

The Rise of the Pricing Director

London Law Expo, The Chancery Stage, 11.50 – 12.10

Stuart Dodds, Director

Global Pricing & Legal Project Management,
Baker & McKenzie Global Services



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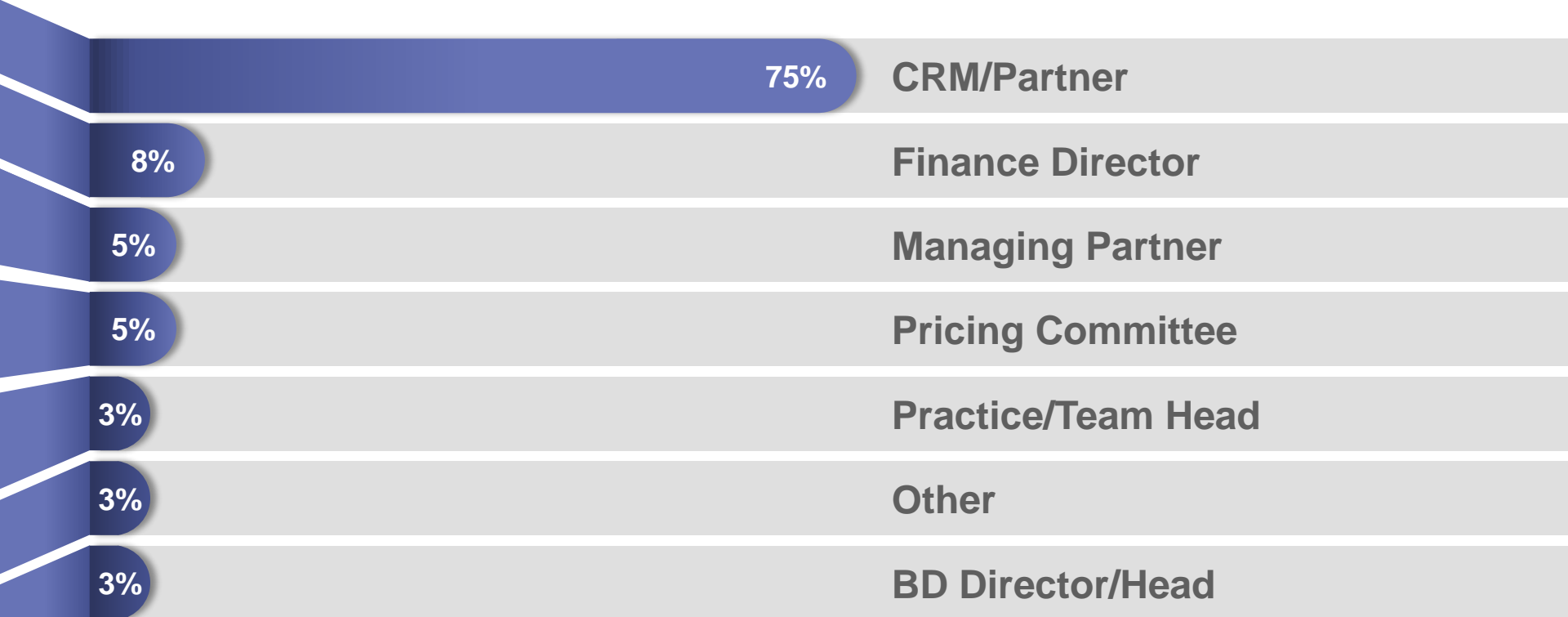
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The painful reality

How many businesses do you know where the employees are given a broad mandate to set the price of the products or services?

Would you invest as a shareholder in a business where the profitability fluctuated at the whim of often midlevel or even junior staff?

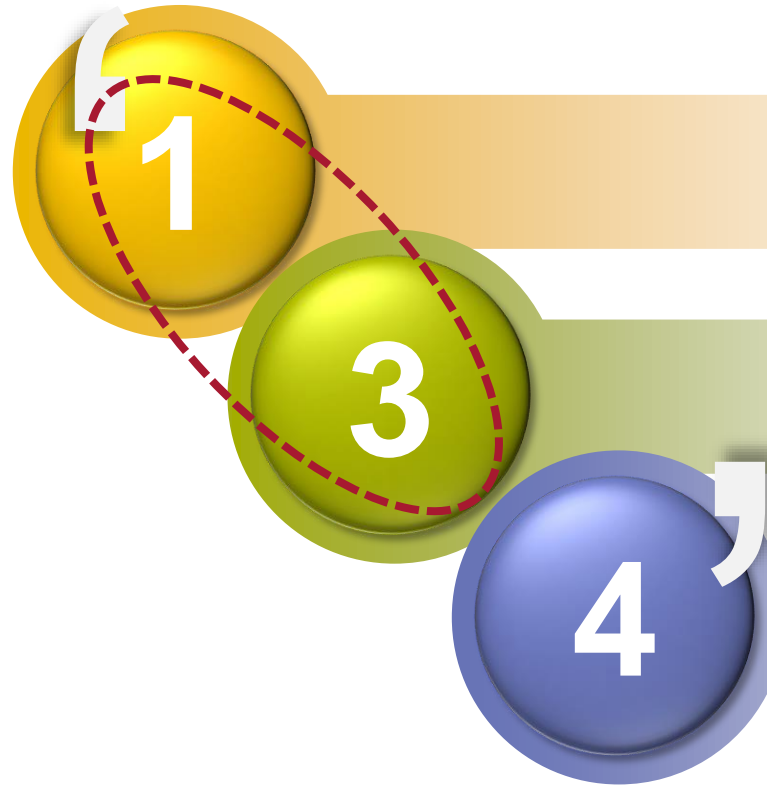
Who normally leads negotiations over price ?



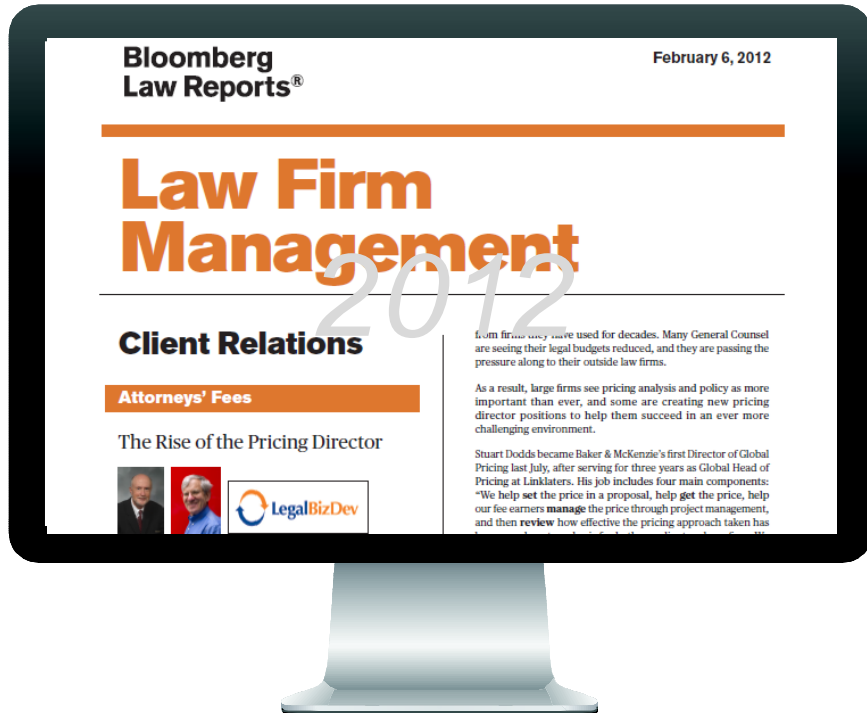
Sustained financial pressure within the legal sector

Top 10 changes	2009	2016	% change	Increase Factor
More price competition	42.4	95.4	53.0	x2.25
More commoditised pricing	25.5	88.3	62.8	x3.46
More non-hourly billing	27.9	78.7	50.8	x2.82

The (high level) business case



Pricing Directors - a (not so) new phenomenon ?



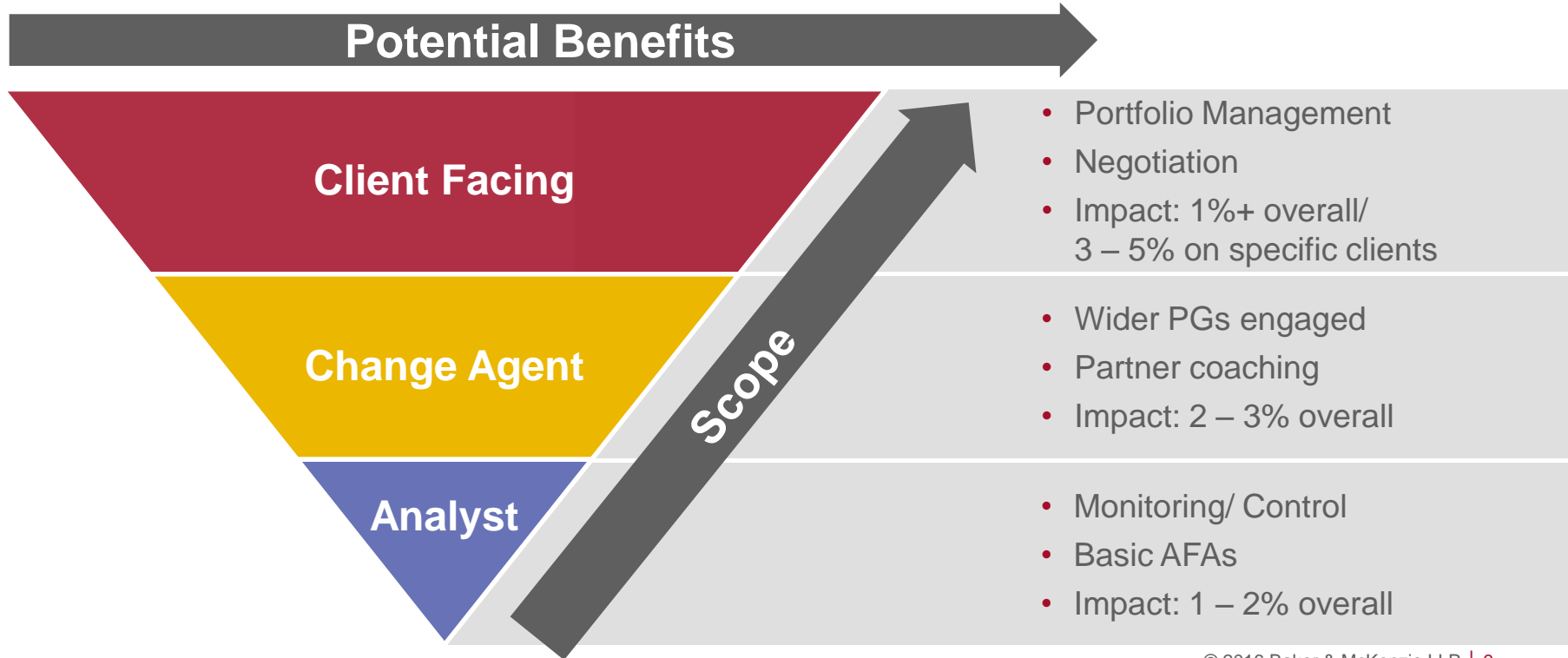
Many firms have already recognised the need



Getting the scope right

In most companies . . . there is a difference between what the role of Pricing is stated to be and what it actually is*

Role scope can limit potential benefits



Managing your pricing objectives

- Determining your pricing strategy (harmonize vs. customize)
- Knowing your client (segmentation/ 'willingness to pay')
- Knowing your pricing (elasticity and options)
- The importance of infrastructure (price fences and review)
- Internal 'education' and ongoing communication



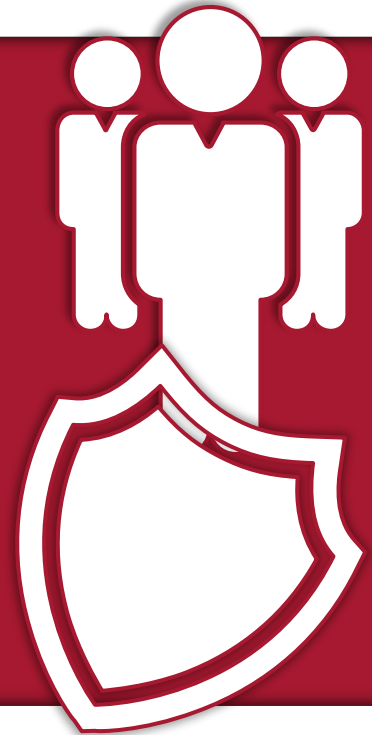
The essential (minimum) skill set

- Excellent communication and stakeholder management skills
- ‘Commercial’ and ‘Entrepreneurial’
- Analytically strong
- Intellectually curious
- Not scared of technology



Key law firm considerations

- Cultural fit
- Leadership involvement
- Firm structure and governance
- Systems and Processes
- Client 'ownership' and protectionism



A summary of key points

- The business case for dedicated pricing resources is compelling
- Many law firms have already identified the need for this role but fewer UK firms have a dedicated resource to date
- Defining the appropriate scope of the role is key and will have a demonstrable impact on realisable benefits
- Law firm culture plays a crucial role in helping this role succeed
- The 'Unicorn problem' - finding the right candidate can be tough



In closing

Questions?



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Presenter biography



Stuart J T Dodds, Director, Global Pricing & Legal Project Management, *Baker & McKenzie Global Services LLC*

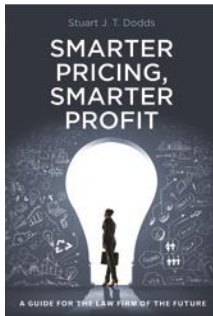
Stuart is responsible for the development of Baker & McKenzie's global pricing and legal project management strategy and provides targeted pricing, negotiation and project management support to partners and client facing colleagues across their 77 offices worldwide.

Prior to joining the Baker & McKenzie, Stuart conducted a similar role at Linklaters for over 3 years (one of the first senior legal pricing roles created), and worked as a Management Consultant for 17 years (including Accenture for 14 years) in a fee earning capacity, in a variety of strategy, supply chain and procurement-facing roles and across many industry sectors.

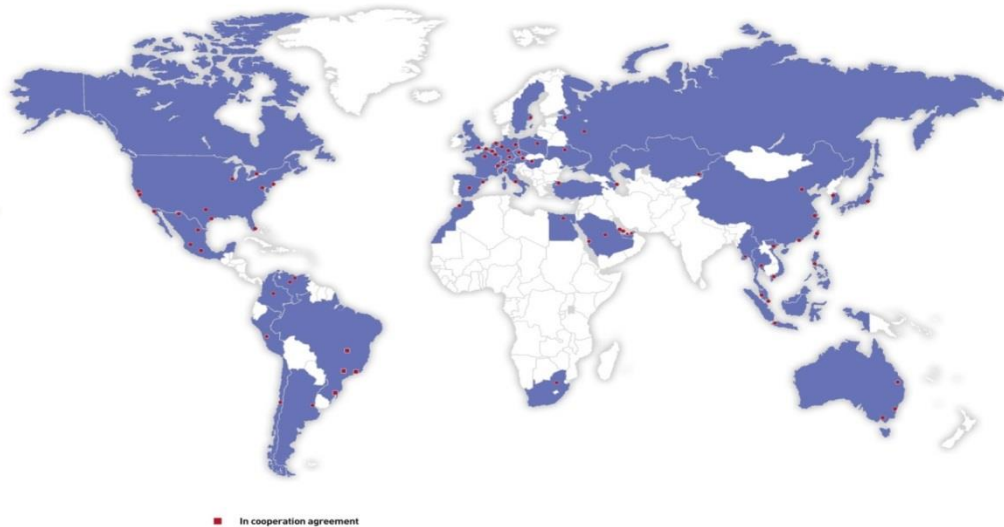
Stuart is an accredited **Certified Pricing Professional** (the highest pricing qualification, held by only 300 people worldwide), is a Lean Six Sigma Green Belt, and is a member of both the Professional Pricing Society and Project Management Institute. He also sits on a number of industry-related advisory bodies.

He is a frequent speaker at conferences, and has been extensively quoted in pricing and project management journals. Stuart is the author of a book on law firm pricing, negotiation and legal project management, '**Smarter Pricing: Smarter Profit**', published by the American Bar Association in April 2014, and forthcoming ABA book, 'Pricing in the Front Line' (published in Jan 2017).

Stuart is a fellow of the **College of Law Practice Management**.



Who Baker & McKenzie are



Some Facts

Established in 1949

77 offices

47 countries, covering every major commercial, financial and industrial centre in the world

6000 + lawyers/ fee earners (1,580 partners)

Admitted to practice in 250+ jurisdictions

17 key areas of practice

FY16 revenues of \$2.62bn
(2nd largest law firm by revenue)

Dedicated Pricing (& LPM) function established in 2011

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