



## Alan Guy on Alternate Fee Arrangements with Legal Dive

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Although alternative fee arrangements are growing in popularity and sophistication, they still face institutional obstacles to wider adoption. Matching the fee to the work is difficult, so many departments stick to the familiar billable hour. Kobre & Kim's Alan Guy sat down with *Legal Dive* to explain why.

Over the past few years, more corporations have begun to require law firms to offer alternative fees or have begun providing incentives for them to do so, said Mr. Guy. However, corporate counsel are sometimes reluctant to accept alternative fee arrangements over the fear that if a large success fee is required, it will reflect poorly on their judgment. "They ... revert back to what they're familiar with," Mr. Guy explained.

As alternative fee arrangements increase in volume and in sophistication, law firms are increasingly using legal operations professionals and taking on more legal project pricing experts. "What's increasingly happening is that those discussions are happening directly between the pricing professionals, as opposed to between the general counsel and the partner," Mr. Guy said. This creates more potential for creative solutions that benefit both sides.

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