** Apply sound objective business judgment to the question of your client's willingness and ability to pay. Before extending a significant amount of credit to a new client, obtain credit information such

as name and address of employer and bank, and amount and status of debt. For larger files, do a credit check and ask for credit references.

7. **If you are not the first lawyer on a file, seek permission to contact the prior lawyer about outstanding fees.** You do not want to find yourself in a situation where a prior lawyer is entitled to part of the fee you think you will be receiving.
8. **If you are asked to do new work for an existing client who is likely to resist paying, make sure to take the steps necessary to protect yourself before taking the work on.** Be particularly careful with the known deadbeat client who comes in with a crisis situation that must be dealt with immediately. Insist that paying your bill be treated with the same urgency.
9. **Avoid bargain-hunters.** They will not appreciate lower fees. They will probably think your fees are too high no matter how much you charge them. Also, do not do loss-leaders. They create expectations that you will continue to charge low fees, which is inconsistent with your intention to charge your regular fees in the future.
10. **Do not act for clients who clearly signal that they are likely to resist paying for your services.** There are many warning signals: balking at paying a retainer, problems with their prior lawyer, seeking relief on principle (not money), uncooperativeness and argumentativeness. Heed the signs and say "No thanks".
11. **Get adequate retainers, especially in litigation matters.** Lawyers who fail to ask for a large enough retainers for fear of scaring off the client end up bill collectors.
12. **Remember that your clients are often under considerable stress the first time they visit you in your office.** Your explanation of fees and disbursements may be a model of clarity, but it may not sink in. Be ready to give the explanation in writing as well as verbally, and if a lot of money is at stake (in the eyes of the client), allow the client time to think it over before committing. Client who "buy in" to a fee agreement are more likely to abide by it.