



Should You Lower Your Fees?

It's happened to every legal nurse consultant at one time or another—probably more than once. You quote your hourly rates, only to have your potential client respond with, “That sounds great, but I can’t afford it. You charge **THAT** much? Can you lower your rates for me?”

An attorney approaches you to review a case as a legal nurse consultant. When he hears your fees, he requests you discount your legal nurse consulting fees. He says,

- “I’m a nice guy. You shouldn’t charge me that rate.”
- “Your competition is charging less than that.”
- “If you lower your fees, I will give you a volume of cases.”
- “If you lower your fees, I will share your name with other attorneys.”

What do you do? Should you lower your rates?

For a lot of legal nurse consultants, their first response is to question whether they are charging too much. You ask, “Should I lower my rate? After all”, you reason, “he really does need my help. Plus its good will and he will talk about me with his colleagues, and refer business to me later.”

Just what you need – more attorneys who will try to reduce your rate. Or not hire you. Maybe, but more likely than not, what you end up with is a client who takes far too much of your time, for less money than you deserve. You wind up resentful, and wondering why you aren’t earning the living you know you’re capable of.

The stories I hear from legal nurse consultants who lower their fees often have an unhappy ending. It may be the road to the ruin of your business.

One LNC I know is working for \$35 an hour for an attorney who promised to share her contact information with others – and did not. Another LNC I know is working at \$75 an hour, instead of her usual rate of \$110 an hour. This attorney is dominating all her available time, which is not permitting her to charge at her usual

rate to others. I have heard LNCs describe how they reduced their rates because they were afraid the work would go to their competition.

Is lack of confidence an issue?

Your level of self-confidence drives how you react to attempts by attorneys to reduce your fees. Are you confident in the value you bring to a case? Are you aware of how much money a plaintiff attorney may make if he wins a case, or a defense attorney gains if he can hold a settlement or verdict to a lower number?

As a legal nurse consultant, the only way you can bill is by the hour. You are not entitled to a percentage of a settlement or verdict. The attorney's ethical rules strictly prohibit this. If your time is valuable, and your expertise is essential to a case, then you must hold to your prices.

Avoid the race to the bottom

If you lower your price, what prevents your competition from lowering their prices? You will become engaged in a race to the bottom of the pay scale, in which you will lose the race.

I recall a man who called me up one day to inquire about rates for summarizing medical records. He said, "I have been getting quotes. The best number I have heard is \$60 an hour. Can you do better?" This rate was half of what my company charged at that time. I flatly refused to consider taking on his work at that rate.

Discounting your legal nurse consulting fees sends a signal to the attorney that you are willing to negotiate your rates. You may be asked for other price reductions. You've sent a signal that you are flexible – to your detriment. What is the point of being in business if you can't make money?



Trying to get paid is a painful activity for LNCs. I read and hear so many stories of LNCs who run into payment problems.

Does this happen to you as a legal nurse consultant?

- Clients request services for which they cannot pay.
- You provide the LNC services, and then struggle to obtain payment.
- Your cash flow is strangled by slow payers. Your relationships with clients are poisoned by payment issues.
- You wonder what you need to do differently when negotiating successfully to collect your cash.

Greg Williams, a master negotiator, and I teamed up to provide you with tactics to negotiate to get your invoices paid. We will teach you how to set up a system that avoids misunderstandings, and what to say and do to achieve the maximum probability of obtaining full payment. You'll learn how to know when to bend versus when to adhere to a negotiating strategy.

In this webinar, you will learn how to:

- Use bonding methods to make it easier for clients to communicate financial hardship
- Use proven strategies to avoid collection issues
- Recognize common excuses for delays in payment invoices
- Use successful negotiating strategies to collect your money

Obtain this invaluable training, called *Negotiating Successfully to Collect Your Cash*, at the show notes for this podcast, at podcast.legalnursebusiness.com. I'm taking you back to the show now.

The solution

To the nurse who is working for \$35 an hour, I recommended she increase her rates or ditch the attorney. To the nurse who is working exclusively for an attorney at \$75 an hour, I recommended she increase her rates and to expand her marketing to get other clients. The attorney loves her work product; it is unlikely that he will stop using her because of a rate increase.

But this nurse is in an even more dangerous situation. If the attorney drops dead, leaves law, or gets into an accident, her entire income is in jeopardy. The expression, "Don't put all your eggs in one basket" typifies her risk. Take to heart the expression, "Always be marketing." Don't rely on one attorney or one firm for your business.

I am going to assume you are charging a competitive hourly rate. I want you to make a promise to yourself right now that you will never again lower your rates to appeal to a client. Doing so devalues your services, makes the client less likely to follow through, and worse, makes you feel terrible later.

The attorney who has gotten you to lower your rate will also look for other ways to negotiate concessions from you. The attorney may take his or her time paying your bills, stringing your payments out so that you are perpetually owed money. (The way to avoid this is to get replenishing retainers.)

Having different rates for different attorneys would become a bookkeeping nightmare forcing you to adjust rates when you invoice. Worse, attorneys talk and

find out they are paying different rates than their colleagues. “What can’t I get the same deal my colleague got?” they ask you.

Now, I’m not saying you can never offer special deals. But I do want you to change how those offers are made. Here’s how it works.

Your hourly rate is \$150, for example. You *can* agree to this: once you receive the records, you will give the attorney an estimate as to how long you think it will take for you to complete the case. You can agree to not exceed X hours without his approval.

You have not lowered your rates so far that you feel used, but at the same time, you’ve worked with him to create a plan he can afford. It’s a true win-win for both of you.

The next time you’re asked to lower your rates for anything, take a close look at how you can also reduce the work you’ll be doing. That way you’ll never feel as if you’ve been taken advantage of, and your clients will still get great service.

Avoid collection issues and make sure you get paid. When an attorney approaches you with work and asks that you reduce your fees, the business-strengthening approach is to reiterate the value of what you bring to the case. And to say, “no”.

Check out the tips in my online training, *Negotiating Successfully to Collect Your Cash*. Order it at the show notes for this podcast which you will find at podcast.legalnursebusiness.com. And save 25% by using the code Listened in the coupon box at check out.

And please tell your LNC colleagues about Legal Nurse Podcast. I would love to reach more LNCs with our education.

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Would having an experienced LNC business coach help you achieve your goals faster? Explore coaching with Pat Iyer at LNCAcademy.com to get more clients, make more money and avoid expensive mistakes.

Deepen your LNC knowledge and skills through the convenience of online learning. Each month we bring you two or more hours on online training covering two LNC topics. Invest in the monthly webinars at LNCEU.com. Watch the programs on your computer or mobile phone using our bizedu app. Get the app at legalnursebusiness.com/bizedu.