



# The Art of Billing

By Steven A. Meyerowitz

Years ago, it was not uncommon for a lawyer to send a bill to a client that stated "For services rendered" with a dollar amount typed at the end of the line. The lawyer determined the fee by multiplying the number of hours spent on the matter by the lawyer's hourly rate.

Those kinds of one sentence bills are "virtually dead, if not dead already," in the view of law firm consultant Howard Mudrick, a vice president of Hildebrandt, Inc., based in Somerville, N.J.

The hourly rate, though, continues to thrive—for now. In fact, despite the many problems and disadvantages of hourly billing, many of the alternatives to it that some firms are using or considering or that are being played up in the media are based on the hourly charge.

## Choosing the Rate

For lawyers just starting out on their own, for law firms hiring new associates or bringing in new partners, and for firms simply facing a new year, selecting the

appropriate hourly rate at which to bill clients is a difficult problem. Yet lawyers often resolve it in surprisingly unsophisticated ways.

"Most lawyers," according to Alan M. Black of Allentown's Black, McCarthy, Eidelman and Feinberg, "just charge the going rate used by other lawyers."

Marketing consultant Gina Resnick, of Washington-based Jaffe Associates, agrees, noting that "a lot of law firms see what others are charging and do the same."

She adds, though, that "there is also a science to it." Some lawyers take the compensation level they are hoping to attain, the costs associated with their practice and the number of hours they expect to work, and come up with their billable rate.

Resnick's "science" also has some "art" connected with it, in Mudrick's view. "It's a sensitivity testing with clients to determine what the market will bear,"

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