

Title:

Billing Tips for the New Expert Witness

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Summary:

How much should I charge for my expert witness services? It's an important question that will determine the success of your consulting practice.

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Article Body:

How much should I charge for my expert witness services? It's an important question that will determine the success of your consulting practice.

You can establish competitive pricing levels in several ways. One way is to discretely conduct some research to find out what other experts are charging. Another way is to review pertinent court records, since experts have to disclose their rates as part of their Rule 26 or equivalent reports.

SEAK publishes a reference book that you might find useful in creating your rate structure. Ask for the "National Guide to Expert Witness Fees and Billing Procedures," written by Alex Babitsky, MBA, Steven Babitsky, Esq., and James J. Mangraviti, Jr., Esq.

Now that you have a better sense of how to set your hourly rates, here are five tips to help you prepare a competitive rate card:

1. Get it in writing! Always start with a letter of engagement that clearly identifies your rates and business terms. You want to be entirely clear on how and when you will get paid.
2. Establish a minimum. Regardless of the job size, you have to set all your other work aside in order to concentrate on every new case. Consider setting a 5 or 10 hour minimum for smaller jobs. This policy will reimburse you for the value you provide to your client.
3. Ask for a retainer. You can insure payment by asking for a retainer that gets replenished as funds are drawn down over the course of your assignment.

4. Implement a cancellation fee. The vast majority of cases settle out of court, so you could easily find yourself with holes in your calendar where you once had billable hour commitments for depositions or court testimony. Your cancellation fee may vary with the degree of notice you receive. For example, perhaps there is no penalty for cancellation 10 days prior to an engagement, but a 50% fee for cancellation 48 hours in advance.

5. Review your rates. An annual rate increase is a fairly common business practice. Take a look at your rates every December and update your rate card as of January 1st of every year. As a rule of thumb, you generally have some room to increase your rates if none of your clients complains about them. Test higher rates on your new clients.

Always remember, you are paid for your knowledge and not your testimony. Price and bill accordingly.