



AI can deliver smarter pricing strategies

10 practical ways AI can improve your firm's pricing culture



10 ways AI will change your firm's pricing

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There is a lot of talk that artificial intelligence (AI) is going to force professionals to change the way they charge for their services. While we are certainly of the view that AI is going to force professionals to get better at their business development and people skills, we're still to be convinced that it will lead to deep structural changes to the way professionals will charge in the future.

What we can attest to, though, is that, despite the AI juggernaut, the pricing landscape in professional services is undergoing a profound transformation. Alternative fee arrangements, fixed fees and even value-based pricing are on the rise. Clients and getting smarter about how they procure their professional services.

And here is where AI can offer firms a powerful set of tools that can really help them. Because, fundamentally, AI will bring discipline to pricing by offering firms real-time insights, automating routine processes, and revealing patterns that help partners and pricing teams make better decisions. As mentioned, it is unlikely going to replace human judgment, but it can enhance it.

10 practical ways AI can improve your firm's pricing culture

If used correctly, here are 10 practical ways that using AI can help change your firm's pricing culture for the better.

Automating routine pricing tasks

AI can take over time-consuming tasks like data collection, file tracking and financial reporting. For example, tracking the number of files opened, average file value or matter-level profitability can be automated. This should save your team hours every month.

AI will also ensure more accurate compliance reporting and better visibility into performance trends. This will create a leaner, more responsive pricing infrastructure and

should help reduce your firm's cost of doing business.

Improving matter leveraging through segmentation

AI will allow you to monitor how work is distributed across team members, and whether it aligns with the agreed pricing model. This will be particularly beneficial in the case of fixed fee matters.

If the data shows senior lawyers are over-servicing a file that was priced for junior delivery, AI can alert the matter partner of this fact. These insights should then feed into future pricing decisions, strengthening your firm's ability to deliver work profitably without compromising quality.

Increasing tender and pitch success

Pricing pressure is most intense during competitive bids and tenders. AI tools should be able to help your firm track success rates, compare competitor pricing trends, and identify when price was a factor in losing a pitch (NB: It never is - you just haven't told a compelling enough story about the value you are providing, which this should be able to help you identify!).

By analysing win/loss ratios over time and identifying patterns, AI will help sharpen your pricing strategy for RFPs - improving your hit rate and ultimately boosting revenue and market share.

Understanding client perception of value

Value-based pricing depends on knowing what clients truly value. AI tools will help decode this hidden gem.

From analysing client satisfaction scores to predicting case outcomes, AI should help provide real-time feedback loops on how your work is perceived. In turn, this will help align your pricing with the benefits your clients associate with your service; whether that's speed, certainty, outcomes, or innovation.

Client segmentation for strategic pricing

Not every client should be priced the same way. AI will help you [segment clients](#) by

industry, history, buying behaviour and profitability. With these insights, your business development team can guide partners toward pricing models that fit each client's expectations.

For example, high-volume clients might respond to bundling, while project-based clients may need clear fixed pricing. Personalisation leads to better conversion, retention and satisfaction.

Dynamic pricing based on real-time conditions

While "[dynamic pricing](#)" may sound foreign in legal services, it's becoming more relevant. If a client needs something urgently, AI can help calculate the right premium for accelerated delivery, without resorting to arbitrary markups.

AI should help you model availability, capacity, timing and urgency to recommend appropriate fees that preserve [client trust](#) while optimising your firm's revenue.

Predictive analytics for proactive pricing strategy

AI should be able to help you forecast changes in client demand, practice area trends or competitor behaviour. With these insights, firms can proactively adjust pricing models to stay ahead of the game.

Instead of reacting to falling utilisation or late realisation, your firm can get ahead of the competition and course-correct before those problems arise.

Detecting discounting patterns

Using AI can help uncover patterns in write-offs, discounts or unbilled time that traditional systems may overlook. For example, it might identify particular practice groups or partners who are consistently under-pricing their work or [over-discounting](#).

Armed with this data, pricing and finance leaders can have more constructive conversations with partners about pricing discipline and recover significant lost revenue over time.

Scenario modelling for better pricing decisions

AI-powered tools can simulate the financial impact of different pricing models before you commit. Whether it's comparing fixed vs hourly, blended vs tiered, or value-based pricing, AI can project revenue, margin and resource impact under multiple scenarios.

This will help give partners the confidence to move beyond the status quo and adopt models that are more profitable and sustainable, without relying on trial and error.

Embedding a data-driven culture of pricing maturity

Ultimately, AI embeds a mindset of pricing as strategy, not administration. It brings pricing decisions out of the shadows and into the realm of data, oversight and, importantly, accountability.

Firms that adopt AI tools will see pricing evolve from being a reactive, partner-led exercise to a strategic, firm-wide capability that touches client development, operations, and profitability.

Conclusion

Will AI kill the billable hour? I honestly don't know the answer to that question.

What I can tell you is that while AI is not a magic solution to an age-old problem, what it can do is enable your firm to mature its pricing approach, align more closely with client expectations and drive sustainable profitability.

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