One Pricing Engine run, one Panel Bid P&L, one Panel Bid Builder report, one Maturity Assessment

Sample outputs from the Alt-V Pricing pillar - all four artefacts for one invented firm

Accompanies the Pricing briefing · Alt-V Law

Derek Duffy, APAC Director, Alt-V

> **Every firm, person and figure in these reports is invented.** The three tool reports that follow are what the Pricing Engine, Panel Bid Economics and Panel Bid Builder produce when run on the Thorne Marsden scenario. The Pricing Maturity Assessment that opens the pack is a companion artefact - the seven-dimension capability assessment a Phase 2 Diagnostic deliverable would carry.

The scenario

Thorne Marsden LLP is a UK mid-tier full-service firm with 180 fee-earners, five offices (Manchester, Leeds, Birmingham, Bristol and London), £35m in fees, and an independent partnership structure (not part of a consolidator). A 2025 AI pilot across contract review and discovery completed early in 2026, with initial efficiency readings suggesting a twenty-five per cent hours reduction on affected matter types; the firm has not yet translated those readings into pricing. A corporate general-counsel panel renewal for a long-standing client is approaching in Q1 2027; Thorne Marsden is a challenger on this panel, not the incumbent. The CFO has started asking the pricing committee which matter types are over-priced relative to realised cost, and which are under-priced relative to competitive comparables. The partnership has not yet taken a formal position on how to answer the client's forthcoming AI-savings question.

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ARTEFACT	TOOL / TEMPLATE	WHAT THE SAMPLE SHOWS
1. Pricing Maturity Assessment	Companion artefact (T04 of the Pricing Review Methodology)	Seven-dimension capability assessment. Thorne Marsden lands Established on commercial-models-used and governance; Emerging on data-and-analytics and AI-and-pricing readiness; Nascent on client-facing pricing dialogue. The gating dimension is client dialogue - the firm cannot run the four-point script yet because the muscle for the conversation does not exist.
2. Pricing Engine report	Per-matter-type diagnostic	Run on a Category 2 commercial-advisory matter type. Seven-dimension diagnostic lands the matter in the "AI-medium, high-competition, mid-realisation" quadrant. Tiered price band, with Hybrid (base + performance) as the recommended commercial model. Four-point client script generated with the firm's own figures.
3. Panel Bid Economics	3-year P&L simulator	The Q1 2027 corporate-GC panel renewal, stress-tested across three AI-substitution scenarios. Central scenario produces a year-1 margin that holds; the aggressive scenario shows a year-2 margin squeeze on hourly-structured mix lines; break-even at a panel discount of sixty-three per cent against a bid-in discount of fifteen.
4. Panel Bid Builder	7-dimension position-strength assessment	Position assessed against the specific panel brief. The firm's strengths: technical capability, resourcing, track record. The firm's exposure: DEI/ESG, value-add, pricing readiness. Gap register lists three items for pre-submission remediation; win-themes keyed to the challenger position.

How to read them

The **Pricing Maturity Assessment** measures capability at firm level; the matter-type pricing comes from the Pricing Engine. It opens the pack because the gating dimension (client-dialogue readiness) frames what the firm can actually run with the other three outputs. The **Pricing Engine** is a matter-type diagnostic; the sample runs one matter type as an exemplar - a real engagement runs the diagnostic across the firm's full matter portfolio. The **Panel Bid Economics** reads the commercial feasibility of the specific panel renewal; the **Panel Bid Builder** reads the firm's position-strength against the specific brief. The two panel tools compose: Economics says whether the firm can run the panel at the discount; Builder says whether the firm can win the panel at all.

The tools and the methodology are management-consulting instruments. They focus the pricing conversation and do not substitute for a scoped engagement.

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Thorne Marsden LLP · pricing-capability assessment

Phase 2 Diagnostic companion · seven-dimension capability assessment against the Nascent → Optimised anchor set

Sample output · fictitious firm, figures and findings · Alt-V Law

Derek Duffy, APAC Director, Alt-V

> This is the T04 Pricing Maturity Assessment artefact Phase 2 of a Pricing Review produces at the end of week two, before the matter-type diagnostics or the panel-bid stress tests run. It names the firm's pricing capability on seven dimensions, surfaces the gating dimension that constrains everything else, and names the three capability moves Phase 3 must set up. The firm, people and figures below are invented.

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Seven-dimension capability assessment

DIMENSION	THORNE MARSDEN LEVEL	WHAT THIS MEANS
Pricing capability and team	Established	Pricing Lead sits in Finance; three practice-group pricing champions report in with ~0.2 FTE each. No dedicated pricing analyst. Capability holds for standard matter types; breaks on panel bids and novel structures.
Commercial models used	Established	Hourly dominates (~72% of fees); fixed-fee on standard commercial work (~18%); capped on employment and private client; AFA umbrella rarely invoked. The ten-model inventory is understood; six are in active use.
Data and analytics	Emerging	Realisation reports at matter level, quarterly. No live dashboarding; no per-partner realisation visibility; no matter-type profitability curve. The pricing conversation runs on quarterly lag.
Governance and approval	Established	Pricing committee meets monthly; thresholds for partner discretion documented and generally followed. Audit trail on fee quotes above £250k. The weakness is enforcement for low-value matters where discretion is highest and visibility lowest.
Partner behaviour and discipline	Emerging	Partners accept the governance frame on paper; in practice, scope creep on fixed-fee matters absorbs margin at 2-4% per quarter. No consequence model for repeat offenders. Partners do not yet work to the pricing committee's frame day to day.
Client-facing pricing dialogue	Nascent · GATING	No partner-wide script for AI-savings conversations; three partners have had the conversation with their clients ad hoc, with inconsistent outcomes. Panel bid responses still lead with rate cards rather than evidence of value. This dimension gates everything else.
AI-and-pricing readiness	Emerging	The 2025 AI pilot produced an efficiency reading (~25% hour reduction on affected matter types) that has not yet translated into pricing. Pricing committee has not yet taken a position on whether to share, retain, or hybrid the gains.

The gating dimension

Client-facing pricing dialogue is the gating dimension. The firm has adequate capability on five of seven dimensions and emerging capability on two. The one that constrains everything else is the dialogue - because the firm cannot act on its matter-type pricing results, its AI efficiency reading, or its panel bid analysis without the muscle to hold the conversation with the client that any of those three triggers.

This is the pattern the assessment is designed to test for in a mid-tier firm. The analytical layer is adequate; the governance frame exists; the data is readable (if lagged). The missing capability is the one that converts analysis into client position - and the one that no amount of pricing-committee work builds on its own.

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The three capability moves Phase 3 must set up

Each is a specific capability build. All three can run in parallel across the eight-to-twelve-week engagement without exceeding the firm's change capacity.

1. **Build and roll out the four-point client script, across all partners who face corporate GCs.** The script covers the four points plus the role-play, the objection-handling and the decision tree for which structure to propose given the client's own AI maturity. One structured session per practice group, with the Pricing Lead facilitating; ten weeks to full partnership roll-out.
2. **Stand up live realisation and matter-type profitability dashboards.** The data exists in the practice management system; the dashboards do not. The IT and Finance work to assemble them is six to eight weeks. The partner-behaviour move depends on this: the firm cannot hold partners accountable on numbers they cannot see weekly.
3. **Take a formal AI-savings position before the Q1 2027 panel renewal.** The pricing committee needs to decide - with the partnership's endorsement - whether the firm shares, retains, or hybrids the AI efficiency on the panel's matter types. The decision needs the Pricing Engine output across the panel's main matter types and the Panel Bid Economics stress test. Target: formal position by end of week six.

What this does not solve

The Maturity Assessment measures capability. It does not price a specific matter type - the Pricing Engine does that. It does not stress-test a specific panel renewal - Panel Bid Economics does that. It does not build the win-themes for a specific brief - Panel Bid Builder does that. It does not change partner pay - the Partner Pay pillar does that. The point of the assessment is to make the other four engagements credible, by naming what the firm can actually run against them.

The firm, people and figures in this assessment are invented. The seven-dimension pricing-maturity model is Alt-V's T04 template, documented in the companion briefing and the Pricing Review Methodology toolkit (July 2026).

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ALT-V PRICING ENGINE · FULL ASSESSMENT · V1.0

Pricing recommendation for Standard commercial advisory (mid-complexity)

Commercial · UK · FTSE 250 / mid-cap corporate · – · Generated 26 October 2026 · Cost-rate seeds v2026-07-08 · Jurisdiction flags v2026-10-06

Segmented per-phase pricing

Confidence ±15% · Standard preset · Working currency GBP

Diagnostic dimension results

D1 Scope predictability L2 · BEHIND	D2 Matter volume L3 · IN LINE	D3 Client strategic value L3 · IN LINE	D4 Risk profile L3 · IN LINE
D5 AI suitability L3 · IN LINE	D6 Panel / competitive pressure L4 · AHEAD	D7 Realisation rate history L2 · BEHIND	

BIGGEST RISK TO THIS RECOMMENDATION

Low realisation on the existing model suggests the current price point is at fault; diagnose that before changing model.

Price band + margin uplift

PRICE BAND LOW	TARGET PRICE	PRICE BAND HIGH
£48,943	£61,179	£69,336
15% margin floor	32% margin · +25% variance buffer	40% margin ceiling

Margin uplift vs current pricing **-20%** (£-5,013 per matter)

Four-model comparison

Your current model against the four archetype families the recommendation could be. Revenue and margin per matter; cost-to-serve is model-independent. AI-exposure quantifies the share of revenue that evaporates if AI performs better than expected.

	HOURLY YOUR CURRENT MODEL	BLENDED RECOMMENDED	FIXED FEE	OUTCOME-LINKED
Revenue / matter	£63,848	£67,635	£76,473	£66,082
Margin (vs £41,601 cost)	£22,246	£26,034	£34,872	£24,481
Margin %	35%	38%	46%	37%
AI-exposure	2% Low	1% Low	0% Low	2% Low
Realisation assumption	As today (83%)	100% on the fixed component, 83% on the hourly remainder	100% (fee locked)	83% on base; bonus at 60% win probability

The engine recommends one of eight specific fee structures; the table compares the four families they belong to. Tiered, segmented, collared and capped structures are all blends of time-based and fixed elements, so they compare as one family.

> On the firm's own numbers, switching from Hourly to Blended lifts margin per matter by £3,788.

⚠ Outcome-linked structures trigger jurisdictional restrictions; see the Jurisdictional flags section below.

Cost of getting there (migration model)

The one-off hard cost of moving from Hourly to Segmented per-phase pricing, plus revenue-at-risk during transition (shown separately) and payback in months.

Repricing effort 14h effort × £199/h blended cost rate · distance 1	**£2,793**
Client-communication load 5 client conversations · 2.5h each · partner-led (£420/h) · Dim 2 = 3	**£5,250**
Systems / process change Billing templates, matter-intake, reporting	**£6,000**
Hard migration cost	**£14,043**

Revenue-at-risk (transition) **£58,731**

24 matters/yr × 50% transition window × £61,179 target × 8% slippage (Dim 6 = 4). Contingent, not committed. Never summed into the hard cost above.

No payback at current inputs: the recommended model does not out-earn the current one on these numbers. Re-check cost inputs before migrating.

Seeds are Alt-V planning defaults, not benchmarks; replace with your own effort estimates before board sign-off.

Test another price

The test price recorded below is the price the firm is planning to quote for this matter. Flags below indicate margin or market risk at that price.

Test price: 61179

POST-AI COST / MATTER	MARGIN AT TEST PRICE	UPLIFT VS CURRENT PRICE
£41,601	£19,578	-20%
Reference: engine calc	32% margin	£-5,012/matter

Price sits comfortably in the band

> Margin at 32% clears the 15% floor, sits at or above your 32% target, and stays below the market-ceiling threshold for a Dimension-6 Level 4 matter type. Defensible number to take to the client conversation.

Scenario table: pessimistic / likely / optimistic

SCENARIO	POST-AI COST/MATTER	TARGET PRICE	MARGIN	MARGIN %
Pessimistic Drafting −12% · Advisory −3%	£43,345	£63,742	£20,398	32%
Likely Drafting −20% · Advisory −5%	£41,601	£61,179	£19,577	32%
Optimistic Drafting −24% · Advisory −6%	£40,730	£59,897	£19,167	32%

Pessimistic assumes AI hour reduction × 0.6 of default; optimistic × 1.2 (capped at 70%). Pessimistic case shows whether the recommendation still holds if AI is less effective than expected.

Why this recommendation

- Rule 5 (realisation drift): existing pricing model appears mispriced. Diagnose why realisation is low BEFORE moving to a new model. This recommendation assumes you'll do that first.

Client conversation script

The four-point defensible answer to "why aren't you passing on 100% of your AI savings", personalised with your numbers.

> 1 **We are, through the fee model: the saving shows up in the price per matter.**
>
> The move from £85,000 on the current arrangement to £61,179 on the segmented per-phase pricing **is** the AI saving, approximately 28% below what this work would have cost you before. Named and specific, and visible on the invoice. *The subtext: hourly discounts on AI-eligible work lock in a lower rate on all our work without giving you the budget certainty that would actually improve your year.*

2 **AI has a cost; the firm carries it as overhead, with no separate charge to you.**

We invest in your AI stack: £80 per matter amortised, absorbed as overhead under ethics guidance. Neither the licence cost nor the training and workflow-engineering time gets invoiced to you as a line item; all of it is absorbed into the fee structure you see. A rational discount for AI use has to come out of a fee model that recovers those costs. Hourly at a discount does neither; it just shrinks our margin against ongoing efficiency gains we haven't yet realised. *The subtext: the AI investment is being made on your behalf. It reduces your bill by more than the licence cost delta, but it doesn't do so for free.*

3 **What you're buying is speed, expertise and risk transfer.**

Speed: work that used to run in weeks now runs in days. Expertise: the partner's judgement is what you brought us in for, and the AI supports that judgement. Risk transfer: the segmented per-phase pricing transfers scope-drift risk from you to us, and that transfer alone is worth ~10–15% of the fee before we count anything else. Take these away and you've built a race to the bottom that ends with a lower-quality provider you didn't hire us to be. *The subtext: this is the standard argument any professional services firm makes against pure hourly discounting.*

4 **If we pass 100%, no firm will invest.**

If clients demand 100% pass-through of AI efficiency, the firm's rational response is: don't invest. That leaves both of us worse off: you pay hourly on work AI could accelerate, and our competitive position stagnates. The only sustainable model is a shared benefit: we capture enough to justify continuing investment; you see a lower bill and better service. Segmented per-phase pricing is how that split becomes visible on your invoice. *The subtext: without a shared benefit, the firm stops investing in AI.*

The reframe

The right way for you to buy from us is a segmented per-phase pricing on this matter type, where AI changes the economics, and hourly on the categories where AI doesn't materially change the effort (novel advisory, bespoke litigation, trial advocacy). That gives you the AI savings on the AI-eligible categories and full transparency on the rest.

Suggested email text

A starting point for the client conversation, drawn from the four-point script above and pre-populated with

the figures from this recommendation. Adapt names and specifics before sending.

Subject: Pricing structure for Standard commercial advisory (mid-complexity): proposed approach

Hi [Client name],

Thanks for the conversation on how we'll price Standard commercial advisory (mid-complexity) going forward.

As discussed, we're proposing a move from the current arrangement to a Segmented structure at £61,179 per matter. The rationale in short:

1. The saving comes through the fee model. A Segmented at £61,179 sits approximately 28% below your current effective spend. The AI saving is named and specific, and it shows up in the price you see.

2. AI isn't free. We invest materially in your AI stack; the licence cost sits as firm overhead. A rational discount comes out of a fee model that recovers this investment. Hourly at a discount doesn't.

3. What you're buying: speed (weeks → days), the partner's continued expertise (AI supports the partner's work), and risk transfer (Segmented transfers scope-drift risk from you to us, worth ~10–15% of the fee).

4. Shared benefit is the sustainable model. If firms pass 100% of AI efficiency, we stop investing, which is worse for both of us. The proposed structure is how the split becomes visible on your invoice.

The right way for you to buy from us on this work is a Segmented on Standard commercial advisory (mid-complexity) (where AI changes the economics) and hourly on the categories where it doesn't (novel advisory, bespoke litigation, trial advocacy). That gives you the AI savings where they're real and full transparency elsewhere.

Happy to walk through the mechanics in more detail on a call.

Best regards,
[Your name]

Governance & quality guardrails

Any AI-priced offering has to sit alongside a defensible governance frame. Tick as you complete.

- [ ] **Model-of-record standards**
  Define for this service line: which AI tool (your AI tool), which model version, what task types, what quality benchmark. Update at least quarterly as tooling changes.

- [ ] **Human-in-the-loop protocols**
  Define who reviews what AI output at what level of seniority. Contract review: junior associate + partner sample check. Due diligence red flags: associate reviews AI-flagged items, partner reviews high-risk categories. Never AI-output-straight-to-client without documented review.

- [ ] **Confidentiality & data controls**
  Client data cannot leak between clients via AI training. Vendor contract with your AI tool must include data segregation warranties. EU: GDPR review. AU: Privacy Act 1988 (as amended post-Feb 2025 tranche 1). UK: UK GDPR. Client engagement letters should disclose AI use.

- [ ] **Professional indemnity insurance implications**
  Some PI insurers now ask specifically about AI use. Confirm your AI tool is covered under the current policy and no premium loading applies.

- [ ] **Client transparency**
  You've marked AI use as not currently disclosed; this is the direct route to the panel-review conversation that erases your pricing position. Move to disclosure by default.

- [ ] **Bias, hallucination & citation-integrity QA**
  Standing test set for Standard commercial advisory (mid-complexity): known-good and known-bad prompts run against your AI tool quarterly. Track false-positive / false-negative rates. Do not tolerate AI hallucination of case citations; the reputational and disciplinary risk is one-strike.

- [ ] **Prompt provenance & auditability**
  For every AI-augmented client deliverable, retain: prompt used, model version, raw output, reviewer, redlines applied. Two reasons: (a) if client disputes what the AI did, you need the record; (b) if the same matter type recurs, you have training data for improving your own protocols.

- [ ] **Cross-client model contamination**
  For per-firm-tenanted AI (your AI tool), verify with the vendor that Client A's data cannot appear in Client B's outputs. For off-the-shelf AI (public ChatGPT, Copilot without enterprise controls), this is materially harder to control, and increasingly disallowed under GC procurement rules.

- [ ] **Escalation for edge cases**
  A named partner or governance officer accountable for AI-driven mistakes, written into the engagement letter's escalation clause.

Re-pricing schedule

Annual review as base rhythm plus seven trigger events that force off-cycle re-pricing.

> **Annual review: next scheduled 26 October 2027**
> Run the Full Pricing Review across the top ~20 matter types by revenue at least annually. Timing options: (a) firm-year-end alongside financial planning; (b) rate-card review (Q3–Q4); (c) 1 October

alongside panel-review season.

1. **New AI tool deployed**
   Any tool that materially changes the Dimension-5 profile for Standard commercial advisory (mid-complexity) forces a re-price. Deploying a new tool across the practice group in Q2 and not re-pricing until year-end captures the AI efficiency as invisible margin: commercially fine but politically risky if the client asks.

2. **Panel renewal or major RFP**
   Automatic if you enter a panel arrangement. Run the diagnostic before submitting.

3. **Realisation drift beyond 3pp below rolling 12-month average (currently 83%)**
   Define your threshold; 3 percentage points below rolling 12-month average is the default. If Standard commercial advisory (mid-complexity)'s Dimension 7 drops a band, force a re-price review to diagnose why.

4. **Matter volume shift beyond 25%**
   If Dimension 2 changes materially in either direction, the pricing model may need to move. Big volume increase → subscription may now be viable; big decrease → subscription no longer justifies its design cost.

5. **Client strategic-value shift**
   Loss of a top-10 client, major new client mandate, or client-side procurement leadership change. Portfolio economics shift, so Dimension 3 shifts and Rule 3 activation changes.

6. **Regulatory / jurisdictional change**
   Any change to contingency-fee rules (AU state-by-state, UK CFA/DBA framework, EU AI Act implementation impacting fee disclosure), professional-conduct guidance on AI use, or client-mandated outside-counsel guidelines materially changing what pricing structures are permissible. Currently live for UK: monitor SRA / state bar / Law Society guidance on AI.

7. **Leverage model change in the practice group**
   If the practice group's partner:associate ratio shifts materially, or a new practice group joins, the cost-to-serve base changes and any fixed-fee arrangement should be re-tested.

Governance: pricing owner is Head of Pricing (Big Law) or CFO (mid-market); MP signs off on the outputs; escalation to MP + Practice Group Head required for any matter type where the recommendation would materially change client fees (>10% up or down).

Jurisdictional flags

UK CFA/DBA drafting compliance

England & Wales require strict compliance with CFA (Conditional Fee Agreement) or DBA (Damages-Based Agreement) drafting rules (DBA cap 50% of damages). English courts have thrown out non-compliant hybrid arrangements. Ensure engagement letter meets statutory requirements and consider a specialist litigation-funding review.

Methodology & sources. Framework: Alt-V *Law Firm Pricing Strategy Briefing* (8 Jul 2026), Parts 1–4. Diagnostic anchors: Part 4 §B. Calculation engine: Part 5 §A.3.

- Client-side expectations: ACC/Everlaw 2025 GenAI Survey (657 in-house professionals, 30 countries)
- Firm-side pricing behaviour: BigHand 2026 Legal Pricing and Budgeting Trends Analysis (vendor survey, 800+ respondents, UK and North America); Thomson Reuters State of the US Legal Market 2026; Thomson Reuters Institute Australia State of the Legal Market 2026 Edition
- Cost-rate benchmarks: TR Law Firm Rates Report 2026; Alt-V APAC market intel (2026-07-08)
- Jurisdictional flags: v2026-10-06, refreshed annually
- Where AI is priced by consumption, the engine treats its cost as a marginal cost per matter rather than an overhead, because each additional AI-assisted matter adds to the bill.
- Rec engine: Pricing Engine v1.0. Report generated 26 October 2026.
- Figures in the other currency convert at the Alt-V planning rate of £1 = A$1.90, as at 5 October 2026.

Nothing in this report constitutes legal advice, professional pricing determination, or a substitute for consulting professional pricing advisors. All cost and pricing inputs remained in the browser and were not transmitted.

Generated: **2026-10-26**
Data lock: **2026-08-29**
Prepared for: **Thorne Marsden LLP**

Panel-bid economics: Client

Thorne Marsden LLP

3-year P&L · sensitivity · margin bridge · break-even

EXECUTIVE SUMMARY

Bid recommendation

BID

Bid. this panel clears your 32% target margin at 55.1% (central), and all three AI scenarios stay in the black. This is a bid to win; do not concede more than the terms already demand.

The economics are strongest in year 3 as AI adoption compounds and rate rises catch up with the panel discount. Present the year-3 P&L to the finance partner, not year 1.

Year-1 margin (central)	£ 677,799 (55.1%)
3-year cumulative margin (central)	£ 2,045,360 (55.4%)
Break-even panel discount	63.0% (bidding at 15.0%)
Conservative-scenario year-1 margin	£ 826,153 (55.3%)
Aggressive-scenario year-1 margin	£ 559,115 (54.8%)

ASSUMPTIONS

What we modelled

Firm baseline

Firm name (private)	–
Currency	£ GBP
Partner rate / cost	£ 950 / £ 300
Senior rate / cost	£ 600 / £ 180
Junior rate / cost	£ 400 / £ 110
Paralegal rate / cost	£ 250 / £ 65
Cost basis	Fully loaded
Target margin	32%

Panel context

Buyer (private)	–
Buyer sector	General corporate
Panel term	3 years
Pricing structure	Mixed (fixed + discount)
Panel discount	15.0%
Annual rate rise	0.0%
Cost inflation	3.0%

Matter mix

CATEGORY	VOL	HRS	LEVERAGE P/S/J/PL
Commercial litigation & disputes	20	120	15/35/40/10
General commercial & contracts	40	30	10/30/50/10
Employment & workplace	25	45	15/40/35/10

AI & realisation

Substitution: research	40%
Substitution: discovery	55%
Substitution: drafting	35%
Substitution: correspondence	25%
Task share: research	15%
Task share: discovery	25%
Task share: drafting	30%
Task share: correspondence	15%
Sensitivity multipliers	Cons ×0.5 / Cent ×1 / Agg ×1.4
AI cost per matter	£ 25
Realisation / Write-off	85% / 3%
WIP / Debtor days	52 / 58
Cost of capital	8.0%
Panel volume growth	0.0%

SECTION 1

Three-year P&L: all scenarios

Revenue, cost, working-capital drag and margin for each of the three AI substitution scenarios.

Conservative scenario Conservative

Sensitivity multiplier ×0.5

YEAR	NET REVENUE	DIRECT COST	WC COST	MARGIN	MARGIN %
Year 1	£ 1,493,596	£ 631,433	£ 36,010	£ 826,153	55.3%
Year 2	£ 1,493,596	£ 650,313	£ 0	£ 843,283	56.5%
Year 3	£ 1,493,596	£ 669,758	£ 0	£ 823,838	55.2%
3-yr total	**£ 4,480,788**	**£ 1,951,504**	**£ 36,010**	**£ 2,493,274**	**55.6%**

Central scenario Central — Sensitivity multiplier ×1

YEAR	NET REVENUE	DIRECT COST	WC COST	MARGIN	MARGIN %
Year 1	£ 1,230,968	£ 523,492	£ 29,678	£ 677,799	55.1%
Year 2	£ 1,230,968	£ 539,133	£ 0	£ 691,836	56.2%
Year 3	£ 1,230,968	£ 555,243	£ 0	£ 675,726	54.9%
3-yr total	**£ 3,692,905**	**£ 1,617,867**	**£ 29,678**	**£ 2,045,360**	**55.4%**

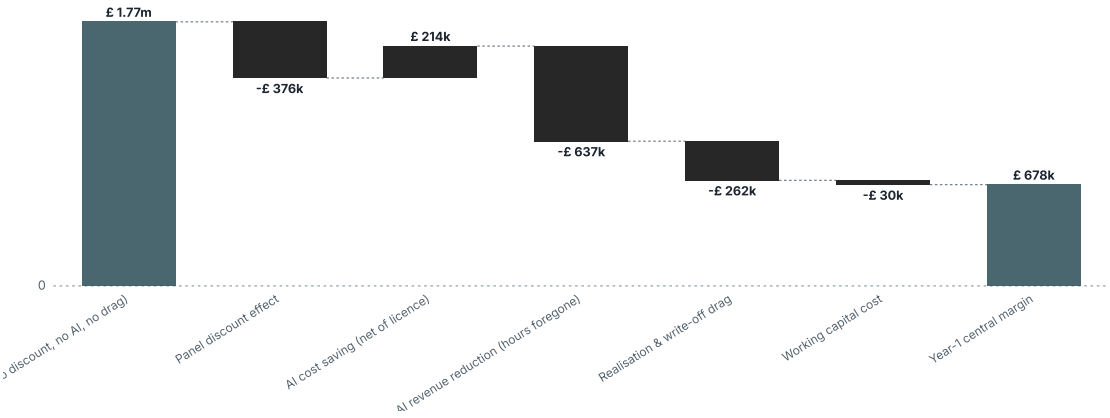
Aggressive scenario Aggressive — Sensitivity multiplier ×1.4

YEAR	NET REVENUE	DIRECT COST	WC COST	MARGIN	MARGIN %
Year 1	£ 1,020,866	£ 437,138	£ 24,613	£ 559,115	54.8%
Year 2	£ 1,020,866	£ 450,189	£ 0	£ 570,678	55.9%
Year 3	£ 1,020,866	£ 463,630	£ 0	£ 557,236	54.6%
3-yr total	**£ 3,062,598**	**£ 1,350,957**	**£ 24,613**	**£ 1,687,029**	**55.1%**

SECTION 2

Margin bridge: year 1 (central)

From an as-is delivery to panel-term delivery: where the margin comes from, and where it goes.



Reading the bridge: we start with the as-is margin: what your firm would earn on this book of matters at headline rate card with no AI substitution and no realisation drag. Then each waterfall step shows where margin is added (green) or lost (red).

Panel discount removes **£ 376k** of revenue.

AI substitution saves **£ 214k** of direct cost (net of AI licence).

AI-driven hour reduction gives up **£ 637k** of billable revenue.

Realisation and write-offs together drag **£ 262k**.

Working capital costs **£ 30k** at your cost of capital across WIP + debtor days.

Net year-1 central margin: **£ 677,799**.

SECTION 3

Sensitivity

How the margin moves across AI-substitution scenarios and years.

SCENARIO	YEAR 1	YEAR 2	YEAR 3
Conservative	**£ 826k** 55.3%	**£ 843k** 56.5%	**£ 824k** 55.2%
Central	**£ 678k** 55.1%	**£ 692k** 56.2%	**£ 676k** 54.9%
Aggressive	**£ 559k** 54.8%	**£ 571k** 55.9%	**£ 557k** 54.6%

Cells are year-year margins in £ at each AI scenario. Green = above target margin (32%); amber = below target but positive; red = loss-making.

SECTION 4

Break-even analysis

The panel discount (or fixed fees) at which year-1 margin hits zero, given your other inputs.

Break-even panel discount: 63.0%. You're bidding at 15.0%.

You have **48.0% of headroom**; you could accept up to 63.0% before margin hits zero.

Interpretation: this is the panel discount that zeros year-1 margin under the *central* AI scenario, holding all other inputs (rate rise, cost inflation, realisation, write-off, WC) constant.

SECTION 5

Bid recommendation & next steps

Suggested next steps for the bid team:

1. Present the 3-year P&L to the finance partner and lead the bid conversation on year 3, not year 1.
2. Model the panel-managed team's utilisation floor into the leverage assumption.
3. Instrument the panel-team's AI adoption from day 1, and treat the central scenario as a plan to deliver against.
4. Negotiate a rate-rise trigger tied to CPI + 1% floor to protect year-2 and year-3.

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ALT-V LAW · PANEL TOOLKIT

Panel bid: Mid-cap corporate GC panel (invented)

Thorne Marsden LLP

FULL REPORT

Bid readiness

45 / 100

At risk

Bid only with a remediation plan. Address every Critical and High gap in the response itself.

DIMENSION	WEIGHT	POSITION
Technical capability & coverage	25%	In line
Pricing competitiveness & innovation	25%	In line
Relationship & service model	15%	Behind
Technology & AI enablement	12%	In line
Risk, compliance & conflicts	8%	Ahead
DEI & ESG	7%	Behind
Value-add & knowledge transfer	8%	Behind

Weights: Alt-V General corporate panel model

RESPONSE OUTLINE

Annotated response outline

Base guidance + conditional lines + evidence checklists

1 Executive summary

CORE

Allocate 15–20% of the response to this section. Lead with evidence.

Write this last, and make it answer the evaluator's three real questions: can they do the work, what will it cost, and is anything going to go wrong. Mirror the buyer's own evaluation language and name your two strongest scored dimensions explicitly. One page, no firm history.

Acknowledge your flagged weakness in one sentence with the remediation commitment attached; pre-empting it in the summary defuses it at moderation.

EVIDENCE CHECKLIST

- Three-question structure (capability, cost, risk)
- Buyer's criteria vocabulary used
- Two lead strengths named
- One page maximum
- No boilerplate about firm founding dates

2 Firm overview & panel fit

CORE

Allocate 15–20% of the response to this section. Lead with evidence.

Establish fit to Mid-cap corporate GC panel (invented)'s panel shape: size, sectors, and why this panel is strategically important to the firm. Buyers score hunger; a panel that matters to you gets better partners on it.

Name why you are bidding now and what the buyer gains from refreshing the panel; a challenger has to give the buyer a reason to change.

EVIDENCE CHECKLIST

- Firm facts relevant to panel scale
- Sector alignment statement
- Strategic-importance statement
- Named executive sponsor for the relationship

3 Scope coverage & team structure: Corporate / M&A, Employment & workplace, Commercial litigation & disputes

CORE Technical capability & coverage: In line

Allocate 15–20% of the response to this section. Lead with evidence.

Answer category by category for Corporate / M&A, Employment & workplace, Commercial litigation & disputes: named lead, bench depth, recent representative matters, rankings where held. Structure it as the evaluator's scoring matrix so they can transcribe rather than hunt. Never claim a category you cannot staff; on tiered panels, bid the tiers you can win.

EVIDENCE CHECKLIST

- Per-category lead partner named
- 2–3 representative matters per category (anonymised as required)
- Rankings/directories cited per category
- Leverage model (partner:associate ratio) stated
- Jurisdictional coverage map

4 Pricing proposal

CORE Pricing competitiveness & innovation: In line

Allocate 15–20% of the response to this section. Lead with evidence.

Give the structure the RFP demands, priced from cost-to-serve for this client's mix. State assumptions, a variance protocol, and the rate glide-path across the 3-year term. Certainty language ('no surprises') scores as strongly as the number itself.

EVIDENCE CHECKLIST

- Pricing in the demanded structure
- Assumptions register
- Volume-discount tiers if multi-year commitment sought (market norm 10–20%, not 30–40%)
- Glide-path over term
- Invoicing/billing-guideline compliance statement

5 Commercial innovation & AI-adjusted pricing

CORE Pricing competitiveness & innovation: In line

Allocate 15–20% of the response to this section. Lead with evidence.

Answer the AI-money question with a mechanism: which work types move to AI-inclusive fixed fees, at what discount to the historical hourly benchmark, and how the client verifies the saving. A tier structure (standard vs AI-accelerated) beats a blanket discount, for you and for their procurement narrative.

EVIDENCE CHECKLIST

- Named work types migrating to fixed/AFA
- Discount vs historical benchmark quantified
- Verification/MI mechanism for savings
- AI cost-recovery position (licence costs are overhead, not disbursements)
- Year-2 re-pricing commitment

6 Key personnel & relationship model

CORE Relationship & service model: Behind

Gap flagged: see the gap register and address it in this section, in writing.

Allocate 15–20% of the response to this section. Lead with evidence.

Name the relationship partner, the day-to-day contacts, and the escalation route, with continuity commitments in writing. Procurement scores named people and replacement protocols.

EVIDENCE CHECKLIST

- Relationship partner + deputy named
- Key-person continuity clause offered
- Escalation route (name, response time)
- Secondment offer if available
- Single-point-of-contact commitment

7 Service standards, reporting & MI

CORE Relationship & service model: Behind

Gap flagged: see the gap register and address it in this section, in writing.

Allocate 15–20% of the response to this section. Lead with evidence.

Commit to the specific MI the RFP demands (fields, frequency, format) and propose the quarterly review meeting agenda yourself. The firm that designs the reporting relationship usually keeps it.

EVIDENCE CHECKLIST

- KPI/SLA table matching the RFP's demands
- MI fields + delivery frequency
- Named MI owner
- Quarterly review cadence proposal
- Complaint/escalation SLA

8 Transition & onboarding plan

CORE Relationship & service model: Behind

Gap flagged: see the gap register and address it in this section, in writing.

Allocate 15–20% of the response to this section. Lead with evidence.

Describe the first 90 days: matter transfer, billing setup, guideline compliance, team introductions, with named owners and dates. Switching cost is the incumbent's best defence; this section is where you dismantle it.

EVIDENCE CHECKLIST

- 90-day plan with owners/dates
- Matter-transfer protocol
- OCG/billing-guideline compliance setup
- Induction sessions offered
- Transition-cost commitment (fee-free transition period is the market norm)

9 Technology & AI-enabled delivery

STANDARD Technology & AI enablement: In line

Allocate 5–10% of the response.

State what is deployed, who governs it, and one measured outcome; tool names without governance read as marketing. Cover client-data handling in AI systems explicitly; sophisticated buyers now ask whose data is in the retrieval substrate.

EVIDENCE CHECKLIST

- Deployed tools + use cases mapped to this panel's work
- AI governance policy summary
- Client-data/confidentiality treatment in AI workflows
- One quantified efficiency outcome
- Security certifications cross-reference to S9

10 Risk, compliance & information security

STANDARD Risk, compliance & conflicts: Ahead

Allocate 5–10% of the response.

This section is pass/fail before it is scored: certifications, insurance limits, breach history, business continuity. Answer flatly and completely; creativity here reads as evasion.

EVIDENCE CHECKLIST

- PI insurance limits
- Infosec certification (ISO 27001 or equivalent, or compensating controls)
- Data-breach notification protocol
- Business continuity/DR summary
- Regulatory standing confirmation
- Conflicts-check process description
- Current declarations list
- Ethical-walls protocol
- Conflicts contact named
- Position on acting adverse in unrelated matters

11 Value-add programme

STANDARD Value-add & knowledge transfer: Behind

Gap flagged: see the gap register and address it in this section, in writing.

Allocate 5–10% of the response.

Present value-add as a costed annual bank (training hours, secondment weeks, know-how access, horizon-scanning briefings) with a cash value and a named coordinator. Evaluators score what is quantified.

EVIDENCE CHECKLIST

- Itemised value-add menu with annual value
- CPD/training offer
- Secondment terms
- Know-how/portal access
- Annual relationship review inclusion

12 Win themes (annex)

Thread the selected themes below through every CORE section; a theme stated once in an annex wins nothing. Assign each theme an owner in the bid team and audit the final draft against them.

WIN THEME 1

Lead the capability story with named practitioners and rankings per requested category; depth beats breadth on scored matrices. Make the evaluator's shortlisting job effortless.

WIN THEME 2

Anchor the response on your two highest-weighted, strongest dimensions and say less everywhere else. A response that is excellent in two scored dimensions and competent elsewhere beats one that is uniformly adequate.

WHERE YOU'RE EXPOSED

Gap register

Moderate

15

Relationship & service model

Name the team, in the document, with photographs and personal commitments; anonymous 'dedicated relationship management' is scored as absent. Commit to continuity clauses (key-person replacement only with client consent) and a defined escalation route. If you can offer a secondment, cost it and put it here.

Moderate

8

Value-add & knowledge transfer

Cost your value-add and present it as a bank: hours of CPD, secondment weeks, know-how subscriptions, horizon-scanning briefings, with an annual value figure. Uncosted 'free advice whenever you need it' is read as filler.

Technical capability & coverage carries 25% of the evaluation and this RFP is watching it closely; 'in line with the market' is not a winning answer there. Find one provable point of difference before you submit.

Pricing competitiveness & innovation carries 25% of the evaluation and this RFP is watching it closely; 'in line with the market' is not a winning answer there. Find one provable point of difference before you submit.

THEMES

Win themes

Thread these through every CORE section

WIN THEME 1

Lead the capability story with named practitioners and rankings per requested category; depth beats breadth on scored matrices. Make the evaluator's shortlisting job effortless.

WIN THEME 2

Anchor the response on your two highest-weighted, strongest dimensions and say less everywhere else. A response that is excellent in two scored dimensions and competent elsewhere beats one that is uniformly adequate.

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