

PRICE HIGH OR LOW?

This app helps with determining fixed prices.



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Which practitioners would find this technology useful?

Partners and senior lawyers looking for assistance with determining their fixed prices.

How does it work?

Price High or Low is an app that can assist in the task of considering and weighting the various factors that may impact the fixed price quoted to a client. Practitioners begin by entering their initial suggested number which forms the baseline. The app provides no help in choosing this initial number but, by way of a baseline, practitioners should probably pick the price they would charge a client on the basis of “all things being equal” and the matter going perfectly according to plan.

Practitioners then work their way through a series of criteria: in each case setting where on the spectrum this particular client sits and also the weight that should be given to criteria. Criteria are things like:

- risk of cost blowout, overrun or write-off
- risk of scope creep
- is the client difficult to deal with?
- do we have spare capacity in our team?
- client’s price sensitivity
- financial impact of the project on the client.

The criteria are divided into categories such as costs and constraints, risks to our firm/practice, our capacity to sell and deliver and client perceptions and needs.

The criteria are fully tailorable in that over 50 different considerations can be switched on or off, depending on their relevance to the particular matter. Bespoke criteria can also be added.

As the settings for each criteria are input, the initial price is adjusted accordingly. Ultimately, the combined net effect of all the criteria and weightings results in a price increase or a decrease from the original baseline. This can provide a guide to practitioners as to whether their baseline needs to be increased or decreased to factor in the relevant criteria specific to that matter. The price and the criteria settings can then be saved and shared, such as via an email with a pdf of the different input settings.

Benefits

A core benefit of the app is in reminding practitioners of the numerous elements to take into account when determining what price to quote a client. However, perhaps even more importantly, the app requires practitioners to actually go through the exercise of considering the extent to which each element might impact on both the firm’s inputs in doing work but also the value of the firm’s outputs to the client. Setting fixed prices, other than via an estimate of the labour input time, can be a challenging exercise without clear reference points on which to move the proposed price up or down. Price High or Low provides some of those reference points.

Additionally, by saving the report, practitioners also have a record by which to assess, at the conclusion of a matter, which elements of their pricing criteria were accurate and which were wrong. Over time, practitioners could also build up a data bank of criteria for different clients and matters.

Risks

Price High or Low is only a guide in how to adjust a baseline price. It is generic and requires the subjective assessment of the practitioner to set the criteria and weight them. It is not a price setting tool nor is it appropriate to use in all settings.

Costs

The app costs \$8 per month.

Downsides

The app is currently quite basic in functionality. Once a pricing is completed, it can be saved or sent as a pdf but there is otherwise no ability to work with the criteria settings, such as by uploading the data to a table or a graph. Being able to sort entries by matter or task type would also be useful. Being able to retain a collation of all data inputs and even collating that data across other users could provide very useful data for firms in comparing assessments. Hopefully, in time, the app may be developed and further functionality added in order to make it an even more useful pricing tool. ■

Peter Moran is principal at Peer Legal and founder of the Steward Guide, an online technology guide for lawyers (www.stewardguide.com.au).

SNAPSHOT

What is Price High or Low?

An app to assist with determining price

What type of technology?

Mobile app

Vendor

Barolsky Advisors

Country of origin

Australia

Similar tech products

Nil

Non-tech alternatives

Analysing previous similar files and determining factors that impact on value/price A Pricing or Value Council/Committee

More information

Apple App Store

