Vexed by Budget Uncertainty? When – and How – to Use Fixed Fees

Lurking in every legal department budget is a giant uncertainty: the outside counsel spend, warns **a post** on the website of Xakia. According to Altman Weil's Chief Legal Officer Survey, law firms account for 49.3 percent of legal budgets – the single largest category.

"As consumers of legal services know, when the outside counsel spend is governed by hourly billing, it's inherently hard to predict, as it can vary with the phase of a project, the demands of the other side, even the habits and styles of the lawyers involved," according to the post.

Much has been written about the philosophies behind alternative fee arrangements and efforts to align law firms and their clients on value. Instead, because it's budget season, the paper takes a look at the most popular (and budget-friendly) fee structure and how to implement it for greater success in 2019.

According to Norton Rose Fulbright, the most popular alternative fee arrangements are:

Fixed/flat fee – 77 percent
Capped fee – 53 percent
Blended rate – 42 percent
Performance/success fees – 21 percent
Contingent fees – 25 percent

Read the article.

Download a legal budget white paper and budget template.