

December 9, 2014

**Re: Annual Discussion of Rate Increases**

Dear Valued Client:

'Tis the season for “the Letter,” the one from your law firms telling you in one paragraph how much they appreciate your business and in the next that they are raising their billable rates for the coming year. We know you hate receiving the Letter, so we thought we would try a different approach, as we are known to do. Consider this the Valorem version of the Letter. In 2015:

- We are NOT raising our billable hour rates. We abhor the billable hour. In 2015, we vow to continue to hate it.
- We will NOT tout how lean and mean we are, nor will we provide you irrelevant statistics on how we are streamlining overhead costs by firing staff or some other such thing (so profits per partner are higher, not so your fees are lower).
- We will NOT hire a Director of Professional Development, a Global Manager of Innovation or an Executive Manager of Pricing.
- We will NOT bill you for running a conflict check, drafting an engagement letter or answering your auditor’s requests; and
- We promise NOT to boil the ocean to make a cup of tea, uncover every stone, or hunt for needles in a haystack, just to take more from your wallet. Instead, we will continue to align our work to the goals you identify and to have a bonus or holdback on all of our matters so you know that our interests and yours are aligned.

So if we will NOT do these things in 2015, what will we do? In 2015:

- We promise to continue to provide the best possible client service and to continue to search for ways to make our service even better. (See the attached recent article from Law360 about our approach to service – hey, we didn’t say we weren’t going to brag in 2014!).
- We promise to continue to price our work based on the value of the service we provide; on results, not hours.
- We promise to continue to put “skin in the game” so part of our fee is dependent upon reaching the outcome you desire.
- We promise to continue to recognize that our clients have to be the judge of whether we have provided great service and value, so every one of our bills will continue to include our Value Adjustment Line, empowering you to change our proposed fee so the fee reflects the value you believe we have provided.

On a serious note, we greatly appreciate your business. In this season of celebration, we thank you for making us part of your (ahem, unconventional) team.

Sincerely,

Your friends at Valorem