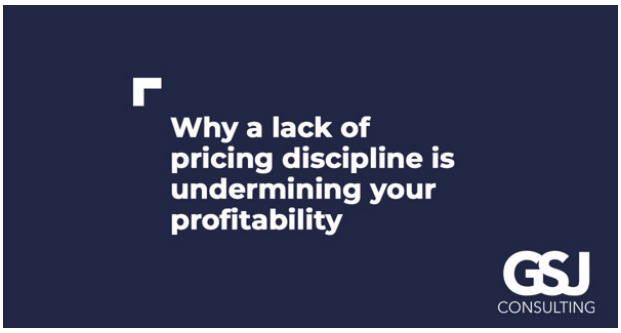


Why a lack of pricing discipline is undermining your profitability

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In many law firms and other professional services organisations, pricing is still treated as an afterthought. Partners may have “rack rates,” but everyone quietly accepts that these numbers are merely a starting point, destined to be discounted by 10%, 20%, or higher percentages.

The result is predictable: pricing becomes a free-for-all. Each partner acts as their own pricing department, making judgement calls in isolation, often under pressure and without a strategic framework. What emerges is not a pricing system but a patchwork: one that confuses clients, frustrates internal teams and steadily erodes profitability.

Pricing inconsistency isn’t always loud or dramatic. It’s subtle. It creeps in through exceptions, favours, assumptions, and “just this once” decisions. But over time, it becomes one of the most expensive operational weaknesses a firm can have.

Where does pricing inconsistency come from?

Pricing inconsistency rarely stems from bad intentions. It arises because firms lack a clear, shared approach to how pricing decisions should be made. Without structure, people fill the vacuum with their own logic; however flawed or outdated that may be.

Common drivers include:

Personal bias: Partners discount pre-emptively because they think a client is price-sensitive, even when there’s no evidence.

Historical anchoring: Old quotes get recycled, regardless of changes in scope, cost, or market conditions.

Reactive pricing: Fees are adjusted on the fly based on competitor rumours or fear of losing the work.

Client favouritism: “Strategic” clients receive generous discounts that no one monitors or challenges.

Individually these decisions may seem harmless. Collectively, they create a pricing environment that lacks transparency, consistency and commercial discipline.

The commercial damage you don’t see, until you do

The most obvious consequence of inconsistent pricing is lost revenue. Similar matters, delivered with similar effort, end up generating wildly different margins. But the deeper impacts are often more damaging:

Client confusion and mistrust: When clients compare notes internally and discover discrepancies, they question fairness and your professionalism.

Internal friction: Delivery teams struggle to plan and resource work when pricing doesn’t reflect the true complexity or effort required.

Sales inefficiency: Partners waste time debating what to charge instead of focusing on value, outcomes and client needs.

Brand dilution: Inconsistent pricing sends mixed signals to the market. Are you premium? Mid-tier? Budget? If your pricing doesn’t tell a clear story, clients will write one for you.

Without pricing consistency, firms cannot confidently position themselves, protect margins, or scale sustainably.

Why professional services firms struggle to fix pricing inconsistency

Most firms know pricing inconsistency is an issue; but they hesitate to address it because pricing feels personal, political, or too closely tied to partner autonomy.

Common barriers include:

Fear of upsetting rainmakers

- Concern that clients will push back
- Belief that pricing is “too nuanced” to standardise
- Overreliance on rigid rate cards that lack commercial context

The result is a cycle of half-measures: rules without buy-in, policies without enforcement and pricing that remains more art than strategy.

How to build pricing consistency without losing flexibility

Pricing consistency doesn’t mean charging every client the same amount. It means having a coherent, principles-based framework that guides decisions across the firm.

Here’s what that looks like in practice:

1. Define your pricing strategy: Are you positioning as a premium advisor, a value-based challenger, or a volume-driven operator? Your pricing must reflect your brand, your market position, and your commercial goals.

2. Establish clear pricing principles: Create guidelines that articulate:

- how prices are set
- when discounts apply
- how complexity is assessed
- when approval is required

This isn’t a spreadsheet, it’s your pricing philosophy.

3. Engage and educate partners: Pricing is a leadership issue, not a finance function. Partners need tools, training and confidence to have value-based pricing conversations and not just permission to discount.

4. Track and measure variance: Pricing dashboards reveal where inconsistencies occur and where margin leakage is happening.

Visibility creates accountability.

5. Review and refine regularly: Pricing is not “set and forget” event. Market conditions shift. Client expectations evolve. Your pricing framework must evolve with them.

Pricing as a Strategic Asset

When pricing is consistent, clients experience fairness and transparency. Internal teams feel aligned and supported. Partners price with confidence rather than fear. And the firm protects its margins without compromising relationships.

Pricing consistency isn’t about control, it’s about clarity. It empowers your people, strengthens client trust and positions your firm to grow on its own terms.

In a competitive market, pricing is more than a number. It’s a signal. It’s a strategy. It’s a leadership decision.

Make consistency part of your pricing story and watch your commercial performance transform. Get in touch to talk through what that could look like for your firm.

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